

## **Standing Committee on the Law of Patents**

**Seventeenth Session**  
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**QUALITY OF PATENTS: COMMENTS RECEIVED FROM MEMBERS AND  
OBSERVERS OF THE STANDING COMMITTEE ON THE LAW OF PATENTS (SCP)**

*Document prepared by the Secretariat*

Pursuant to the decision of the Standing Committee on the Law of Patents (SCP) at its sixteenth session held in Geneva from May 16 to 20, 2011, the Secretariat invited the members and observers of the SCP, through Note C.7998, to submit comments on the topic of quality of patents. This document contains, in the Annex, the comments received.

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## COMMENTS RECEIVED FROM MEMBERS AND OBSERVERS OF THE SCP

### COSTA RICA

1. In response to Circular C. 7998 of June 28, 2011, we would like to present our comments regarding the topics of “Quality of Patents” and “Patents and Health”.
2. With regard to “Quality of Patents”, the Office of Patents of the Intellectual Property Registry grants robust patents with a minimum of delay, ensuring, through improved processes, that users of the patent system are not caught up in confusing, frustrating and, at times, unnecessary procedures.
3. Furthermore, the proposal to build search and examination capacity by leveraging technology to enhance existing examination resources, and promote higher quality by providing access to new sources of information or new and improved ways of accessing existing information is vital, above all given delays in the assessment of applications.
4. Access to training and information for the patent offices of less developed nations, involving a comprehensive training program that would ensure a high standard of quality in terms of procedures, is very important for our Office.
5. The three components included in the proposal put forward by the Delegations of Canada and the United Kingdom, which are: (a) technical infrastructure development; (b) information exchange on quality of patents and; (c) process improvement, would be of benefit to all offices. In order for the patent system to obtain the desired results, patents must be robust and of good quality. National offices benefit greatly from the exchange of information between the Member States.
6. It is important to improve examination and search processes. Moreover, it is fundamental that examiners should develop and share search strategies and there is, therefore, a need to seek mechanisms that will improve information exchange, in order to achieve the objectives proposed regarding quality of patents.
7. The duplication of examinations may be avoided through information exchange. However, it should be remembered that the concept of quality of patents varies from country to country, owing to the fact that it is determined by national legislation. It is important to look at how patentability requirements are applied and whether this is being done effectively. This is not merely a question of adopting the practices of other offices.
8. Information exchange can also be problematic, given that it depends on the level of technological development of each national office.
9. Furthermore, it is important to ascertain whether the expression “quality of patents” refers to the quality of the examination of patentability, or to the quality of the internal procedures carried out by each office.
10. Promotion of the granting of high-quality patents brings with it certainty and increased opportunities in terms of innovation, as well as contributing to the progress of technology.

## DENMARK

### I. INTRODUCTION

11. At the 16th session of the Standing Committee on the Law of Patents (SCP) the Committee decided that the topic “Quality of Patents, including Opposition Systems” should remain on the agenda of the 17<sup>th</sup> session of the SCP.

12. Discussions should be based on the proposal by the delegations from Canada and the United Kingdom (document SCP/16/5) and other comments/proposals presented by member states.

13. This document is intended to be a sub-item under the main component “Information exchange on quality of patents” as outlined in document SCP/16/5.

14. With this document the Danish Patent and Trademark Office (DKPTO) wish to contribute to the discussions by sharing information on its Quality Management System (QMS) for quality assurance in the grant of patent rights. Below is explained

- II: Why the DKPTO has introduced a Quality Management System (QMS)
- III: Outline of DKPTO’s QMS
- IV: Follow-up mechanisms in DKPTO’s QMS
- V: Quality control of DKPTO’s search and examination work
- VI: Recruitment and training of patent examiners
- VII: DKPTO’s experiences with quality management – lessons learned

### II. WHY THE DKPTO INTRODUCED A QUALITY MANAGEMENT SYSTEM

15. The DKPTO introduced its QMS in 2005 on the patent granting process. The QMS is certified externally in accordance with the European ISO 9001 standard. The QMS is an end-to-end system covering the entire patent granting process from filing to grant.

16. The ISO 9001 outline a framework for setting up a QMS. It focuses on a process approach (ongoing control with linkage between individual processes within the system of processes, as well as their combination and interaction).

17. In practical terms the QMS follows a Plan-Do-Check-Act (PDCA) approach in interaction with the customers (applicants).

18. In the DKPTO a QMS was introduced for a number of reasons:

- (a) To encourage culture in the organisation which seeks improvement and thereby ensures an effective review-procedure;
- (b) To ensure uniform products (e.g. a granted patent) for applicants/customers;
- (c) To substantiate quality through an internationally recognized standard;
- (d) To improve knowledge-sharing within the organisation (e.g. between examiners);
- (e) To preserve knowledge when employees leave the office;
- (f) To have a single updated set of procedures for the working processes.

19. The purpose of the QMS is to ensure a continuous improvement of the quality. How well the QMS perform may be measured as the degree of fulfilment of the customers (applicants) expectations.

### III. OUTLINE OF THE DKPTO'S QUALITY MANAGEMENT SYSTEM

20. The QMS is essentially composed of three main components:

- (a) Level 1 – Quality policy, coverage of QMS, objectives and goals;
- (b) Level 2 – Functioning of the QMS (e.g. follow-up mechanisms, communication etc.);
- (c) Level 3 – Actual working procedures for individual processes.

21. The below information is extracted from the DKPTO QMS.

22. Level 1 e.g. set forth the policy, quality objectives and goals. The quality policy outlines a number of basic values under the headings Customers, Employees and Management.

23. Level 1 further sets out the objective of the patent granting process, e.g.

- (a) To deliver grant of patents that are robust;
- (b) To deliver search and examination products of a high quality which put applicants in a solid position to determine the possibility of obtaining a patent in Denmark or internationally.

24. Finally, Level 1 outlines a number of quality goals under the following headings

- (a) Speed: Search report and 1st examination is dispatched within 7,5 months from filing, 80% of patent applications are finalized within 3½ years;
- (b) Quality: Max. 4% of all quality controlled cases are marked as “unsatisfactory”;
- (c) Customers: Benchmarking with the EPO, yearly customer surveys.

25. Level 2 contains a set of procedures for e.g. handling of documents, follow-up mechanisms including audits and quality control, communication, complaints handling and suggestions for improvement of procedures.

26. Level 3 contains a set of procedures for the search and examination work. Such procedures include, e.g., formality processing of patent applications and procedures for making search, 1st examinations, subsequent examinations and final office actions. Procedures for making quality control and processing oppositions are present as well.

