

U.S. Patent Protection On The Fast Track

Several programs available from the U.S. Patent and Trademark Office are making it possible to speed patents to the marketplace.

BY TIMOTHY SMITH & ALY DOSSA

A patent can be a powerful business tool. A patent can generate revenues through licensing agreements, where third parties agree to pay a royalty in exchange for using the technology covered by the patent. A patent can also be used to prevent another entity from making, using, selling or licensing a product covered by the patent. A patent can further be used to add value to a company or to a product that utilizes the patent. (For more on patents, see “Navigating The Details Behind Patent Law” in *NAW*’s May issue.)

The problem, however, is that these benefits only come into play once the patent has been issued. From the time an applicant submits an application for a patent to the U.S. Patent and Trademark Office (USPTO) until the time a patent is actually issued, the benefits are either not available to the owner of the rights to the patent or are very limited.

Because the process can take years, a great deal of money is at stake. A recent study conducted by London Economics estimates that the global impact of the delay in obtaining patents is approximately \$11.7 billion annually.

The time a patent spends in the application process is not only an issue with regard to lost-opportunity costs; there are also costs involved

in drafting and submitting an application, drafting and submitting responses to the USPTO, creating and submitting amendments, and receiving a patent grant.

These costs may vary based on such factors as the size of the entity to which the patent rights are assigned, the length of the application, the number of claims, how well the claims are written, the thoroughness of the USPTO examiner in reviewing the application and how obvious the invention is in light of technologies existing at the time of the invention.

For companies wanting patent protection in countries outside and in addition to the U.S., these issues can become even more critical, complex and costly. The objective, then, is to get through the patent application process as quickly as possible, both to save actual costs associated with receiving a patent and to minimize lost-opportunity costs. The USPTO has a few mechanisms in place to try to reduce these problems by expediting the patent application process.

When an application reaches the USPTO, it is processed and assigned to a particular “art unit” that regularly examines the technology to which the invention applies. The application then waits in line with other applications in that art unit in the order in which the application was received by

the USPTO. The more applications there are in the queue for an art unit, the longer the examination process will most likely take.

For patent applications in the wind industry, the pendency (at the end of 2009) was approximately 35 months from filing the application to granting the patent. However, an application may be moved ahead in the examination queue through a Petition to Make Special (PTMS).

Petition To Make Special

A number of conditions may exist for an application to be considered under a PTMS, but the ones that are relevant to the wind industry are that 1) the invention materially enhances the environment or 2) contributes to the development or conservation of energy resources.

The materiality requirement is closely scrutinized by the USPTO before it accepts the PTMS. There is no fee charged by the USPTO for filing a PTMS. The examination process under this program may take as little as a few months, which is a significant reduction in the amount of time compared to the regular examination process.

Introduced by the USPTO as a special category of the PTMS in December 2009, the Green Technology Pilot Program (GTPP) allows certain patent applications to be advanced to

the front of the examination queue at the USPTO if the following conditions are met:

- the invention in the patent application is directed to alternative energy production;

- the patent application was filed prior to Dec. 8, 2009;

- the claims of the patent application materially contribute to the discovery or development of renewable energy resources; and

- the request to participate in the GTPP is made prior to the examiner's completing the initial examination of the patent application.

This program is limited to the first 3,000 patent applications.

Further, the request to participate in the GTPP must be made prior to Dec. 8, 2010. There is no fee charged by the USPTO for participating in the GTPP. As of mid-May, about 950 applications to participate in the GTPP had been filed. However, of the 950 applications, only 342 have been granted. The goal of the GTPP is to reduce the amount of time an application requires for examination by about 12 months.

Patent Prosecution Highway

The Patent Prosecution Highway (PPH) has been developed to expedite the examination process for patent applications filed internationally. Specifically, the PPH program is designed to reduce the delay in the examination of patent applications at the USPTO by taking advantage of "work sharing" between various patent offices.

The PPH program is implemented through a series of agreements reached on an individual basis between the USPTO and the International Bureau (IB) or a patent office (regional or national) in a foreign jurisdiction.

Currently, the following patent offices/countries are participating in the PPH program: IB, Australia, Canada, Denmark, Finland, the European Patent Office (EPO), Germany, Japan, South Korea, Singapore

and the U.K. Each PPH agreement has slightly different terms.

Work sharing is achieved under the PPH by using the examination performed in the office of first filing (OFF) by the office of second filing (OSF). For example, consider the scenario in which a Japanese patent application is filed in Japan and a corresponding U.S. application is filed in the USPTO. In this case, the Japan Patent Office (JPO) is the OFF, and the USPTO is the OSF.

If the JPO found the Japanese patent application allowable (or at least one claim allowable), then a request to participate in the PPH may be filed at the USPTO for the U.S. patent application. If granted, the PPH request would move the U.S. application closer to the front of the examination queue at the USPTO.

Currently, U.S. patent applications under the PPH program are examined within five months of the USPTO's receiving the PPH request and take one fewer "action" with the USPTO in order to obtain an issued patent. This translates into an actual cost savings of approximately \$3,000 to \$4,000 in legal and USPTO fees.

Leveraging PPH and PTMS

While the PTMS – including the GTPP – and the PPH may be used separately, the programs also may be used in combination to accelerate the growth of a company's worldwide patent portfolio. For example, suppose a U.S.-based wind technology company has filed a U.S. patent application and seeks to obtain patent protection in the U.S., China, Germany, France, the U.K., Spain, Italy, Sweden, Portugal and Canada.

In this scenario, as part of a worldwide patent strategy, the company may take the following steps:

- File a request with the USPTO for participation in the GTPP or a PTMS in order to accelerate the examination of the U.S. patent application,

- File an international application (IA) under the Patent Coopera-

tion Treaty corresponding to the U.S. patent application,

- File a European patent application at the EPO corresponding to the IA and request accelerated examination under the EPO's Program for Accelerated Examination,

- File a Canadian patent application with the Canadian Intellectual Property Office corresponding to the IA, and

- File a Chinese patent application with the State Intellectual Property Office (SIPO) corresponding to the IA.

Upon receipt of a favorable examination report on the IA, the company may use the PPH to accelerate examination of the C patent application. Further, if the European patent application and/or the U.S. patent application have not been examined by the time the favorable examination report is received on the IA, then the PPH also may be used to accelerate the examination of the European patent and/or U.S. patent applications.

The acceleration of the examination of the European patent application will ultimately decrease the time required to obtain patent protection in Germany, France, the U.K., Spain, Italy, Sweden and Portugal.

While the GTPP and the PPH are not able to accelerate the examination in China, similar programs may be adopted by SIPO. If that occurs, acceleration of examination may also be realized in China.

Delay in obtaining a patent is costly – in time, in lost opportunity and in resources. Taking advantage of one or more of these programs will allow companies to accelerate the growth of their patent portfolio, use resources more efficiently and increase opportunities to fully utilize intellectual property. **SP**

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