

## Intellectual Property ADVISORY

June 13, 2011

### USPTO Announces Expansion of Patent Prosecution Highway

The U.S. Patent & Trademark Office (USPTO) recently announced modifications to the Patent Cooperation Treaty (PCT) Patent Prosecution Highway (PPH) pilot program, which was established in January 2010, expanding options for participation. In particular, the petition fee has been waived in the United States, and additional PCT searching authorities are now available,<sup>1</sup> which may provide qualifying search services with reduced search fees. The PCT-PPH program expedites examination of U.S. applications when there is a favorable determination by a participating PCT authority that at least one claim of a related PCT application is patentable under its laws. The program may be valuable to U.S. patent applicants because participation may result in more rapid issuance of U.S. patent applications having claims corresponding to claims found patentable during the international phase of a related PCT application.

When timely issuance of patents is of the essence, the PCT-PPH is a program worth exploring. In fact, in our recent experience, the USPTO has been acting quickly on PCT-PPH applications. However, the potential for expedited prosecution carries with it certain limitations. In this advisory, we discuss these limitations and explore strategies for maximizing the benefits of the PCT-PPH program.

### Original PPH Was of Limited Value

The original PPH was established to enable an applicant whose claims are determined to be allowable in an Office of First Filing (OFF) (i.e., a participating Patent Office, such as the Japanese Patent Office) to have a corresponding application filed in an Office of Second Filing (OSF) (i.e., another participating Patent Office, such as the USPTO) advanced out of turn for examination, while at the same time allowing the OSF to exploit the search and examination results of the OFF.<sup>2</sup> However, participation in the original PPH requires filing two national applications, which can be quite costly. Further, participation in the original PPH may not necessarily result in faster issuance of patents because examination of national applications can be as slow or slower than it is in the United States. Accordingly, while the original PPH is still operational, it is generally considered to be of limited value.

---

<sup>1</sup> On June 1, 2011, the Swedish Patent and Registration Office (PRV) was added to the pilot program.

<sup>2</sup> See *OFFICIAL GAZETTE of the UNITED STATES PATENT AND TRADEMARK OFFICE*, October 21, 2008, Volume 1335, Number 196: "Patent Prosecution Highway Pilot Program between the United States Patent and Trademark Office and European Patent Office," <http://www.uspto.gov/web/offices/com/sol/og/2008/week43/TOC.htm#ref12>.

## Why Consider Participation in the Revised PCT-PPH Program?

Participation in the PCT-PPH program may result in your U.S. application enjoying fast-track patent examination procedures within the USPTO following a favorable decision on a related PCT application, while avoiding the problems described above with respect to the original PPH. In particular, PCT search fees may be relatively modest as explained below. Further, the International Searching Authority (ISA) must complete initial advisory examination of PCT applications and issue a Written Opinion (WO) within nine months from the applicant's priority date or within three months from the completion of the international search, whichever time limit expires later.<sup>3</sup> Under the PCT-PPH program, an applicant can file a request to utilize the positive advisory opinion of a PCT authority immediately after the opinion is released, and the USPTO currently will expedite the U.S. application significantly, assuming the request establishes that the PCT and U.S. applications both meet program requirements.

Accordingly, patents may issue in a more rapid manner without any additional costs beyond those already required to file a PCT application and the corresponding U.S. application. The USPTO will examine applications participating in the program before most other pending applications, excepting only those in condition for allowance, those with set time limits for USPTO action and those that have been granted special status for accelerated examination.<sup>4</sup> In this regard, David Kappos, director of the USPTO, has given an example where the USPTO granted a PCT-PPH petition on June 9, 2010, and the application was allowed six days later on June 15.<sup>5</sup> Had the applicant not applied for inclusion in the PCT-PPH program, an Office Action was not expected to issue for 22 more months.<sup>6</sup> In our own experience, we have received a first Office Action of a pending U.S. application following a positive PCT decision within 14 days after filing the petition to have the application accepted under the PCT-PPH program. Thus, the USPTO is processing the PCT-PPH petitions rapidly, as well as promptly issuing an Office Action.

