

# Cooperation the key to reducing pendency times

As most of the world's patent applications are filed through the Trilateral offices, it falls to them to work out how the current pendency time crisis can be solved

---

By **Shinjiro Ono**

The present crisis that the international patent system is facing with respect to protracted pendency and increasing patent application backlogs is unprecedented. Indeed, it has reached a point where it is questionable whether major patent offices will be able to maintain a substantive examination system that satisfies the requirements of applicants, especially those who seek global patent protection.

While many patent offices have experienced pendency and backlog problems, the Trilateral Patent Offices – the United States Patent and Trademark Office (USPTO), the European Patent Office (EPO) and the Japan Patent Office (JPO) – are especially affected since more than 80% of global patent applications were filed in these offices. Interestingly, though, among patent applications filed in Trilateral Offices, about 210,000 were filed at a minimum of two of the three offices, thus indicating a large number of duplicate applications. In total, duplicate patent applications represent nearly 25% of all applications these offices received (see Chart 1).

The overlap in patent applications among the Trilateral Offices clearly presents an opportunity for mutual benefit through cooperation. Recognising this, the USPTO, EPO and JPO have engaged in projects testing the feasibility of Trilateral cooperation, through the establishment of a technical and procedural framework aimed primarily at sharing prior art search and examination results. These test projects demonstrated that if an Office of First Filing (OFF) could provide search results to an

Office of Second Filing (OSF) in a timely manner, the workload of the OSF decreased while patent quality rose.

Of course, to achieve these benefits it is necessary for the OFF to conduct its search in advance of the OSF commencing examination on the corresponding application. Unfortunately, the JPO's request for examination system that allows applicants to defer patent examination for up to three years (prior to 2001, the deferral could be up to seven years) severely limited the JPO's ability to send search results on to the other patent offices in a timely manner. It was found that when the JPO was the OFF, less than 10% of direct applications (international applications using the Paris route) had received a prior art search by the JPO in time to commence an examination in the OSF. This timing issue of course poses a major stumbling block in Trilateral cooperation.

One proposed solution to the timing issue was to increase the number of Japanese applicants making use of the PCT route. By doing so, a search report with an opinion is made available to the OSF much sooner than if the application were filed directly. To this end, the JPO and Japan Intellectual Property Association (JIPA) have been taking steps to promote the use of the PCT system by Japanese applicants. Their efforts have resulted in a rise in Japanese applicants using the PCT route, in total about 30% of all Japanese applications filed internationally. However, further analysis suggests that, at most, only 50% of Japanese applicants filing internationally would ultimately make use of the PCT system. Therefore, a new approach consisting of three pillars has been developed to solve this timing issue.

**Pillar one: development of dossier access system with machine translation**

The first pillar is the development of an infrastructure used for accessing dossier information of patent applications at the JPO. A dossier access system is an online file-wrapper inspection system, use of which enables each office to obtain examination documents such as office actions issued by other offices. In this regard, the USPTO and EPO provide public web services called PAIR and Epoline file inspection, respectively. In October 2004, the JPO launched its own publicly available dossier access system called Advanced Industrial Property Network (AIPN).

The AIPN serves the same functions as PAIR and Epoline, but with one crucial difference: the AIPN also provides machine translation of all dossier documents. As the JPO employs Japanese as its official working language, it is necessary to translate contents of a file history, such as reason for rejection, into English for use by other offices. Thus, the JPO incorporated a machine translation system, already in use in the Intellectual Property Digital Library (IPDL), which provides translation of Japanese patent documents into English.

Additionally, the Trilateral offices are cooperating to improve the functionality of AIPN, such as the quality of translation, by creating and improving technology-specific dictionaries and by optimising a system of feedback usable by examiners at the EPO and the USPTO. Such efforts culminated in the launch of an upgraded version of AIPN in March 2006, which has an interface common to that of the USPTO and the EPO. With this common interface, the Trilateral offices are now able to share data with each other at an unprecedented level.

