

# The Limited Monopoly™

## Rollin' Down the Highway...

The Patent Prosecution Highway, that is....*an opportunity for faster patents*

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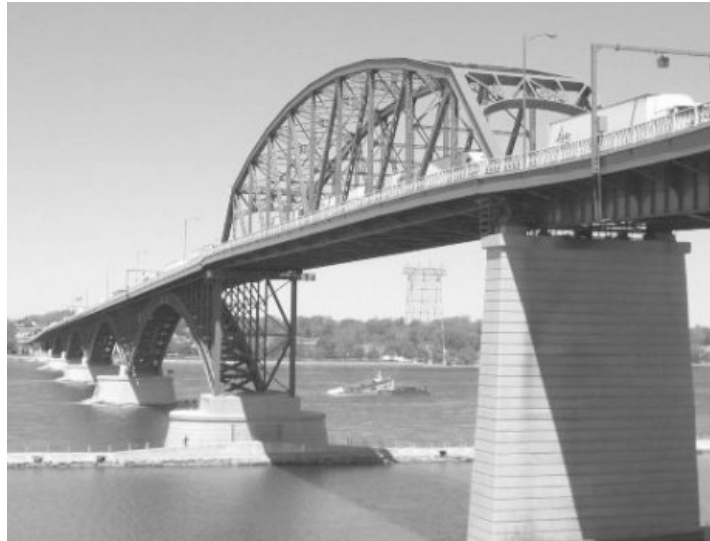
### The Highway - Why It Was Built

The Patent Prosecution Highway (known also as the PPH), is an initiative that was originally undertaken between the United States Patent and Trademark Office (USPTO) and the Japan Patent Office (JPO) in 2006 as a pilot program, and was implemented on a full time basis starting January 4, 2008. The Patent Prosecution Highway is a way to accelerate the examination of patent applications in one national patent office if examination work has been done at another national patent office, such as the USPTO and the JPO.

Very recently, a new PPH pilot program has been started between the U.S. and Canada. Additional USPTO pilot programs with the United Kingdom and with Korea have also begun. When a patent application is filed in both the U.S. and one of these currently participating countries, if the claims are found to be allowable in the country of first filing, accelerated examination can be requested in the country of second filing. This initiative was established as a way to help reduce the backlog of patent applications, and eliminate redundant work between the patent offices of these participating countries.

With the backlog at the USPTO growing each month, and pendencies often exceeding three to five YEARS, the ability to get to an issued U.S. patent faster has become much more difficult. Issued patents help companies attract investors and establish a position of power in the

marketplace. An issued patent also allows companies to exclude others from making or using the same invention, in effect giving them a limited monopoly for the term of the patent. A pending patent application can't do that for you. So if you file in the U.S. and either Canada, the U.K., Japan or Korea, and want to speed up the patent process in one of these countries, *or* in the U.S., the Patent Prosecution Highway may be a useful tool.



With the exception of Japan, these are pilot programs that may end. Although judging from the recent permanent status of the Japan program, we are hopeful that the pilots will all become permanent, and that more will be added. Also, if it reduces workload at the USPTO, our speculation is that the programs will be around for a while.

The USPTO does not say how much the Patent Prosecution Highway speeds up the examination process, just that it will. They did the same with the old Petition To Make Special program, but we can attest

to the fact that with the old Petition To Make Special program, it did in fact speed things up for our clients that chose to make their applications "special" and were able to do so.

### Opportunities Along the New Highway

It appears that the Patent Prosecution Highway program may provide a new route to obtaining faster examination of a patent application in the United States Patent and Trademark Office, at a lower cost, and with less risk than the current "accelerated examination" program which we described previously in this column in March 2007<sup>1</sup>. Here is how one scenario might work on the U.S. - Canada highway.

While Canada has a backlog as well, it is significantly less severe than the one in the U.S. It still may take several years in Canada to obtain an issued patent. But there are some actions that can be taken to speed things up a bit. Using a Canadian "Request For Advanced Examination," you could receive an action in as little as several months. The advanced examination request can be used only if failure to advance the application could prejudice the applicant's rights. So if you are in need of a patent to deal with a competitive situation, or an issued patent is key to the success of your company, you may be eligible for advanced examination. Consultation with a Canadian practitioner is advisable to determine your chances of success with this procedure.



So how might U.S. applicants take advantage of this by using the Patent Prosecution Highway?

The answer is by filing a patent application in the Canadian Patent Office first, and then filing the application in the United States. In fact, to qualify to “travel” the highway from Canada to the U.S., it is required that an applicant file a patent

***The new Patent Prosecution Highway program may be a valuable tool in obtaining an issued U.S. patent faster, thus benefiting your business.***

application first in Canada. No problem for our Canadian clients. However, that presents a small but solvable problem for U.S. applicants whose inventions are made (i.e. conceived) in the States. Federal statute 35 U.S.C. 184 requires that for any inventions made in the United States, a patent application must first be filed in the U.S., and no patent application may

be filed in a foreign country within six months of the U.S. filing unless a foreign filing license has been obtained.

So how does one obtain a foreign filing license? One option is to file a U.S. provisional patent application, which has the modest filing fee of \$210<sup>2</sup>. The foreign filing license is typically granted within three to six weeks after the application filing, provided that there is no concern by the USPTO that public disclosure of the subject matter is a risk to national security. Another option is to submit the application to be filed to the USPTO along with a petition requesting a foreign filing license under 37 C.F.R. 5.13. In either case, once the foreign filing license is granted, the applicant

is free to first file the non-provisional patent application in Canada, followed immediately by a U.S. non-provisional patent application that claims priority to the Canadian patent application.

From that point forward, presuming the claims of the application are patentable, the probability is that an allowance of the application will be obtained in Canada sooner than in the U.S, especially if advanced examination is requested in Canada. When such a Canadian allowance is obtained, the applicant can then file a Request for Participation petition for the U.S. application (along with the fee of \$130), as well as very detailed documentation of the results of the examination in Canada. Accelerated examination of the U.S. application then ensues, with a strong likelihood of a quick allowance.

So what about the extra expense of filing the Canadian application? If a U.S. applicant really wants accelerated examination, the cost of filing a U.S. provisional application and a Canadian application to “enter the highway” is probably only around 20

– 30% of the cost incurred in pursuing accelerated examination in the USPTO through its current program. Plus there is far less risk in that there is no requirement for the applicant to perform a search and submit the results to the USPTO along with potentially problematic admissions as to what prior art found in the search means. And of course, there is also the bonus of obtaining a Canadian patent from the money spent.

### **Getting on the Highway**

The complexities of taking actions necessary to create eligibility in the Patent Prosecution Highway program should be done with the advice of a registered patent practitioner who is either registered in the U.S. and Canada, or is a U.S. practitioner with a good working relationship with Canadian patent agents. This is a new program that may have shortcomings and obstacles as well. If you are interested in not only a U.S., but either a Canadian, Japanese, Korean or British patent as well, the program may make perfect sense. If your sole objective is a faster U.S. patent, caution and good judgment are advisable.

Also, all application documents must be submitted using the USPTO’s electronic filing system (EFS-Web). So make sure your patent practitioner is running a fully electronic, EFS-compliant practice as well. If used carefully, the Patent Prosecution Highway program may be a valuable tool in obtaining an issued U.S. patent faster, thus benefiting your business. □

1, *The Limited Monopoly*, “Faster Than a Speeding Bullet,” February 2007.

2. Large entity rate; small entity rate is 50% less.

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