

Patent Worksharing: What it is, What Congress Must Do*

Patent worksharing in a nutshell is designed to permit routine accelerated examination of American-origin patent applications consistent with the goals of the Obama Administration as manifested by Secretary of Commerce Gary Locke and Under Secretary David Kappos, while at the same time reducing the American examiners' workload on the roughly fifty percent of foreign-origin applications by benefiting from the work of foreign examiners who will handle their own home country applicants' cases *before* review by an American Examiner.

Secretary of Commerce Gary Locke's Primary Patent Focus

The Obama Administration has made a major point of supporting "green" and other new technologies as a way to improve the United States economy, particularly by creating high technology-based new industries in the United States that are keyed to cutting edge intellectual property-based innovations.

Wall Street investment in the growth of nascent technology-based industries to a large extent depends upon the existence of patent protection that provides the best safeguard against rampant copying of the technology; such copying would instead result in foreign leadership based upon American technology essentially given away by the inaction of government.

* Background paper prepared by Harold C. Wegner for *Work Sharing Initiatives Between IP Offices Throughout the World - - Legal and Policy Issues*, Federal Circuit Bar Association, December 9, 2009, Washington, D.C., https://secure.www.memberconnections.com/olc/pub/LVFC/events/event_order.cgi?tmpl=events&event=2233355.0. This paper represents the personal views of the writer and does not necessarily represent the views of any colleague either at Foley & Lardner LLP or any other organization or client thereof.

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At the present time, the United States Patent and Trademark Office (PTO) is gridlocked with a 1.2 million pending patent application inventory of pending patent cases. This backlog includes 735,000 patent applications that are *just sitting in the PTO* without action by the Examiner. This means that if the best possible new “green” technology is made the subject of a patent application it will just sit for several years, with no patent granted of any kind. Even worse, 18 months after filing, the patent application will be published so that the technology can be freely copied all of the over the world with no remedy in the American courts to enjoin the sale of such products of American ingenuity: No injunctive relief can even be sought in an American court until the patent is granted.

Commerce Secretary Gary Locke fully understands the existence of the patent backlog problem. As part of his opening statement at his Senate confirmation hearing, his only reference to patent system priorities was “[r]educing the backlog of patent applications.”

http://commerce.senate.gov/public/_files/LockeOpeningStatement.pdf. Several months later, when the Under Secretary was sworn in at the PTO he explained that “Secretary Locke has asked me to devote my personal attention to improving—and indeed remaking in some areas—the operations of the USPTO ... [that will] include reducing the backlog of unexamined patent applications, cutting pendency dramatically, working off the mounting appeals backlog and improving re-exam processing—all while maintaining high quality standards”: *Remarks for Under Secretary of Commerce for Intellectual Property and Director of the USPTO, Swearing in Ceremony*, August 13, 2009, <http://www.uspto.gov/main/homepagenews/2009aug13.htm>

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Patent Worksharing – How it will Work

Global “patent worksharing” in its ultimate form will simplify the work of the American Patent Examiner for the roughly fifty percent of applications of foreign origin: *First*, a foreign examiner will *accelerate* an examination of the home country application. *Second*, the American examiner will pick the case up for action only *after* the parallel first examination is finished. Presumably, the applicant will tailor his claims to the scope of allowed claims in the first examination, simplifying examination. (And, U.S. counterparts of those cases found to have limited *valid* scope as a result of the first examination may well be simply abandoned without any American examination.)

American patent applicants will conversely enjoy an expedited home country examination, after which foreign patent granting authorities will take up the counterpart cases and presumably follow the lead of the American examiner.

Additionally, the system will also be useful for applicants having no interest in any foreign filing but who would prefer to avoid immediate prosecution costs and first see whether an invention will be successfully commercialized or pass governmental marketing approvals. Here, the applicant will pay a small filing fee to put his case in the examination hopper – but defer payment of the examination fee for three years: If the invention is no longer of commercial significance the applicant can simply abandon case without payment of the examination fee (which would be roughly the equivalent of the filing fee today.)

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The Under Secretary has told the user community that “global worksharing ... is key to helping us meet the increasing challenge of efficiently managing the USPTO’s workload. We need to increase participation in worksharing projects such as the Patent Prosecution Highway by orders of magnitude, so we can truly see the benefits of worksharing, including time and cost savings for applicants and patent offices worldwide.” *The USPTO – Early Views and Initiatives of the Obama Administration* (David J. Kappos address to the IPO Annual Conference) (September 14, 2009),

http://www.uspto.gov/main/homepagenews/2009sep14_kappos_ipo_speech.htm.

Patent worksharing specifically addresses the key problem of a flood of foreign-origin cases: As explained by the Under Secretary, “international filings have increased dramatically in recent years. And since we don’t have a deferral system like those available to our major trading partners, the USPTO winds up in the role of first examining authority to the entire world. We simply do not have the resources to take on that mission. To address this challenge, we must make worksharing work. Together, we will utilize worksharing programs that prevent the USPTO from doubling up on the efforts of our overseas partner offices” Remarks to AIPLA Annual Meeting (Hon. David J. Kappos), October 15, 2009, http://www.uspto.gov/main/homepagenews/2009sep14_kappos_ipo_speech.htm

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Congressional Action

Ongoing patent reform proposals derived from initial legislation that was introduced in June 2005, more than four years ago, are from an era when patent worksharing was not on the Congressional radar screen. Patent worksharing today is an imperative. Legislation to permit implementation of worksharing procedures must either be included in overall reform legislation – *if promptly enacted* – or otherwise separately put through Congress:

The Under Secretary must be given fee allocation discretion including the option to split filing and examination aspects of the application fee and rulemaking flexibility to meet the nuances of changes that will occur both in the Patent Prosecution Highway and as a result of negotiations with our patent trading partners as part of the IP 5 that next meets in April in China. Without rulemaking flexibility to meet the changes of patent worksharing as they evolve with our partner patent regimes, it will be impossible to fulfill the promise of patent worksharing.

It must again be remembered that Secretary Locke's primary patent goal is to reduce patent pendency for the high technology innovations that represent the promise of the Obama Administration both to provide a better "green" environment while also supporting the millions of jobs so urgently needed by the American workforce.