



# PATENT COOPERATION TREATY (PCT): BENEFITS AND STRATEGIES FOR APPLICANTS



Seminar on WIPO Services and Initiatives

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# Topics for Discussion

- General considerations
- Timelines: strategic ramifications
- PCT search: selecting an ISA
- Post-search options
- Patent Prosecution Highway (PPH)

# Primary Benefits of PCT

- Applicants may defer decision to later date
  - Valuation clearer
  - Commercial implications
  - Technological pivots
  - Better able to identify countries of interest for patent protection (if any)
  - Better able to identify competing products that you want to cover

# Primary Benefits of PCT

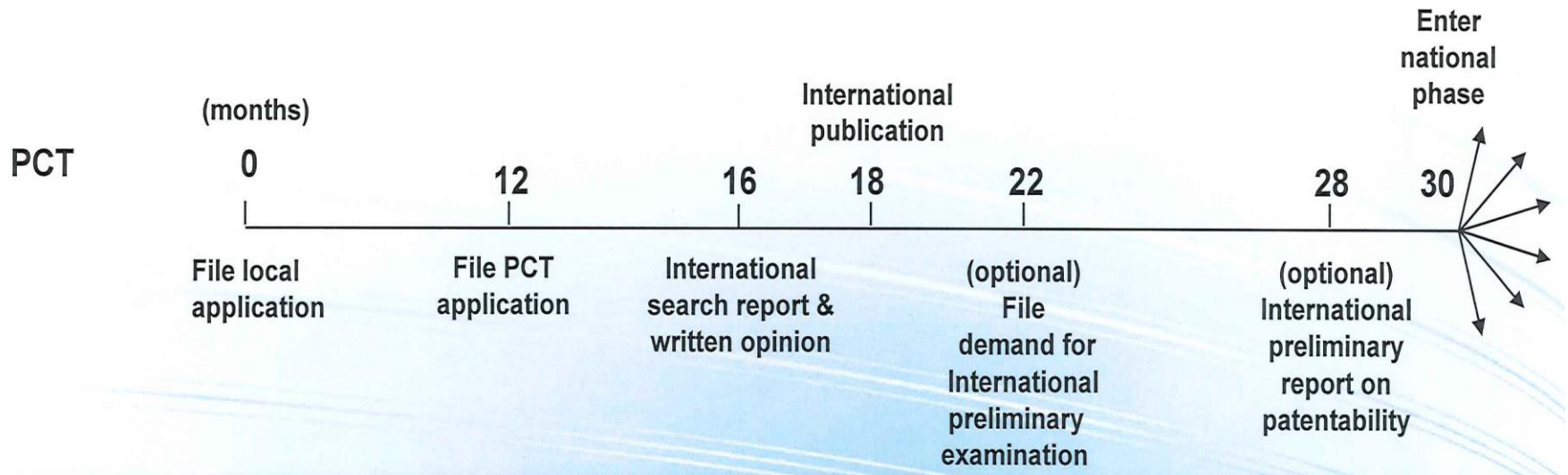
- Applicants may defer up-front costs
  - Also may reduce waste if not all originally identified countries are ultimately attractive
  - Unitary application may reduce foreign counsel fees
  - In some cases, search and/or examination fees reduced or eliminated at national stage
- Strategic use of examination
  - More information about potential patentability arguably provides a more informed basis for subsequent decisions
  - National stage, continuation, divisional apps all available
  - Higher allowance rates
- Potential for expedited examination under PPH

# Timelines: Example 1

- First filing= U.S. non-provisional
- PCT filed within 12 months
- Potential benefits:
  - PCT search may still be performed prior to U.S. prosecution
  - PCT search may be performed by another Patent Office (broader examination; flexibility)
  - Preserve rights to obtain expedited allowance in U.S., perhaps in a second and parallel case
  - PCT search may be performed by USPTO
    - Reduced fees for second case if elected

# Timelines: Example 1

- First filing= U.S. non-provisional



[http://www.wipo.int/export/sites/www/pct/en/presentations/pct\\_overview\\_july2007.pdf](http://www.wipo.int/export/sites/www/pct/en/presentations/pct_overview_july2007.pdf)

# Timelines: Example 1 (cont'd)

- First filing= U.S. non-provisional
- PCT filed within 12 months
- Potential concerns:
  - More upfront costs relative to provisional application or PCT alone
  - Term of US patent would be less than that of foreign counterparts

## Timelines: Example 2

- First filing= U.S. provisional
- Only PCT filed within 12 months (no US non-provisional)
- Potential benefits:
  - Relatively low upfront costs to prepare provisional application
  - Buying time until big decisions must be made
  - PCT search will very likely precede any national stage examination



## Timelines: Example 2 (cont'd)

- First filing= U.S. provisional
- Only PCT filed within 12 months (no US non-provisional)
- Potential concerns:
  - Quality of disclosure in provisional application
  - Speed of process, especially in U.S. (if no PPH)