The success of the machine translation and common interface components of the JPO's new-generation dossier access system has sparked interest in its application in other patent offices. For instance, the JPO is working with the Korean Intellectual Property Office (KIPO) in developing a similar dossier access system, with a view to cooperating in mutual exploitation of search/examination results with the Trilateral offices. Further, the JPO and KIPO have begun sharing information concerning their dossier access systems with China's State Intellectual Property Office (SIPO), also with a view to the future inclusion of SIPO in a similar sharing scheme.

**Pillar two: new framework for enhancing mutual exploitation**

On 30th March 2006, the United States

Department of Commerce (DOC) and Japan's Ministry of Economy, Trade and Industry (METI) issued a joint DOC-METI Initiative for Enhanced US-Japan Cooperation on IPR Protection and Enforcement. This joint initiative includes two measures for establishing an effective mechanism to address the timing issue: (1) a Patent Prosecution Highway; and (2) a New Legal Framework.

**Patent Prosecution Highway (PPH) pilot programme**

The USPTO and JPO jointly announced the PPH pilot programme at the 22nd to 24th May 2006 Trilateral technical meeting held in Japan. The PPH pilot programme began on 3rd July 2006 and will last for a period of one year. The PPH pilot programme permits an applicant whose claims are determined to be allowable/patentable in the OFF to have the corresponding application advanced ahead of other applications in the OSF, while at the same time allowing the OSF to exploit the search and examination results of the OFF. This scheme also provides Japanese applicants with an added incentive to file a request for examination earlier, because the accelerated examinations will only require a statement of correspondence of claims and not a detailed discussion of how claimed subject matter is patentable over references, as is currently required (see Chart 2).

**Establishing a new legal framework**

There have been two proposals put forward addressing the establishment of a new legal framework that would take international cooperation well beyond the PPH; one by the USPTO and one by the JPO. While the USPTO proposal is still early in its development, the JPO proposal presents a detailed and significant new route to file patent applications internationally.

The proposed New Route for applications filed abroad is an innovative framework within which the search and examination results of the OFF are transmitted to the OSF in accordance with an internationally coordinated timeframe. Under this new framework, complete mutual exploitation of an application will be achievable.

Following are the basic concepts of the New Route:

- An application filed with the OFF through the New Route is deemed to have been filed with the OSF on the filing date in the OFF. A New Route application filed with the OFF has the same status as a regular domestic

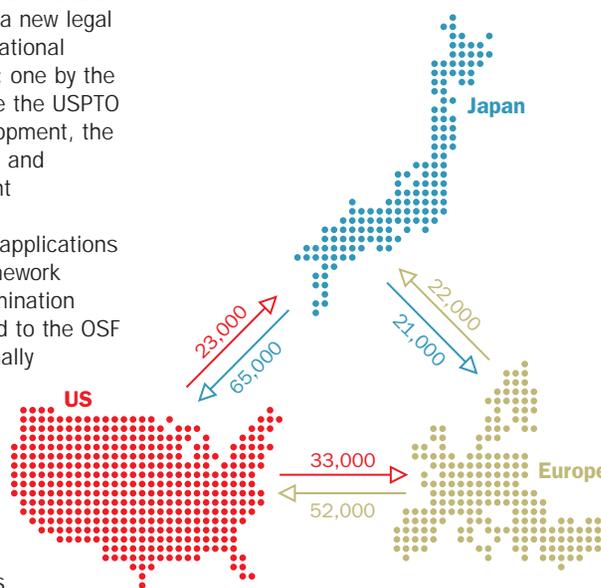
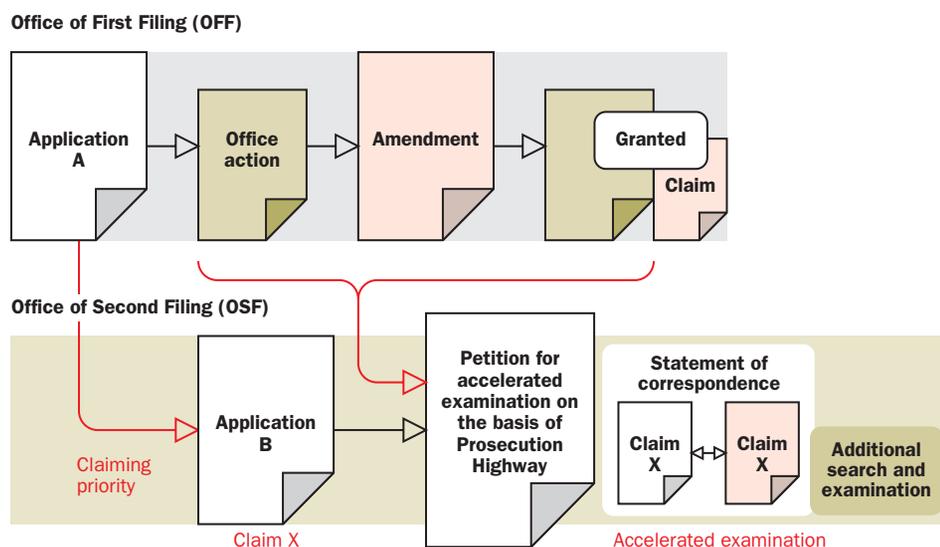


