

## **Session F: Panel of Officials Reacting to the Work of the Colloquium**

### **Peter Huntsman, FICPI**

The aim of this august gathering is to bring everything together. We have had lots of ideas and thoughts, a few criticisms, some outspoken ideas, and what we want to do now is to have some clear indications to the patent offices and from the patent offices as to what is actually to be done about the backlog.

John Orange and his IPO colleagues have reduced the work I needed to do in identifying the preferred backlog solutions for the US in particular, but I think, to some extent, they apply to all the other countries that have these major backlogs:

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

Other proposals that have been made or put in to effect include:

- Outsourcing
- Collaborative PCT searching
- Harmonisation on patent laws

### **Wim van der Eijk, EPO**

I think we have now come to a stage where almost everything that can be said on the topic has been said, but not yet by everyone! I would like to limit myself to a couple of observations. One, I think that workload is a global problem, which also means that for each region, the situation in another region is of importance. What I mean by this is that for European companies, it is nice to see that EPO gets its house in order; it is almost equally important for them that the USPTO or the JPO get their house in order. We are in this game together, if we want to serve the global players in the economy. We have to find ways together to make it work better.

One thought that I picked up, and it is something that Sam in his presentation stressed, that if we think of ourselves as part of a network of service providers in the patent system, we should take our international responsibility seriously, even more serious than our national responsibility, which means dedication to worksharing, dedication to PCT, giving quality for those who want to go abroad so that benefit can be taken from the work done.

The second observation: we have heard about many schemes for enabling worksharing, and you have the differentiation between applicant-driven schemes and office-driven schemes. Until now, the experience at the EPO is that applicant-driven schemes do not seem to bring lots of enthusiasm to the European users; our numbers in PPH are limited. So we think that

office-driven initiatives may be more efficient and deal with the problem to a greater extent. That is also something we would like to continue to work on. We are great believers in the 10 foundation projects of IP5, so we want to continue to invest in getting the fundamentals right, and giving examiners in offices a basis for relying on the work of their colleagues elsewhere.

Lastly, EPO is a supporter of the PCT system for all the reasons that have been explained during this colloquium. We will continue to provide high quality services under the PCT; we want to do better there. We are working on supplementary searches, we are participating in the collaborative search, so these are all useful elements, we think, to make a well-functioning system even better. This also includes the PCT PPH, which we would like to continue and expand where possible.

The last point is procedural efficiency for each office internally. You may have heard that some of our rule changes did not make many friends in Europe. That is unfortunate, and the request for a better dialogue is taken up and the criticism is noted and respected. On the other hand, I think we should continue to reflect together on how we can make our processes more speedy, more efficient, and this may mean that some of our procedural options applications that have gathered over the time of the development of the patent system may have to be looked at again. We should not walk away from that challenge because it is also part of our quest for dealing with our backlog more efficiently.

### **Koichi Minami, JPO**

As I was listening to all the presentations yesterday and today, while I was able to confirm, once again, the importance of reducing the volume of backlog that we experience today, in order to resolve the issue of uncertainty, I was also able to reconfirm the importance of getting the quality of the examination to be improved, so that we will be able to grant consistent and stable patents. Also, through listening to the lectures and presentations, it came to my conviction that all the initiatives that are taken by or through multilateral cooperation and IP5 are exactly in line towards achieving this objective.

As a patent office, granting a consistent and stable patent is our original role. However, improving the quality of examination is going to be increasingly important, not just in order to improve our efficiency of our examination operation at the patent office, but also, to contribute to improving the quality of it, through initiatives such as PPH and PCT. Therefore, I think that the global discussion as to how, then, we will be able to secure and improve the quality of examination is going to be much more vibrant from now on. As JPO, it is our intention and determination that we exert every effort to collaborate and cooperate with other patent offices across the world in order to achieve a better quality patent and also to resolving this issue of backlogs.

### **Seiyong Yoon, KIPO**

KIPO will try to boost worksharing with IP5 office, and the other countries. We will try to share the information with IP5 users through this kind of experience. KIPO will find the need to participate in this kind of seminar, and through expanding IP cooperation, will be an active member of the IP world.

**Arti Rai, USPTO**

I will take the Orange, Norman, Wamsley proposal as my straw man, because it was directed to the USPTO, so let me start with that. I agree 110% with everything they say; I think bravo and amen and if only Congress could agree as vehemently as I do, life would be a lot better. I do think however that it is not everything we need. I think there is a need to recognise that backlog is not completely a one-size-fits-all problem. It is a problem for all industries, but it is not a problem to the same degree for all industries. I do think that our Three-Track straw man, on which the Orange, Norman, Wamsley proposal is commenting, does recognise the reality that backlog is not a one-size-fits-all problem. Currently there are challenges to implementing three-tier in a manner that we would like to implement it, in particular with respect to Track One, we do not because of our lack of fee setting authority, have the ability to give discounts to small entities which is, in my view at least, and in the office's view, a significant challenge because we would very much like to have this Track One be open to small entities.