27. The Danish Manual of Patent Practise is a part of the QMS and is publicly available on the DKPTO's website.

28. The entire QMS is electronically available to all DKPTO employees on the DKPTO intranet and Level 1 as well as the actual fulfilment of quality objectives and goals is publicly available on the DKPTO's website. Annex 1 of this document contains a (partial) screen-dump of the working procedures for search and examination contained in Level 3.

29. The daily operation of the QMS is handled by a Quality Manager. However, the responsibility for maintaining and updating the separate procedures and, e.g., quality control as such is placed with highly skilled patent experts in the organisation.

#### IV. FOLLOW-UP MECHANISMS IN DKPTO'S QUALITY MANAGEMENT SYSTEM

30. The QMS includes a number of build-in quality follow-up mechanisms to ensure a continuous improvement of the quality:

31. External and Internal audits. External (and thus objective) audits of the QMS is performed regularly to ensure that the system serves its purpose. A team of internal auditors performs around 20-30 audits each year on processes and procedures.

32. Eventual complaints from applicants, Customer surveys and benchmarking provide useful insight for improvement of the QMS.

33. A monthly random sample quality control of the search and examination work is performed on patent applications subject to a quality (product) standard.

34. A continuous management surveillance of the workload and fulfillment of, e.g., processing speed goals takes place.

35. An electronic "mailbox" for employee's suggestions for quality improvements is available.

36. Based on the above follow-up/feedback mechanisms a management quality group holds meetings each quarter to ensure that feedback is dealt with accordingly and actions are taken. This may in turn lead to e.g. change of procedures/processes or upgrading of examiners skills or tools.

37. Further the top-management holds biannual meetings to ensure that the QMS is fit for the purpose, actions are taken properly or to decide whether the staff is sufficiently qualified and the necessary resources are present to tackle the workload.

#### V. QUALITY CONTROL OF DKPTO'S SEARCH AND EXAMINATION WORK

38. Any office action (search report and examination) performed by a patent examiner is peer-viewed by another examiner before it is dispatched from the DKPTO to the applicant.

39. Quality control of search and examination work on patent applications is done by a Quality Control Group consisting of highly skilled and experienced patent examiners.

40. Cases are picked out by random sampling according to standardised methodology. Cases are picked out in two categories (stages of the application procedure): (1) Search and first examination; and (2) Subsequent examination including final office actions.

41. Cases picked are measured up to a "product standard".

42. The Search and First Examination "standard" include, e.g., control of:

(a) The search: Coverage, relevant patent classes, terms, synonyms, citations;

(b) Prior art found: Relevancy, novelty and inventive step judged correctly on the basis of prior art, correct methodology for judging inventive step, objective technical problem defined correctly;

- (c) Treatment of patent claims: Unity correctly determined, dependent claims dealt with;
  - (d) Office action: Conclusions in line with the text of the office action, necessary instructions to applicant, all deficiencies mentioned, support in the description, clarity of application, letter fit for purpose (e.g. private or professional applicant).
43. The subsequent examination/final office actions “standard” include e.g. control of:
- (a) The search: Is top-up search done, coverage, relevant patent classes, terms, synonyms, citations, has amended claims led to a changed search which is performed;
  - (b) Prior art found: Relevancy, novelty and inventive step judged correctly on the basis of prior art, correct methodology for judging inventive step used, objective technical problem defined;
  - (c) Treatment of patent claims: Unity correctly determined, support in description;
  - (d) Office action: Conclusions in line with letter text, necessary instructions to applicant, all deficiencies mentioned, support in the description, clarity of application, letter fit for purpose (e.g. private or professional applicant).
44. Subject to the quality control a case is marked “approved”, “could be improved” or “unsatisfactory”. Monthly reports are dispatched to the Patent Management for further action. Quality markings are as follows:
- (a) “Unsatisfactory” means that an applicant has received a wrongly or dissatisfactory office action from the DKPTO (e.g., the examiner takes a negative stance on patentability on an obviously fault basis, a positive stance on patentability was initially taken and later withdrawn, non-compliance with patentability criteria’s);
  - (b) “Could be improved” means that internal procedures were not followed, but it has no direct impact on the applicant;
  - (c) “Approved” means that patent practise and procedures has been followed.
45. As stated above, an assessment based on the patentability criterias as well as, e.g., support in the description and clarity is dealt with as a part of the quality control. Procedures for the search and examination work further describe these topics.
46. DKPTO’s procedures for processing of patent applications, its patent practise (Manual of Patent Practise) and the legal framework (the Patents Act and the Patent Order) is available on DKPTO’s website.

## VI. RECRUITMENT AND TRAINING OF PATENT EXAMINERS

47. Skilled patent examiners with a relevant scientific and/or technical background from a university are a prerequisite for delivering search and examination products of a high quality.
48. The DKPTO conducts a series of interviews with applicants applying for a job as a patent examiner. This will, inter alia, include a “real” test where an applicant will have to demonstrate his/her ability to read, understand and process a patent application and evaluate on the basis of prior art attached.

49. When starting as a patent examiner a new employee is entitled “associate examiner” under supervision of a senior examiner. This supervision may take place a year or more, depending on the abilities of the new employee. Any upgrade to “examiner” is subject to test and evaluation from patent management.

50. Similarly, “examiners” are subject to case review and a test before appointment to “senior examiner”.

51. All examiners – independent of seniority – are continuously measured against a set of competences and qualifications as part of the QMS.

52. Examiners are trained on both a regular and an ad-hoc basis in relevant patent fields and database searching.

## VII. DKPTO'S EXPERIENCES WITH QUALITY MANAGEMENT – LESSONS LEARNED

53. As earlier stated the DKPTO received an ISO 9001 certification for its patent granting process in 2005. The ISO 9001 simply set forth a framework. How requirements within this framework are to be fulfilled is up to the individual organisation/patent office to decide. Hence, there is a great flexibility for an Office to adapt to this standard. Using ISO 9001 is simply one way of adopting a QMS.

54. The DKPTO already had a significant number of guidelines and procedures which were re-used, organised and fed into the QMS. As such the build-up of a QMS did not involve any particular huge effort, and was put in the hands of a quality task force. The time span from the decision of implementing an initial QMS to launch was around half a year.

55. After launch of the QMS a significant number of improvement suggestions were filed by employees who served as a mechanism to mature the QMS and improve the procedures for e.g. the search and examination work. Later, the number of improvement suggestions has dropped to a lower, natural level.

56. A number of skilled examiners act as responsible “owners” of procedures. Improvement suggestions and ownership from employees has introduced a “quality culture” in the DKPTO.

57. The regular quality control of search and examination has led to a focused training of examiners within specific patent fields.

58. Further, customer surveillances shows that applicants find that they receive a more uniform working product of a higher quality.

59. Finally, a QMS guarantees continuous learning and improvement of products.

60. Overall, operational challenges facing quality management is to:

- (a) ensure a continuous high devotion from the management;
- (b) steer the development/growth of the QMS (numbers and size of procedures) so it continuous to be operational and possible to handle;
- (c) to ensure that improvement suggestions from employees are dealt with timely and properly.



