

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

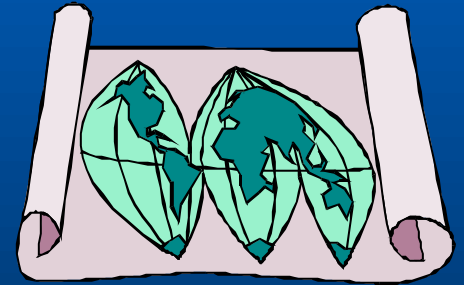
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Specifications
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UNIFORM OBJECTIVE OF BUSINESSES WORLD-WIDE

- **CREATE VALUABLE IPRs**
- **PRESERVE OPTIONS**
- **CONTROL COSTS**
- **MAKE INFORMED BUSINESS DECISIONS**



PCT - THE ORIGINAL VISION for creating valuable IPRs

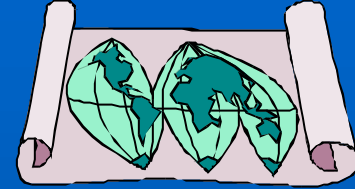
- ***Goal - To make it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application.***
- ***PCT Concluded on June 19, 1970***
- ***First Filing on June 18, 1978***
- ***Growth Steadily through 1985***
- ***Growth 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?



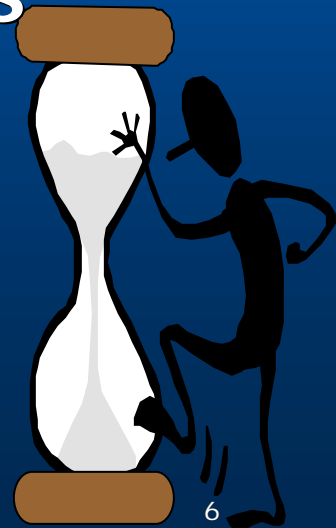
- An International Application with Specification, Drawings and Claims
- An Early Effective Filing Date
- A Search of Prior Art (ISR)
- An Examination and Opinion on Patentability (IPER / IPRP)
 - A CHANCE TO COMMENT IN Chapter I
 - A CHANCE TO ARGUE IF Chapter II
- Amended Claims (Articles 19 & 34)
- 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 and
LAW AND PROCEDURES



