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New Roads To Patent Allowance

Law360, New York (June 11, 2009) -- Speedy allowance of a quality patent is the ultimate goal of every patent prosecutor. Unfortunately, this goal has become increasingly difficult to achieve, especially in light of U.S. Patent and Trademark Office backlogs and a significant decrease in allowance rates.

Recognizing these problems, the USPTO has implemented several programs aimed to speed up prosecution while improving patent quality. In this article, we review two relatively new programs implemented at the USPTO created to fast-track patent examination in order to reduce examination workload and improve patent quality.

Leveraging Global Worksharing: Patent Prosecution Highway Programs

Filing patent applications globally can be a source of significant costs and burdens. Recent agreements between the USPTO and other major patent offices, called Patent Prosecution Highway (PPH) programs, allow applicants who file internationally to save time and money as well as enhance quality.

Results from more than two years experience with the PPH program between the U.S. and Japan have shown that patent applications receive fewer office actions, take substantially less time to receive patentability decisions and have more than double the allowance rates in the United States — 94 percent.

In addition to permanent programs in place with Japan and Korea, the U.S. currently has PPH pilot programs in place with Australia, Canada, Denmark, the European Patent Office, Germany, Singapore and the United Kingdom.

The acceleration of examination can be dramatic. The average time to a first office action in the U.S. is 26.2 months and exceeds 48 months in some areas. The average time to a first action in a PPH case in the U.S. is 3 months. The time savings in Japan are equally impressive. The average time to a first action in Japan is 26 months for regular cases and 2-3 months for PPH program applications coming from the U.S.

In addition to receiving a much earlier first action, the applicant benefits from a quicker and more compact prosecution. The average number of actions per disposal in regular cases at the USPTO is 2.9. The average number of actions per disposal in a PPH program application is 1.7. That represents a more than 40 percent reduction in office actions. In addition, first action allowances are two to three times more likely in a PPH program application.

Allowance rates are also significantly higher for applications that are prosecuted through PPH programs. For PPH applications coming from Japan to the U.S., the allowance rate was more than double — 94 percent compared to 44.2 percent for all applications. The allowance rate in PPH applications from Japan to the US was also significantly higher — 65 percent compared to 49 percent for all applications.

The requirements to participate in a PPH program are relatively straightforward. Specifically, an applicant must have received at least one allowable claim in another participating office. The applicant must amend the claims in a related application in the second office to sufficiently correspond to what was allowed in the first office.

However, an applicant may still pursue other avenues to get broader or different claims, for example, by filing a continuation application. On average, there has been about a 22 percent reduction of claims in PPH applications coming from Japan to the U.S.

The request for accelerating the examination must be properly submitted electronically before examination of the related application in the second office has begun.

For applications coming to the United States as the second office, the applicant must submit the following in English: the allowed claims from the first office, a table showing how the claims correspond, the relevant office actions from the first office, and an information disclosure statement listing the documents cited by the examiner in the first office.

The applicant is not required to submit the additional materials required under the Accelerated Examination Program discussed below. Therefore, the additional concerns of prosecution history estoppel and inequitable conduct do not arise in the PPH programs.

Of course, the same requirements regarding duty of candor and good faith that apply in regular applications also apply in cases filed under the PPH programs.

PPH is now available between the U.S. and the following patent offices: Australia, Canada, Denmark, Europe, Japan, Germany, Korea, Singapore, United Kingdom and the USA. With this expanding scope of participating countries, there are new opportunities to consider where examination should be initiated first.

For example, some countries may have a low pendency rate and favorable allowance rate, making them a good choice for launching early examination. An early allowance thus can be leveraged by the PPH in the other participating countries.

It is even possible that strategies could be developed where initial examination would be selected to optimize use of the PPH in a country other than the home country where the invention arose, provided an initial filing is made in the home country to secure any necessary foreign filing license.

The PPH programs are relatively new, but they present true strategic opportunities for applicants who are filing internationally. The experience with nearly 1000 applications filed in the PPH programs is that applicants receive fewer office actions and have more applications approved in less time.

Leveraging The U.S. Accelerated Examination Program

The USPTO has implemented an “Accelerated Examination” program that presents another opportunity for compact prosecution and swift allowance. Under this program, the USPTO will examine an application and reach a final disposition within 12 months of the U.S. filing date.

The advantage of filing under the Accelerated Examination program is clearly the speed of prosecution. The main disadvantage to this program is that applicants must file a separate set of documents which, among other things, requires strict disclosure and analysis of all relevant art.

Many inventors are reluctant to use the program due the possible risk of creating prosecution history estoppel (disclaiming what is in the prior art) and inequitable conduct (failure to disclose relevant art).

However, there is mounting evidence that, provided these risks are managed through careful attention to searching and characterization of the closest identified prior art, the program can provide a speedy prosecution pathway in the U.S.

For cases where infringement is already occurring, the benefit of a quick patent may provide a countervailing consideration sufficient to outweigh the risks mentioned above.

Participation in the Accelerated Examination program requires that applicants provide greater information up front, when the application is filed.

Specifically, applicants must provide a pre-examination search in addition to an “accelerated examination support document.” The application must be filed using the electronic filing system, and can contain only a limited number of claims.

As of January 2009, 578 applications were allowed under this program, with an average of 194 days to complete prosecution. In one particular case it took only 18 days to complete prosecution.

Furthermore, in 2008 there was a 69.7 percent allowance rate under this program. This is in stark contrast to the 44 percent allowance rate for patents undergoing conventional examination. Applicants who commented on the program were satisfied not only with the speed, but the quality of review.

Filing an Accelerated Examination application may be particularly important with regard to biotech or business methods patents, because under the conventional system, these patents may wait four or more years before even receiving a first office action.

Additionally, Accelerated Examination may be appropriate if the applicant has a well defined and narrowly tailored product that faces imminent infringement by competitors. Accelerated Examination also may be appropriate if the applicant wishes to provoke an interference or force the USPTO to determine that the two inventions are dissimilar.

Conclusion

In conclusion, these two programs represent a real shift in USPTO policy. Specifically, both programs aim to significantly speed up prosecution while maintaining high quality patents. Currently, both programs are characterized by increased allowance rates, and compact prosecution times.

These programs are relatively new, and many applicants are just learning of their existence. Case law regarding patents allowed under these programs is just now beginning to emerge.

It is clear, however, that once more applicants understand the programs and balance the benefits and the risks, both programs may become more appealing for a larger number of inventions.

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