

AIPLA UPDATE re: PPH

Mid-Winter Meeting

Orlando, Florida

IP Practice in Japan Committee

American Intellectual Property Law Association

REASONS FOR PARTICIPATING

– Where US is the OSF

- ❖ Cost
 - ❖ Reduced cost of US prosecution
 - ❖ Avoid cost of US accelerated exam requirements
- ❖ Quality
 - ❖ Quality of Examination in US is Based on OFF Quality
 - ❖ USPTO adds Quality for unique US Requirements
- ❖ Speed
 - ❖ Consistent with Compact Prosecution
 - ❖ Consistent with Early Interviews
- ❖ Strategy
 - ❖ Permits rapid grant of claims allowed in OFF and filing of continuations for broader claims if desired.
 - ❖ May Avoid Prosecution Estoppels
 - ❖ Consistency in Claims and Prosecution World Wide

Advantages to USPTO

- ❖ Reduction in Pendency
- ❖ Reduction in Backlog
- ❖ Increase in Worksharing
- ❖ Reduced duplication of search, examination and attorney interaction
- ❖ Reduction in Costs

USPTO Experiences to Date

Overall Statistics for Paris Route Patent Prosecution Highway Programs

- Statistics for PPH requests filed in the USPTO under Paris Route PPH programs

PPH requests received by the USPTO		3,837	Percent w/ First Action
FAs	Total	2,879	75.03%
	First Action Allowance	726	25.22%
	First Action Quayle	39	1.35%
	First Action Rejection*	1,906	66.20%
	(- art rejections)**	1,668	87.51%
	(- non art rejections)	238	12.49%
	First Action Restriction	208	7.22%
PPH requests for accelerated examination rejected for not satisfying PPH requirements		169	
Average period from request to FA		187.0 days	

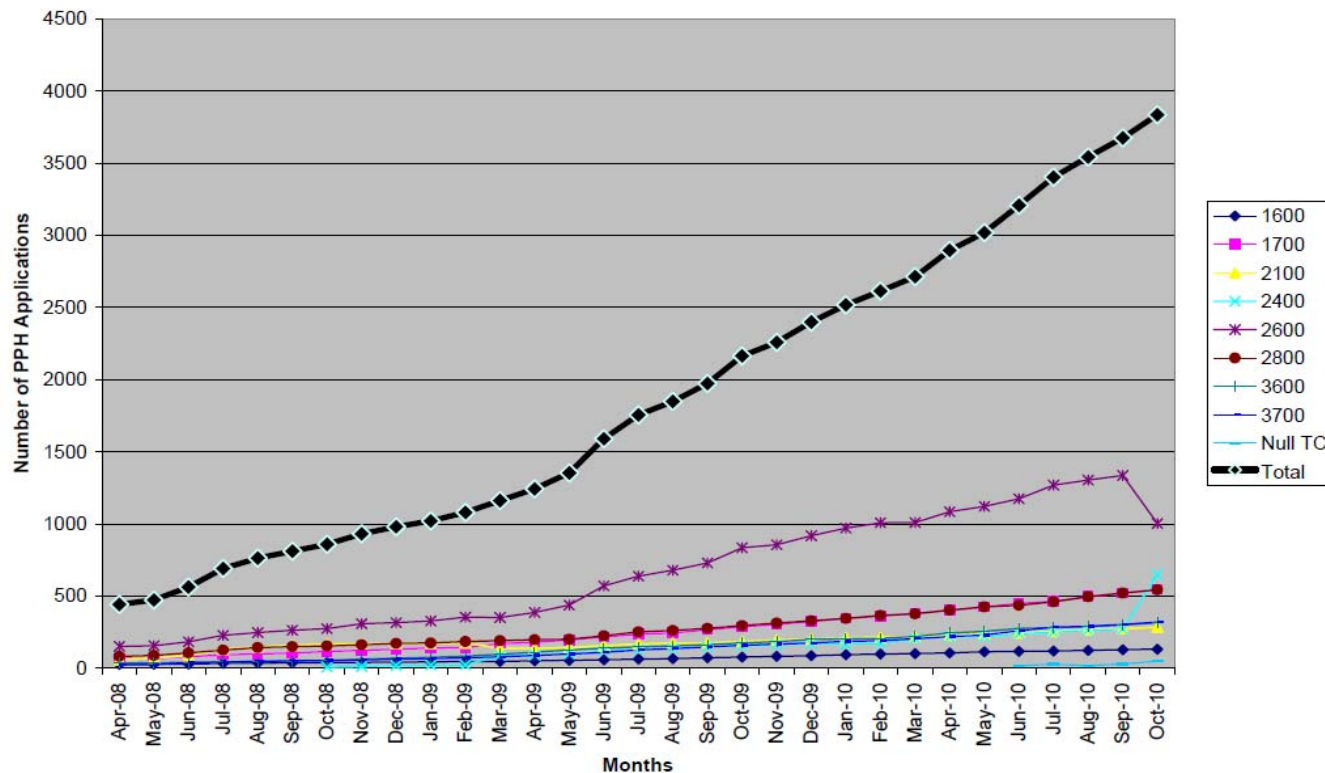
* First Action Rejections subsequently allowed: 850 out of 1,668 times

