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QUALITY AND THE PATENT PROSECUTION HIGHWAY

Trilateral User Day
Report of the Industry Trilateral

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POTENTIAL ADVANTAGES TO APPLICANTS

❖ <u>Speed</u>

  ❖ Accelerated Prosecution of Qualified Applications in Second Offices

    ❖ Avoidance of Backlog Delays
    ❖ Early Review of Time-Sensitive Inventions Supports -

      ❖ Immediate Product Introduction
      ❖ Protection of Products with Short Lifetime
      ❖ Investment of Required Venture Capital

❖ <u>Strategy</u>

  ❖ Permits (1) Rapid Grant of Patent in OSF/OLE with Claims Allowed in OFF/OEE <u>and</u> (2) Filing of Continuations for Broader or Different Class Claims
  ❖ Permits Consistent Patent Protection World-Wide
  ❖ May Avoid Prosecution Estoppels

POTENTIAL ADVANTAGES TO APPLICANTS

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❖ <u>Cost</u>
  ❖ Reduced Cost of Second Office Prosecution
    ❖ Attorney fees and Internal Administrative Costs
    ❖ Government Fees
  ❖ AIPLA Economic Survey and USPTO statistics show Savings of $3,000-$15,000 per application

❖ <u>**Quality**</u>
  ❖ Enhanced **Quality** of Second Office Work Product
    ❖ Search at OSF/OSE/DO is Based on Access to OFF/OEE/ISA Search Results and Search Strategy
    ❖ Examination at OSF/OSE/DO has Benefit of Analysis and Argument in OFF/OEE/ISA
    ❖ OSF/OSE/DO Applies Local Law and Requirements for Patentability

POTENTIAL ADVANTAGES TO OFFICES

❖ <u>Higher Efficiency</u>

  ❖ Access to Search and Examination Details of OFF/OEE/ISA Ensures a More Efficient and Accurate Process in OSF/OSE/DO

❖ <u>Reduced Backlogs</u>

  ❖ Demonstrated Shorter Examination Process Makes Resources Available

❖ <u>Global Compatibility</u>

  ❖ Review Becomes Universal as Standards Harmonize and Differing Practices are Clarified

❖ <u>Higher **Quality**</u>

  ❖ Multiple Examinations in Different Offices Plus Post Grant Review Yield Higher **Quality** Patents

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PERCEIVED DISADVANTAGES TO OFFICES *AND* APPLICANTS

❖ <u>Offices</u>

- ❖ Low confidence that search and examination results from all Offices can be *reliable* due to differing expertise, infrastructure, etc.
- ❖ Low confidence that search and examination results in OFF/OEE/ISA can be *relevant* to the law and procedures applicable to the OSF/OLE/DO

❖ <u>Applicants</u>

- ❖ Speed and Strategic Flexibility are NOT important <u>to *some* Applicants</u>

- ❖ Cost savings in OSF/OLE/DO are not <u>uniformly</u> demonstrable or significant

- ❖ **Quality** is important and not guaranteed <u>in OSF/OLE/DO</u>

❖ <u>Offices and Applicants</u>

- ❖ **Quality** is Reduced by OSF/OLE/DO "Rubber Stamping" Work of OFF/OEE/ISA

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Basis of Concern for QUALITY

❖ **CURRENTLY - THE SPIDER WEB of BILATERAL PPH ARRANGEMENTS HAS NO GUARANTEE OF UNIFORM QUALITY**

  ❖ **No _Universal_ Standard**
  ❖ **No _Universal_ Metrics**
  ❖ **No Transparency**

  ❖ **Even for the PCT**
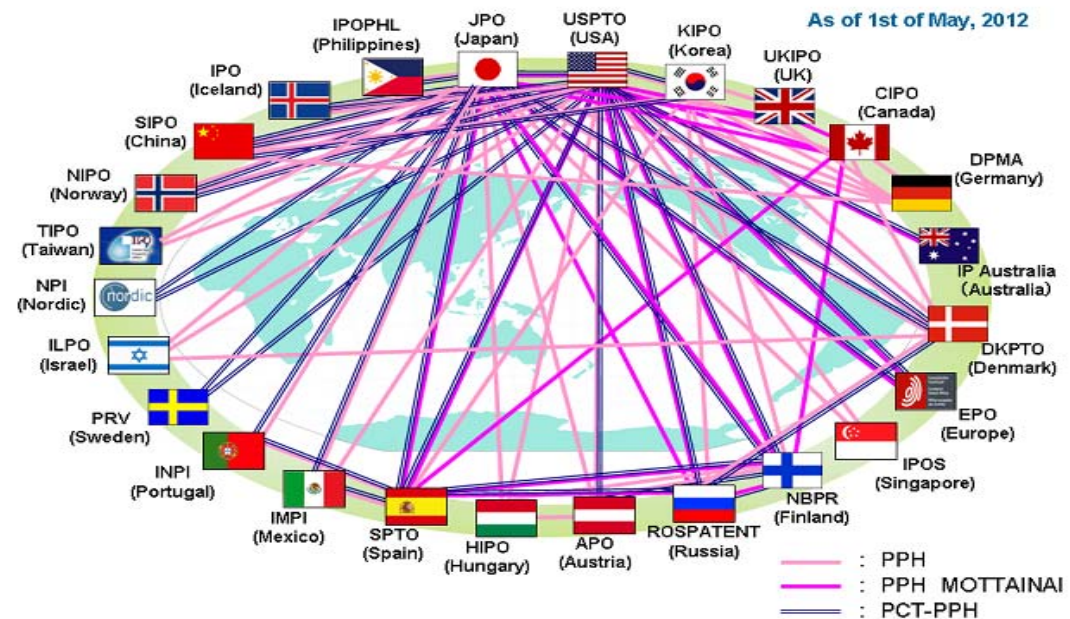
Individual Office Reports are <u>Not</u> <u>Standardized</u>

