INTERNATIONAL SEARCH AND EXAMINATION:
Strategies for Controlling Costs and Taking Informed Business Decisions

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UNIFORM OBJECTIVE OF BUSINESSES WORLD-WIDE

- CREATE VALUABLE IPRs
- PRESERVE OPTIONS
- CONTROL COSTS
- MAKE INFORMED BUSINESS DECISIONS
**PCT - THE ORIGINAL VISION for creating valuable IPRs**

- **Goal** - To make it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application.

- PCT Concluded on June 19, 1970
- First Filing on June 18, 1978
- Growth Steadily through 1985
- Growth Exponentially since 1990
THE BENEFITS OF PCT FILINGS

- ONLY ONE APPLICATION NEED BE FILED
- FILED IN ONE LANGUAGE (of the Receiving Office)
- FILED IN ONE OFFICE
- DELAYS NATIONAL PROCESSING
- OPPORTUNITY TO AMEND SPEC AND CLAIMS
- SEARCH, PUBLICATION AND, OPTIONALLY, EXAMINATION
- CAN CLAIM PRIORITY FROM EARLIER APPLICATION(S)
  - Paris Convention Priority
  - Utility or Provisional Application
WHAT DO YOU HAVE AS A RESULT OF THE INTERNATIONAL STAGE?

- An International Application with Specification, Drawings and Claims
- An Early Effective Filing Date
- A Search of Prior Art (ISR)
- An Examination and Opinion on Patentability (IPER / IPRP)
  - A CHANCE TO COMMENT IN Chapter I
  - A CHANCE TO ARGUE IF Chapter II
- Amended Claims (Articles 19 & 34)
- EASY ENTRY INTO THE NATIONAL PHASE
**PRESERVING OPTIONS:**

**Delay**

**DELAY OF 20-30 MONTHS FOR NATIONAL FILING:**

- Delays filing fees
- Delays translation costs
- Delays national attorney costs
- Delays election of countries

Based on current evaluation of:

- Costs
- Business value
- Law and procedures
CONTROLLING COSTS: Deferral of National Filing

FILE ONE DOMESTIC PROVISIONAL OR UTILITY APPL. (PRIORITY DATE)

FILE ONE PCT APPLICATION

CHAPTER II DEMAND

CHAPTER I Or CHAPTER II NATIONAL APPS.

12 mo.

7 mo.

11/12 mo.

18/19 mo.

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INFORMED BUSINESS DECISIONS: ISR AND IPER

ISR – Search by Competent Examiner for Prior Art Relevant to Patentability

IPER – Opinion by Competent Examiner on Patentability

DECIDE:
- WHETHER TO GO FORWARD?
- WHERE TO FILE?
- WHEN TO FILE?
Benefits of PCT Filing:
HIGH QUALITY SEARCH AND EXAMINATION

- U.S. or EPO SEARCH AND EXAMINATION USUALLY IS HIGH QUALITY AND BASED ON EXTENSIVE SEARCH FACILITIES AND DATA BASES

- OFTEN, THE SAME EXAMINER REVIEWS THE APPLICATION IN THE NATIONAL STAGE, THEREBY FACILITATING ACCELERATED AND FAVORABLE REVIEW

- EXAMINATION BY NON-SEARCHING OFFICE MAY ENHANCE THE QUALITY OF THE SEARCH.
  - But note that EPO will not act as ISA or IPEA for applications directed to Certain Technologies, e.g., Business Methods
WHAT WAS THE DOWNSIDE?

EARLY DESIGNATION –
- At The Time Of Filing, MUST Designate ALL States Then Desired

NON-EXTENDABLE DEADLINES

HIGH COST
- Fees for Each Designated Country Up To A Maximum
- Fee for Chapter II to get examination and full 30/31 month delay
- Attorney Expenses of handling forms, docketing and notices

UNFAMILIAR AND COMPLEX PROCEDURES AND RULES
IMPETUS FOR MAJOR CURRENT DEVELOPMENTS

BACKGROUND

- **DELAY** - Many PCT Applicants used Chapter II for delay and not examination
- **INEFFICIENCY** - Examination (Written Opinion) was Ignored
- **COST** – Cost of Chapters I and II was excessive
  - Fewer than maximum selected
  - Delay cost too much
MAJOR IMPLEMENTED DEVELOPMENTS

- PCT Article 22 Was Amended to Provide 30/31 MONTHS CHAPTER I
- All Countries Automatically Designated
- Flat International Filing Fee
- Discount for Electronic Filing
- EISPE Procedure
  - Search AND Limited Examination with report (IPRP) in Chapter I @ 16 months
  - Opportunity for Applicant Comments
Features of the EISPE System:

