



# Trilateral Public Users Conference

November 8, 2007 (Washington, DC)

## “Quality Patent Examination and Prosecution”

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*President*

**Intellectual Property Owners Association (IPO)**



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Prepared by IPO, Nov. 2007  
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# Intellectual Property Owners Association (IPO)

- Trade association of **more than 200 companies, with more than 10,000 individuals involved**, from companies, law firms, and individual members. Established in 1972.
- Represents interests of IP owners from all major industries.
- Advocates greater legal certainty and more effective and affordable IP rights in the U.S. and abroad.
- Members file approximately 30% of the patent applications filed at USPTO by U.S. nationals.
- Monitors the courts, and especially the Federal Circuit, and submit *amicus* briefs (2 or 3 year) on significant IP issues.
- Provides education and CLE on basic and leading edge IP issues.
- Engages with foreign IP owners and associations to discuss cross-border IP management issues.



# IPO Supports Objectives of Trilateral Office Cooperation

- **Enhancing Work-Sharing:** Mutual utilization of patent examination results.
- **Realizing Harmonization through trilateral cooperation:** Addressing issues of both form and substance (e.g., one format for applications; one timely search).
- **Improving patent quality.**

# **IPO believes that patent owners and other patent system users need:**

- I. High-quality issued patents;**
- II. Early determination of rights; and**
- III. Cost-effective determination of rights.**

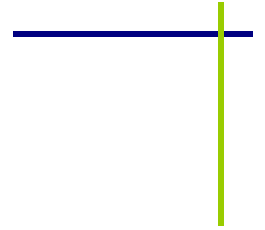
*Essential to achieving the above is quality patent examination and prosecution.*

# How do you define and achieve quality patent examination and prosecution?

- **Views here based primarily on perceptions of U.S. system.**
- **Assumptions:**
  - European and Japanese systems differ from U.S. but all systems need high quality.
  - Patent quality is important for all patent system users.
  - Patent quality from one office can affect your rights globally.

# Users of Global Patent Systems:

- 1) Patent applicants and owners;
- 2) Manufacturers that want to introduce new products or services without the fear of lawsuits; and
- 3) Organizations and individuals that want to conduct research in areas unencumbered by patent rights of others.



