

A photograph of the Singapore skyline at night, featuring several illuminated skyscrapers and a bridge over a river in the foreground. The lights from the buildings and bridge are reflected in the water.

**AIPPI Forum 2007**  
**5 October 2007**  
**Singapore**

## **SESSION IV**

**Do patent prosecution rules  
and practices lead to legal and  
commercial uncertainty?**

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# BASIC PRINCIPLES OF THE PATENT SYSTEM

- Legal temporary exclusivity
- Disclosure of invention to the public
- Patents only for new inventions (Examination on novelty and inventive step (obviousness) before grant)
- Invention for public domain upon expiration of the Patent

## BENEFICIARY

**Applicant**  
(Stimulates innovation)

**Third parties**  
(Transfer of technology)

**Third parties**  
(Free competition)

**Third parties**  
(Free competition)

**“THE PATENT SYSTEM SHOULD BE  
A BALANCED SYSTEM THROUGH  
WHICH APPLICANTS OBTAIN  
PROTECTION AND THE PUBLIC  
DISCLOSURE OF NEW  
INVENTIONS.”**

# TENSION OF INTERESTS

AS LATE AS POSSIBLE

STEP

AS SOON AS POSSIBLE

**APPLICANTS**

To delay costs and maintain uncertainty for competitors

To keep new inventions secret

To maintain dissuasive effect of patent keeping uncertain eventual limitations of scope of protection or even invalidity of patent except in cases of infringement when legal action is necessary

Ⓐ

DEFINITION OF GEOGRAPHICAL SCOPE OF PROTECTION

Ⓑ

PUBLICATION OF APPLICATION

Ⓒ

DECISION ON EXAMINATION OF PATENT APPLICATION

To be aware of potential conflicts

To obtain benefit from disclosure, stop research on invented matters and know about potential conflicts

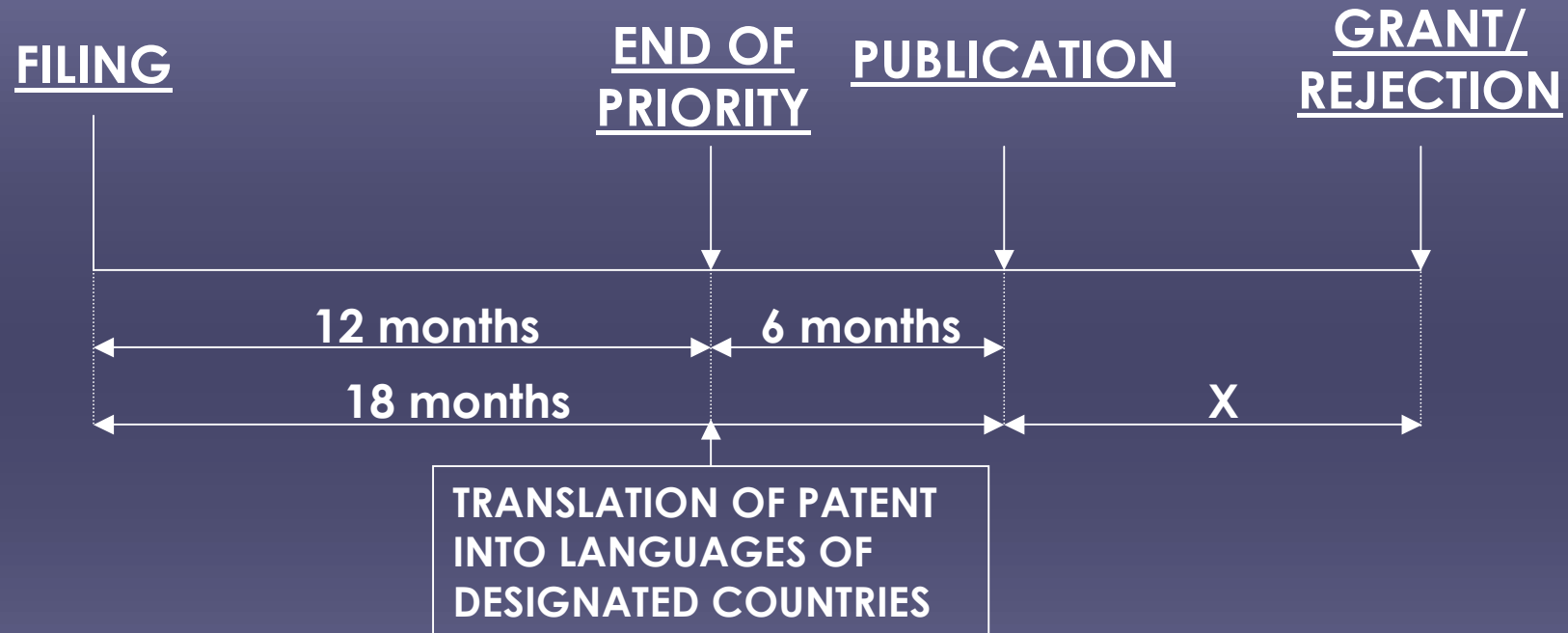
To have legal certainty about scope of protection and invalidity of rejected patents.