But, it is the case that I think a failure to recognise that backlog is not a one-size-fits-all problem will make dealing with backlog in a way that is most useful for industry a much greater challenge. I think the analogy, again I do not like to over-rely on market analogies, but let me do so for a moment: very few services that are offered by the private sector are offered in one form only. Most services that are offered by private sector businesses are offered in many different forms, and that is because that is the way to maximise efficiency, maximise satisfaction of user preferences and the like.

Now, with respect to the third track, which I think represents a cause for legitimate concern amongst a lot of folks who have been responding to the three-track proposal, there is reason to be concerned about third parties. Obviously, one difference between a private sector business model that offers services to users and what the government does is that we care not just about our users, but also about third-party effects. Often, in this case, on other users, but not in the case of a particular patent. We care a lot about third-party effects, so we are very interested in proposals, for example, if there is going to be a track three option, and frankly, even without a track three option, in our current system, we have a lot of de facto delay and deferral, should there be opportunities for third party requests for searches and examination. It would be wonderful to get a lot of commentary on that question, because third party effects of backlog are very significant, even if it is hard to quantify those effects, the UK study did a heroic job of quantifying the effects on the users themselves, but third party effects are hard to quantify. We are working with the UK to try to quantify those effects.

In the interim, we know that there are some effects and it would be wonderful to think about how to mitigate those effects if we are going to, as we already do, have delay, through mechanisms such as third party request for search and examination.

I personally can say that I have found this an extremely fruitful conference. As a former academic, I feel like I have had my paper taken apart and analysed by 50 different people; it was not my paper, obviously, it was the PTO three-track proposal, but I have appreciated all the commentary and analysis.

**Matthew Bryan, WIPO**

Both Deputy Director James Pooley and our Director General Francis Gurry asked me to relay to FICPI and AIPLA, the sponsors of the colloquium, our thanks from WIPO for this extremely important meeting. FICPI and AIPLA represent critically important stakeholders

for us, in that they are some of the major users of our services. We are pleased to see this conference go forward and be able to participate. WIPO also thanks the representatives of the patent offices for three reasons: for being here at a high level and shedding light on these important issues and the effect the backlog can have on the user community. The patent offices represented here are partners in producing the PCT system and they are also members of our board of directors, effectively, at WIPO; those who tell us what to do and how to do it. Secondly, to the offices for the efforts they are making, for taking this problem and these issues so seriously and addressing them. WIPO has a unique vantage point on the international patent system, to see its effects not only on the constituencies represented in this room, but its effects more widely, in particular in the developing world, where we have some unique contacts and unique responsibilities. Thirdly, to the office representatives for engaging so constructively with WIPO, and to FICPI and AIPLA as well, on efforts, such as those to bring the PCT back to its original mandate and purpose, what it was constructed to do, and the worksharing and duplication reduction efforts that we are working on.

There have been some interesting strategies teased out in the course of this two-day meeting, and also in a positive and constructive atmosphere, which as Arti said, is a wonderful thing to see and useful for all of us. WIPO is hoping and is committed to assisting in moving forward in its sphere with some of these strategies, in particular, as I have mentioned and am heartened to see many of you have mentioned as well, in particular, what the PCT can do to contribute and in trying to make the PCT a better and more effective vehicle and cornerstone of the international patent system. Then, doing everything we can to facilitate the other aspects of this, in which we have any purchase. I can say that I see in both James and Francis, an unflinching dedication to doing everything possible that we can do, and this has been revitalised with the addition of James to the senior management team, to make sure that we engage with all the constituencies to leave no stone unturned, to bring us back to the table and to make some progress on the normative agenda, the harmonisation agenda, so that a lot of the efforts here make sense.

### **Participant**

I would like to thank the speakers for an extremely interesting selection of options. We have heard a number of observations about the exponential growth of patent applications and the danger of that creating even more backlog, and a large number of initiatives that people seem to think go some way to eating into this, but many of them are linear types of mechanisms for addressing it. I was wondering, given that there seems to be a large degree of consensus, whether there is currently any central repository or proposal for such a repository. What initiatives are being adopted and how successful are they, so that users and patent offices can see that in order to build on experience as rapidly as possible, in order to implement them, and also to see whether or not they are addressing the long-term issue of backlog growth, or whether they are not enough to do so.