- **Chapter I and Chapter II procedures:**
  - Chapters I and II - merged but remain legally distinct
  - Chapter I - **no demand** for IPE filed
    - **no dialogue** with ISA Examiner
    - **no amendment** before IPRP issued
  - Chapter II (demand for IPE is filed): dialogue with IPEA examiner before establishment of IPRP (IPER)

- For **every** application - an ISR plus ISA written opinion

- For **every** application - an international preliminary report on patentability (IPRP):
  - Chapter I: IPRP = repackaged ISA opinion
  - Chapter II: IPRP = IPER
The PCT System
(for applications filed on or after January 1, 2004)

Chapter I

- 0 months: File local application
- 12 months: File PCT application
- 16 months: International publication
- 18 months: International search report and written opinion of the ISA
- 19 months (22 months): File demand or*

Chapter II

- 20 months: International preliminary examination**
- 30 months: Enter national phase

* or
** IPRP (Chapter I)
** IPRP (Chapter II)

Enter national phase
What Valuable Output For the Applicant from the EISPE?

- **CHAPTER I – if application not withdrawn**
  - ISR
  - ISA examiner detailed written opinion (IPRP-I)
    - Same scope and content as today’s first written opinion by IPEA

- **CHAPTER II – if applicant requests IPE:**
  - IPRP-I becomes first written opinion (WO-1) by IPEA
  - 2nd written opinion in exceptional cases
  - IPRP-II issued
Search and Examination Reports:
Value in CONTROLLING COSTS!
CONTROLLING COSTS

- Early Evaluation of Invention
  - Evaluation of prior art in ISR permits decision of whether to enter Chapter II
  - Early decisions on scope of patent protection avoids wasted expenses
  - Evaluation of ISR and IPRP permits a knowledgeable choice of candidates for National Stage
  - Proper orchestration of IPE process creates a valuable record for successful National Stage entry

- Reallocating Resources
  - Know when to Hold’em and when to Fold’em (Kenny Rogers)
  - Permits resources to be applied to new filings
Search and Examination Reports: Value for INFORMED BUSINESS DECISIONS!
**BUSINESS VALUE:**
*The Ultimate Basis for Filing*

- **Protection of Market Share and Margins**
  - Establish Barriers to Competition Abroad
  - Prevent Copying by Off Shore Sources (even your own suppliers and their affiliates)
  - Prevent Intrusion into Your Foreign Markets

- **Licensing**
  - Provide a Basis for Supplemental Income
  - Provide a Basis for Price Differential
  - Provide a Legal Basis for Strategic Alliances
BUSINESS VALUE: The Ultimate Basis for Filing

- **Asset Acquisition**
  - Provide Value for Sale, Merger, Acquisition and Joint Venture Opportunities

- **Defensive Strategies**
  - Accumulate Patents for Cross Licensing of Key or Parallel Technologies
  - Prevent Patenting of Key Basic and Improvement Technology
  - Create Prior Art (filing and publication)
BUSINESS VALUE: The Ultimate Basis for Enforcement

- Establish a Reputation as an Enforcer
  - Value Re: Competitors and Customers
  - Often, Patents are licensed

- Block Future Copying and Competing Alternates
  - Enjoin Infringement of Patents Covering Current, Future and Alternative Designs

- Provide A Basis for a Strategic Relationship
  - Settlement May Lead to a Structured Business Relationship with Competitor, Supplier or Customer
  - Settlement May Lead to Cross Licensing
SUGGESTIONS
FOR PCT APPLICANTS

ALWAYS REVIEW THE ISR WHEN ISSUED, INCLUDING THE CITED ART, AND DECIDE BASED ON COST AND BUSINESS CONSIDERATIONS:

- HAS IMPORTANCE OF CLAIMED INVENTION CHANGED?
- HAS RELEVANT TECHNOLOGY CHANGED?
- SHOULD APPLICANT FILE AMENDED CLAIMS?
- SHOULD APPLICANT SEEK CHAPTER II PROCESSING TO OBTAIN FAVORABLE IPRP?
- SHOULD APPLICANT ENTER THE NATIONAL STAGE IN CERTAIN COUNTRIES AT THIS TIME?
- SHOULD THE APPLICATION BE ABANDONED?
SUGGESTIONS
FOR PCT APPLICANTS

ALWAYS REVIEW THE IPRP WHEN ISSUED, INCLUDING THE CITED ART, AMENDED CLAIMS AND EXAMINER COMMENTS, AND DECIDE BASED ON COST AND BUSINESS CONSIDERATIONS:

- HAS IMPORTANCE OF CLAIMED INVENTION CHANGED?
- HAS RELEVANT TECHNOLOGY CHANGED?
- SHOULD APPLICANT ENTER THE NATIONAL STAGE IN CERTAIN COUNTRIES AT THIS TIME?
- SHOULD THE APPLICATION BE ABANDONED?
Thank You!

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