**THIRD PARTIES**

**A**

# GEOGRAPHICAL EXTENSION OF PROTECTION

## THE 1 YEAR PRIORITY TERM OF THE PARIS CONVENTION (Art.4A)



THE TERM OF 1 YEAR PRIORITY WAS A BALANCE BETWEEN THE NEEDS OF

APPLICANT TO DECIDE AND TEST INVENTION

THIRD PARTIES' CERTAINTY ABOUT GEOGRAPHICAL COVERAGE.

# Ⓑ

## PUBLICATION OF APPLICATION

*“Patent applications shall be published as soon as possible after the expiry of a period of 18 MONTHS from the date of filing or priority.”*

Article 93 EPC

Article 21(2)a) TRIPS

**THE TERM OF 18 MONTHS (6 MONTHS AFTER THE END OF PRIORITY) WAS CONSIDERED A REASONABLE BALANCE.**



## DECISION ON GRANT OF PATENT

BASIC PATENT  
PROSECUTION  
SYSTEMS

- WITHOUT EXAMINATION
- WITH INFORMATIVE SEARCH REPORT
- WITH OPPOSITION
- WITH DEFERRED EXAMINATION
- WITH EXAMINATION
- WITH EXAMINATION & OPPOSITION

INCREASE  
OF LEGAL  
CERTAINTY

EXAMINATION SYSTEMS ARE INTENDED TO ISSUE ONLY THOSE PATENTS THAT ARE VALID TO GIVE LEGAL CERTAINTY TO THIRD PARTIES. HOWEVER, THIS IS ONLY ACHIEVED PROVIDED THAT A DECISION IS MADE WITHIN A REASONABLE TIME.

# PCT





# IMPACT OF PCT AFTER LAST REFORM ON LEGAL AND COMMERCIAL UNCERTAINTY OF THIRD PARTIES

Ⓐ



Extends term to define geographical scope from 12 to 30/31 months

Ⓑ



Delays translation of patent into languages of designated countries

Ⓒ



Delays prosecution and date of decision on grant/rejection

Unbalances the Paris Convention consensus in

Benefit of Applicant

and

To the detriment of Third Parties

# EUROPEAN PATENT

## ADVANTAGES FOR APPLICANT

- Concentrates filing & examination in one central office
- Prosecution in one language of the 3 (English, French, German)
- Saves filing/prosecution costs
- No designation cost at filing (covers 32 countries automatically)
- Very low designation cost at examination request
- Delays filing of translations in countries until grant  
    ➔ extends possibility to decide geographic scope of protection until grant

## DISADVANTAGES FOR THIRD PARTIES

- Delays possibility of knowing content of Patent in language of protected country until grant to more than 5 years on average
- Delay in definition of geographic scope until grant
- No possibility of prosecuting application in local language (save those with English, French or German)
- Great delay of legal certainty about validity and scope of patent due to important backlog at EPO, which is increased when oppositions and appeals are filed.

# IMPACT OF EUROPEAN PATENT ON LEGAL AND COMMERCIAL UNCERTAINTY OF THIRD PARTIES

- Delays definition of geographical scope
- Delays transmission of technology into language of designated countries
- Delays determination of validity and scope of protection

## OTHER ASPECTS INFLUENCING THE LEGAL AND COMMERCIAL UNCERTAINTY

- Accessibility of filing mechanisms with broad coverage not followed in a substantial number of cases with real filings
- Patent Office backlogs

