

Mental block

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A uniform international patent process is still years away, but some US law firms are taking matters into their own hands. Julian Crump and Carl Kukkonen report

The international harmonisation of patent laws holds much promise for business, but while discussions within the World Intellectual Property Organisation (WIPO) remain stalled and the parallel process among the Group B+ countries drags on inconclusively without a clear end-point, it remains unfulfilled. Fundamental differences remain between the laws of important jurisdictions, especially the US.

In today's world, where intellectual assets, such as patents, are of ever-increasing significance in the value of companies, the cost of procuring international patents represents a substantial investment that is undoubtedly exacerbated by the absence of common international rules on what can be patented and the examination of patent applications.

But the cost of such disparity to business is not only economic; the differences between the laws of such crucial jurisdictions also present a significant risk to the real worth of these vital assets, which is obvious to those familiar with the issues, but remains strangely hard to manage effectively.

Against this background, US law firms have been quietly taking steps to work around the obstacles thrown up by the continuing disharmony of patent laws to provide their clients with a competitive edge in the marketplace, not to mention considerable savings in the cost of obtaining patents.

Drafting applications

The importance that is currently attached to the need for clarity for third parties means that patent applications must be placed in good order right at the start of the patenting process, when the very first 'priority' filing is made. Mistakes or omissions can rarely be put right later on, and often such issues are only realised after a significant investment has been made.

The difficulties this presents are compounded by the now predominant use of the Patent Cooperation Treaty (PCT) for initiating foreign patent filing programmes. During the period 1979 to 2005, the number of PCT applications filed annually increased exponentially. According to WIPO statistics, the number of PCT applications originating from the US has almost doubled from 23,845 to 43,314 since 1997.

The filing of a PCT application in the US effectively constitutes a filing in Europe (and vice versa), which means that the PCT application must be prepared with the requirements of not only the US, but also those of Europe - and all the other jurisdictions in which patent protection is to be sought - in mind. This places on the drafting attorney the difficult burden of knowing and understanding the disparate requirements of the offices that will ultimately examine the application and to cater for such requirements in the wording they choose to include in the application.

Nowadays, more than half of the applications being considered by the European Patent Office (EPO) derive from PCT applications, and any omissions in such applications arising from a lack of familiarity with European laws by the drafting attorney are likely to impact adversely the scope of protection that the inventor is able to obtain in Europe. The same is true for European applicants seeking protection in the US via the PCT.

The great divide

In areas as fundamental as what kinds of subject-matter can be patented (ie computer-implemented inventions), what is the prior art (ie prior non-published applications in the corresponding jurisdiction), how can an examiner be persuaded that an invention is non-obvious (or involves an inventive step), for what subject matter can a divisional or continuation application be filed, and how can a patent application be amended to circumvent objections raised by the patent office, wide gulfs still exist between the laws of the US and Europe.

As a result, the US practitioner is no better equipped to anticipate and deal with such issues in Europe than a European patent attorney is with the converse situation in the US, perhaps less so, given the historical isolation and selfsufficiency of the US and the traditional grounding in foreign patent laws given to British patent agents as part of their basic training.

These differences must be taken into account when the very first application is filed, wherever it is filed, or sub-optimal rights may ensue in key jurisdictions, larger fees may be incurred with foreign patent attorneys, and/or the amount of time for a patent to issue may be lengthened. Until some progress is made in patent harmonisation talks, these gaps will persist and business must find an effective and efficient way of dealing with them.

One example is that a diagnostic method patentable in the US may not be allowable in Europe if it involves a step performed on the human body, but removing that step from the claims of an application to meet such an objection may be unallowable in view of the EPO's rules on extending the disclosure of an application after filing.

Conversely, a patent application for that same diagnostic method drafted in accordance with the European Patent Convention (EPC) and which excludes any steps performed on a human body might be unnecessarily narrow in scope. Moreover, the failure to abide by other US requirements, such as disclosure of a best mode, can cause a patent to be unenforceable or even prevent the issuance of a patent.

New steps

Despite the continuing failure of negotiators to reach agreement on harmonisation of international patent laws, some pioneering US law firms are showing the way forward to ensure that their clients' patent applications are as likely to succeed in Europe as they are in the US. They are recruiting European patent attorneys for their European offices and taking steps to ensure that they are properly integrated into their IP groups so as to make use of their expertise in European patent law and practice when preparing patent applications from the outset, so that such applications will provide a solid basis for obtaining maximal claim scope in Europe as well as in the US.

As the prosecution and maintenance costs of a single patent application filed in several international territories can easily exceed £100,000 over the life of the patents, an integrated European/US approach to drafting patent applications, utilising the combined expertise of US and European attorneys who are all fully on the client team from the beginning, can help reduce overall costs, while, at the same time, optimising patent coverage.

Moreover, as most other major jurisdictions (Japan, Korea etc) have adopted rules that are more similar to those of the EPC, a harmonised European/US approach to drafting patent applications may also result in enhanced patent applications in those territories.

It is generally believed that a harmonised international patent process will bring certainty in that patent holders will, at least in theory, be granted rights having a similar scope of protection in each jurisdiction. It is also expected that a uniform process will help reduce examination backlogs and simplify and accelerate the requirements for obtaining a patent. However, for the time being, it appears that significant advances on the patent harmonisation front remain years away. Julian Crump and Carl Kukkonen are partners at Mintz Levin Cohn Ferris Glovsky and Popeo

Section: In-Depth Analysis
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Date: 4-Dec-2006
Source: The Lawyer