CONTROLLING COSTS: Deferral of National Filing

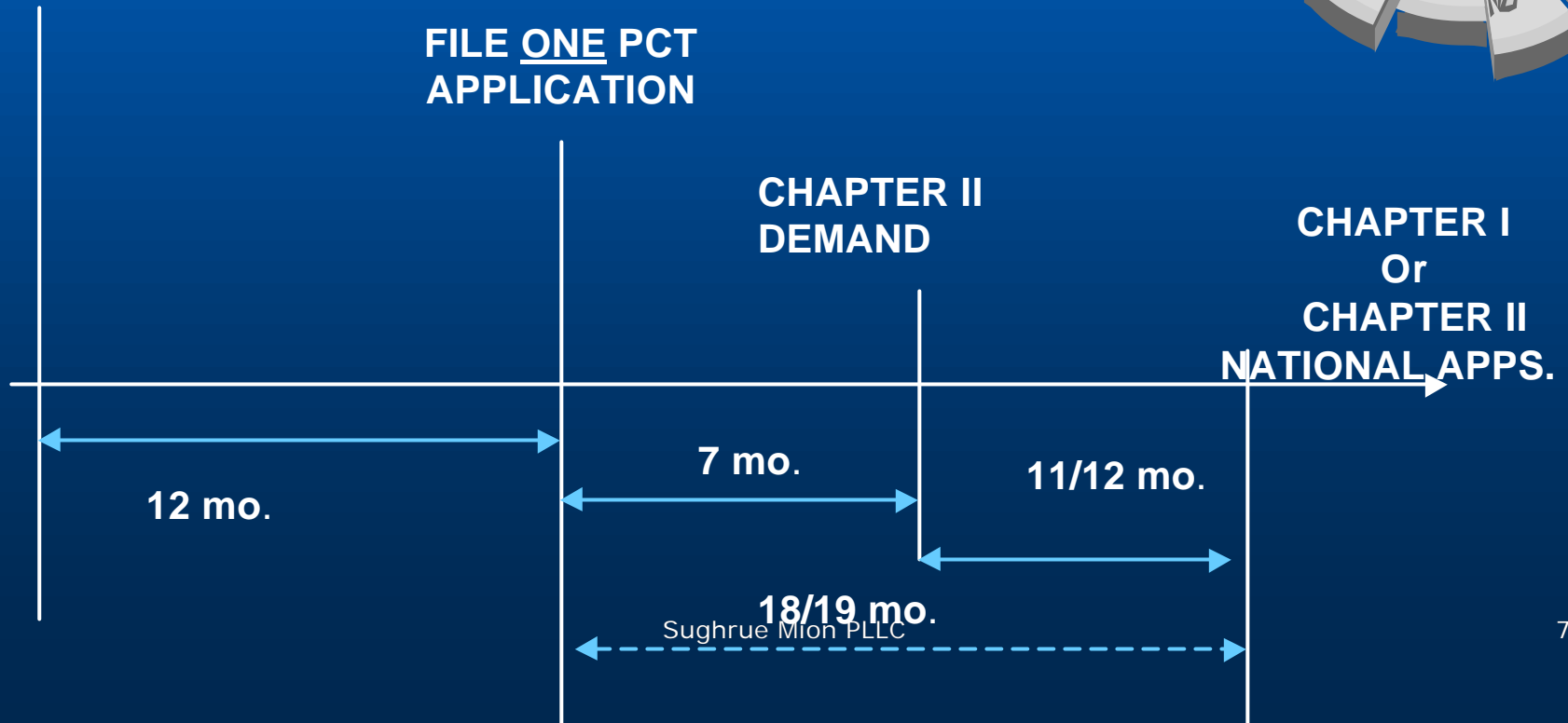


FILE ONE DOMESTIC
PROVISIONAL
OR UTILITY APPL.
(PRIORITY DATE)

FILE ONE PCT
APPLICATION

CHAPTER II
DEMAND

CHAPTER I
Or
CHAPTER II
NATIONAL APPS.