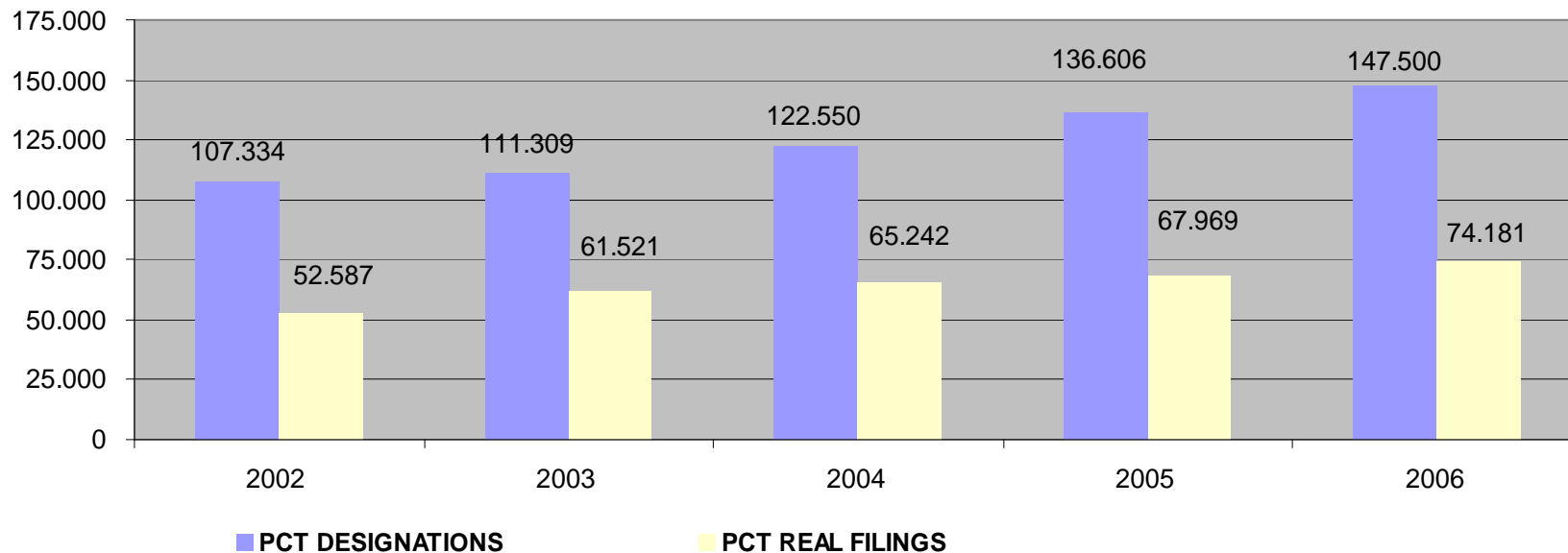
# PCT

Since filing PCT for up to 137 countries is very cheap and filing national/regional phases in all countries is expensive, in practice many PCT applications do not mature into Patents in many of the 137 countries

# PCT EPO DESIGNATIONS

	2002	2003	2004	2005	2006
<b>PCT DESIGNATIONS</b>	107.334	111.309	122.550	136.606	147.500
<b>PCT REAL FILINGS</b>	52.587	61.521	65.242	67.969	74.181
<b>%</b>	48,99%	55,27%	53,24%	49,76%	50,29%

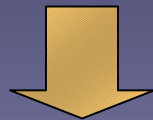
**ABOUT 50% OF PCT EPO DESIGNATIONS DO NOT MATURE INTO EP APPLICATIONS**



# IMPACT OF BACKLOGS AT PATENT OFFICES

THE COMBINATION OF:

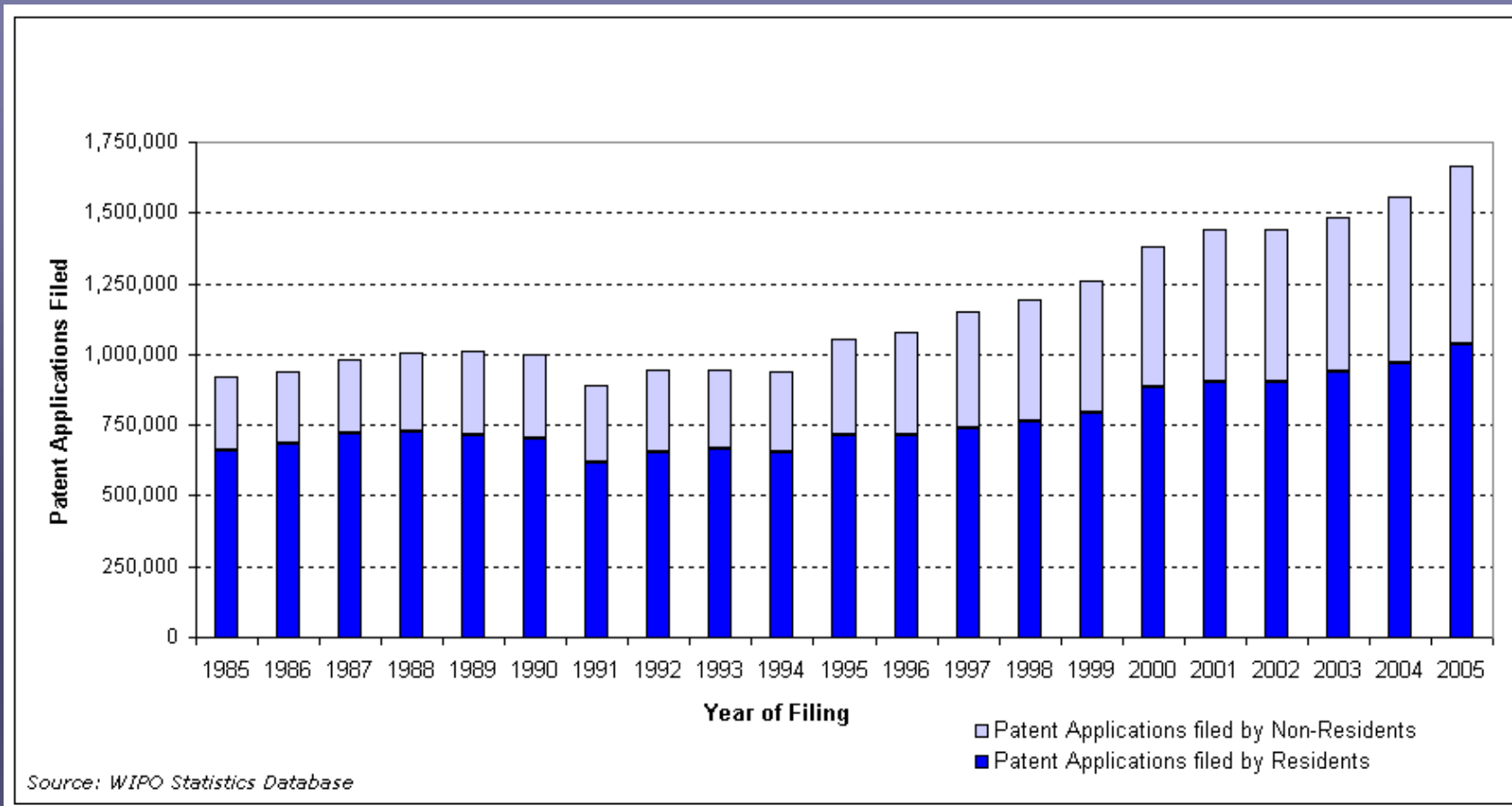
- INCREASE OF INTERNATIONAL COMMERCE FOSTERED BY THE CREATION OF THE WTO
- GLOBALISATION OF THE ECONOMY AND MOVING OF MANUFACTURING FROM DEVELOPED TO DEVELOPING COUNTRIES
- SIMPLIFICATION AND LOWERING COSTS OF FILING IN MULTIPLE COUNTRIES (PCT, EP)
- IMPLEMENTATION OF WRITTEN OPINION IN ALL PCT APPLICATIONS