Chart 1: Patent applications in Trilateral offices

Chart 2: Patent Prosecution Highway (PPH) flowchart



application in the OSF (one application).

- Once a New Route application is filed, the national/regional search and examination by OFF is conducted as the first step. No redundancy exists for the international phase examination and the national/regional phase examination (unlike the PCT, the New Route does not distinguish between the international phase and the national/regional phase).
- The time limit for an applicant to submit a translation is 30 months from the filing date/priority date. Further, the search and examination result made by the OFF is issued well in advance of the 30-month deadline, so that the applicant can fully examine the necessity of continuing/discontinuing prosecution in the OSF (30-month moratorium).

The New Route is designed to be a multilateral framework established by an agreement among a number of countries and is intended to complement currently available filing routes. It can be said that this New Route is a combination of the best parts of both the Paris route and the PCT route. The Trilateral offices, especially the USPTO and the JPO, will consult with their users and consider the proposal further in the light of such consultations.

#### Pillar three: harmonisation of patent laws and practices

Harmonisation of substantive patent law and practices stands as an urgent goal if there will be full mutual exploitation of search and

examination results among the various patent offices. For instance, the Examiner Exchange Programme is already underway and is of prime importance in attaining harmonisation of patent office practices, and developing mutual confidence in examination results provided by other offices. Further efforts at tackling harmonisation of substantive patent law have taken place under the auspices of WIPO. In an effort to address the inconsistencies in substantive patent law in the international arena, the US and Japan, on behalf of WIPO's B-Group, submitted a Reduced Package proposal to the Standing Committee on Patent Law and the General Assembly in 2004. The Reduced Package proposal is focused on harmonising four key areas of substantive patent law: (1) prior art; (2) grace period; (3) novelty; and (4) non-obviousness/inventive step. Unfortunately, the proposal has stalled at WIPO and no consensus has yet been reached on harmonisation based on the Reduced Package.

No patent office alone can cope with this crisis and only international cooperation among patent offices with respect to rational work sharing will be able to solve the problem. Coupled with the currently stalled negotiation at WIPO and the increasing difficulty in obtaining a consensus with developing nations regarding patent law reforms, it is imperative that the USPTO, JPO and EPO lead the way in developing a multilateral approach to the pending patent office crisis. These three patent offices are in the best position to take the initiative to explore and pursue ambitious solutions with the guidance and support of the majority of users of the patent systems in each of these countries. ■

*Shinjiro Ono is a patent attorney and a partner of Yuasa and Hara, Tokyo. He is a former Deputy Commissioner of the Japan Patent Office*