---

<sup>3</sup> See MPEP 1842: "Basic Flow Under the PCT," [http://www.uspto.gov/web/offices/pac/mpep/documents/1800\\_1842.htm](http://www.uspto.gov/web/offices/pac/mpep/documents/1800_1842.htm).

<sup>4</sup> See *OFFICIAL GAZETTE of the UNITED STATES PATENT AND TRADEMARK OFFICE*, February 23, 2010, Volume 1351, Number 4: "Patent Prosecution Highway Pilot Program between the United States Patent and Trademark Office and the European Patent Office based on Patent Cooperation Treaty Work Products," <http://www.uspto.gov/web/offices/com/sol/og/2010/week08/TOC.htm#ref16>.

<sup>5</sup> See Intellectual Asset Management, "IAM Exclusive - David Kappos writes on the Patent Prosecution Highway," July 22, 2010, <http://www.iam-magazine.com/blog/Detail.aspx?g=90fe44b5-cedd-46c8-b548-e0502e910c73>.

<sup>6</sup> See *id.* The USPTO has indicated: "Once the PPH request is filed, the PPH request is generally decided within 2 months from the filing of the PPH request. If the PPH request is granted, the examiner will generally examine the application within 2 to 3 months from the grant of the PPH request provided the application has completed all its pre-exam processing and is ready for examination. Our data shows that for the PPH cases, the average number of actions per disposal is about 1.7 compared to 2.7 for all the applications in the patent examining corps." [http://www.uspto.gov/patents/init\\_events/pph/pph\\_faqs.pdf](http://www.uspto.gov/patents/init_events/pph/pph_faqs.pdf).

## How to Participate

Participation in the PCT-PPH requires filing a PCT application and a corresponding U.S. “non-provisional” utility patent application. Provisional applications, plant applications, design applications, reissue applications and applications subject to a secrecy order (under 35 U.S.C. §181) are excluded from participating.<sup>7</sup> The U.S. application may be a national stage application, a direct U.S. filing or a continuing application claiming priority to an earlier application (e.g., a continuation, divisional or continuation-in-part application). The U.S. application must claim priority to the PCT application, or vice-versa. The U.S. application may not yet be undergoing substantive examination (i.e., not received an Office Action on the merits). The PCT authority<sup>8</sup> that examines the PCT application must issue a written decision<sup>9</sup> indicating that at least one claim in the PCT application has novelty, inventive step (non-obviousness) and industrial applicability. The PCT authority must be from one of a limited list of countries, as explained below. Importantly, all of the claims in the U.S. application must “sufficiently correspond” to, or be amended to sufficiently correspond to, one or more of those claims indicated as having novelty, inventive step and industrial applicability.<sup>10</sup> Claims sufficiently correspond to one another when they have the same or similar scope, or are narrower in scope than the claims found patentable by the PCT authority. The remaining requirements<sup>11</sup> are largely formalities that may be fulfilled with relative ease:

- File a request/petition to participate (PTO/SB/20PCT-EP).
- File a copy of the latest PCT authority decision and the claims from the PCT application.
- Explain any lack of clarity observations in the PCT decision.
- Submit an Information Disclosure Statement citing references from the International Search Report.
- Submit a claim correspondence table indicating how the U.S. claims sufficiently correspond to the PCT claims.
- Submit the documents via the Electronic Filing System (EFS-Web).

Accordingly, a broad range of U.S. applications may potentially benefit from the PCT-PPH program.

---

<sup>7</sup> See *OFFICIAL GAZETTE of the UNITED STATES PATENT AND TRADEMARK OFFICE*, February 23, 2010, Volume 1351, Number 4: “Patent Prosecution Highway Pilot Program between the United States Patent and Trademark Office and the European Patent Office based on Patent Cooperation Treaty Work Products,” <http://www.uspto.gov/web/offices/com/sol/og/2010/week08/TOC.htm#ref16>.

<sup>8</sup> International Searching Authority/International Preliminary Examination Authority.

<sup>9</sup> WO or International Preliminary Examination Report (IPER). The IPER bears the title International Preliminary Report on Patentability (IPRP).