** Art Rejections where U.S. Patent documents used: 1,558 out of 1,668 times

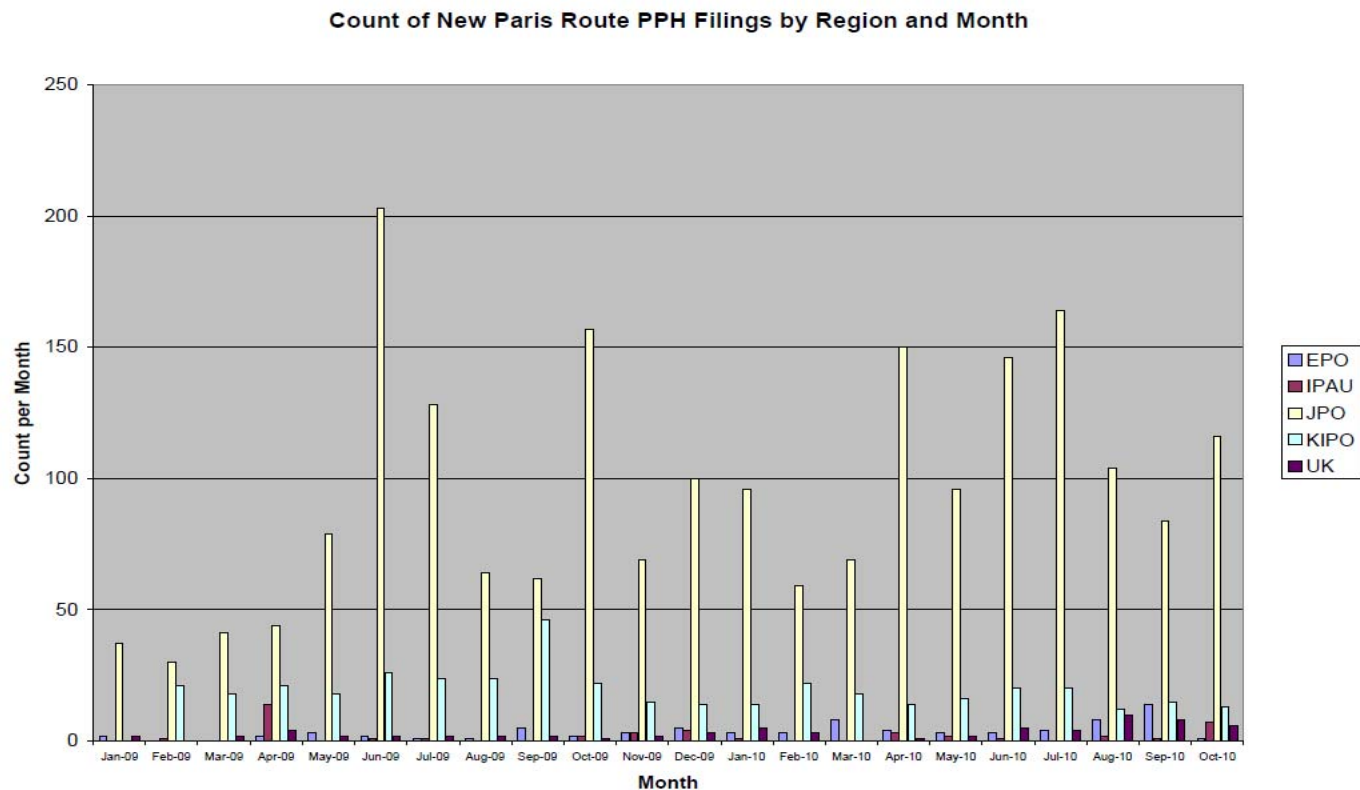
Grant Rate (Allowances / Total number of Disposals) 91.72%

