

A CRITICAL REVIEW OF PROPOSED STRATEGIES

A practical demonstration of work
sharing

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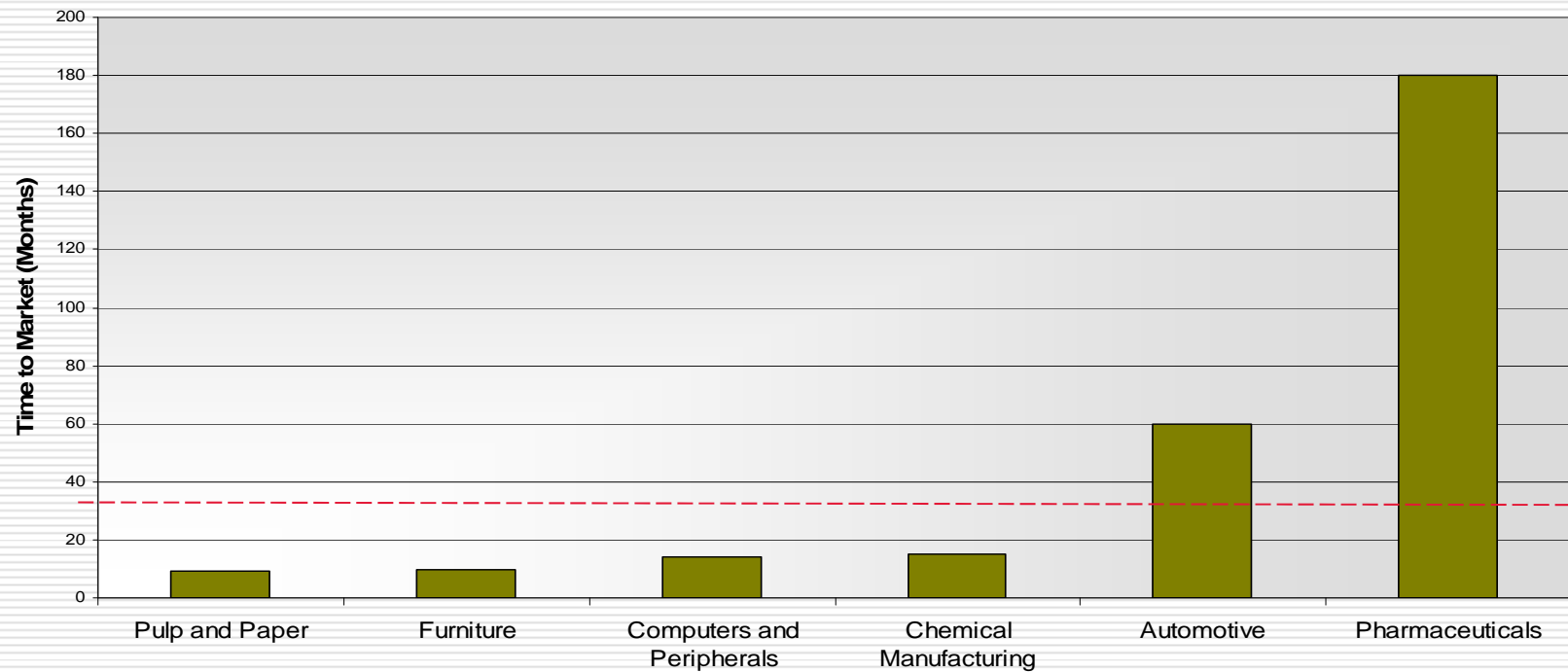
The Question

