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Patent Prosecution Highway Is A One-Way Street

Law360, New York (October 02, 2009) -- A recent IP Law 360 guest column discussed several initiatives recently introduced by the U.S. Patent and Trademark Office to speed up patent prosecution and improve the quality of issued patents, including the Patent Prosecution Highway ("PPH") programs established between a number of countries.[1]

The PPH programs allow an applicant who has received at least one allowable claim in a participating patent office to leverage that result in a foreign counterpart application with corresponding claims, which, as the article points out, has resulted in fewer office actions, shorter time to patentability decisions and higher allowance rates for many participants.[2]

However, the article also touched on, albeit briefly, a glaring structural problem in the PPH programs, namely, that these much-touted benefits can only flow in one direction, from the office of first filing ("OFF") to an office of second filing ("OSF"), but are unavailable in the reverse direction.[3]

PPH programs are currently available between the U.S. and the following foreign patent offices: Australia, Canada, Denmark, Europe, Japan, Germany, Korea, Singapore and the United Kingdom.[4]

Such programs are also available between other pairs of those foreign patent offices. In most, if not all of the PPH programs, the PPH cannot be used to streamline examination of an application in the OFF based upon an allowance in the OSF.[5]

Because most applicants file first in their home countries, this inability to expedite an OFF application based on an OSF application is especially troublesome for applicants whose home countries have larger backlogs, making it more likely that some OSF will act on an application prior to the home-country OFF.

Using the U.S. as an example, in the common situation where a U.S. applicant first files an application in the USPTO, then files foreign applications claiming priority (directly or

indirectly) to the original U.S. application, the applicant would have no way to leverage foreign allowances to expedite the prosecution of the original U.S. application.

In other words, the PPH programs are structured in a way that tends to disadvantage domestic applicants (in any participating country) who attempt to speed up prosecution of applications in their own country.

The aforementioned guest column addressed this perplexing aspect of the PPH programs by spinning the problem as an "opportunit[y] to consider where examination should be initiated first," rather than providing any rationale for why the PPH programs were designed this way in the first place.[6]

In particular, the authors suggested pursuing early examination in countries with "a low pendency rate and favorable allowance rate" to obtain a relatively quick allowance that can then be used favorably in other countries.[7]

In other words, they essentially encourage applicants to guess which country, among the countries they are planning to file in that have PPH programs, will most likely yield the quickest allowance and select that country as the OFF.[8]

This process by its nature depends on a number of variables that are difficult to predict with any degree of certainty and do not necessarily correlate with historical trends, such as art unit backlog, efficiency of the assigned examiner, level of examiner skill (and the potential necessity for appeal), examiner familiarity with the particular technology at issue, national and patent office policy (e.g., discouraging allowance of certain types of patents), and patent office staffing levels.

The authors go on to acknowledge that, even after an OFF is selected, it will often be necessary to apply for and receive a foreign filing license in the home country prior to filing the application in the OFF.[9]

Moreover, the availability of such maneuverings assumes that the patent application in question has not already been filed; applications that were filed before the creation of the PPH programs are essentially locked into their chosen OFF, even if a different OFF would have been selected if the PPH had existed before the time of filing.

Rather than require international patent filers to perform this elaborate and uncertain guesswork in order to take advantage of the much-lauded PPH programs, the participating patent offices would go much further in advancing the goals of the PPH if they simply modified the participation requirements to permit allowances in an OSF to be leveraged in an OFF.

Indeed, there appears to be no compelling reason to maintain the current structure that allows the PPH to run in only one direction.

Consider the case of Australia, which has long had a mechanism (called "modified examination") for streamlining the examination of Australian application based upon grants of foreign counterpart patents in certain designated countries, even if the foreign counterpart patent happens to claim priority to the Australian application that is being examined.[10]

In sharp contrast to the PPH programs, modified examination in Australia does not require that the initial allowance occur in the OFF and, indeed, does not seem to make any substantive distinction at all between the OFF and the OSF.[11]

Indeed, one can imagine that the only reason that the Australian Intellectual Property Office agreed to participate in PPH programs is that it was at least a small step to obtaining for Australian applicants in other patent offices an advantage that Australia has long extended to foreign applicants.

Patent offices that participate in PPH programs like to tout the advantages to their organizations in terms of the workload reduction that flows from reliance on the examination in the OFF.

But those patent offices should "come clean" and admit to their governments, and to their domestic applicants, that they are obtaining those advantages at the expense of domestic applicants in favor of foreign applicants.

Those patent offices would do well to take a page from Australia's long-used playbook, and permit applicants to utilize the benefits of the PPH without regard to which patent office acts first. After all, a highway is most effective when it can accommodate traffic moving in both directions.

--By Jeffrey H. Ingerman (pictured) and Chia-Hao La, Ropes & Gray LLP

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[1] Jon Dudas et al., New Roads to Patent Allowance, IP Law 360, June 12, 2009, ip.law360.com/articles/100999.

[2] Id.

[3] See id.

[4] See id.

[5] See, e.g., Notice Regarding Full Implementation of Patent Prosecution Highway Program Between the United States Patent and Trademark Office and the Japan Patent Office at 2-8,
www.uspto.gov/web/offices/pac/dapp/opla/preognotice/pph_fullimplementation.pdf
(describing requirements for participation in the PPH program between the U.S. and Japan).

[6] See Dudas, *supra* note 1.

[7] *Id.*

[8] See *id.*

[9] See *id.*

[10] A Reference Guide to the Australian Patent System at 46-47,
www.pizzeys.com.au/Articles/Australian%20Patent%20System%20Guide.

[11] *Id.*