<sup>10</sup> See *id.*

<sup>11</sup> See *id.*

## Important Considerations

Although the PCT-PPH has the potential to issue patents more rapidly than may otherwise occur, there are limitations. For example, as noted above, the PCT authority must be selected from the USPTO, the Japan Patent Office (JPO),<sup>12</sup> the European Patent Office (EPO),<sup>13</sup> the Korean Intellectual Property Office (KIPO),<sup>14</sup> the Australian Patent Office (APO),<sup>15</sup> the Austrian Patent Office (APO),<sup>16</sup> the Spanish Patent & Trademark Office (SPTO),<sup>17</sup> the Federal Service on Intellectual Property, Patents & Trademarks of Russia (Rospatent)<sup>18</sup> the National Board of Patents and Registration of Finland (NBPR),<sup>19</sup> and the Swedish Patent and Registration Office (PRV).<sup>20</sup> Each authority may have certain advantages and disadvantages in terms of the quality and scope of examination, as well as cost. For example, current search fees for some permitted authorities are listed below. By way of further example, the EPO will not search business method applications,<sup>21</sup> and some countries will not search methods of treating the human body. Moreover, not all searching authorities are available to those filing at the United States Receiving Office.<sup>22</sup> Thus, it is important to work with counsel to determine an appropriate strategy when selecting an ISA/IPEA.

ISA/IPEA	United States	Japan	Europe	Korea	Australia	Russia
<b>Search Fee</b> <sup>23,24</sup>	\$2,080	\$1,163	\$2,443	\$1,157	\$1,837	\$477

<sup>12</sup> See Press Release, 09-28: "USPTO, the European Patent Office and the Japan Patent Office to Expand Patent Prosecution Highway Work Share Program," November 13, 2009, [http://www.uspto.gov/news/pr/2009/09\\_28.jsp](http://www.uspto.gov/news/pr/2009/09_28.jsp).

<sup>13</sup> See id.

<sup>14</sup> See Press Release, 10-12: "USPTO and the Korean Intellectual Property Office to Expand Work Sharing Within Existing Bilateral 'Patent Prosecution Highway' Agreement," April 16, 2010, [http://www.uspto.gov/news/pr/2010/10\\_12.jsp](http://www.uspto.gov/news/pr/2010/10_12.jsp).

<sup>15</sup> See Press Release 11-05: "Patent Offices of United States and Australia Expand Work Sharing Efforts", January 19, 2011, [http://www.uspto.gov/news/pr/2011/11\\_05.jsp](http://www.uspto.gov/news/pr/2011/11_05.jsp).

<sup>16</sup> See Press Release, 10-45: "USPTO Expands the Patent Prosecution Highway to Include Pilots with Austria, Spain and Russia," September 27, 2010, [http://www.uspto.gov/news/pr/2010/10\\_45.jsp](http://www.uspto.gov/news/pr/2010/10_45.jsp).

<sup>17</sup> See id.

<sup>18</sup> See id.

<sup>19</sup> See Press Release 11-04: "Patent Offices of United States and Finland Expand Work Sharing Efforts," January 18, 2011, [http://www.uspto.gov/news/pr/2011/11\\_04.jsp](http://www.uspto.gov/news/pr/2011/11_04.jsp).

<sup>20</sup> See Press Release 11-35: "USPTO and Swedish Patent and Registration Office to Partner on Patent Prosecution Highway Pilot Based on Patent Cooperation Treaty Work Products," May 25, 2011, <http://www.uspto.gov/news/pr/2011/11-35.jsp>.

<sup>21</sup> See European Patent Convention Article 52, <http://www.epo.org/patents/law/legal-texts/html/epc/2000/e/ar52.html> and <http://www.uspto.gov/web/offices/pac/dapps/pct/ann.htm>.

<sup>22</sup> The United States, Korea, Australia and Europe are currently available at the United States Receiving Office. See <http://www.uspto.gov/web/offices/pac/dapps/pct/ann.htm>. Russia will soon be available. See Press Release 10-44, September 22, 2011, [http://www.uspto.gov/news/pr/2010/10\\_44.jsp](http://www.uspto.gov/news/pr/2010/10_44.jsp).