USPTO Experiences to Date

Cumulative Paris Route PPH Applications By TC and Month



USPTO Experiences to Date



USPTO Experiences to Date

Overall Statistics on the PCT-Patent Prosecution Highway Program

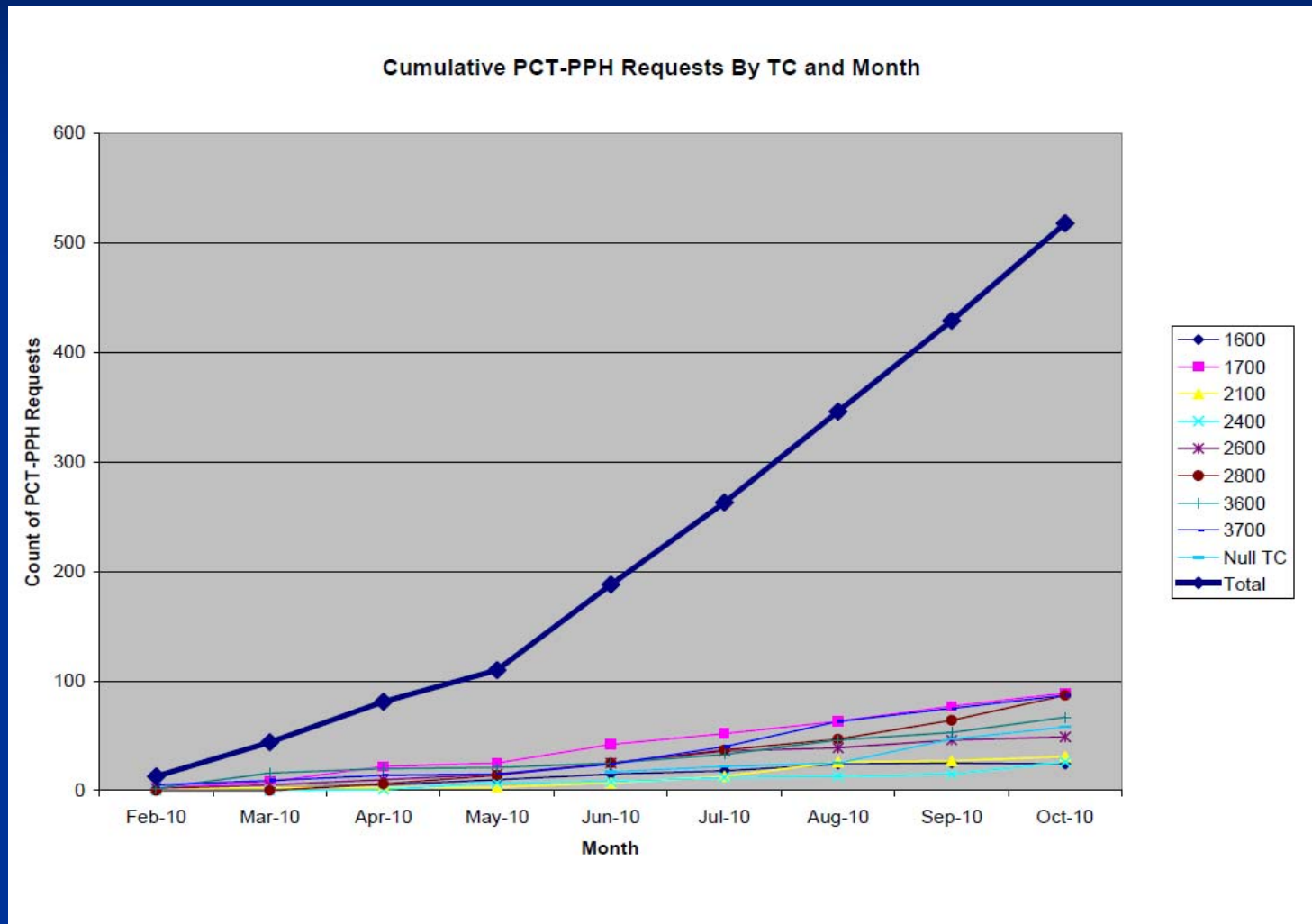
PPH requests received by the USPTO		518	Percent w/ First Action
FAs	Total	154	29.73%
	First Action Allowance	34	22.08%
	First Action Quayle	0	0.00%
	First Action Rejection*	98	63.64%
	(- art rejections)**	90	91.84%
	(- non art rejections)	8	8.16%
	First Action Restriction	22	14.29%
PPH requests for accelerated examination rejected for not satisfying PPH requirements		14	
Average period from request to FA		86.5 days	