GREAT INCREASE IN NUMBER  
OF PATENT APPLICATIONS AND  
IN VOLUME OF WORK

{ PCT  
MAIN OFFICES

{ JPO  
USPTO  
CPTO  
KPTO  
EPO

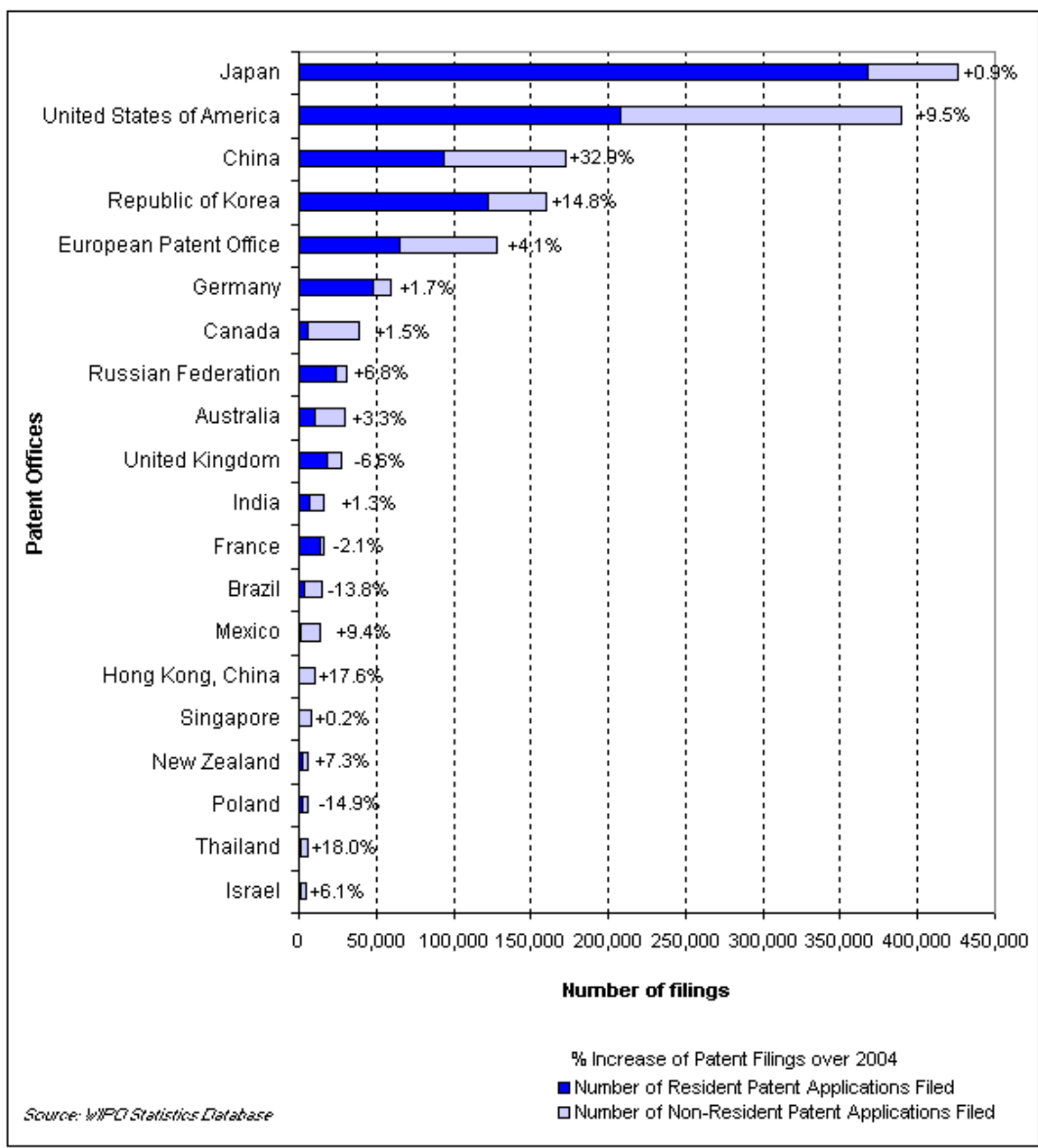


- IN 20 YEARS, WORLD PATENT FILING HAS PRACTICALLY DOUBLED

- EVEN WITH MODERN TECHNOLOGY,  
THE CAPACITY OF PATENT  
OFFICES HAS NOT DOUBLED.  
EXAMINATION WITH MORE  
PRIOR ART HAS BECOME MORE DIFFICULT.

$\left\{ \begin{array}{l} 1985 \approx 875,000 \\ 2005 \approx 1,675,000 \end{array} \right\}$  INCREASE  $\approx 750,000$