# Patent Cost, Patent Quality:

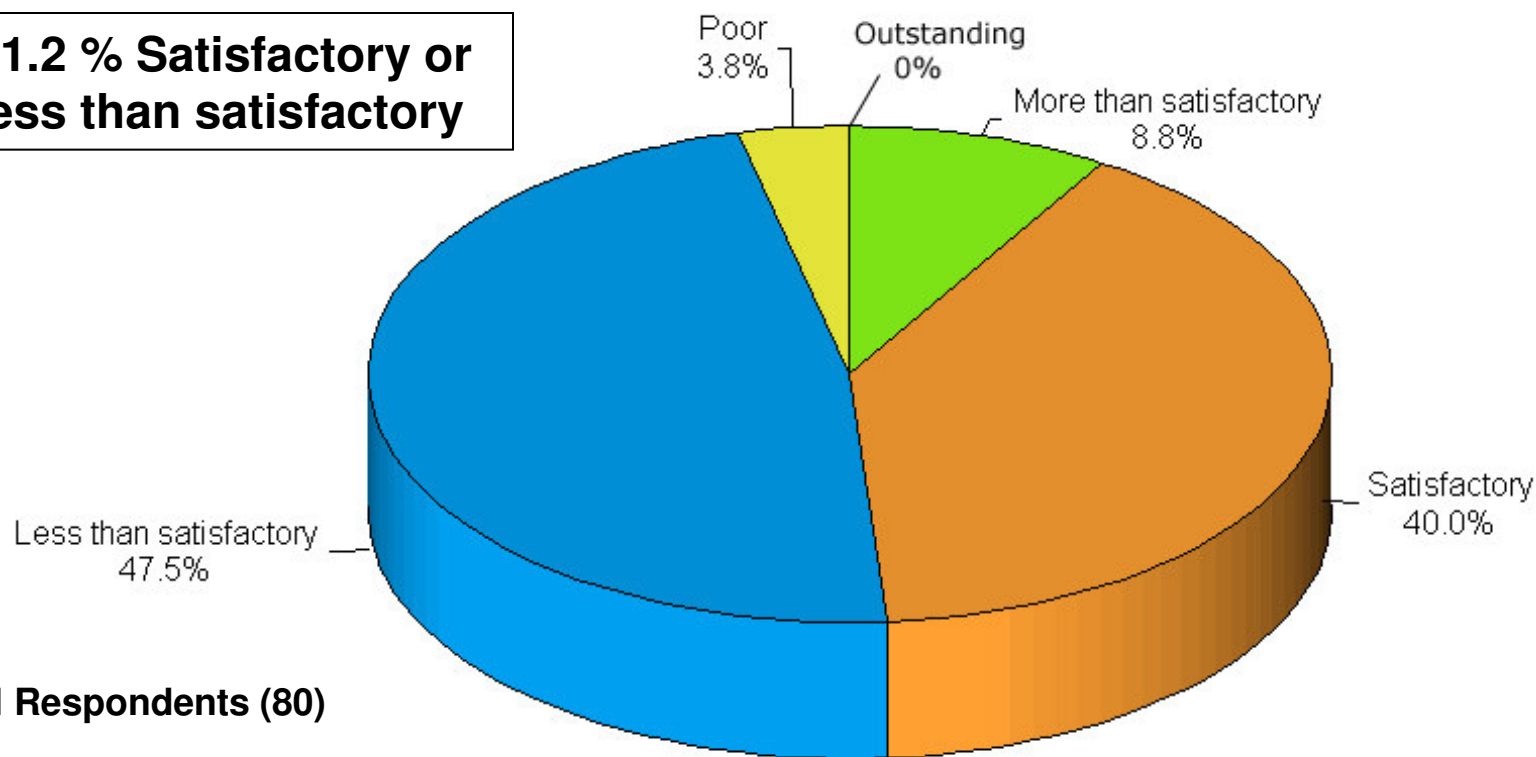
## Perceptions from Owners



# Perceptions: Quality of Issued Patents

**QUESTION: How do you rate the quality of patents being issued in the U.S. today in your industry or field of technology?**

**91.2 % Satisfactory or less than satisfactory**



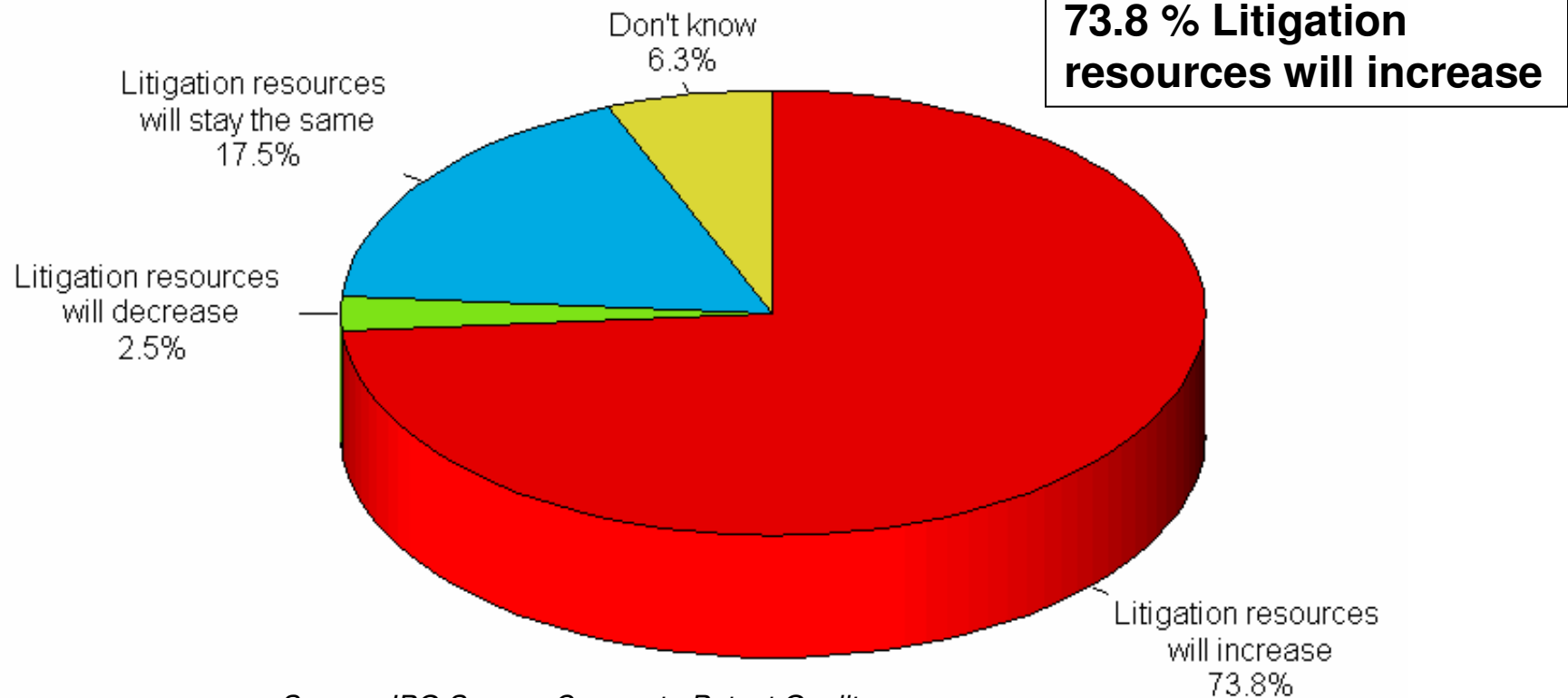
**All Respondents (80)**

Source: IPO Survey: Corporate Patent Quality Perceptions in the U.S., Sept. 20, 2005

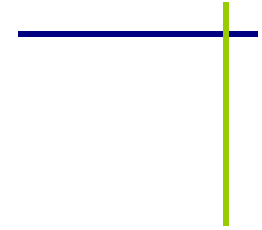


# Perceptions: Patent Litigation Resources

**QUESTION:** Over the next 3 years, do you expect the resources your company spends on patent litigation to increase, decrease, or remain the same?