61. In conclusion, our office finds that our QMS has led to the expected benefits as outlined in the introduction of this document. The quality of the search and examination process and of the actual work has increased for, e.g., the following reasons:

- (a) It has introduced a “quality culture/awareness” among examiners;
- (b) It ensures that uniform products are delivered to a certain standard.

62. However, it should be noted that a QMS only ensures that products are delivered to a standard specified by the QMS.

63. Whatever such “specified standard” may be or whether the standard is adequate is an individual choice to be made by each office. Such a standard may vary among patent offices depending on specific national legislation, level of development, infrastructure, applicant’s needs or requirements etc.

## ANNEX 1: (PARTIAL) SCREEN-DUMP OF LEVEL 3 WORKING PROCEDURES FOR SEARCH AND EXAMINATION

The screenshot displays a web browser window with the URL [http://intranet2/kvalitetsstyringssystem/niveau-3-procedurer-og-vejledninger/paten/dk-ansoegninger-\(pdk\).aspx](http://intranet2/kvalitetsstyringssystem/niveau-3-procedurer-og-vejledninger/paten/dk-ansoegninger-(pdk).aspx). The page is titled "Kvalitetsstyringssystem" and is organized into levels:

- Niveau 1 Styrelsens politik og mål
- Niveau 2 Dokumentstyring og systemfunktion
- Niveau 3 Procedurer og vejledninger**
  - Generelle procedurer
  - Patent
  - Generelle dokumenter (PGE)
  - DK-ansøgninger (PDK)**
  - Modtagende Myndighed (PEU)
  - Brugsmodel (PBM)
  - Subcontracting (PSC)
  - Erhvervs-service (PES)
  - Varemærke
  - IPR - Kunder og kommunikation
  - Intern Service & Økonomi
  - HR
  - Igangværende forbedringsforslag samt forebyggende - og korrigerende handlinger
  - Auditrapporter og QA-møder & Direktionens evaluering inkl. status på QA-system
  - Plan for intern audit
  - Registrering af kundetilbagemeldinger
  - Indsendt forbedringsforslag

The main content area, titled "DK-ansøgninger (PDK)", lists various procedures under several sub-headings:

- Danske ansøgninger**
  - PDK 3.35 Patentloven
  - PDK 3.36 Bekendtgørelse om Patenter og Supplerende beskyttelsescertifikater
  - PDK 3.1 Ændringer i patenthåndbog + PDK 3.1.A (selve håndbogen)
  - PDK 3.2 Procedure for behandling af enhed i danske patentansøgninger
  - PDK 3.2.A Behandling af enhed i danske patentansøgninger
  - PDK 3.3 Procedure for papirløs sagsbeh.
  - PDK 3.3.A Papirløs sagsbehandling
- Procedurer for formalbehandling**
  - PDK 3.5.1 Formalbehandling af nye ansøgninger
  - PDK 3.5.1.1 Formalbehandlingsrapport
  - PDK 3.5.1.2 Fastlæggelse af indleveringsdag for patentansøgning
  - PDK 3.5.1.3 Behandling af indkommen post
  - PDK 3.5.10 Udskilte ansøgninger
  - PDK 3.5.2 PCT-ansøgninger i national fase
  - PDK 3.5.3 International nyhedsundersøgelse 6.9
  - PDK 3.5.4 Offentliggørelse af ansøgninger
  - PDK 3.5.5 Henlæggelse af ansøgninger
  - PDK 3.5.6 Genoptagelse af henlægte ansøgninger
  - PDK 3.5.11 Frister
  - PDK 3.5.7 Endelig henlæggelse
  - PDK 3.5.8 Bortfald/endelig henlæggelse paa. mgl. betaling
  - PDK 3.5.9 Tilbagetagelse af ansøgninger
  - PDK 3.11.1 Klargøring til patentmeddelelse
  - PDK 3.11.2 Indvending, herunder påstand om bedre ret
  - PDK 3.24 Procedure for retning af fejlpublicering i patenttidende
- Procedurer for første tekniske behandling**
  - PDK 3.6 Procedure for 1. behandling af DK-grundansøgninger
  - PDK 3.6.A PSA skema
  - PDK 3.6.B PSA vejledning
  - PDK 3.6.C Brevskrivning
  - PDK 3.6.D Huskeliste til 1. behandling
  - PDK 3.38 1. behandling af dk prioritetsansøgninger
  - PDK 3.23 Procedure for fremskyndelse af en ansøgning behandling
- Procedurer for Nyhedsundersøgelse**
  - PDK 3.7 + PDK 3.7.A Søgestandard
  - PDK 3.7.B.1 opgavebeskrivelse (search statement)
  - PDK 3.7.F Retningslinier for udformning af den redigerede søgehistorik
  - PDK 3.7.G Modhold som må citeres i nyhedsrapport
- Procedurer for uPDate**
  - PDK 3.32 Procedure for uPDate vejledning + PDK 3.32.A (uPDate vejledning)

An arrow points from a box labeled "Level 3" to the "DK-ansøgninger (PDK)" section in the sidebar. A bracket on the right side of the main content area points to a box labeled "Links to working procedures".

## **FINLAND**

64. In response to the Circular C.7998 we would like to submit the following comments on the proposal by the delegations of Canada and the United Kingdom (document SCP/16/5).

65. The Finnish Patent Office supports the proposal submitted by the delegations of Canada and the United Kingdom on the Work Program on Quality of Patents. We find that the overall topic – Quality of Patents - is very important. The three components of the proposed work plan are central elements to be discussed and we believe that discussions at the Standing Committee on the Law of Patents will help us to gain an understanding of what is meant by the term “patent quality”. In general we consider that initiatives such as this which contribute to quality improvement are important since they promote the development and credibility of the patent system as a whole.

66. In Finland we have a very close collaboration with our user groups in these questions. Customer feed-back is extremely important for us and our operations are customer-orientated and transparent. We find this collaboration very important and useful.

67. Development of our operations has been a long-term process. An effective recruitment policy is one of its key elements as well as the strong commitment of the personnel and the management. We have invested in improving the quality of our own processes; we for example train our staff continuously in order to keep up to the standards. We also hold the ISO 9001:2008 certificate for the core processes of the patents department.

## **GERMANY**

### **I. INTRODUCTION**

68. At the sixteenth session of the WIPO Standing Committee on the Law of Patents the delegations of Canada and the United Kingdom proposed in SCP/16/5 a "Work Program on Quality of Patents".

