# FICPI 12<sup>th</sup> Open Forum Munich, Germany



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#### Importance of Innovation

• President Obama supports: "An innovation agenda must... remove bureaucratic barriers to entrepreneurs by making our patent process more efficient and reliable."

• Support from Department of Commerce, Secretary Gary Locke who committed, "My top priority for the USPTO—dramatically reducing the unacceptably long time it takes to process patent applications."



#### Strategic Priorities

- Reduce Patent Pendency and Backlogs
- Improve Quality of Examination
- Improve/Enhance Patent Appeal and Post-Grant Processes
- Demonstrate Global Leadership in all Aspects of IP Policy Development
- Improve Information Technology Infrastructure and Tools
- Secure a Sustainable Funding Model, and
- Improve Relations with Employees and Stakeholders.



#### Focused Goals



Achieve First Office Action on the Merits within 10 months.



Reduce overall pendency to 20 months.



#### Stakeholder Relationships

- Improving stakeholder relationships starts by creating a collaborative environment for all stakeholders.
- We are actively seeking ways to create a two-way dialogue, and solicit feedback on our proposals.
  - Task Forces: Patent Cooperation Treaty, Board of Patent Appeals and Interferences and work sharing
  - Roundtables
  - Public Comment requests
  - Webinars
  - Directors Blog
  - Inventor's Eye, newsletter for the independent inventor.
- Reengineering of the patent count system represents the ground breaking collaboration with management and labor unions to change the count system.



#### Reducing Pendency and Backlog

- Three Track Examination Pathways
- Green Tech pilot program
- Project Exchange
- Compact Prosecution Training
- First Action Interview Program
- Reengineering classification system
- Ombudsman Program
- Streamlining the Appeals Process



#### Worksharing Initiatives

Improve examination efficiency and to use resources wisely. Work sharing has evolved as a significant tool in attacking the pendency issues.

- Patent Prosecution Highway (PPH)
- SHARE-type initiatives:
  - USPTO-KIPO SHARE Pilot
  - USPTO & UK-IPO Action Plan for Re-use
  - PCT
- IP5 Foundation Projects



#### Patent Prosecution Highway (PPH)

- What is PPH?
  - bilateral agreement between the USPTO and select foreign patent offices allows one office to rely to a maximum extent practicable the work previously done by another office, which helps reduce workloads and improve patent quality.
- Applications that use the PPH typically receive First Office Actions within 3 months on average.
- The average pendency in FY 2009 was 25.8 months to First Office Action and 34.6 months to issue or abandonment.
- The allowance rate for PPH applications is 91%, as compared to 44% for non PPH cases.

## PPH Stats: USPTO as 2<sup>nd</sup> Office

First Office	Start Date	Requests (as of Jan. 31, 2010)
JPO	July 2006 (Pilot) Jan. 2008 (Full)	<b>1,920</b> 278 (Pilot) 1,642 (Full)
UKIPO	Sept 2007	79
KIPO	Jan. 2008 (Pilot) Jan. 2009 (Full)	<b>397</b> 134 (Pilot) 263 (Full)
CIPO	Jan. 2008	26
IPAU	April 2008	32
EPO	Sept. 2008	30
DKPTO	Nov. 2008	15
DPMA	April 2009	15
IPOS	Feb 2009	1
NBPR	July 2009	3



#### PPH and PCT

- PPH is completely complementary to the Patent Cooperation Treaty, or PCT.
- In January 2010, the USPTO, the JPO and the European Patent Office (EPO) began a program that allows participation within PPH of PCT national or regional phase applications when the International Search Authority, or ISA, determines that one or more claims are allowable.



- SHARE (Strategic Handling of Applications for Rapid Examination) maximize re-use between offices to minimize duplication of examination.
- When applications are filed in multiple offices, agencies will appropriately prioritize and balance workloads to be able to maximize the re-use of foreign search and examination results, and minimize duplication of examination work done in other IP offices.
- The concept of arose out of the discussions among the Trilateral Offices.



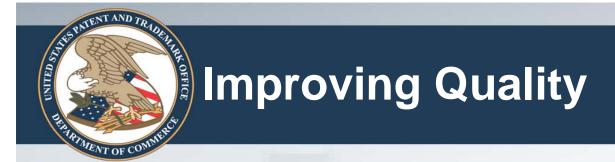
#### **USPTO & KIPO SHARE pilot**

- USPTO and Korean Intellectual Property Office (KIPO) agreed to cooperate on a one-year SHARE pilot, which began in Fall, 2009.
- 326 cross-filed applications between USPTO and KIPO were identified in two technology areas:
  - Fuel and Electrochemical Cells (TC 1700)
  - LEDs and Semiconductor Electrodes (TC 2800)
- A common search report form developed between the two offices is used to more efficiently share information and consistently evaluate results.
- Impact on stakeholders and examiners along with next steps will be determined at pilot end, which is currently ahead of schedule.



#### **IP5 Foundation Projects**

- IP5 is a partnership between: EPO, JPO, KIPO, SIPO and USPTO.
- Ten projects consist of IT-supported business processes and examination practice-related initiatives to provide infrastructure for work sharing.
- Significant progress has been made over the last two years:
  - Working Groups (WGs) to begin detailed planning and implementation of the projects
    - Common Hybrid Classification (EPO)
    - IT-Supported Business Processes (EPO, JPO, KIPO, USPTO)
    - Examination Practice-Related Projects (KIPO, SIPO)
  - Program Management Group to coordinate across the IP5 offices and advise the Deputies and Heads of Office



- QUALITY must also be improved along with our gains in reducing pendency.
- Shift resources from the "<u>second-pair-of-eyes</u>" effort to a front end quality program that assists examiners early in the examining phase.
- A Quality Task Force has been created to gather information from inside and outside the Agency to define how quality should be analyzed and evaluated.



#### **Conclusions**

- Our strategic priorities guide us to the goal of reducing pendency and backlog, and contribute to the improvement of the global IP system.
- The USPTO has launched new initiatives that bring new ways of thinking; an open-minded thinking to our Agency.
- We have embraced transparency and openness because collaboration with our partners and our applicants brings us the insight we need to reach all of our goals.



### Questions?

Thank You