- What strategies are :-
 - Effective
 - Desirable
 - Practical
 - Fair
 - In what context ?
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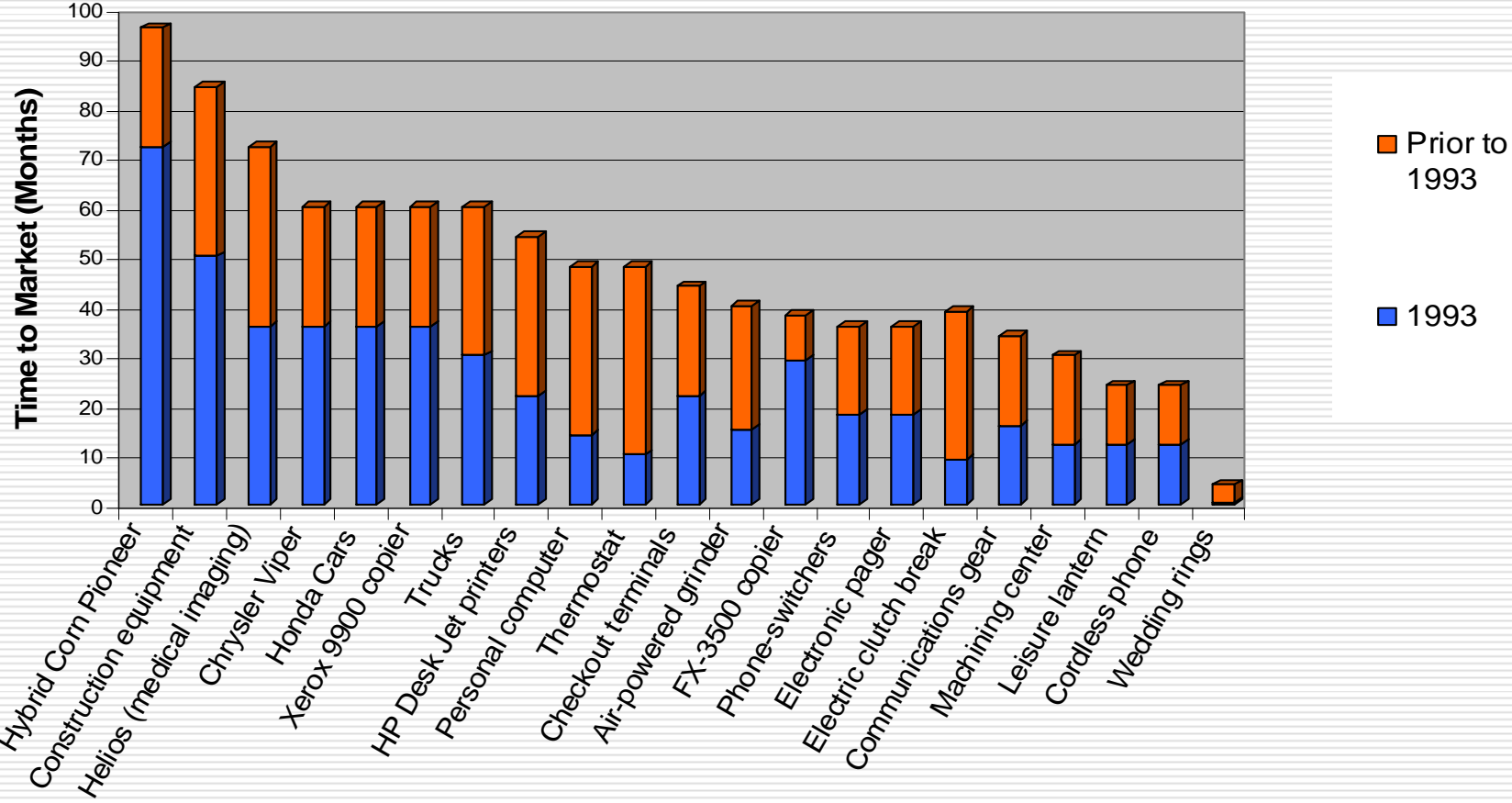
Objective

- The IP protection system should provide for final disposition of an application within a time frame that meets the commercial realities of the innovators without prejudicing the legitimate interests of third parties.
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Time to Market Across Various Industries