# Timelines: Example 3

- First filing= U.S. provisional
- Both of PCT and U.S. non-provisional filed within 12 months
- Potential benefits:
  - Common expiration of all issued patents
  - Relatively low upfront costs to prepare provisional application
  - PCT search will still almost always precede any national stage examination
  - Maintain flexibility regarding U.S. claim scope- you can pursue a parallel/ second case if desired

## Timelines: Example 3 (cont'd)

- First filing= U.S. provisional
- Both of PCT and U.S. non-provisional filed within 12 months
- Potential concerns:
  - Not deferring as much cost
  - Sufficiency of provisional disclosure can still be an issue
  - U.S. non-provisional prepared without PCT search results
    - Also, any difference in claim scope may make PPH decision more difficult

# Timelines: Example 4

- First filing= PCT
- Potential benefits:
  - Minimizing concern regarding sufficiency of invention disclosure
  - Maximum flexibility regarding timing of national stage entry for all relevant jurisdictions
  - Virtually assures PCT search prior to preparation and filing of national applications
  - Possible reduced search and examination fees, if filing in same country as ISA

# Timelines: Example 4 (cont'd)

- First filing= PCT
- Potential concerns:
  - Higher cost than provisional filing
  - Less patent term than would otherwise be available via provisional application
  - Delays in prosecution at national stage (ex-PPH)
  - Harmonizing claims in PCT for national stage entry in various and potentially disparate jurisdictions

# Timelines: Example 5

- First filing= U.S. provisional (disclosing 'A+B+C')
- Invention publicly launched after first filing
  - Invention includes 'A+B+C+D' (!!!)
  - Now you must consider strategies for the various patent offices you may want to enter via PCT route
- Second filing options:
  - File PCT disclosing 'A+B+C+D' on same day as public launch if possible
    - May still claim priority to provisional, but only for claims to 'A+B+C'
    - Will not lose potential patent rights with respect to full scope of invention
    - If no priority claim in PCT, can always preserve priority filing date with U.S. non-provisional within 12 months

## Timelines: Example 5 (cont'd)

- First filing= U.S. provisional (disclosing 'A+B+C')
- Invention publicly launched after first filing
  - Invention includes 'A+B+C+D' (!!!)
- Subsequent to launch date, second filing options:
  - File PCT disclosing 'A+B+C+D' within 12 months of provisional filing date
    - Priority claim OK, but only for claims to 'A+B+C'
    - Will not lose potential patent rights with respect to full scope of invention in some jurisdictions having a 'grace period' (e.g., US; CA; AU; KR)
    - If no priority claim in PCT, can always preserve priority filing date with U.S. non-provisional within 12 months of provisional application

## Timelines: Example 5 (cont'd)

- First filing= U.S. provisional (disclosing 'A+B+C')
- Invention publicly launched after first filing
  - Invention includes 'A+B+C+D' (!!!)
- Subsequent to launch date, second filing options:
  - File PCT disclosing 'A+B+C' within 12 months of provisional filing date AND
  - File U.S. non-provisional disclosing 'A+B+C+D' within 12 months of public launch date
    - Will not lose potential patent rights with respect to full scope of invention in US
    - May consider additional filings disclosing 'A+B+C+D' in individual 'grace period' jurisdictions



# Selecting International Search Authority

- US applicants may choose from among many ISA's including:
- Primary factors to consider:
  - Cost (up front but also potential downstream impacts)
  - Scope and quality of search
  - Potential effects on prosecution at national/regional level
  - Potential PPH benefits
  - Languages available for search

# Selecting International Search Authority

- Factors for/against using USPTO as your ISA/IPEA:
  - May eliminate search and examination fees in US national stage entry, if the search report is clean
  - New search is ostensibly conducted upon national stage entry-
    - However, arguably higher likelihood of success in US prosecution (esp. if national stage entry)
  - Statistically more difficult to obtain a clean report
  - More expensive search fees relative to, e.g., KR, RU
  - Search services are outsourced, not the same USPTO examiner as with national stage entry or continuation

# Selecting International Search Authority

- Factors for using EPO as your ISA:
  - Arguably a more comprehensive search than what will be obtained via USPTO, particularly for non-US prior art
  - Search may reflect an approach to patentability which is more consistent with patent offices ex-US
  - You can obtain an EPO search on all claims, avoiding surcharge for claims in excess of 15
  - If you enter EPO, may waive EPO search fee and potentially even speed up prosecution during the regional phase
  - If you further select EPO as International Preliminary Examination Authority (IPEA), the EPO examination fee during regional phase may be cut by 50%