69. We consider this topic to be an important and essential one for the further development of the existing patent systems worldwide. The constant increase of patent applications has led to a growing number of pending applications awaiting a final decision. There is no legal certainty in respect of these applications. This situation which is called "backlog" has prompted various joint international efforts of patent offices in worksharing or mutual recognition of work results like the Utilisation Implementation Project (UIP) within the European Patent Network (EPN) or the so-called Patent Prosecution Highways (PPH), i.e., bilateral agreements of a number of patent offices.

70. In this situation "patent quality" becomes a crucial factor of the system. This in turn leads to the legitimate question what is meant by the term "patent quality". There is probably no single helpful definition of a concept with such a wide scope, applying to procedures and products alike, and to formalities as well as to content. The scope of the term "patent quality" begins with incoming applications and may end with the validity of patents being contested in litigation before the courts.

71. On a general note one may define quality as "the extent to which patent systems comply with their patentability conditions in a transparent way".<sup>1</sup> We strongly support constructive discussions in order to get a clear picture of the respective perceptions of quality and a mutual understanding of the work of the Member States done in this field.

## II. CRITERIA OF PATENT QUALITY - DPMA APPROACH

72. In order to gain a clearer understanding of what patent quality means we suggest to use the following criteria for determining patent quality ("DPMA Criteria of Patent Quality").

73. Patent quality is determined by three components which mirror the phases of the life of a patent and take into account the perspectives A) of the applicant, B) of the patent office and C) of the use of the patent after grant. Depending on the perspective, the term "patent quality" will be perceived differently. These components can be further subdivided as follows:

### A. Patent quality from the applicant's perspective

#### (1) *Quality of the invention:*

Does the invention, with respect to the solution of the objective problem, constitute a very small improvement in a known technical subject-matter, in the sense of an incremental improvement (low degree of inventiveness), or the solution of a previously unsolved problem (high degree of inventiveness)?

#### (2) *Quality of drafting the patent application:*

Is the invention clearly described in the application? Deficiencies in this area may be due to the following:

2.1. the applicant has insufficient knowledge of prior art in the technological field to which his invention relates;

2.2. the applicant is not sufficiently skilled to appropriately describe a technical or scientific issue;

2.3. the applicant submits a poor translation into the application language;

2.4. the applicant wishes to maintain ambiguity about the core issue of the invention and therefore hides the true invention within the application.

### B. Patent quality from the office's perspective

#### (3) *Quality of search for the state of the art:*

Does the examiner identify the closest prior art? What search tools and options (hardware and software) are available?

#### (4) *Quality of analysis of search results:*

Is prior art correctly evaluated in relation to the application?

#### (5) *Quality of the application of legal provisions:*

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<sup>1</sup> Bruno van Pottelsbergh de la Potterie: "The Quality Factor in Patent Systems". Vienna, PATSTAT Conference.

Are the applicable legal provisions observed and applied appropriately ?

(6) *Quality of cooperation of the applicant and the examiner:*

Does the examiner offer proposals e.g. on the wording or drafting of claims? Are decisions reasoned and transparent? Do both sides work together in a constructive manner?

(7) *Quality of legal provisions:*

Are the legal provisions understandable and available to all parties concerned?

C. Patent quality from the use perspective

(8) *Quality of legal validity:*

Can a granted patent be successfully enforced or defended in court?

(9) *Quality in terms of the economic value of a patent:*

Is the patent associated with economic added value for the patent owner? Is the patent useful for the economy and for the society?

III. THE VALUE OF PATENT QUALITY

74. We think it is adequate to focus particularly on patent quality from the office's perspective as previously laid out since it is encompassed by the office's competence and can be directly influenced by the office itself and the respective government. The core elements of the patent system, from an office's perspective, are search and grant.

75. Patent protection can only be provided for inventions that are innovative, the disclosure of which will enrich the present state of the art beyond the obvious. Patents for trivial developments or inventions where the technical teaching is not sufficiently disclosed are the result of low quality work of a patent office. Such patents would impede rather than foster new developments. An inflation of industrial property rights would lead to increased research costs and obstruct competition unnecessarily. At an advanced stage it could even lead to a collapse of the entire protection system.

76. Since 2006 the European Patent Network (EPN) has played an important role in intensifying the discussion on patent quality with the active participation of the German office. The development of a European Quality System (EQS) provides a basis for continually improving the quality of products (such as searches and patents) of the participating offices of the European member states. EQS comprises the following two parts:

(a) The Standard for a European Quality Management System (EQMS) deals with the quality of processes in patent offices, for instance search and examination procedures. Its main requirements are largely based on the international quality standard ISO 9001.

(b) The Product Quality Standards (PQS) define the minimum requirements for classifying applications, drafting reports on search results, written communications, as well as requirements for refusals and patent grants.

77. We think that the information about the work done under the EQS could be helpful for an in-depth discussion within the WIPO Standing Committee on the Law of Patents as well.

78. A quality management system alone does not necessarily lead to good work results. In our view, a high quality patent necessitates compliance with the individual steps of the second component, i.e., patent quality from the office's perspective. With respect to legal certainty it is particularly advisable to carry out a thorough search for the closest state of the art. It is equally important to reach the correct decision as to whether the subject matter of an application fulfils the requirements of patentability with a particular focus on the question whether the subject matter was obvious to a person skilled in the art. This work must be carried out very carefully and takes time to produce high-quality results. Considering the complexity of the tasks we feel that it would not be appropriate to unduly regulate and quantify the workflow of the examiners.

79. Besides the legal requirements patent quality is influenced by various other key issues within the patenting process which are not readily calculable. From our viewpoint the following aspects are essential:

- (a) a thorough scientific and technological prior education and knowledge of patent examiners that enables them to carry out high-quality patent examination;
- (b) a careful selection of staff members and their sustainable training, since well qualified staff is the key to high-quality work;
- (c) a high degree of independence and personal responsibility of patent examiners which are prerequisites of good work results.

80. We therefore appreciate a constructive debate on patent quality and encourage the Member States to participate in it.

## **INDONESIA**

Regarding the proposal of the Delegations of Canada and the United Kingdom, which be the basis of the discussion on the topic of Quality of Patents in the 17<sup>th</sup> session of the SCP, we support the proposal.

## **KYRGYZSTAN**

### **POSSIBLE TECHNICAL MISTAKES IN THE TITLE SHEET**

81. In accordance with the provisions of the Patent Law of the Kyrgyz Republic after examination an applicant shall be given a decision, containing such information as: applicant, author, patent owner, claim, registration and reference number of the application, prior art, IPC. In case of possible technical mistakes in this information, it may be corrected by the applicant or author before a patent issuing.

82. It is also possible to make amendments after the grant of the patent. According to the Article 28 of the above-mentioned Law, in the case of disclosure of evident and technical mistakes by the patent owner's request, Kyrgyzpatent shall insert appropriate correction into the granted patent.