* First Action Rejections subsequently allowed: 8 out of 98 times

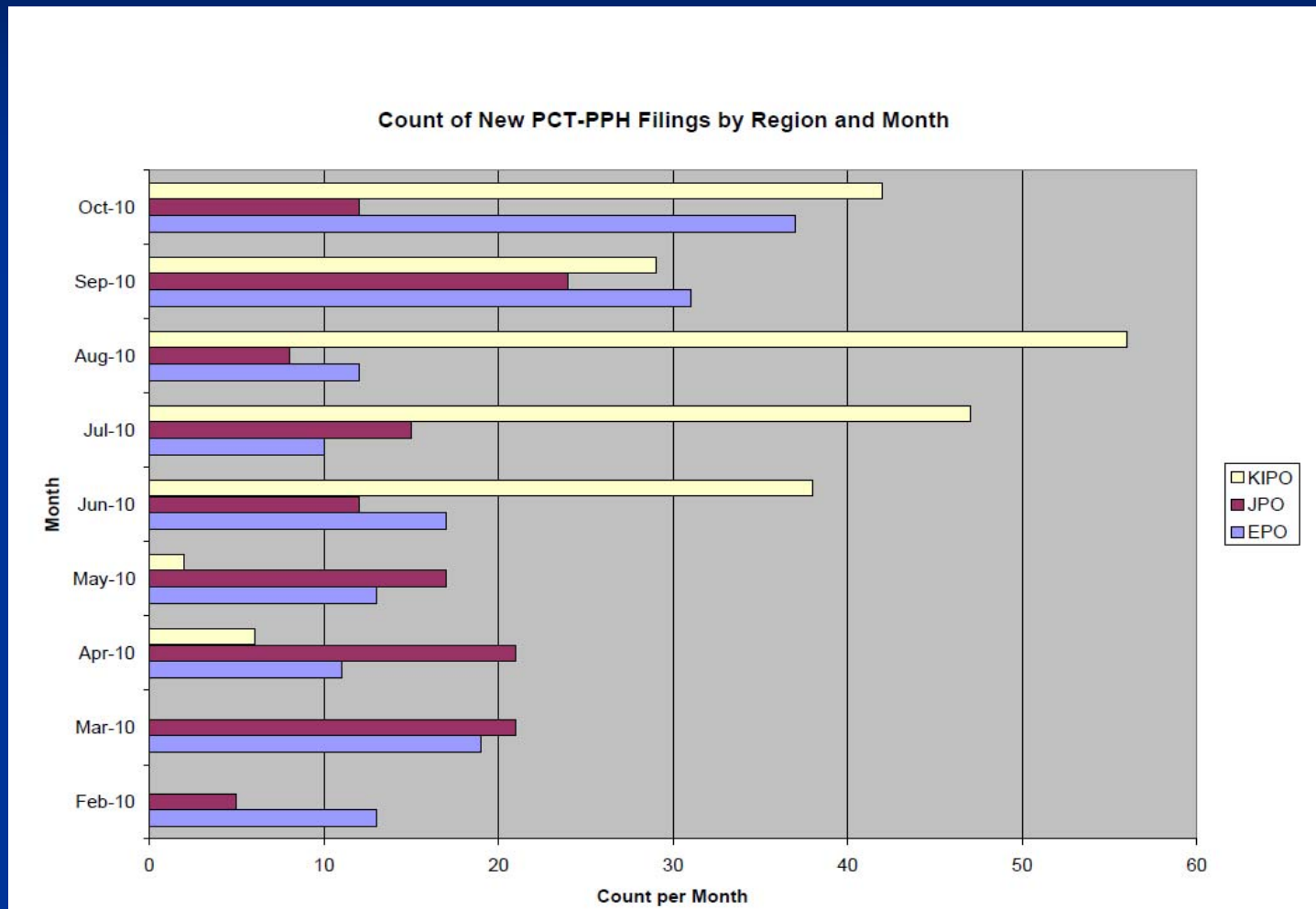
** Art Rejections where U.S. Patent documents used: 90 out of 90 times

