

AIPLA - FICPI – Colloquium on Patent Office Backlogs Michael Brunner, AIPPI Secretary General

Impediments to Solutions

Institutional Issues – primarily funding, legal restrictions and policies

Dear Presidents, Commissioners, other IPO Representatives, Ladies & Gentlemen

Perhaps I must consider myself one of these impediments – after all I file patent applications which must contribute to the backlog!

You may find yourselves asking why you are hearing from a patent attorney about these institutional issues rather than from someone belonging to a major patent office and, indeed I do myself, but there may be two reasons. The first may be that my colleagues at AIPLA & FICPI want to make sure that I never get a patent application granted again and the second may simply be that they want somebody as the fall guy. No, but seriously, this is something which is of major concern to practitioners globally and in respect of which I have spoken with many around the world in my role as Secretary General of AIPPI.

Nevertheless, I must make it clear that AIPPI has no resolutions on this exact topic and therefore I cannot speak today as a representative of AIPPI or suggest that AIPPI has, as yet, a specific policy in relation to this issue. However, AIPPI has worked for its entire existence to try to support harmonisation of IP laws and to help government organisations to understand and adopt best practice in relation to IP matters. A few years ago AIPPI was very involved in the work undertaken at WIPO in relation to the SPLT and tried hard to help IPOs solve some of the perceived problems of tackling such a large subject on a global basis. Our symposium held in 2003 in Geneva was attended by many of you here and although SPLT did not come to fruition, I believe that many of the issues which arose then have contributed to the problems we have seen more recently in regard to patent office backlogs.

Now I think we have the opportunity to ask representatives of the various national and regional patent offices about these issues over the next two days and I hope I may use some of my allotted time to make more room for this at the panel discussion at the end of this session after the other speakers, so I will try to be reasonably brief in my remarks.

To my mind, as a practising patent attorney, I can say that my clients want to know just why patent offices struggle to deal with this problem, given particularly that it is hardly a recent issue and that patent offices have been aware of the growing problem for many years now. As we know, the problem of delay is bad not only for applicants, but also for third parties.

The title I was given for this talk was “Institutional Issues – primarily funding, legal restrictions and policies”, but I would like to address these in the reverse order.

Before we hear further from patent offices even, I think we can safely assume that at least part of the reason for patent offices failing to deal with the backlog issue in recent years has as much to do, probably more, with policies as it does with financial or legal issues. We are all aware of the difficulties with which WIPO was faced over quite a long time and, although much progress has been made recently, the wider

political issues surrounding IP have undoubtedly caused something of a hiatus in international efforts at harmonisation over recent years.

Now I suppose you might find it odd that harmonisation should be a relevant issue as one might be tempted to think that the issue of a national or regional patent office backlog was a purely national or regional matter and that international issues have little role in this. However, I do not believe this to be the case. The failure of governments to recognise the truly global nature (in most cases at least) of the patenting process these days and the political squabbles which dominated meetings at WIPO for several years has led national and regional patent offices increasingly down the path of adopting their own solutions to a variety of problems with the patenting process in their country. This has resulted in a plethora of different procedures relating to the same specific issue, in both search and examination, reflected of course by regulation changes impacting on the patenting process.

Now, while we can hardly blame patent offices for wanting to 'improve' (as they see it) the process, I think we have seen, in recent years, the bad effects of the 'not-invented here' syndrome applied to the development of laws and regulations in the IP arena and this has played a significant part in preventing harmonized solutions from being adopted which, in turn has contributed to the backlog problems as applicants react to an ever increasingly complex set of rules and regulations around the world.

Without the political will to promote and agree global agreements on the patenting process which ultimately have a major effect on best practice, national and regional patent offices have been left at best to create bi-lateral agreements which have filled the vacuum. So, for example we have seen a host of PPH agreements between a range of patent offices, but can anyone really say these have been a great success or have had a really significant impact on backlogs? I venture to suggest not.

Now, in other areas of prosecution we have seen some global trends among patent offices, but frequently the solutions are different or are applied differently with different effects and different regulations in different countries. Various patent offices have introduced regulations affecting, for example, the need to provide details of prosecution elsewhere and the ability to file and the timing of filing of divisional patent applications, but looking at the different requirements might lead one to think that no one organisation bothered to look at all at what other offices had done previously. Even more recently we have seen new processes for 'expedited prosecution' but almost every patent office has a different set of regulations governing the application of these.

I have had the benefit of seeing Mr Nishijima's presentation and he has some very interesting statistics on filings made in the 'big five' patent offices of EPO, USPTO, JPO, SIPO & KPO, all of which I believe illustrate just how global the patenting process now is. This is important because in the absence of global agreement we have seen the big five starting to expand their collaborative work. Now this is undoubtedly a 'good thing' and I for one hope it will continue, but where does it leave others? For example, in the UKIPO (not a 'big five' country of course), in certain areas we now have increasing backlogs even to the extent (in a growing number of cases) of non-appearance of an examination report by the 4½ year date from priority by which an application is due to be in order for acceptance. Hopefully international initiatives such as from the big five will lead to a spread of best practice processes in time, but without the political will to discuss and implement best practice processes widely, significant improvement can hardly be expected and, frankly, I am pessimistic that we will see widespread improvement.

The efforts of WIPO to offer national patent offices practical solutions to deal with some issues are greatly to be welcomed of course, but the national bodies must get on and take up the offers.

Are legal restrictions a hindrance to improving or removing the backlogs? Well, of course, the patenting process is governed by a body of law in every country and finding time to change the laws and regulations to help improve the situation is undoubtedly difficult. But, I frankly doubt that this holds many patent offices back from implementing procedures which could improve matters, after all we have seen them develop new regulations without major delays, except in some countries! And, in any case, look what the EPO has managed to achieve by way of Extended European Search Reports (effectively an Examination Report by another name)! The EPC originally laid down a clear division between the activities of the Searching and Examining divisions of the EPO, but the practical value (saving in time, earlier indication of patentability, etc.) of carrying out an effective examination at the same time as doing the search was significant enough for the EPO to find a way round the problem.

Where legal issues are a hindrance is, again, in the plethora of different regulations affecting the same aspect in one country and another. Applicants have been castigated by some patent offices for 'abusing the process', but I would venture to argue that patent offices themselves are causing applicants to have to adopt some of the tactical measures they have simply because of the significant differences in practise from one country to another. So, in many cases, the national bodies are actually contributing to the problem in another way.

Funding is of course an issue too, but we should really ask the patent offices themselves the extent to which funding plays a part in the backlog problem. Undoubtedly interference in the fee gathering process by government outside national patent offices plays a role. Some national patent offices in Europe rely significantly on kickbacks of renewal fee income from EPO applications. Are we sure that plays no part in the decisions taken when they sit as members of the EPO's Administrative Council?

Restrictions on salaries in some countries means that attracting the right calibre of and retaining examiners can be difficult and this can lead to poor and delayed examination with multiple rounds of argument. Budget restrictions more generally can obviously lead to a lack of ability to recruit in the required numbers and hence will have an impact on processing speed. But many patent offices are self-funding and in many cases could set the applicable fee structure to meet the demands of recruitment to match numbers of filings so as to prevent backlog expansion. But will their political masters allow them to do this?

In summary, I believe that the political or policy issues actually dominate the equation here and until we see the acceptance and development of best practices in a significant number of areas of the patenting process on an international and then global basis, we are unlikely to see significant improvement.

Thank you.