# Selecting International Search Authority

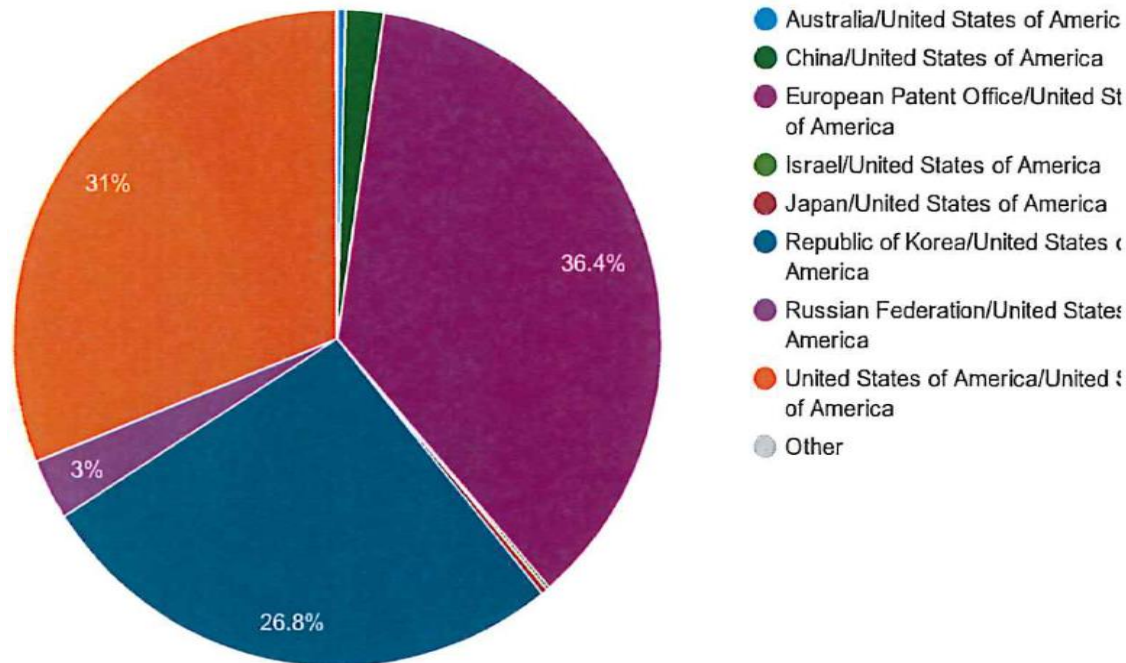
- Potential factors against using EPO as your ISA:
  - Relative up-front cost
  - Strict regarding unity of invention
    - They may require additional fees for search of independent inventions
  - Strict regarding patent-eligible subject matter
    - Can refuse to examine, or otherwise examine but simply exclude subject matter
    - Typically “non-technical” arts (e.g., business methods) or software
  - Upon initiating EPO prosecution (national stage), requirement to respond to PCT search report and opinion within six months

# Selecting International Search Authority

- Potential factors for/against using KIPO as your ISA:
  - Relative up-front cost (cheaper than USPTO or EPO)
  - Generally considered to have highest rate of allowance on 102/103 grounds
  - May conduct searches in at least Korean, English and Japanese, but less capability with respect to, e.g., European languages

# Selecting International Search Authority

- Breakdown of ISA's selected with US origin, 2013-2015:



Source: <http://ipstats.wipo.int/ipstatv2/editSearchForm.htm?tab=pct>

# Sample- ISA written opinion

C. DOCUMENTS CONSIDERED TO BE RELEVANT		
Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X	JP 50-14535 B (NCR CORPORATION) 28 May 1975 (28.05.75), column 4, lines 3 to 27	7-9, 11
X Y A	GB 392415 A (JONES) 18 May 1933 (18.05.33) Fig. 1 page 3, lines 5-7 Fig. 5, support 36	1-3 4, 10 11-12
X Y	GB 2174500 A (STC) 5 November 1986 (05.11.86) page 1, lines 5-15, 22-34, 46-80; Fig. 1	1-3 4
A	US 4322752 A (BIXTY) 30 March 1982 (30.03.82) claim 1	1
A	GREEN, J.P. Integrated Circuit and Electronic Compass, IBM Technical Disclosure Bulletin, October 1975, Vol. 17, No. 6, pages 1344 and 1345	1-5

**Symbols indicating which aspect of patentability the document cited is relevant to (for example, novelty, inventive step, etc.)**

**Documents relevant to whether or not your invention may be patentable**

**The claim numbers in your application to which the document is relevant**

[http://www.wipo.int/export/sites/www/pct/en/presentations/pct\\_overview\\_july2007.pdf](http://www.wipo.int/export/sites/www/pct/en/presentations/pct_overview_july2007.pdf)