### **Arti Rai, USPTO**

I am not aware of a specific database or repository of experiments, but I know that there was recently a meeting of all of the patent offices and WIPO's chief economist. It strikes me that this now growing circle of chief economists would be the perfect vehicle for implementing that database and updating it on a regular basis. I think that the backlog is an agenda item on

their economic research agenda. So, that would be a proposal, but I will take it back to our chief economist.

### **Wim van der Eijk, EPO**

One of the legacies of Ms Brimelow is that she said, 'When you invest in things, could you please tell me what it costs but also what it brings, the benefits'. It is one of the elements, part of the process for the 10 foundation projects where considerable investments will be made, that we make a baseline description and then follow the benefits from what we do. That is only a part of the work done to reduce the backlogs but this is one example of us thinking about measuring the effect of what we are doing. This is not just an activity to keep us busy; it should really bring a measureable improvement to the situation.

### **Participant**

It is funny that you should mention metrics, because that is where I was going to head. Have you given a lot of thought collectively to the types of metrics that you might be using, both internally within the offices to drive certain behaviour or incentivise certain behaviour or disincentivise other behaviour. We have seen a lot of proposals, and obviously – I know within the corporate context to get the rubber to hit the road, you have got to measure it. Have you thought about certain metrics and if so, what are they? Maybe, at one step about that, at a higher level, are there common shared metrics between offices that you are willing to entertain and hold yourselves accountable to, as well as the user population? You can direct those metrics back to the corporate users and say, 'You are not using them as aggressively as you might like'.

### **Wim van der Eijk, EPO**

In the IP5, one of the projects relates to this item of metrics, of finding the right things to measure. So, that is part of the work undertaken. I think a main element to measure is that if you have worksharing, and utilisation of other work, what does it mean in terms of reduction of time per examiner?

### **Participant**

For example, what Sam said the other day: I think he is dead on the mark when he says that if you measure in a way that you disincentivise, you give less time to use foreign search results, foreign work product or worksharing, and give more time to do the first level, quality work. That is going to drive human behaviour. That is the kind of metric I was thinking of, to drive behaviour.

### **Arti Rai, USPTO**

One way to flip that around and make it less politically sensitive is to say that we will provide even greater incentives to examiners who can produce more as a consequence of worksharing. I think there is reason to believe that that can be a cost-effective strategy to

provide those incentives. If you can provide them at a certain level, they will more than repay themselves in terms of applications processed. So, rather than taking away time, which is a very sensitive statement to make, at least amongst the US examiner corp, one way of flipping that around and doing the same thing is providing even greater incentives for increased production.

That is one possible metric, I suppose: it is an approach to productivity, which should drive productivity. As you well know, we are doing a very aggressive job at the patent office to get our arms around quality, and metrics for quality, because I think it is fair to say that there has been a lot of suspicion that our quality metrics are not very good, and so we have a quality taskforce. Marc Adler has his metric for quality that he came up with yesterday; he and I quibbled over it after his presentation, that may or not be something that the PTO ultimately adopts, but that is the sort of enquiry we want to do with respect to quality. I think you are absolutely right: metrics are key to productivity and quality. Those are two key metrics that we want to measure and enhance.

### **Participant**

I am glad to hear the discussion of metrics, because they are extremely important. I would like to plead that the offices make haste slowly; we had an awful lot of changes in the European context, for instance, and there seem to be an awful lot of changes happening in other contexts. Can we please wait and measure the effects of each change before the next change comes along? It strikes me, as someone who is in a rush, pressing a button, if that one does not work, they press the next one. They do not wait to see if the first button works until they press the next one.

On the metrics front, in particular on the PCT side, one of the suggestions in the road map was that offices should use their own work result. It seems to me that one metric that is particularly important is the time between entry into the national or regional phase and the application being picked up for its first communication. If there is a PCT application on which you have done a search, and you have produced a written opinion, surely that should be the first thing you should pick up when it comes into your office. In fact, the gap seems to be a large one. I do not understand why it is 20 months or more in the EPO, and I am sure there are similar delays in other offices. So, please have metrics, but please use them.

### **Arti Rai, USPTO**

Accepted!

### **Participant**

It has been interesting to discover that many of the issues that you grapple with on the patent side, both on the user side and on the office side, are very similar to the issues that we grapple with on the trademark side. Of course, not everything is directly analogous, but things like timeliness – I have heard, for instance, that some users are not exactly that keen on having their applications processed quickly – backlogs is also an issue on the trademarks side. The perceived issues of quality versus speed, are one of the many issues that will be very beneficial as we continue our work to improve the trademark system.