### **EXAMINATION OF INVENTION AND USE OF REPORTS OF INTERNATIONAL SEARCHING AUTHORITIES**

83. Kyrgyzpatent carries out a formal and preliminary examination of application for invention.

84. By petition of the applicant to be filed with Kyrgyzpatent simultaneously with an application or during 30 months from the filing date, consideration of the application may be implemented with substantive examination.

85. The formal examination checks a complex of necessary documents, their correctness and compliance of applied subject matter with protected subject matters.

86. During the preliminary examination Kyrgyzpatent checks observance of the following requirements: patentability of presented materials of the application, withdrawn applications with earlier priority, funds of issued titles of protection of the Kyrgyz Republic, as well as by published Eurasian applications and patents. It also determines a priority of the invention and checks its uniformity.

87. During 18 months from the filing date of an application Kyrgyzpatent carries out the substantive examination: compliance to industrial applicability, novelty and inventive level. The examination shall be based on the report of international searching authority, namely of the Federal Institute of Industrial Property of the Russian Federation or the European Patent Office.

88. The procedure of examination may include a request to the applicant to provide any missing or/and corrected materials as well as proposals of experts to improve the claim. Additional materials presented by applicant should not change the essence of claimed technical solution.

#### PUBLICATION

89. After 18 months from the filing date of an application or a priority date, Kyrgyzpatent publishes data on application in the Official Newsletter excluding withdrawn or refused applications.

90. The Official Bulletin "Intellectual Property" after decision to grant a patent, publishes data about author, applicant, patent owner, number of registration for applied materials and patent and invention claim.

#### OPPORTUNITY TO FILE OPPOSITION BY THIRD PARTIES. APPELLATION.

91. Any patent during its validity term may be recognized as invalid fully or partially by opposition of third parties in the following cases: (a) contradiction to patentability, novelty, inventive step, industrial applicability; (b) presence in the invention claim of inventive features lacking in the initial materials of application; (c) incorrect reference to author or owner of the patent. A person, filing his/her opposition has to motivate it and provide a document on fee payment.

92. The opposition against grant of the patent shall be considered by the Board of Appeals of Kyrgyzpatent with participation of patent owner and opposition person.

93. In case of negative reaction to the Board of Appeals' decision, any party may file a suit.

94. Thus the Patent Law of the Kyrgyz Republic provides a possibility to correct technical mistakes before and after grant of the title of protection, to use reports of international searching authorities during examination processes as well as to file oppositions by third parties against patent granting in case of incompliance with conditions of patentability or unauthorized patent obtaining.

95. The possibility to correct materials of application in the course of examination and the possibility to file oppositions by third parties in the Board of Appeals of Kyrgyzpatent or courts of the Kyrgyz Republic improve a quality control of issued patents.

## **MEXICO**

96. The Mexican Industrial Property Institute (IMPI) welcomes the submission by the Delegations of Canada and the United Kingdom of the proposal on “Quality of Patents, including Opposition Systems”. The proposal is an interesting one and will serve as a basis for future balanced work on such an important topic as Quality of Patents.

97. It should be pointed out that Mexico made the following statement at the last Session of the Standing Committee on the Law of Patents (SCP):

*“Mexico welcomes the proposal made by Canada and the United Kingdom. Such an approach would be a good way to proceed in order to ensure that the work of this Committee produces the results required with regard to the goals it was established to achieve, in particular with regard to such an important topic as Quality of Patents. Mexico also supports the proposal made by the Republic of Korea concerning this issue.”*

98. IMPI considers that it is important to share experiences, as well as to develop and exchange strategies between offices, in order to ensure the implementation of a successful program on quality of patents. The Institute awaits with interest the discussions that will take place concerning this topic at the Seventeenth Session of the SCP, given that proposals and observations made by the Member States with the aim of implementing this work program are to be included.

## **PORTUGAL**

99. The Portuguese Institute of Industrial Property expresses its support for the proposal of Canada and United Kingdom for a work program on quality of patents set out in document SCP/16/5 and it is our opinion that the three proposed components of work (technical infrastructure development; information exchange on quality of patents; and process improvement) would be beneficial to all involved in the patent system.

100. Regarding the first proposed component, we think that the quality of search and examination is related with the availability of sources of information relevant to patentability. In order to ensure the access to appropriate search documentation it is important to be in compliance with the PCT minimum documentation and also have a good computerised system, in order to monitor workload of each examiner, assure that all legal deadlines associated to the processes are fulfilled, and avoid the existence of processes in paper.

101. Referring to the second proposed component, we support that sharing and exchanging information on patent quality among patent Offices is a very useful approach at various phases, as users of the patent system would be able to learn from each other.

102. This proposed work program is complementary to what has been done in European patent Network (EPN), since 2006, which provides a base for continually improving the quality of the products of the Offices of the European member states. In 2008 the Portuguese Office, to assure its compliance with the requirements set out in European Quality Management System (EQMS), created two documents: “Product Quality Standards”, which defines the minimum requirements for classifying applications, drafting reports on search results, written opinions, and requirements for refusals and patents grants; and “Attribution and management

process of technologic incidence rights applications guide”, which its main topics are based on the international quality standard ISO 9001.

103. We think that the creation of an international forum, where all Offices can share information about the quality of their patents and their systems could be helpful to improve the quality system in each national Office and to share best practices. We also agree with the comment done by the German Office about “Information about the work done under the EQS could be helpful for an in-depth discussion within the WIPO Standing Committee on the Law of Patents as well”. Further, we express our strong support for the proposal for each Office collecting views and experiences from their users relating to quality of patent Office processes and operations and share them with the Committee. For that, we suggest an elaboration of a common questionnaire. The results of the questionnaire of each Office could be compiled in quality reports elaborated by WIPO, and shared among the Offices.

104. It is important that Offices have communications channels between examiners and respective users, such as phone, e-mail and business-to-business, and also an appropriate system for handling complains. The Portuguese Office believes that to understand how an Office can improve its quality system, it is essential each Office has a mail box where the users can leave their suggestions and complains or interactive platforms where the users can give opinions about the Office’s strongest and weakest points.

105. Regarding the third component of the proposed work plan for the SCP, the process improvement, the PT Office considers that is an essential topic to be discussed at the SCP sessions.

106. The PT Office states that quality could be defined as the fulfilment of patentability requirements by patent Offices in a transparent way. For that reason, we think it is adequate each national Office creates internal guidelines and it is equally important to share them with the patent users. Further, we think that each Office could implement internal audits of patents decisions to evaluate the decisions taken and to identify the existing errors in each file each process. According with the results of these audits corrective and preventive actions could be developed and undertaken to assure a continuous improvement of the established procedures, of the search and examination products and processes. Additionally, we propose that the results of the audits and the consequent corrective and preventive actions of each Office could be compiled in quality reports elaborated by WIPO, and these reports should be shared between all Offices, allowing the experience exchange between Offices. We further suggest that with the sharing of those results, WIPO could evaluate areas with more errors and according with that, WIPO could propose preventive actions, for instance, specific training programs directed to the Offices in order to minimize the occurrence of errors.