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

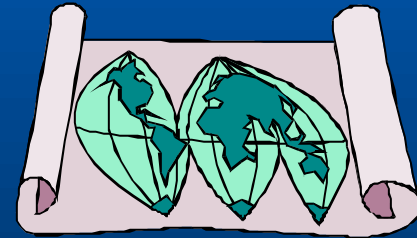
■ **BACKGROUND**

- **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

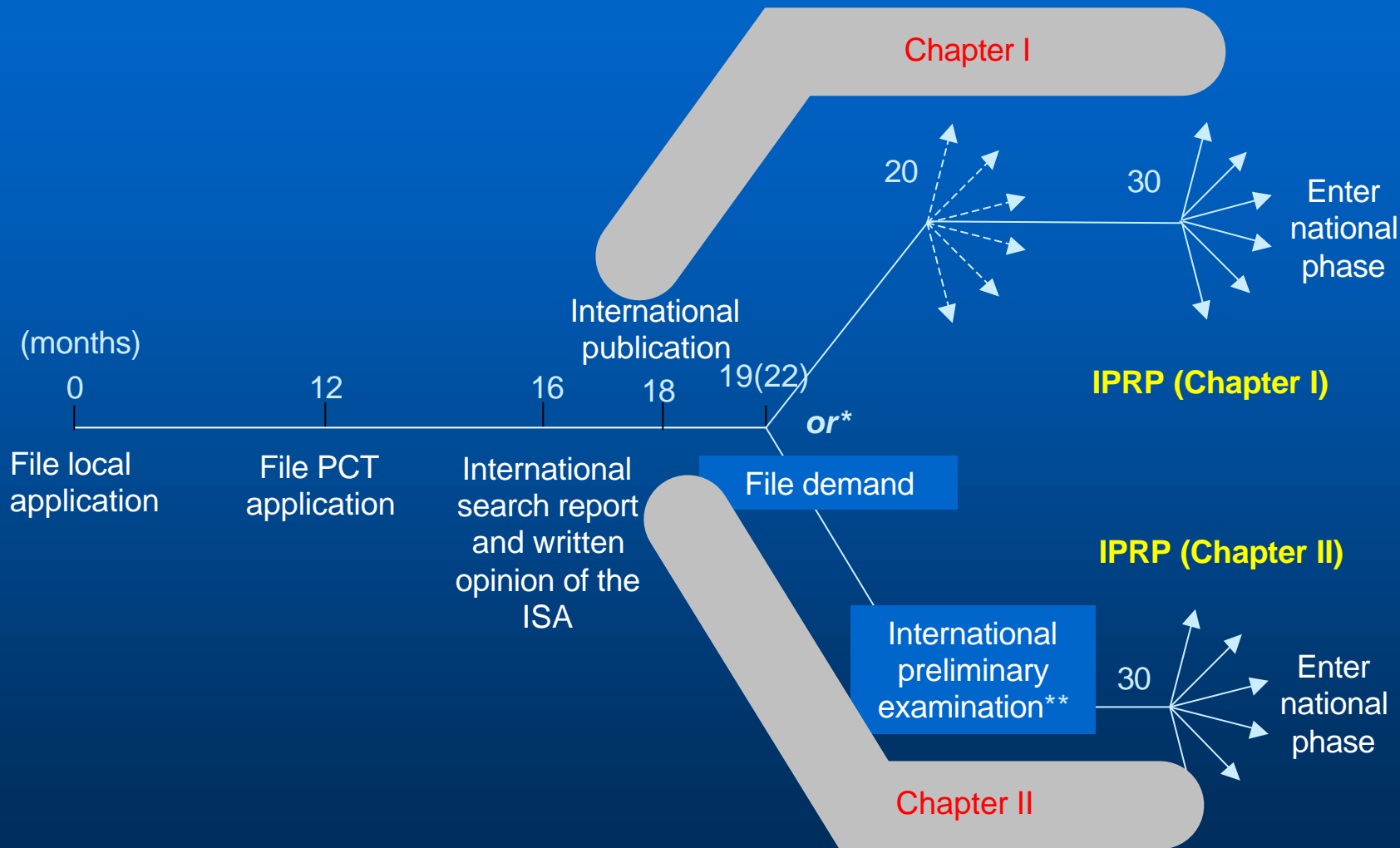


Features of the EISPE System:

- 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)



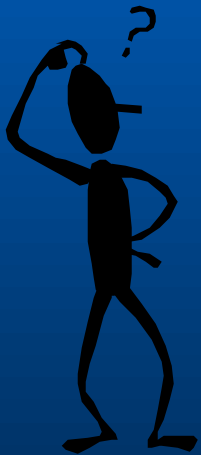
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What Valuable Output For the Applicant from the EISPE?

- **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!



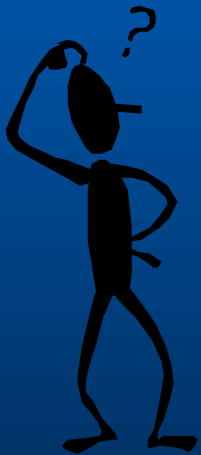
CONTROLLING COSTS

- **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:

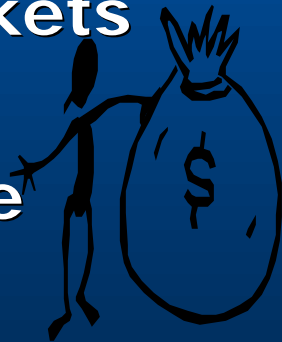
**Value for INFORMED BUSINESS
DECISIONS!**



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

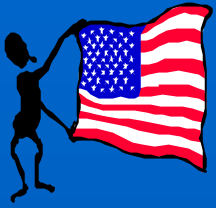
■ **Defensive Strategies**

- 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



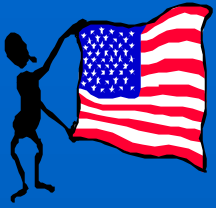
- **Establish a Reputation as an Enforcer**
 - Value Re: Competitors and Customers
 - Often, Patents are licensed
- **Block Future Copying and Competing Alternates**
 - Enjoin Infringement of Patents Covering Current, Future and Alternative Designs
- **Provide A Basis for a Strategic Relationship**
 - 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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