Grant Rate (Allowances / Total number of Disposals) 97.73%

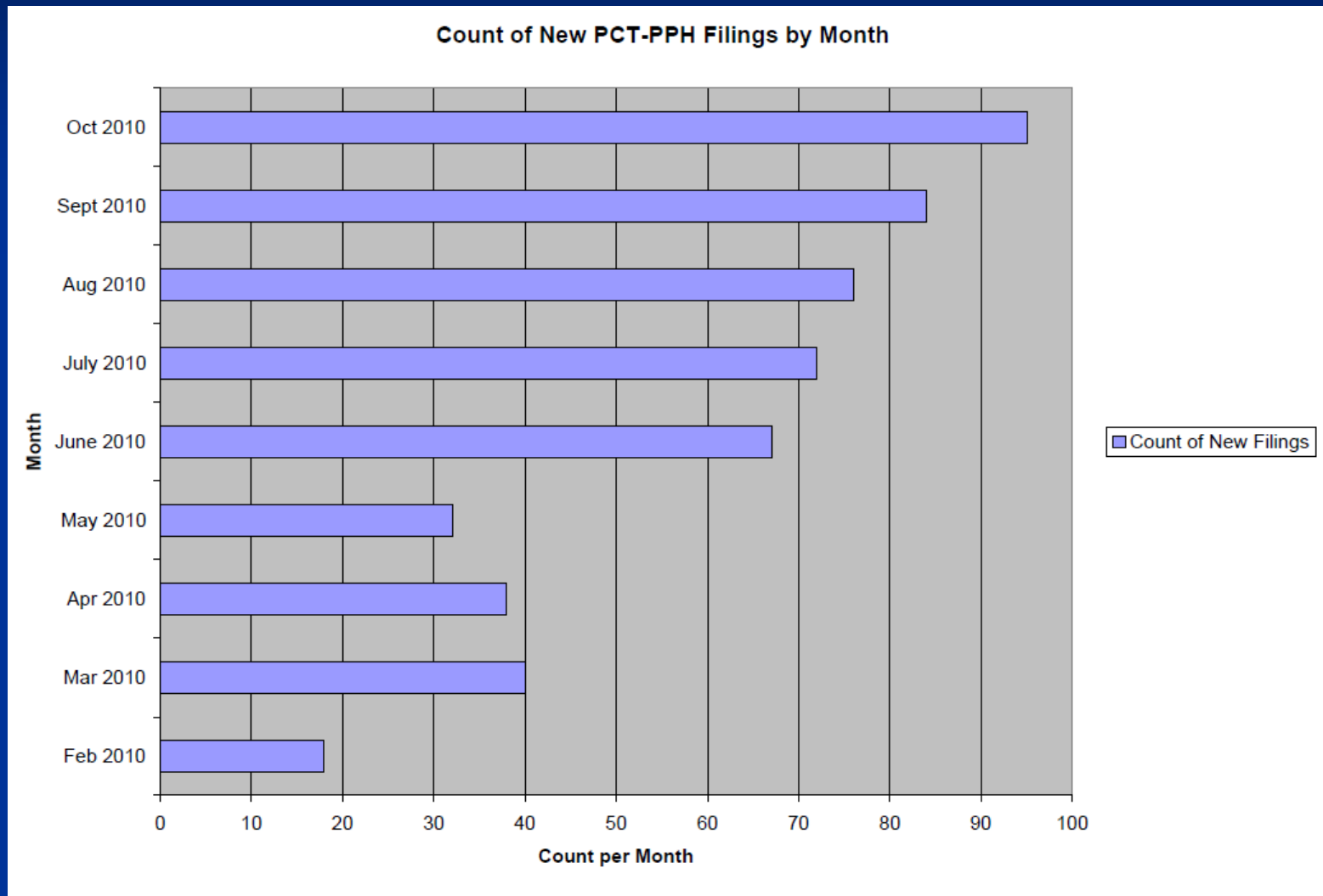
USPTO Experiences to Date



USPTO Experiences to Date



USPTO Experiences to Date



Observations from US Experience

- ❖ USPTO Allowance Rates:
 - ❖ PPH Cases – 91%
 - ❖ PCT-PPH Cases – 94%
 - ❖ Non-PPH Cases – 44%
- ❖ USPTO Actions Per Disposal
 - ❖ Paris-PPH Cases – **1.88** ($\Delta=.42$)
 - ❖ PCT-PPH Cases – **1.17** ($\Delta=1.13$)
 - ❖ Non-PPH Cases – **2.3**