Reduction in Time to Market



Possible Answers

- Deferred Examination
 - Multi-track examination
 - Multi-tiered patent rights
 - Utility model protection
 - Unexamined right
 - Decentralised filing
 - Contractual arrangements
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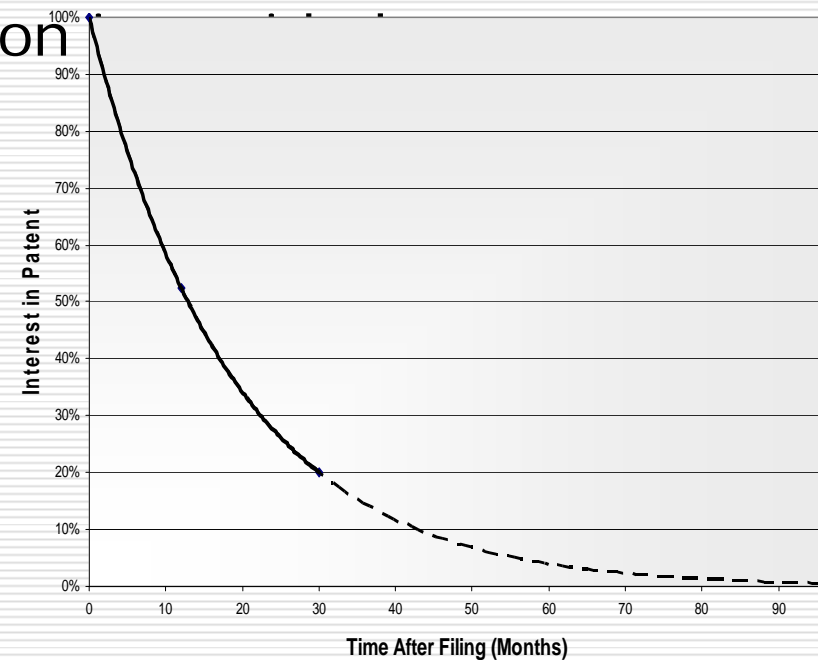
Deferred Examination

□ The theory

- By waiting to examine, the applicant loses interest
- Unnecessary examination
- Backlog is reduced

• The reality

- Maximum rate of attrition occurs within normal pendency



Deferred Examination

□ Concerns

- Loss of notice/increased uncertainty about rights
- Inefficiency of separation of search and examination
- More difficult freedom-to-operate searches
- May incentivize filing on minor improvements
- Deter local investment
- Accruing liability

Multi-Track Examination

- USPTO Three-Track Proposal (4 June 2010)
 - Track I: Accelerated Exam
 - **Limited to 4 independent, 30 dependent claims**
 - **Early publication**
 - Track II: Standard Exam
 - Track III: Deferred Exam
 - **Up to 30 months**
 - **Publication required, but no search**
 - Limitations for applications claiming foreign priority
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Multi-Track Examination

□ Concerns

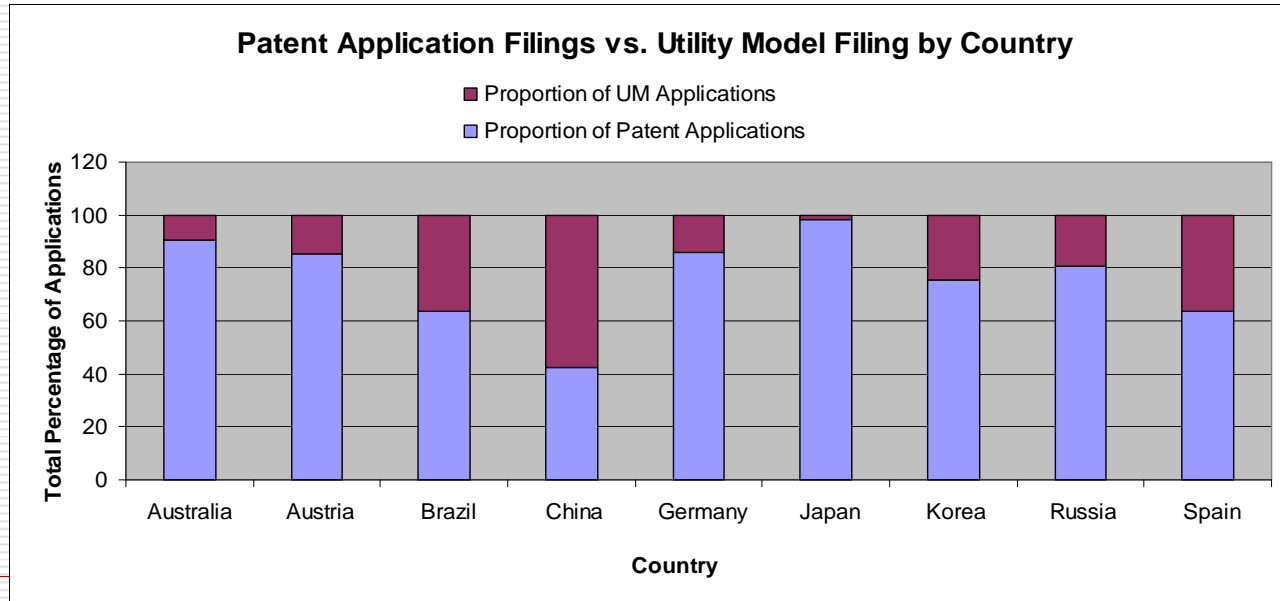
- Early-stage determination of which applications are worth accelerating may be difficult
- “Pay to play” – may be expensive for small entities
- Stripping resources away from standard track
- Uncertain patent claim scope for deferred track