107. A key issue within the patenting process improvement is directly related with Office examiners team. We consider that the quality of patents is straight related to the diversity of technological areas of the examiners team in order to allow the high quality patent examination at different technological fields. Another aspect with relevance to the patent quality is the appropriate training of the examiners team, not only scientific training but also legislation and patent examination training. In addition, we would like to emphasize the importance in the patents quality of the examiners sharing between Offices with a training and exchange of experiences purpose.

108. The PT Office believes that the definition of the term quality is also associated with the average time to achieve a final decision about the grant or refusal of a patent application. For instance, in order to avoid backlog, the examiners of our Office need to comply with quality deadlines of each item of their working list (formal exam, search reports, examination report and others). Therefore, we suggest that this point should be considered to the definition of the term quality in order to increase the patenting process improvement.



109. Moreover, the PT Office considers that the existence of indicators for the quality management (qualitative and quantitative indicators) consists in an essential practice to measure the quality of the work done by each Office. Another practice that could improve the quality of patents is the development of patent training programs for the main patent system users, for instance, universities and companies/enterprises, with the aim of approaching the Offices to users and potential users. This practice could improve the quality of the patent applications filed and, consequently, all the patent phases until the final decision would be faster. The PT Office offers several training programs directed specifically to universities, enterprises and other users involved in Industrial Property.

110. In order to enhance the quality of granted patents, the Portuguese Office implemented a Quality Management System, which it is certified by ISO9001:2008, since 2006.

111. We appreciate a constructive debate on patent quality between all Member States.

## **SPAIN**

112. The Delegation of Spain previously expressed, at the Sixteenth Session of the Standing Committee on the Law of Patents, both its support for the proposal by the Delegations of Canada and the United Kingdom in respect of quality of patents and its satisfaction at the inclusion of such an important issue on the agenda of the Committee.

113. Furthermore, Spain welcomes the fact that the proposal takes into account a number of the Development Agenda recommendations (Recommendations 10 and 11), thus further enriching the discussion.

114. In order for the patent system to function correctly and to achieve its economic and social policy objectives, any patents granted must meet certain requirements in terms of quality.

115. The Spanish Patent and Trademark Office (the international search and international preliminary examination authority under the Patent Cooperation Treaty (PCT)) has shown its commitment to achieving the objective of patent quality and, in accordance with Chapter 21 of the "PCT International Search and Preliminary Examination Guidelines", has implemented a quality management system (QMS). In 2007, this system obtained the ISO9001:2000 certificate for actions relating to International PCT applications and, in 2008, it obtained a Technological Surveillance Certificate for the Search Service, in compliance with the UNE166006:2006 EX standard. This QMS is the subject of annual audits.

116. During the Sixteenth Session of this Committee, a number of Member States highlighted the need to define the term "quality of patents", before addressing the proposal included in document SCP/16/5. However, it became clear from the statements made by various States that a consensus existed regarding the meaning of "quality of patents"; a patent is of quality if the invention that is its subject complies with the legal requirements, essentially patentability requirements, established in the legislation of the State in which said patent was granted.

117. One of the three components of the work plan set out in document SCP/16/5 is "process improvement". This point provides the Committee with an opportunity to continue with its study of substantive aspects of the Law of Patents.

118. Professionals in the world of patents generally agree that the aspect of assessment of patentability requirements that causes the most disagreement and difficulties is the assessment of inventive step.

119. Within the Committee, a large number of Member States reiterated their opposition to the harmonization of legislation on patents. However, the definition of the inventive step requirement is very similar in most national legislations,<sup>2</sup> with a few minor alterations. There would not, therefore, seem to be any urgent need to harmonize national and regional patent legislations in this regard.

120. Given the complex nature of the assessment of inventive step, as previously pointed out, the proposal put forward by the delegations of Canada and the United Kingdom, and included in document SCP/16/5, could be used as an opportunity to launch a series of studies designed to improve understanding of the issue that would be prepared by the secretariat in collaboration with the Member States.

121. The first studies would focus on the main elements involved in the definition of inventive step: state of the art and person skilled in the art, person in the trade, or person skilled in the technical field. The definitions of this term contained in the various legislations would be examined, with particular focus on how the internal guidelines for patent examiners refer to it.

122. A comparative study of the various methods of inventive step assessment used in the Member States would then be carried out. This study would need to be very practical in nature, with numerous examples, and would examine cases in which the results of inventive step assessment had varied in a number of Member States.

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<sup>2</sup> Definitions of “inventive step” in the legislations of a number of Ibero-American and European States.

**Costa Rica:** Inventive step is considered to be a creative process the results of which are not obvious to a person having average skill in the art from the state of the art at the time of filing of the application and/or of recognized priority.

**Peru:** states that an invention shall be regarded as involving an inventive step if it is neither obvious to a person in the trade with average skills in the corresponding technical field nor obviously derived from the state of the art.

**Honduras:** an invention is considered to involve an inventive step if it is neither obvious to a person skilled in the art nor obviously derived from the state of the art.

**El Salvador:** an invention shall be considered to involve an inventive step if it is neither obvious to a person with average skills in the relevant technical field nor obviously derived from the corresponding state of the art.

**Cuba:** an invention involves an inventive step if its essential distinctive characteristics surpass known technical solutions and also if said invention is not obviously derived from the state of the art.

**Argentina:** An inventive step is involved where the creative process or its results are not obvious from the state of the art to a person with average skills in the corresponding technical field.

**Brazil:** an invention involves an inventive step whenever it is neither obvious to a person skilled in the art nor obviously derived from the state of the art.

**Ecuador:** an invention shall involve an inventive step if it is neither obvious to a person in the trade with average skills in the corresponding technical field, nor obviously derived from the state of the art.

**Uruguay:** an invention involves an invention step when it is not obvious from the state of the art to a person skilled in the art.

**Bolivia:** an inventive step shall be involved if the invention is neither obvious to a person in the trade with average skills in the corresponding technical field, nor obviously derived from the state of the art.

**Chile:** an invention involves an inventive step if it is neither obvious to a person with average skills in the corresponding technical field, nor obviously derived from the state of the art.

**Colombia:** an invention shall involve an inventive step if it is neither obvious to a person in the trade with average skills in the corresponding technical field, nor obviously derived from the state of the art.

123. Such studies would contribute to improving understanding of the inventive step requirement and its assessment, meaning that the exclusive rights conferred by patents would be more likely to be granted to inventions that merit such treatment.