AIPLA 2009 Economic Survey

INTRODUCTION

The AIPLA Economic Survey, developed and directed by the Law Practice Management Committee of the American Intellectual Property Law Association (AIPLA), reports the annual incomes and related professional and demographic characteristics of intellectual property (IP) law attorneys and associated patent agents. Conducted every other year by AIPLA, this survey also examines the economic aspects of intellectual property law practice, including individual billing rates and typical charges for representative IP law services. All AIPLA members were invited to participate.

The Law Practice Management Committee took an active role in reviewing the Economic Survey with a goal of improving the usefulness and value of the data that are collected and analyzed.

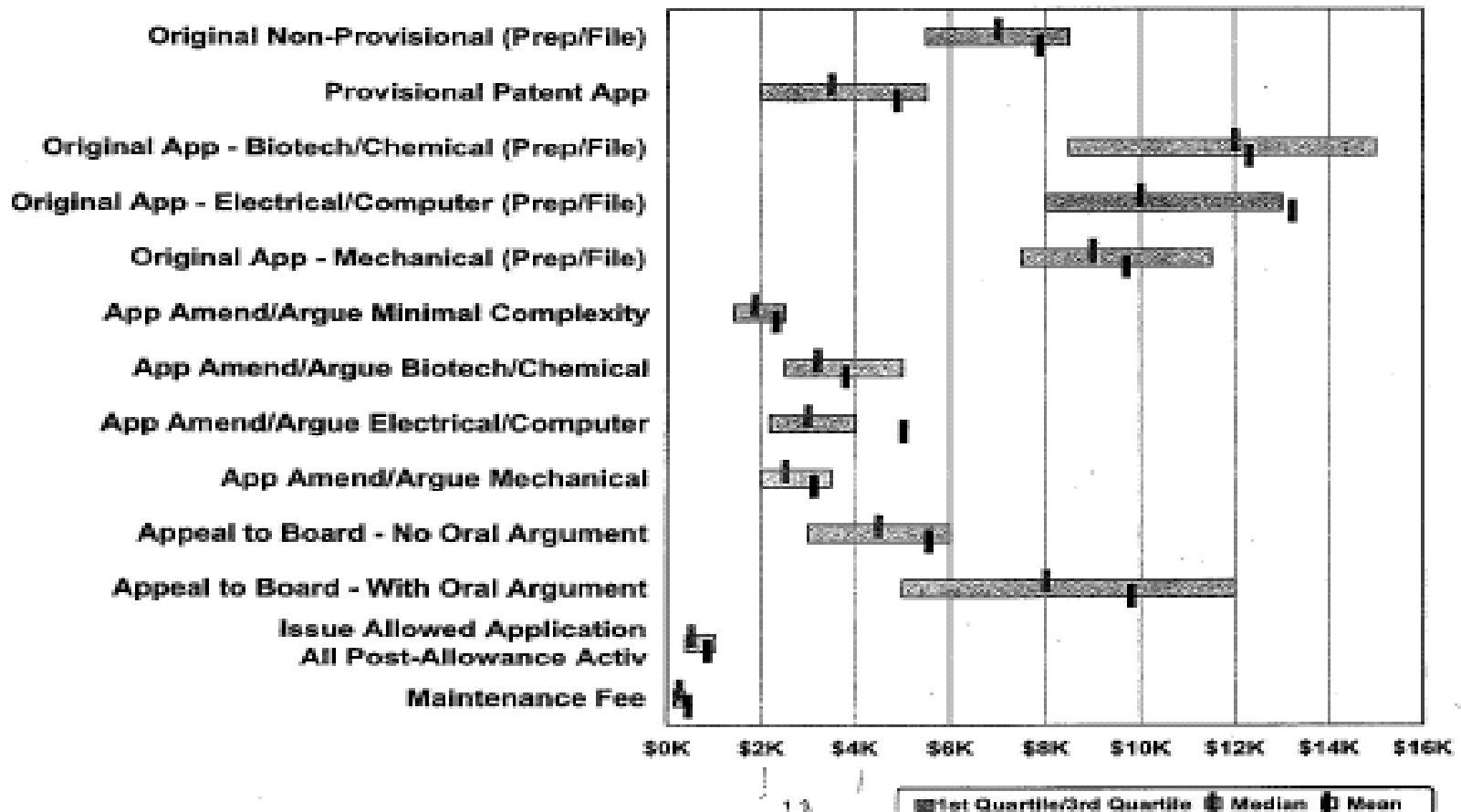
DATA COLLECTION

An e-mail invitation to participate was sent to 15,395 AIPLA members and non-members. The e-mail included a direct link to the Web-based questionnaire. The initial e-mail was followed up by several e-mail reminders. An additional 663 questionnaires were mailed to members with no e-mail address.

A total of 3,221 individuals responded by completing some or all of the questionnaire, yielding a 20.9% response rate. This was slightly higher than the 2007 response rate. In 2005, there were only 1,558 responses when the survey was e-mailed as an Excel spreadsheet and also sent via US mail in a hard copy version.

Cost of Action per Disposal: AIPLA 2009 Economic Survey

TYPICAL CHARGES AND COSTS FOR US UTILITY PATENTS (P. I-110 to I-114 & I-116 to I-120, Q37a-Q37I, Q37n)



Cost of Action per Disposal: AIPLA 2009 Economic Survey

Patent application amendment/argument of minimal complexity (Preparation and Filing) by Firm Type (Q37f)

	Total	1-5 Attorneys	6-75 Attorneys	76 or more Attorneys	All Corporate
Number of Respondents	1,156	243	503	157	232
Mean (Average)	\$2,322	\$2,201	\$2,196	\$2,636	\$2,476