<sup>23</sup> See PCT Fees in US Dollars (effective January 2011), [http://www.uspto.gov/patents/init\\_events/pct/sample/fees.jsp](http://www.uspto.gov/patents/init_events/pct/sample/fees.jsp).

<sup>24</sup> See PCT Fee Tables as of May 2011, <http://www.wipo.int/export/sites/www/pct/en/fees.pdf>.

Importantly, U.S. examiners do not have to allow claims after a PCT-PPH request is granted, even though the PCT authority has found one or more claims patentable. The U.S. examiner may reject the claims based on other prior art found in a new search or may have a different view of the art considered by the PCT authority. Thus, participation in the PCT-PPH program does not guarantee issuance of a U.S. patent when a PCT authority issues a favorable decision. Rather, the program only guarantees special status, which may speed examination as explained above but does not alter U.S. standards for issuing a patent.

Moreover, PCT-PPH applicants face limitations on the opportunity to amend claims in response to prior art rejections. As noted above, all of the claims in the U.S. application must sufficiently correspond to, or be amended to sufficiently correspond to, a claim found patentable by the PCT authority.<sup>25</sup> During the U.S. prosecution, if any “amended or newly added claims do not sufficiently correspond to the claims indicated as having novelty, inventive step and industrial applicability in the latest work product of the corresponding PCT application, the amendment will not be entered and will be treated as a non-responsive reply.”<sup>26</sup>

Additional limitations may only be added in the participating U.S. application as dependent claims, and they may only be added by way of preliminary amendment when the PCT-PPH request is filed.<sup>27</sup> Accordingly, an applicant desiring to amend rejected independent claims to overcome prior art objections in the U.S. application may only incorporate limitations of a dependent claim present when the PCT-PPH request was filed.<sup>28</sup> Pursuit of any independent claims broader than the claims found patentable by the PCT authority must be done in a continuation application.

## Strategies

In order to maximize the benefits of participating in the PCT-PPH program, the applicant should consider the following strategies:

- Consider filing a PCT application and the possibility of a PCT-PPH request when deciding whether to file for patent protection outside the United States.
- Draft PCT applications to include claims of varying levels of specificity. By following this strategy, the PCT application will include a wider range of claims that will be search and examined.

---

<sup>25</sup> See *OFFICIAL GAZETTE of the UNITED STATES PATENT AND TRADEMARK OFFICE*, February 23, 2010, Volume 1351, Number 4: “Patent Prosecution Highway Pilot Program between the United States Patent and Trademark Office and the European Patent Office based on Patent Cooperation Treaty Work Products,” <http://www.uspto.gov/web/offices/com/sol/og/2010/week08/TOC.htm#ref16>.

<sup>26</sup> See *id.*

<sup>27</sup> See Patent Prosecution Highway (PPH) Frequently Asked Questions (FAQs), May 2010, [http://www.uspto.gov/patents/init\\_events/pph/pph\\_faqs.pdf](http://www.uspto.gov/patents/init_events/pph/pph_faqs.pdf).

<sup>28</sup> See *id.*

- Draft additional dependent claims in the U.S. application when filing the PCT-PPH request. A larger number of dependent claims will allow flexibility in amending the independent claims during prosecution of the U.S. application.
- File a demand for further examination in PCT applications when the Written Opinion is negative and it appears a more favorable opinion may be obtained by amendment or argument.
- Consider whether claims narrower than optimally desired, but still commercially valuable, may be found patentable in the PCT application, so that a favorable report on patentability may be obtained.
- File U.S. continuation applications when features of the invention that might overcome a rejection by the USPTO were not in the claims of the U.S. application at the time of the PCT-PPH request.
- Review currently pending but not yet examined U.S. applications, including new national stage applications, that include at least one claim that has met the novelty and inventive step standards during the international phase, so that a determination may be made whether the U.S. application qualifies for the PCT-PPH program.