Source: IPO Survey: Corporate Patent Quality Perceptions in the U.S., Sept. 20, 2005



# Quality Examination, Quality Prosecution:

## Keys to Quality from the Corporate Perspective



# From the corporate perspective, what makes a quality patent?

- **Recommendations on Process** – What is needed to ensure a high-quality patent that will hold up in the marketplace:
  - Actions needed by Patent Applicant and Owners
  - Actions need by Patent Offices
- **Measuring High-Quality Patents**
  - What criteria should be used to measure high-quality examination that produces high-quality issued patents?

# Process Goals (for Applicants and Office)

**Patent Quality**  
From the Corporate Perspective

- **Quality patent examination and prosecution should:**
  - Provide applicant with the opportunity to zealously pursue the broadest protection for the invention;
  - Develop a record that provides a complete public teaching to advance innovation; and
  - Ensure high-quality (valid) patents.
- **Applicants must take responsibility for quality patent preparation and prosecution and not rely solely on examiner.**

# How do corporate filers measure quality?

**Patent Quality**  
From the Corporate Perspective

## **For corporate filers, quality patent prosecution must:**

- Provide maximum scope of protection at lowest cost.
- Be consistent with global business strategy and related patents and applications worldwide.
- Result in valid and enforceable claims that provide clear notice to others.
- Guarantee that the best prior art is fully considered by the examiner.

## **Requires strategic thinking -- Applicant must:**

- define business objectives before drafting and prosecuting application.
- support business IP strategy and patent portfolio development with the application.
- focus from start of prosecution on precisely what is the invention.

# What actions should corporate filers take to ensure quality examination?

## Start with a Quality Search

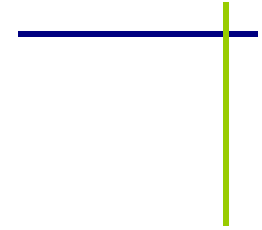
- Corporate filers should conduct a pre-filing search citing the most relevant art to the examiner. Applicants should avoid flooding the examiner with cumulative prior art references.
- Office should fully evaluate this and any other prior art brought to its attention to build a reliable and complete record of examination.

## End with Quality Claims

- Corporate filers will measure the quality of granted claims based on claims that:
  - clearly and thoroughly protect all aspects of invention embodied in newly commercialized product or process and defend strategic goals.
  - recite the uses of invention in all appropriate streams of commerce.

## (cont.) What actions should corporate filers take to ensure quality examination?

- **Well-written specification:** submit a specification that provides adequate public notice and defines the invention clearly and concisely.
- **Robust Dialogue with Examiners:** engage examiners early and work cooperatively.



# Quality Examination, Quality Prosecution:

## Actions by Patent Offices to Achieve High Quality Patents





# Patent offices will grant high-quality patents if they:

**Patent Quality**  
Actions By Patent Offices

- **Insure an independent search and examination**
  - Do not depend solely on applicant's search or analysis
  - Share results with other patent offices in real time
- **Provide incentives for quality**
  - Shift examiner incentives toward quality and away from goals based purely on production
  - Encourage pre- and post-first action interviews between examiners and applicants
- **Apply improved quality metrics**
- **Rely on meaningful measures that can improve the end result. Share measures with other offices and the public**
- **Develop resources to manage new technologies**
- **Train examiners in new technologies with the aid of private industry**

# Patent Offices should also work to provide early determination of rights to lessen uncertainty.

**Patent Quality**  
From the Corporate Perspective

- **Work Sharing:** Reduce patent office workloads through mutual utilization of patent examination search results to speed examination.
- **18 Months:** IPO supports the goal of granting or denying patents within 18 months after filing.
- **Deferred Exam:** IPO opposes deferred examination models; Generally they:
  - Institutionalize uncertainty over patent claims
  - Favor the interests of applicants who wish to delay over the interests of manufacturers and the public
  - Make litigation more likely
  - Discourage pre-filing patent searches by applicants
  - Result in a loss of fee income for patent offices

# How should offices measure quality?

## Possible Internal measures:

- Examiner goals (regularly reviewed and updated)
- Completeness of public record
- Technology-specific pendency

## Outside measures:

- Claims that hold up in appeals, oppositions and litigation
- Evaluation by independent advisory bodies made up of users

# IPO is Developing Criteria for Measuring Quality

**Patent Quality**  
Measuring Quality Examination  
and Prosecution

- **IPO Task Force assembled**
- **Information Being Collected from Corporations**
- **Report due by Mid-2008**



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Prepared by IPO, Nov. 2007  
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