# 5 TOP OFFICES

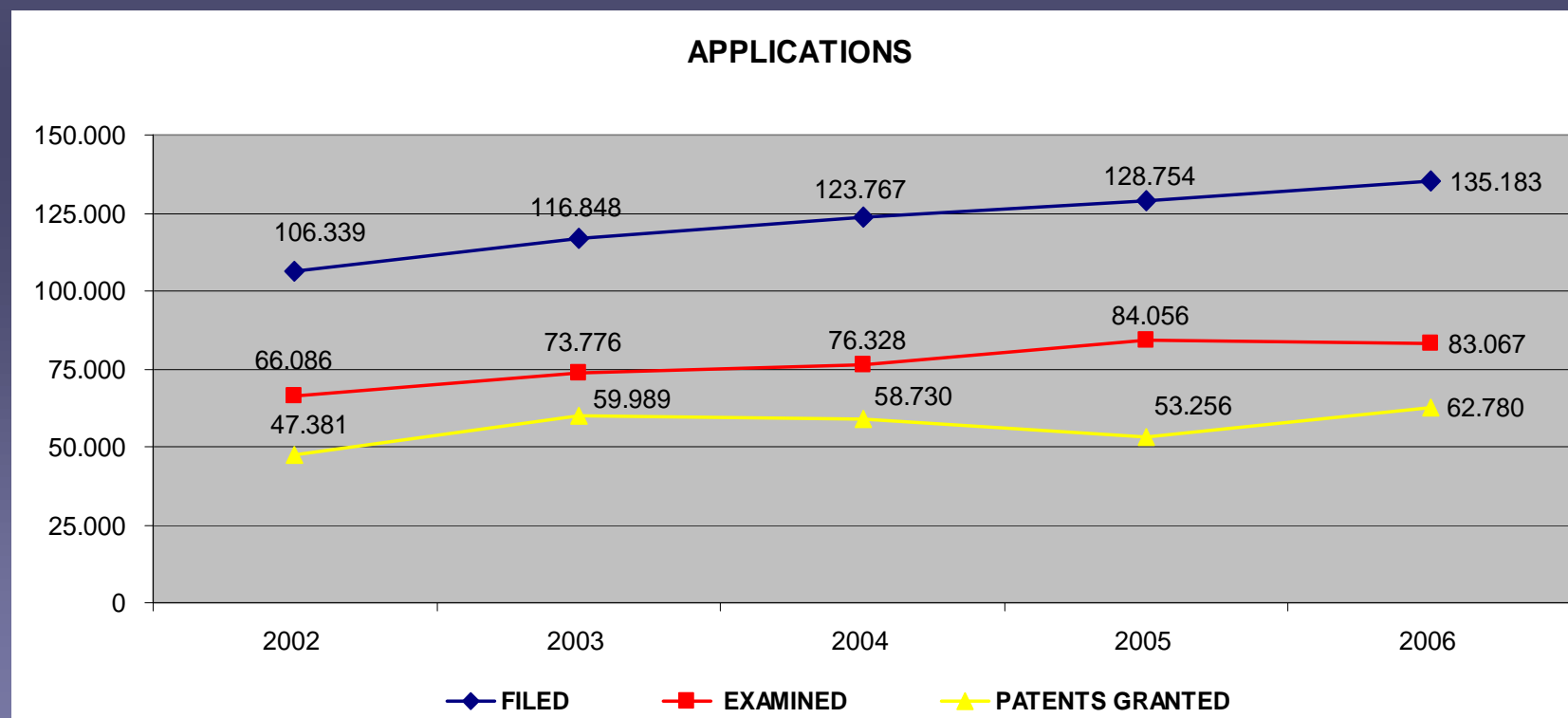
	2005	GROWTH
JPO	≈ 425,000	0.9%
USPTO	≈ 400,000	9.5%
CPTO	≈ 175,000	32.9%
KPTO	≈ 150,000	14.8%
EPO	≈ 130,000	+4.5%