❖ **<u>Quality Data is Encouraging but Not Verifiable by</u> <u>Users</u>**

  ❖ **USPTO Reported for 2011 – where JPO is OFF/ISA and USPTO is OSF/DO - USPTO as OSF/DO Enhances Quality**

   ❖ **A search was recorded by the US examiner <u>in all but</u> a couple of applications (possibly entry oversight?)**

   ❖ **In 94%, the US examiner <u>cited additional art</u> when allowing**

   ❖ **In nearly 40%, an examiner's amendment was made**

   ❖ **Statistical Quality Checks confirm higher average quality for PPH cases**

   ❖ **Examiner's state pride in work product prevents "rubber stamping"**

  ❖**Quality Tests and Metrics Differ Significantly Among Offices**

   ❖ **USPTO (7-Metrics Standard) and EPO (ISO 9000 and Manual of Best Practices) – highly advanced but very different**

Key Organizations for Quality Assurance

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Trilateral Offices
- Pilot Collaborative Study on Metrics of ISRs
- Three Phases – (1) content, (2) ISR/Nϕ FOA, (3) causes of Δ
- Clear Relevance to PPH

IP5 Offices
- Common Examination Practice Rules and Quality Management Foundation Project
  - Goal is to improve examination quality management as a whole, build trust of one another's examination quality and provide basic support to sharing of work results.

WIPO
- MIA Initiatives on Quality 2012 – Quality Subgroups (PCT/MIA/19/14)

PPH Collaborators
- Plurilateral Discussions - common quality standards

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❖ **Quality Work Product of OFF/OEE/ISA**
  ❖ **All Offices, _whether or not_ Participating in PPH, should have Procedures, Metrics and Data to Demonstrate Quality of the Work Product They Produce**
    ❖ **Search Strategy and Results**
    ❖ **Examination Analysis and Results**
    ❖ **Adherence to Procedures and Policies**

❖ **Quality Work Product of OSF/OLE/DO**
  ❖ **All Offices Participating in PPH should have Procedures, Metrics and Data to Demonstrate**
    ❖ **Extent of their Use and Reliance on OFF/OEE/DO Work Product**
    ❖ **Extent of their Independent Search and Examination Activity**
    ❖ **Substantive Evaluation of OFF/OEE Work Product**
    ❖ **Quality of own Work Product**

❖ **Quality Procedures**
  ❖ **PPH procedures should meet promised expectations and minimize denials**

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Key Components for Quality Assurance

- ❖ **Universal Definition of Quality Standards and Metrics**
  - ❖ Individual initiatives by Offices and International Organizations are commendable but a coordinated effort is preferable
  - ❖ User interests and perspectives should be recognized
- ❖ **Universal Requirement for Relevant Data**
  - ❖ Common needs of Offices and Users for Quality related data should be recognized
    - ❖ Universal search strategies
  - ❖ Users Unique Needs Should be recognized
    - ❖ e.g., for validity studies and due diligence analyses
- ❖ **User-Friendly Access to Files and Data**
  - ❖ Raw data and studies should be made available for verification or supplementation by interested user groups

Recommendations from IT Meeting

❖ ***Universal Quality Standards and Metrics***
  - ❖ Must be Developed, Agreed Upon and Implemented by Participating Offices

❖ ***Universal Search and Examination Reports – *** *common recording of:*
  - ❖ Search Strategies
  - ❖ Examiner Evaluations of OFF/OEE/ISA work product
  - ❖ Office reports on differences in search/examination results OFF/OEE/ISA vs. OSF/OLE/DO

❖ ***Existing PPH Bilateral Agreements*** - Should be Modified to Require
  - ❖ Adherence to the Standards and Metrics
  - ❖ Reporting of Quality Performance
  - ❖ Transparency of Reporting

❖ ***New Plurilateral PPH Agreements*** - Should Include Standards, Metrics, Reporting and Transparency

❖ ***User Accessible Mechanisms*** - Should be Established
  - ❖ Permit Users to Provide Feedback on Quality of the PPH Process and Work Product

THANK YOU