## Conclusion

The PCT-PPH is an expanding program that may provide benefits in terms of reduced pendency for U.S. applications when an associated PCT application is filed and a participating PCT authority issues a positive decision. By carefully planning the presentation of significant features of an invention in the PCT claims, filing a demand when warranted to seek a positive decision on patentability, selectively accepting narrower claims to enable the possibility of earlier issue of a U.S. patent and using continuation applications as needed, an owner of an innovation may be able to use the PCT-PPH program to convert “patent pending” status into a U.S. patent early enough to have an impact on key stages of the development and marketing of the innovation. Moreover, participation in the PCT-PPH program does not require an additional fee, and prosecution costs will ultimately be reduced to obtain an allowance of the U.S. application.

*This advisory was written by **Trent Kirk**, a partner in the Charlotte office of Alston & Bird. Trent practices in the area of mechanical patent prosecution.*

If you would like to receive future *Intellectual Property Advisories* electronically, please forward your contact information including e-mail address to [ip.advisory@alston.com](mailto:ip.advisory@alston.com). Be sure to put “**subscribe**” in the subject line.

For further information, please contact any of the attorneys in Alston & Bird’s Intellectual Property and Technology Transactions Group listed below.

Romy L. Celli  
[romy.celli@alston.com](mailto:romy.celli@alston.com)  
650.838.2011

Trent A. Kirk  
[trent.kirk@alston.com](mailto:trent.kirk@alston.com)  
704.444.1409

Jason P. Cooper  
[jason.cooper@alston.com](mailto:jason.cooper@alston.com)  
404.881.4831

Joe Liebeschuetz, Ph.D.  
[joe.liebeschuetz@alston.com](mailto:joe.liebeschuetz@alston.com)  
650.838.2038

Brian C. Ellsworth  
[brian.ellsworth@alston.com](mailto:brian.ellsworth@alston.com)  
704.444.1265

Michael D. McCoy  
[mike.mccoy@alston.com](mailto:mike.mccoy@alston.com)  
704.444.1011

Christopher J. Gegg  
[chris.egg@alston.com](mailto:chris.egg@alston.com)  
704.444.1024

David M. Saravitz, Ph.D.  
[david.saravitz@alston.com](mailto:david.saravitz@alston.com)  
919.862.2217

Guy R. Gosnell  
[guy.gosnell@alston.com](mailto:guy.gosnell@alston.com)  
704.444.1029

Andrew T. Spence  
[andy.spence@alston.com](mailto:andy.spence@alston.com)  
704.444.1411

Gregory T. Gronholm  
[greg.gronholm@alston.com](mailto:greg.gronholm@alston.com)  
404.881.7968

W. Murray Spruill, Ph.D.  
[murray.spruill@alston.com](mailto:murray.spruill@alston.com)  
919.862.2202

Donald M. Hill, Jr.  
[donald.hill@alston.com](mailto:donald.hill@alston.com)  
704.444.1006

Jeffrey E. Young  
[jeff.young@alston.com](mailto:jeff.young@alston.com)  
404.881.7857

#### ATLANTA

One Atlantic Center  
1201 West Peachtree Street  
Atlanta, GA 30309-3424  
404.881.7000

#### CHARLOTTE

Bank of America Plaza  
Suite 4000  
101 South Tryon Street  
Charlotte, NC 28280-4000  
704.444.1000

#### DALLAS

Chase Tower  
Suite 3601  
2200 Ross Avenue  
Dallas TX 75201  
214.922.3400

#### LOS ANGELES

333 South Hope Street  
16th Floor  
Los Angeles, CA 90071-3004  
213.576.1000

#### NEW YORK

90 Park Avenue  
New York, NY 10016-1387  
212.210.9400

#### RESEARCH TRIANGLE

4721 Emperor Boulevard  
Suite 400  
Durham, NC 27703-8580  
919.862.2200

#### SILICON VALLEY

275 Middlefield Road  
Suite 150  
Menlo Park, CA 94025-4004  
650.838.2000

#### VENTURA COUNTY

Suite 215  
2801 Townsgate Road  
Westlake Village, CA 91361  
805.497.9474

#### WASHINGTON, D.C.

The Atlantic Building  
950 F Street, NW  
Washington, DC 20004-1404  
202.239.3300

[www.alston.com](http://www.alston.com)

© Alston & Bird LLP 2011