

Mexico Gets on the Patent Prosecution Highway

Law360

April 7, 2011



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The Patent Prosecution Highway (PPH), while in effect with some countries since 2007, has been vastly underutilized. Yet, the U.S. Patent and Trademark Office is undertaking a new pilot program of the PPH, extending this avenue of accelerated prosecution to Mexico.

In order to maximize benefit from the PPH, these programs in all participating countries and regions require additional changes. While the addition of countries benefits applicants, further advancements in the programs are required in order to increase participation from applicants worldwide.

In all jurisdictions, once allowable subject matter has been indicated in an office of first filing (OFF), the PPH permits the use of search and examination results from the OFF by an office of second filing (OSF), allowing OSFs to benefit from work already performed by the OFF, an advantage referred to as "work-sharing."

The USPTO currently engages in PPH programs or trial programs with 15 other countries and regions including, for example, Europe, Japan, Korea and Canada.¹

The USPTO explains the purpose of each newly implemented trial program, such as the one-year pilot in Mexico, is to gauge the interest of applicants and determine if the program achieves its purported advantages, namely improving patent quality and efficiency and decreasing workload and backlogs.

Currently in the USPTO, the average time until an applicant receives the first office action is 24.5 months, the total pendency is 34 months, and the backlog is over 700,000 applications.²

The situation does not appear to be much better in Mexico and may even be worse. According to a recent informal communication, on average it takes 42 months for Mexico's Institute of Industrial Property (IMPI) to issue the first office action derived from substantive examination, and IMPI is similarly plagued by significant backlogs.

One could argue the extension of the PPH between the U.S. and Mexico may be of greater benefit to U.S. applicants that are statistically more likely to receive a decision from the USPTO before the IMPI. Therefore, prosecution of an application in Mexico may be faster for U.S. applicants that use the PPH, but the reverse may not prove realistic. Thus, the speed of prosecution in the OSF will only benefit applicants if the OFF manages to address its prosecution backlog and if the OFF actually identifies allowable subject matter before the OSF begins substantive examination.

As both the U.S. and Mexico face significant backlogs, this could limit the benefit of this program.

However, a procedure of accelerated prosecution already exists for patent applications in Mexico. Article 54 of Mexican law permits the IMPI to accept or request the results of substantive examination conducted by another office. If an application in Mexico corresponds or is amended according to granted claims in the USPTO, European Patent Office, Japan Patent Office or U.K. Intellectual Property Office, for example, the IMPI may expedite prosecution and these applications are typically allowed faster.

It is not clear if patent prosecution under the new PPH program will be even faster than under Article 54 alone, or if these procedures for accelerated prosecution are effectively similar. Either way, Article 54 demonstrates that examiners at the IMPI have experience with accelerated prosecution based on materials from foreign patent offices, which suggests the PPH may be easily accepted and utilized within the IMPI.

And, therefore, because Mexican examiners currently rely on U.S. examiners' work, but not vice versa, the PPH between the U.S. and Mexico may present more new opportunities for applications that originate in Mexico.

In either event, examiners at the USPTO have experience with "work-sharing" based on PPH programs between the U.S. and other countries. Through these examples, the PPH has proven successful by a number of measures. As of April 2010, the USPTO cites the overall allowance rate of PPH applications is 93 percent, about double the allowance rate for all applications, and the number of office actions per disposal is 1.7 for PPH applications compared to 2.7 for non-PPH applications.

Further, the substantive exam period is shortened to approximately three months compared to 27 months for regular exams. The USPTO has also indicated that a PPH request is usually decided within two months and examination occurs within another two to three months. Notably, examiners comment they feel more comfortable spending less time on an application if they are presented with a good search and result from a foreign office.

While the PPH appears to be well-received at participating patent offices, has it caught on amongst applicants? The USPTO cites approximately 2,700 PPH requests between 2006 and 2010.³

Considering the USPTO receives close to 500,000 applications each year.⁴ PPH applications still appear to represent a minority of cases.

We believe that two major challenges limit the usefulness of the PPH. First, the PPH requires translation of certain prosecution documents from the OFF, if the documents are not in the official language of the OSF. This presents a significant administrative burden and expense for applicants to use PPH in multiple countries throughout the world with multiple languages for translation.

Second, in certain instances, the OSF begins substantive examination before the OFF indicates allowable claims, preventing applicants from taking advantage of the PPH.

The USPTO admits the PPH can be improved to encourage more participation and make it more user-friendly. Towards this goal, the USPTO, EPO and JPO agreed to expand the PPH on a pilot basis to include work products from the Patent Cooperation Treaty (PCT), and proposed implementing a procedure for coordinated PPH prosecution.

This proposed procedure is called Strategic Handling of Applications for Rapid Examination (SHARE) and could expedite prosecution in the OFF by giving the OFF application precedence in the examination cue, and would also request that the OSF await the OFF's indication of allowable claims before beginning substantive examination.

This type of program could encourage applicants to actively pursue the PPH pathway and its advantages at the start of prosecution, as opposed to using it as an option in the middle of prosecution if the opportunity presents itself.

Expediting examination in the OFF would provide the applicant with significant benefits that might counterbalance the additional expense of preparing and translating documents for the PPH in the OFS, and it would also ensure that discrepancies in examination backlogs between jurisdictions would not prevent applicants from using the PPH.

From the patent offices' perspective, the SHARE proposal would also ensure that the OSF would have additional opportunities to use the OFF's work product.

The USPTO and the Korean Patent Office (KIPPO) currently are piloting this program with a small group of applications in a certain technology area. Nevertheless, critics of SHARE have contemplated whether this would result in slower examination of applications that do not enter the SHARE program in the OFF, or whether applications that did not participate in the SHARE program would unfairly benefit from additional patent term adjustment due to delays caused by nonparticipation in the program.

Will these efforts translate into widespread use of the PPH? Limitations and even disadvantages may still exist that will need to be assessed on a case by case basis. For example, if new claim limitations need to be introduced in a U.S. application, and they were not examined in the OFF, a continuation application must be filed, which can be result in higher costs and a longer time until claims are granted.

Therefore, applicants must carefully consider the scope of the claims they present, ensuring that all limitations have been presented in dependent claims for examination, and how likely they are to be

accepted across multiple offices. Depending on the case, it may be difficult to predict how prosecution will proceed in the OFF, and therefore a strategic plan to use the PPH may not be realistic up front.

With regard to Mexico (or any country where translations of the communications from the OFF to the OFS are required), the costs and benefits of using the PPH may need to be individually evaluated.

Still, the advantages of incorporating the PPH into patent prosecution strategy and practice are evident, especially if the USPTO launches additional SHARE pilots or permanent programs that would provide expedited examination in the OFF.

The expansion of the PPH to Mexico is thus, one more step in a positive direction. As applicants become more familiar with the PPH and gain additional experience with these procedures, we expect to see more cases taking advantage of this procedural route, and hopefully a commensurate decrease in backlogs at patent offices worldwide.

Endnotes

¹ For a complete list, see http://www.uspto.gov/patents/init_events/pph/index.jsp.

² <http://www.uspto.gov/dashboards/patents/main.dashxml>.

³ USPTO Oversight: Hearing Before the U.S. H. of Rep. (2010) statement of David Kappos, Director of the USPTO.

⁴ http://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm.

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