### **THIRD WORLD NETWORK (TWN)**

#### **INTRODUCTION**

124. In formulating a work-plan in SCP on a particular subject matter, it is always important to bear in mind the context of the emergence of the TRIPS Agreement.

125. It is undeniable that the TRIPS Agreement came about as a result of strong pressure by the industrialized countries with the clear objective of universalizing the standards of IP protection that developed countries had incorporated in their legislation, once they had attained a high level of technological and industrial capability.

126. However notwithstanding this context, the TRIPS Agreement contains elements that if duly applied would permit a certain balance in the implementation.

127. The Preamble of TRIPS recognises “the underlying public policy objectives of national systems for the protection of intellectual property, including developmental and technological objectives”. Article 7 of TRIPS on “Objectives” recognises that the protection and enforcement of IP are not an end in themselves but are meant to enable each country within the limits defined by the Agreement to define a balanced regime of protection, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare.

128. Article 8 (on “Principles”) stresses that no Member can be prevented from taking into account its own public interests and that appropriate measures provided they are consistent with TRIPS Agreement can be taken to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.

129. These are important provisions that should guide the formulation of any work-plan in SCP. These provisions recognise that IP protection can have adverse socio-economic implications and thus governments have the freedom to take measures to protect their national interests “including measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development”. This leaves room for adopting different solutions nationally as per the national needs and interests.

130. Accordingly any work-plan on patent quality should be on the premise that different countries have different development objectives and that patentability standards and patenting processes need to be formulated to achieve these objectives. And thus activities on “patent quality” should work to enhance the ability of patent offices to work in the developmental interests of its country and to serve the general population of its country.

131. Initiatives such as “work-sharing”, “outsourcing patent examination” that aim to encourage a country’s patent office to substantially rely on, or to simply endorse the work of other countries, in the examination of a patent application should be disregarded. Patent examination process is not a mere technical activity but must be guided by national developmental and public policy objectives.

## SPECIFIC COMMENTS ON THE CANADA/UK PROPOSAL

132. The proposal is about developing a work-programme on the quality of patents. However in the proposal there is little clarification as to what “patent quality” means. It is unclear whether the concept is with regard to the speed with which patents are granted or the scope of the patent claims or the extent to which there is sufficient disclosure on the best way to work the invention or the level of inventive step (and other patentability criteria) applied in determining whether or not to grant the patent.

133. There is no universal standard with regard to the “quality” of patents. The concept of quality of patents varies from country to country according to their patentability criteria determined as per the national circumstances and development objectives.

134. Article 27.1 of the TRIPS Agreement stipulates that patents shall be granted to protect inventions, which are “new, involve an inventive step and are capable of industrial application”. The Agreement does not define these three requirements, and it is up to each country to implement these requirements according to the national circumstance and level of development.

135. A report on “Integrating Intellectual Property Rights and Development Policy” by the Commission on Intellectual Property Rights set up by the UK government in 2001 noted.<sup>3</sup>

136. “We believe that in considering the design of their patent systems, developing countries should adopt a pro-competitive strategy that, as one observer suggests, is tilted towards second comers rather than distant patentees.<sup>4</sup> This is especially important in those areas of technology such as pharmaceuticals and agriculture where, as we have already considered, the cost of providing strong protection is likely to be greatest. Such a pro-competitive strategy is best realised by seeking to restrict the scope of patent protection provided.”

137. The Commission’s report supports the view that: (i) patent standards that are in place in developed countries are not suitable for the context of developing countries; and (ii) developing countries need to adopt a more stringent patentability criteria.

138. What this means is that the concept of “quality” of patents will vary depending on patentability standard that has been adopted (determined as per national objectives) and the ability of patent offices to apply this standard effectively in the examination of patent applications.

139. Patent “quality” cannot simply be improved by adopting the practises of other patent offices and especially developed country practices. Developed countries are known to have lax patentability standards, and administrative processes that favor the patent applicant, however such practices (even the so called “best practices”) are not suitable for developing countries, and if followed would undermine the flexibilities existing in national patent law and effectively result in harmonisation of patent law.

140. The proposal contains three components i.e. technical infrastructure development, information exchange on quality of patents and process improvement. Comments on these components is as follows:

- (i) It is indeed important to have good technological infrastructure to enhance the capability of patent office to access information for the purpose of examining patent

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<sup>3</sup> See [http://www.iprcommission.org/graphic/documents/final\\_report.htm](http://www.iprcommission.org/graphic/documents/final_report.htm).

<sup>4</sup> Reichman, J. (1997) “From Free Riders to Fair Followers: Global Competition under the TRIPS Agreement”, *NYU Journal of International Law and Politics*, vol. 29. Source: <http://www.nyu.edu/pubs/jilp/main/issues/29/b.html>.

applications. However, it is equally (and often more) important that patent offices apply the information as per their domestic laws.

It is not just a matter of developing technological infrastructure but also a matter of being able to access patent databases. Developing countries often have poor access to databases, which are often costly and thus have to rely on freely available search systems meant for general public use like EPO's esp@cenet. In addition, in upgrading technological infrastructure, the issue of sustainability of such infrastructure in terms of costs, maintenance, expertise are also issues that need to be considered.

Further to enhance technological infrastructure it is first of all important to understand the baseline or state of play with regard to infrastructure that exists in countries.

(ii) Paragraph 11 on "Information exchange on quality of patents" claims that such information will help patent offices gain a greater understanding of the role of quality in patent office processes. As noted above, there is no universal understanding of the concept of "quality" as this standard would vary from country to country.

It appears in paragraph 11 that the focus is to improve administrative processes and operations to please users (i.e. the patent applicants) of the patent system. This indicates that the proposal's understanding of "quality" is about making the patent system more user friendly, presumably speedier granting of patents, simpler requirements for patent applicants.

This approach is problematic for many reasons. The function of the patent office is not to serve the users of the patent system. Patent offices have three primary duties: "they have to check that the inventor is delivering an invention of social value; they have to focus on ways to improve the social diffusion of invention information; and they have to ensure that the system is maximally transparent".<sup>5</sup> Delivering an invention of social value would very much depend on the patentability criteria including the level of inventive step adopted by the country taking into account the national level of development. It is rather problematic that increasingly patent offices are being transformed into business agencies, as such an approach enhances "the private value of patent for these clients and reduce[s] the social value of invention information".<sup>6</sup>

As such information sharing should not be on how to improve the processing of patent applications for the benefit of users. Instead the focus on information sharing should be on how to put in place a more rigorous examination process to avoid the granting of frivolous patents.

The proposal in paragraph 11 is biased in favor of the users. As noted above the function of the patent system is not creating a system beneficial for the users. The function is generally to benefit society. Thus what is in need is more information sharing on measures that can be put in place to ensure that patents are only granted to inventions that are socially valuable nationally. This includes sharing information on accessing information on patents rejected and the reasons for doing so taken by other patent offices.