**CONCENTRATION OF 74% OF WORLD PATENT ACTIVITY**



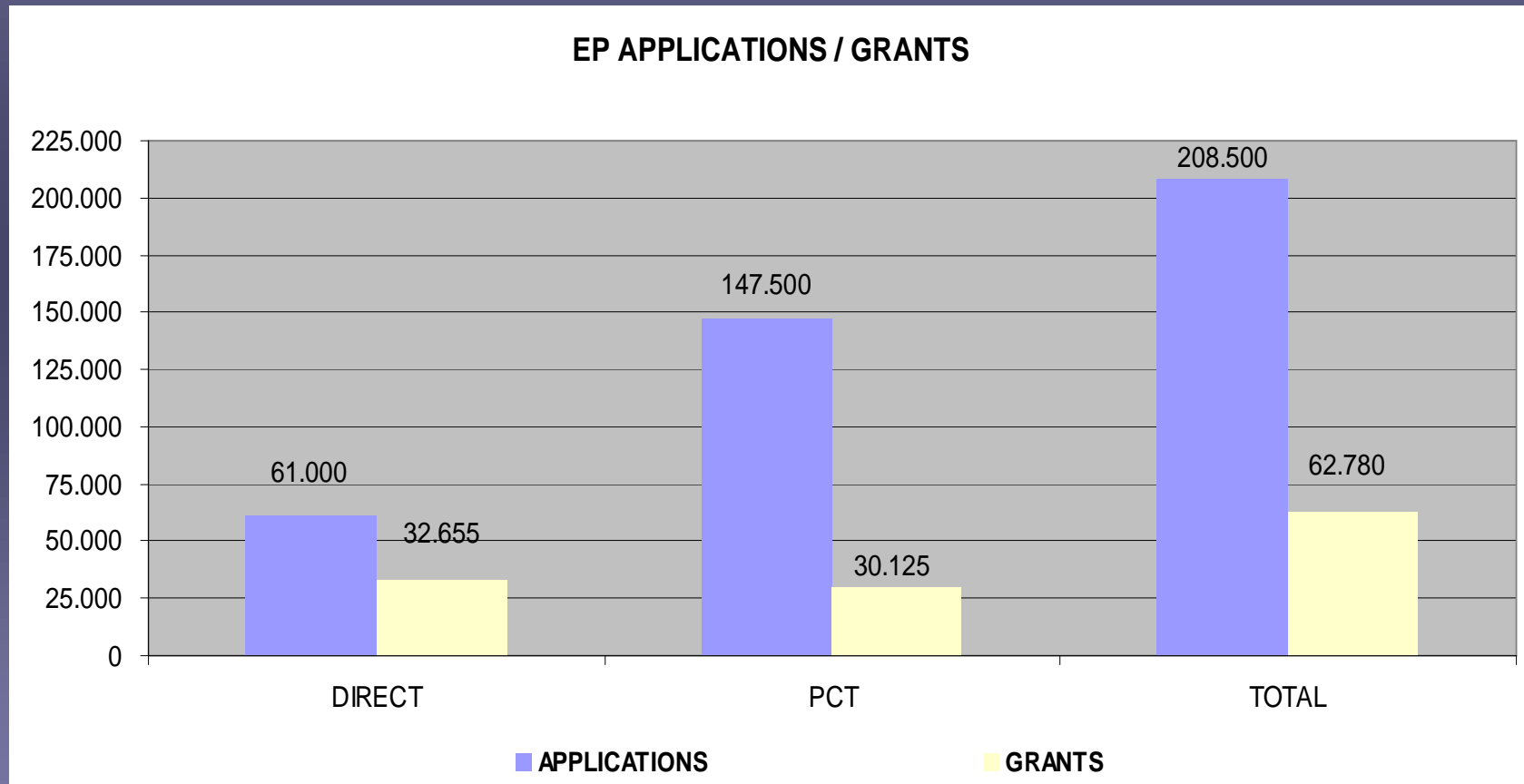
# COMPARISON PATENTS FILED / EXAMINED / GRANTED AT EPO

	2002	2003	2004	2005	2006
<b>FILED</b>	106.339	116.848	123.767	128.754	135.183
<b>EXAMINED</b>	66.086	73.776	76.328	84.056	83.067
<b>PATENTS GRANTED</b>	47.381	59.989	58.730	53.256	62.780
<b>% EXAMINED / FILED</b>	62,15%	63,14%	61,67%	65,28%	61,45%
<b>% GRANTED/ FILED</b>	44,56%	51,34%	47,45%	41,36%	46,44%



# EUROPEAN PATENTS (2006)

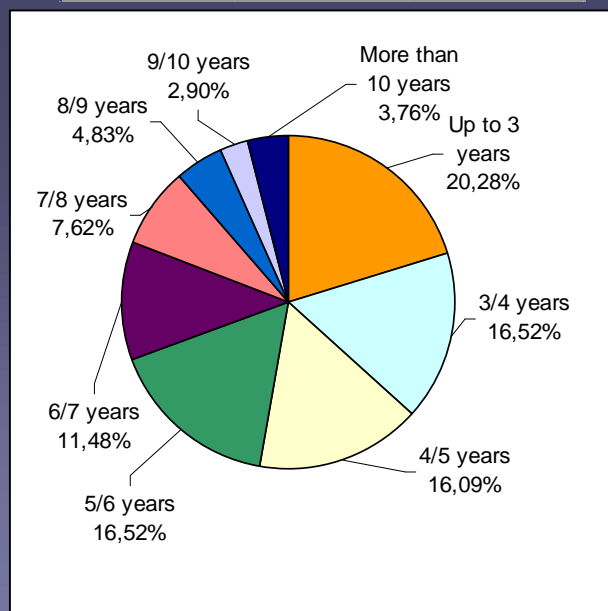
	DIRECT	PCT	TOTAL
APPLICATIONS	61.000	147.500	208.500
GRANTS	32.655	30.125	62.780