**Participant**

Having started out yesterday, when talking about hindrances, and talking about the lack of harmonisation and policies that relate to that, it is interesting to see how much discussion there has been about harmonisation. I am delighted to see how much agreement there is amongst the parties here. Do the members of the panel in particular, can they think of any ways in which we might spread the word more globally? We are a relatively limited cross section of people here, representing a relatively small selection of countries around the world, and we need to do more to get the message across more widely, and to grow that harmonisation. I wonder whether there are any thoughts that the panel have in that regard?

**Matthew Bryan, WIPO**

As we learned again in Geneva this week, in the PCT working group, there is a surprising amount of ignorance – a lack of complete understanding – both in patent offices and in the diplomatic community about the very issues we are discussing here. They either do not understand that the issues exist, they do not understand the scope of the issues. Despite our study, which we thought was quite clear, we had member states coming to us at the breaks, and making interventions in our meeting, saying ‘Why did this PCT backlog occur? You should not have allowed this PCT backlog to get so bad. You should solve the PCT backlog’. We told them that there was no PCT backlog; they do not have their arms or their minds around what the issues are.

So, what can we do? Those of us that are here, and the institutions that are represented here, both patent offices and NGOs, need to assist us as we would like you to assist us as we reach out to these countries, the patent offices and the diplomatic community, to just help us understand what the issues are. They do not, and until they do, as we have found this week, they will block, they will dissemble, they will not be part of the solution to the problem. Something like this very colloquium in a developing country with all sorts of participants both from the patent offices and diplomatic community, to raise awareness on what the issues are and to co-opt them in terms of solutions we can all work on together.

**Koichi Minami, JPO**

Earlier in my remarks, I mentioned that it is quite important to improve the quality of examination in each country as we improve the efficiency of examination through the worksharing initiatives such as PPH and PCT. It is my understanding that through those initiatives at both national and regional level, we would be able to push the movement toward the harmonisation of the patent law throughout the world.

**Participant**

Regarding worksharing, as I understand, the examiners of the USPTO will receive the results of the search carried out in another office, or the work carried out in another office, or vice versa. It would be better to know whether there exists or are planned guidelines for each examiner on how to take into account the results given to him from the other, coming together with the application to be examined.

**Wim van der Eijk, EPO**

One comment would be that we are working in the trilateral context, and it will be taken over by IP5 on a manual of differing rules and practices. One of the purposes of this manual is to explain to examiners, the extent to which practice in another office differs, so that it gives some guidance as to how best make use of that other work. Another option for this manual would be, after identification of differences, whether there are ways to overcome them. This is something that has been recognised and is being worked on.

**Participant**

This has been an interesting process: it seems to me that people started a long way apart on some issues, and you could feel as the day and a half went on, their coming closer together as everyone compromised their positions. We are blessed at the USPTO with a Director, David Kappos, who understands the patent system and a management team who also understand the patent system, so I think we are going to see a lot of positive changes over the next period. I suspect the USPTO will be going fast, and I think that is important, because they are going to grab hold of some things and try things out, and they are interested in everybody's comments, and I would encourage you to continue to give them comments. We have learned that they are open for ideas and are totally transparent.

## Closing Remarks

**Peter Huntsman, FICPI**

What comes to me most out of all of the discussion at this Colloquium has been the requirement from users for more worksharing. There has also been a definite noise about maintaining the quality of patents and examination. From my personal perspective, I would like to see the possibility of third party requests for examination, not so much because I think it will make any difference to the backlog; it just shifts the backlog, but really, because it would have the tendency to take some of the heat out of the backlog. In my own country, Australia, all of the reasons given for some of the changes that have been made to the system relate to looking after the rights of third parties. As a representative of both third parties and applicants, I am generally happy with that, but some of the changes in my personal view have been extreme or unnecessary. In many cases, they have happened without sufficient communication. Being a little bit outspoken, I would say that one of those changes here in Europe is the divisional practice. I think that communications with the users and representatives should continue to be a very major part of the requirements of Offices.

**Alan Kasper, AIPLA**

This, at least to my experience, has been an unprecedented Colloquium, and has offered an opportunity for many of the Offices to come together to share views in a public forum on

some very critical issues, to have the users provide feedback, to identify their needs and hopefully to lay the groundwork for moving forward. We certainly heard a lot about quality and worksharing, but I think most importantly, we have seen today, and hopefully the future, exceptional transparency. Thus, as steps are taken to improve this backlog situation and other problems the offices face, we as users will have the opportunity to see the data behind the steps that are taken and to provide our constructive comment and suggestions in the future.

**Todd Dickinson, AIPLA**

I think it is valuable to hear the views that the user community has. This particular group of users represents a masterclass of knowledge and information that can help not only define the debate, but also provide the kind of feedback that I know, from personal experience, offices look for. It has been very valuable in that regard.

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