Multi-track Examination

- ❑ Quality patents needs quality search
 - ❑ Efficient examination needs comprehensive search
 - ❑ Enhance supplementary searches
 - ❑ Co-ordinate search timing so all available before any substantive exam
 - “attorneys work share too”
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Utility Model

- Product life cycle for most technologies shows UM is good fit.
- Many countries have, and use.



Utility Models

□ General Features

- Lower obviousness threshold
 - Designed to fill “gap” in protection for lower-level innovations
 - Shorter term
 - Limited examination/no examination
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Utility Models

□ Concerns

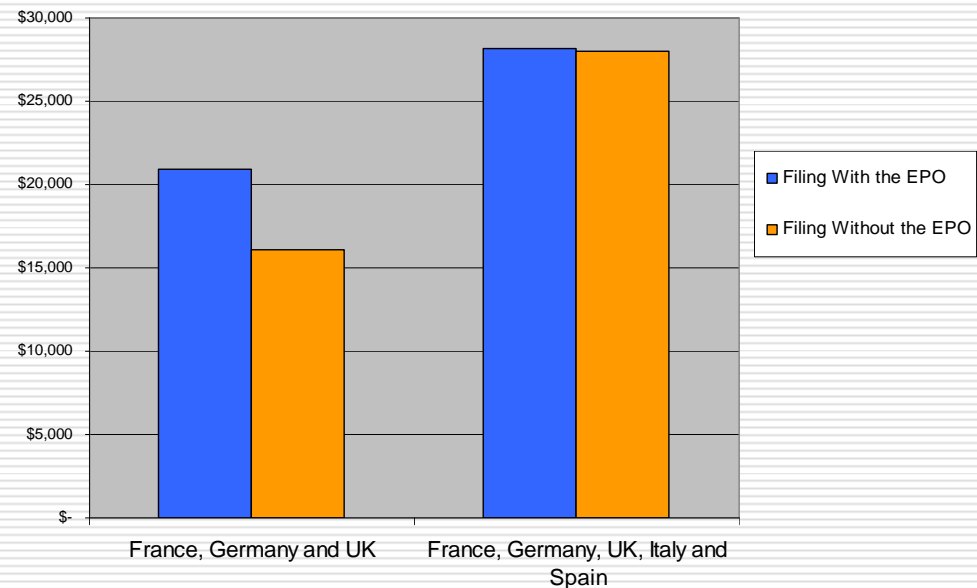
- Low filing numbers compared to utility patents
- Strategic use of utility model protection as interim for patentable inventions
- Confusion about rights conferred, need for post-registration examination (Australia) before assertion

Unexamined Right

- No backlog!
 - Cluttered landscape
 - No certainty
 - National bias
 - Netherlands
 - 2500 national filings, 2100 by Dutch resident
 - 4500 PCT filings by Dutch residents
 - Historical failure in US
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Decentralise Filing

- Use national rather than regional filings where possible
 - Small business
 - Large Business
- Impediment?
 - PCT reservation



Contractual Arrangements

- New business models avoid patent rights
 - Open Source
 - Contractual access to software, patent rights subrogated
 - Standards
 - Industry groups leverage access to patents by controlling adoption in standard
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Other Alternatives

- Unexamined design rights
 - No backlog problem with design patents in US
- Application Auctions
 - Virtually impossible to project appropriate cap on annual applications
 - Could price out small entities

Preferred Backlog Solutions for the US

- Full funding – no diversion
- More examiners
- Better training
- Better infrastructure
- More work-sharing
- Rules reforms

And ditto for the rest of us!