First Quartile 25%	\$1,413	\$1,000	\$1,300	\$1,800	\$1,500
Median (Midpoint)	\$1,850	\$1,500	\$1,800	\$2,400	\$2,000
Third Quartile 75%	\$2,500	\$2,000	\$2,200	\$3,000	\$2,500

Observations from US Experience

- ❖ Cost Savings at \$2,322 per Action
 - ❖ Paris-PPH Cases - \$975
 - ❖ PCT-PPH Cases - \$2624
 - ❖ Does not include client overhead savings or local law firm fee savings for response to Action
- ❖ Cost adjustments
 - ❖ No USPTO fees
 - ❖ Fees/Costs for requesting PPH

Observations from US Experience

- ❖ PPH/PCT filings are rapidly increasing
- ❖ Quality of Search and Examination is based on OFF competence where USPTO is OSF
- ❖ Users filing into the USPTO as OSF can save **approx. \$1000 - \$3,000 per application** in prosecution costs
- ❖ SME's who need rapid patent grants can obtain rights quickly and at lower cost

CONCLUSIONS:

Success of PPH is Growing

- ❖ PPH/US Program has been attractive using the Paris route (>4,000 to date), particularly where OFF is the JPO (2911) and KIPO (547)
 - ❖ Months from PPH/Paris request to First OA: 4.0-10.0
- ❖ PPH/US Program has been popular using the PCT route (>500 since 1.28.10), particularly where from the EPO (163), KIPO (220) and JPO (135)
 - ❖ Months from PPH/PCT request to First OA: 1.5 to 5.0
- ❖ Significant Cost Savings for Large and Small Users
- ❖ Quality is high, based on JPO/EPO as OFF

CONCLUSIONS

Additional Changes Are Needed

- ❖ Users should advocate for additional changes, impacting on cost and convenience, to broaden
 - (1) access to and (2) acceptance of PPH
 - ❖ Change OFF to Office of First Examination (OFE)
 - ❖ Enhance Plurilateral arrangements
 - ❖ Streamline and simplify PPH requirements and procedures
- ❖ Promotion and Education should be increased
 - ❖ Strategies for Use
 - ❖ Benefits to Users
 - ❖ Perceived Disadvantages addressed
- ❖ Quality Procedures and Metrics should be adopted in parallel to prove value and reliability