(iii) In para 12, the proposal states that "Process improvement is intended to identify ways offices can improve their granting processes to ensure an appropriate degree of quality". Again there is no clarity over the concept of "quality".

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<sup>5</sup> Drahos, P., "The Global Governance of Knowledge, Patent Offices and their Clients" (2010), Cambridge.

<sup>6</sup> Drahos, P., "The Global Governance of Knowledge, Patent Offices and their Clients" (2010), Cambridge.

As noted above we are of the view that patent “quality” refers to the adoption of patentability standards as per national circumstances and level of development and accordingly being able to apply these standards in the examination of patent applications. Thus “process improvement” should focus on implementing safeguards in order to implement the patentability criteria in an effective manner.

141. In paragraph 13, the proposal states that “work would proceed on each component of the work-plan concurrently with a view to realizing near-term results and gains where possible”.

142. We believe that this ambition is rather premature. The Canada/UK proposal lacks specificity. There is little clarity about the specific activities that the paper is proposing on enhancing infrastructure development or on process improvement. In fact the paper is vague and general and does little to provide any specificity on the issues that are mentioned in the paper.

143. Even more problematic is the failure to advance its understanding of “quality”, a concept that underpins its proposal. In the absence of such clarity, it is indeed premature to move ahead with this proposal.

144. In paragraph 14, the proposal states that the Canada/UK paper is “inclusive of a broad range of interests of member states at different levels of development”.

This statement is rather misleading, as there is little in the paper that suggests that the broad range of interests has been accommodated. In fact paragraph 11 of the paper suggests that the proposals may have more limited interests in mind.

145. Paragraph 14 of the proposal specifically mentions Development Agenda recommendations 10 and 11 in support of the proposals made. It is indeed a welcome sign that Member states are keen to rely on the Development Agenda recommendations as a guiding framework for developing work-programs of WIPO committees. However, it is important to ensure that the DA recommendations are not misrepresented.

146. Recommendation 10 speaks about developing capacity “with a view to making national intellectual property institutions more efficient and promote fair balance between intellectual property protection and the public interest”. Recommendation 11 speaks of strengthening “national capacity for protection of domestic creations, innovations and inventions and to support development of national scientific and technological infrastructure”.

147. The lack of details including over what “quality” means makes it difficult for one to agree that the proposed work-plan is consistent with recommendations 10 and 11 or any other DA recommendation. In fact where some specificity is provided for instance in paragraph 11, the proposal is counter to Recommendations 10 and 11. As mentioned above paragraph 11 is about making the patent system more user friendly but then this does nothing to promote “fair balance between intellectual property protection and the public interest” (Rec. 10) or enhance capacity for the protection or national innovations and inventions or to support the development of national scientific and technological infrastructure (Rec. 11).

148. In fact recommendation 10 suggests the need to promote a system that balances protection with public interest. To do this, it is important to ensure at least the patent offices are examining the applications as per the domestic patent requirements, national circumstances and development standards and not on the basis of grants given in a foreign country.

149. On recommendation 11, it is important to note that most developing countries are in no position to be able to use the patent system to their advantage. Beneficiaries of the patent

system are usually from countries with advanced technological infrastructure and R&D capacities and thus countries in a capacity to “generate” inventions that can meet the patentability standards. Thus it is of no surprise that entities from developed countries dominate in terms of patent applications and patent grants. In 2008, US, Japan, Germany, Korea and France accounted for 70.6% of all Patent Cooperation Treaty filings.

150. In developing countries, most (and often all) of the patents granted are to a foreign entity. Thus it is of little value to a developing country to have a patent system that is efficient and focused on granting patents. Such a system would only allow foreign entities to assert their monopolies over patented inventions, preventing local industries from exploiting the patented inventions.

151. Historically developed countries have had weak patent systems to allow local inventors to exploit foreign inventions in the hope to build local industries. Only as developed countries developed their technological capacities, did they put in place stronger patent regimes.

152. On a similar note, India which made maximum use of the pharmaceutical transition period available under WTO-TRIPS agreement has shown that the lack of patent protection was vital for the development of a world-class generic pharmaceutical industry. Today patients from North and South depend on these generic medicines to reduce national pharmaceutical costs.

153. In view of this, to promote implementation of Rec. 11, it is important to focus on ways to implement higher patentability standards and for patent offices to implement these standards. This is important to enable an environment whereby local industries and R&D sectors working to develop technological infrastructure are not inhibited by patents granted to foreigners.

#### IN CONCLUSION: WAY FORWARD

154. There needs to be a general understanding in the SCP that discussion on “quality” of patents will be on adopting patentability standards as per national circumstances and level of development and applying these standards effectively in the examination of patent applications. There should be an express acknowledgement that “quality” varies from country to country depending on national circumstances and level of development and that “one size does not fit all”. In particular that patent system standards adopted by developed countries are not suitable for developing countries and that a high standard of patentability criteria is more suitable for the contexts of developing countries.

155. Activities pertaining to “patent quality” needs to be around improving the patent system to serve the needs and interest of the people of a particular country. For example it should focus on measures to reject patent applications and grants that are “trivial” and “frivolous” and safeguards to improve the quality of patent in order to implement the patentability standards in the domestic law more effectively.

156. It is very important to undertake a survey/study to identify the key issues in countries in relation to patent quality. A recent study<sup>7</sup> identified some such key issues to be:

- (i) Developing country offices do not have access to extensive electronic databases that developed country examiners do and thus they have to undertake more manual labour despite their lack of human resources;

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<sup>7</sup> Drahos, P., “The Global Governance of Knowledge, Patent Offices and their Clients” (2010), Cambridge.

(ii) There is often a trade-off between patent quality and meeting the targets set by the patent office management with examiners wanting more time to finish examination while patent office managers seeing this request unfavourably;

(iii) The faulty assumption that patent litigation will weed out poor quality patents. Of course the assumption is that litigation will lead to the right decision. It needs to be noted that litigation only involves a very small percentage of patent grants in developed countries, while in developing countries such a culture generally is not prevalent.

(iv) Poor access by developing countries to databases, often having to rely on freely available search systems meant for general public use like EPO's esp@cenet.

157. It would be valuable to hold a web-based and public hearing for member states, civil society and other stakeholders to obtain inputs on "patent quality" and the numerous problems associated with "patent quality".

158. The proposal in paragraph 11 is biased in favor of the users. The function of the patent system is not creating a system beneficial for the users. The function is generally to benefit society. Thus what is in need is more information sharing on measures that can be put in place to ensure that patents are only granted to inventions that are socially valuable nationally. This includes sharing information on accessing information on patents rejected and the reasons for doing so taken by other patent offices.

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