# Amendments to PCT Application

- Article 19:
  - Included in the PCT publication, but are NOT examined
  - Useful to correct clear errors prior to publication
  - Uniformity of amendments for national/regional entry
- Article 34:
  - Chapter II amendments under Article 34 will be examined, but are NOT published
  - Arguments may be presented, with or without amendments
  - May be able to obtain clean search report, with possible PPH implications as well as reduced fees in relevant patent office

See: [http://www.wipo.int/pct/en/faqs/amendments\\_19\\_and\\_34.html](http://www.wipo.int/pct/en/faqs/amendments_19_and_34.html)



# Patent Prosecution Highway

- PPH enables an applicant with allowable claims in an application from a first office (national/regional stage or PCT) to obtain expedited processing of sufficiently corresponding claims in applications filed (but not yet examined) in other offices
- Related benefits:
  - Reduced duplication of effort via patent office work-sharing
  - Demonstrated increase in grant rate
  - Obtain more compact prosecution, thereby reducing cost
  - Possible reduction of foreign counsel/prosecution fees
  - May maintain or even increase flexibility in patent strategies

# Patent Prosecution Highway

- Steps in the process (for this example, with respect to USPTO and PCT filings):
  - Applicant obtains a PCT search report and opinion, indicating patentability of one or more claims
  - Applicant files a 'petition to make special' for a corresponding US application under the PPH, and based on the PCT search report and opinion
    - No fee !!
  - Once granted, examination the US application is expedited
  - Contrary to 'Track One' applications, an application which is 'made special' at the USPTO is expedited throughout prosecution

# Patent Prosecution Highway

- What do I mean by “corresponding US application”? :
  - To be eligible for PCT-PPH, the PCT application (or ‘Office of Earlier Examination’- OEE) must have the same priority date or filing date as the US application (or ‘Office of Later Examination’- OLE)
    - If PCT claims priority to US non-provisional- OK
    - If US non-provisional claims priority to PCT- OK
    - If PCT and US non-provisional claim priority to the same US provisional or even foreign application- OK, if that provisional is the earliest filing date
    - If PCT and US non-provisional claim priority to the same US provisional, but either application also claims priority to one or more earlier cases- NOT OK

# Patent Prosecution Highway

- What else do I mean by “corresponding US application”? :
  - To be eligible for PCT-PPH, the claims in the US application must “sufficiently correspond” to the allowable claims in the PCT search report and opinion
    - True for all presented claims
    - Not required to be literally identical in order to “sufficiently correspond”, but in practice they must be effectively the same or narrower in scope
    - Amendments to narrow the claims are considered non-compliant unless the added limitations come from a dependent claim in the original claim set

# Patent Prosecution Highway

- One more note regarding “corresponding US application”? :
  - To be eligible for PCT-PPH, the USPTO must not have begun substantive examination of the US application
    - Review of the application for formalities does not count as substantive
      - E.g., a Notice to File Missing Parts does not preclude petition to make special under PPH
    - Restriction requirements do not count as ‘substantive’
    - Note: even if co-pending US application is not available as a “corresponding” application, you may still file a “continuation” application based on the PCT, or separately national stage entry, and petition to make special under the PPH

# Patent Prosecution Highway

- Additional requirements for PCT-PPH in the USPTO:
  - Petition to make special must be accompanied with claims correspondence table
  - The PCT search report and opinion, including any previous report and opinion
    - E.g., where the allowance of claims was obtained after Article 34 amendments
    - Also any rejections that may have previously been made by a foreign patent office
  - An Information Disclosure Statement listing all documents cited in the PCT search report and opinion
  - Copies of all documents cited in PCT report and opinion

# Patent Prosecution Highway

- The EPO may be more liberal regarding amendments to a corresponding EPC application
  - Arguably more likely to allow amendments beyond original claim set
  - Definitely more difficult to obtain amendments without literal basis/support in original specification
- Possible strategy if you are considering US and EPO filings:
  - File PCT with  $\geq 20$  claims- no penalty even if EPO ISA
    - Objective is to have as many desired inventions covered as possible, and/or dependent claims as may be needed
  - Pay any unity fees as required
  - Maximum flexibility for subsequent filing decisions

# Final Thoughts

- PCT filings are often considered as a way to defer costs and/or foreign options, but there are numerous additional advantages
  - Uniformity of filings means less preparation time and uncertainty
  - Increased flexibility in the filing strategies you may pursue
  - Potentially still may be faster to first examination, or even throughout prosecution



# Final Thoughts

- Additional resources:
- <http://www.wipo.int/pct/en/>
- <http://www.uspto.gov/patents-getting-started/international-protection/patent-cooperation-treaty/pct-national-stage>
- <http://www.uspto.gov/patents-getting-started/international-protection/patent-prosecution-highway-pph-fast-track>
- <http://www.uspto.gov/patents-getting-started/international-protection/patent-cooperation-treaty/pct-fees-us-dollars>



INTELLECTUAL PROPERTY LAW