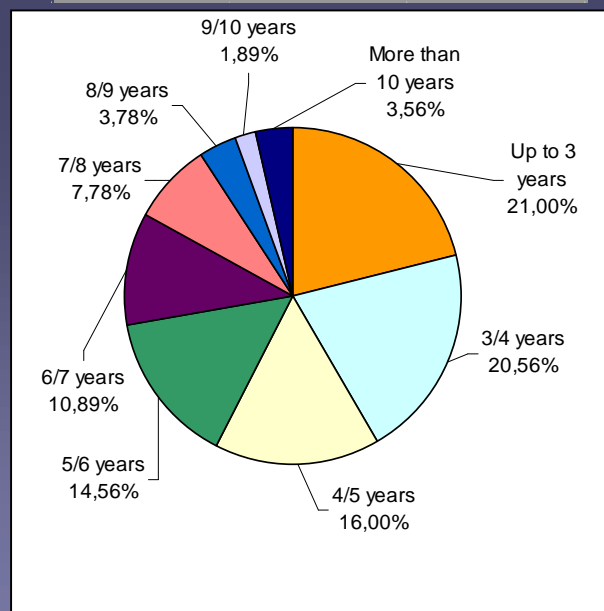
# AVERAGE TIME TAKEN UNTIL GRANT OF EUROPEAN PATENTS

Bulletin	Up to 3 years	3/4 years	4/5 years	5/6 years	6/7 years	7/8 years	8/9 years	9/10 years	More than 10 years	Total	Average
26/09/2007	189	154	150	154	107	71	45	27	35	932	5,6
19/09/2007	189	185	144	131	98	70	34	17	32	900	5,4
12/09/2007	223	228	197	189	159	118	61	34	61	1.270	5,8
<b>Totals</b>	<b>601</b>	<b>567</b>	<b>491</b>	<b>474</b>	<b>364</b>	<b>259</b>	<b>140</b>	<b>78</b>	<b>128</b>	<b>3.102</b>	<b>5,6</b>

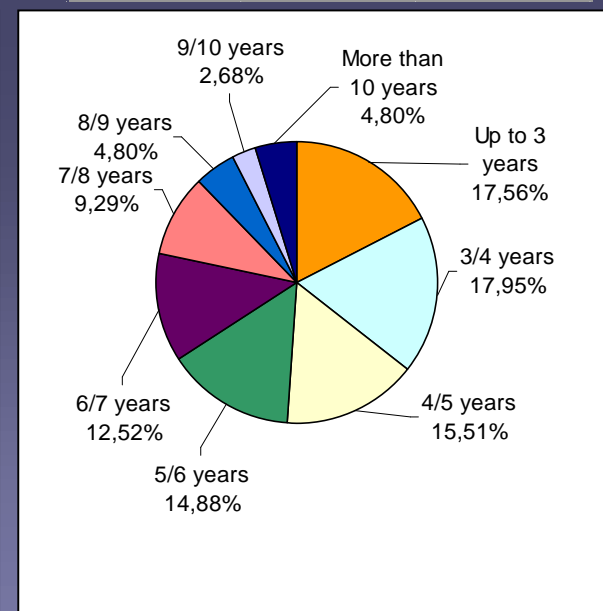
**BULLETIN 26/09/07**



**BULLETIN 19/09/07**



**BULLETIN 12/09/07**



# SOLUTIONS

- 1) ELIMINATE FLAT FEE AND REESTABLISH INDIVIDUAL DESIGNATION FEES TO AVOID SPECULATIVE DESIGNATIONS
- 2) ELIMINATE THE COMPULSORY WRITTEN OPINION ON PCT AND MAKE IT OPTIONAL
- 3) ESTABLISH OBLIGATION TO TRANSLATE EP APPLICATIONS 3 YEARS AFTER FILING IF AT THAT TIME THE PATENT HAS NOT YET BEEN DECIDED
- 4) PROVIDE MORE RESOURCES TO THE 5 TOP RECEIVING OFFICES AND TO IMPROVE MANAGEMENT IN ORDER TO ENSURE THAT APPLICATIONS ARE HANDLED WITHIN REASONABLE PERIODS OF TIME