

How should I file patents

When is it worth using the PCT, PPHs or just filing nationally?

The PCT filer

Qualcomm is a big supporter of the PCT system and finds it extremely efficient. We file all our patents using the PCT as part of our routine practice and have done so since Qualcomm was founded 25 years ago. To date, we have filed more than 9000 patent applications through the PCT.

We were the third biggest filer of patents through the PCT this past year and were fortunate enough recently to file the 2 millionth patent, which involved a special presentation ceremony at WIPO in Geneva. The patent was for a technology to help locate individuals and their phones inside a building, where GPS might not be available.

The PCT permits us to quickly and inexpensively obtain an early examination of the patentability of the claims, while of course reserving our rights to file patent applications in the PCT member countries in the future. I would say this is the biggest advantage for us.

When we were at WIPO for the presentation ceremony, the staff asked us if there was anything that could be

improved in the PCT system, but we honestly couldn't think of anything. It would be nice if Taiwan could join, but that is a much bigger issue than the PCT.

Since we started using the PCT 25 years ago several countries have joined the system, such as China, India and Canada, which has made it more beneficial. There are still a few countries that aren't members of the PCT where we do file nationally though, such as Argentina and Taiwan.

There are situations where it may make sense to file country by country. For example, if your international filing strategy is to limit filings to your own country and perhaps one or two additional countries, the PCT might not be the right choice. It might be cheaper and easier to file directly. But anyone with an extensive foreign filing strategy would benefit from the PCT process, regardless of the type of company or industry.

We have looked at using Patent Prosecution Highways (PPH) but we don't see them as a competing process. They have different objectives and pro-

vide different advantages. The PPH benefits the applicant because it can get claims issued faster in the office of second filing, and it has big advantages for the patent offices because it reduces duplicated efforts both in the searching and examination process.

The patentability of claims varies between jurisdictions, so allowed claims in one jurisdiction may not be the most optimal claims to have in another. Or the claims allowed might not be all the claims that the applicant thinks are most important. So bringing the allowed claims from one office to another can mean you have to file a divisional application because you didn't get the claims you wanted, they weren't optimised or they weren't broad enough. And that increases the costs: they have to prosecute two patent applications, pay two issue fees and two maintenance fees for the life of the patent.

So the PPH can be good if your priority is to get a patent issued quickly. But it doesn't necessarily lead to optimum protection for the applicant. The PCT is

The service provider

In today's global market, it's vital to consider international protection for your invention. There are two basic approaches for filing patent applications abroad – direct filing through the Paris Convention or filing through the Patent Cooperation Treaty (PCT).

Direct filing through the Paris Convention is exactly what it sounds like. The applicant files a single application with the patent office in each of the desired countries. A PCT application is a unified international application for filing into the 143 PCT member states. Upon filing the PCT application, the applicant has at least 30 months from the filing date of the PCT application or the earliest claimed priority date (whichever is earlier) before the application needs to be filed into

the countries where protection is sought. Both routes provide distinct advantages that you should consider.

Advantages of Paris Convention filing

- Applications can get allowed faster compared to those filed through the PCT. This can be important for technologies that have a short shelf life and need to get patented quickly.
- Direct filing also offers universal coverage. Not all countries are members of the PCT (the most notable of these are Taiwan and Argentina), so for these countries, the only option is direct filing.
- Direct filing allows you to tailor each application to its specific country. Certain phrasing or content can be beneficial in an application

depending on the country in which it's filed. Because a PCT application is a one-size-fits-all application for all member states, there is no opportunity to customise the application based on the filing destination.

Advantages of PCT filing

- A PCT application is a simple way for seeking protection in a multitude of countries. The application is initially filed in the applicant's home country in his or her native language.
- The 30-month period (or 31 months, in some cases) before the national stage deadline defers costs and allows the applicant to refine the invention and research the market. If you are not 100% sure where you want patent protection, the PCT pre-

abroad?

also always available, whereas using a PPH requires certain timing. If you get your notice of allowance in one country and in the second country you already have an office action outstanding, you can't use the PPH system. So in that sense it is opportunistic and hard to predict when it will be available to you.

Predictability is an issue for us, but the main reason we haven't used the PPH so far is that it is important for us to get the best claims possible. We have found that the PCT is the most cost-effective way to obtain optimum protection.

As far as general advice for using the PCT is concerned, I would say it is important to make a reasoned decision on which countries you plan to file in after the early examination. The market changes and you have to reassess each country's value to you regularly.



Katherine Umpleby and Tim Loomis, VP chief patent counsel and VP patent counsel, Qualcomm

serves the right to file into 143 member states.

- Depending on the number of countries the application will ultimately enter, filing via the PCT may be cheaper. If the applicant intends to file into several countries, proceeding via the PCT can be more cost effective.

These are just some of the factors to keep in mind when filing your patent applications abroad. Whether you ultimately proceed through the Paris Convention or the PCT will depend on your particular issues and needs.



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The mainstream filer

In the ranking of the biggest US patent filers put together by the IPO, we usually fall somewhere near the top 100. So we're not a prolific filer such as Microsoft or IBM that files 3,000 patents a year; we're more like 500 to 800 a year. Still a substantial practice though.

The variety of our products means we need distinct foreign filing strategies – for countries where the competition is many low-cost producers, for example, and for others where it's one or two high-tech competitors. The latter leads to a small number of targeted filings (in Germany, Japan, China and the UK for example), while the former is more widespread.

In terms of which filing strategy we use, there is a breakeven point of three or four countries beyond which it becomes cost effective to use the PCT. So if we're only going to two countries outside the US, we will file direct nationally.

Our use of the PCT has varied over time. Between 2002 and 2006, we only put about 15% of our first-filed applications through the PCT; between 2006 and 2011 that rose to 40%. That reflects us filing in more countries, as more emerging markets come onto our radar, as well as using it as a cost-deferral mechanism. In 2009, for example, we used the PCT almost exclusively in order to defer local counsel fees and translation costs.

Interestingly when you look at the cost of the PCT practices, we find that the Korean patent office is less expensive than the EPO and the USPTO as an International Search Authority. Korea's fees have gone up slightly, to \$1157, but that's still less than half of the EPO's \$2443.

Another example of how we save money is that we have a numerically limited set of global claims prepared at the time the first filed application is being prepared, typically in the US, which we use for the PCT applications. This saves costs when filing in countries where extra claims fees apply. Europe is particularly expensive, costing €200

Euro for each claim over 15. We also file all PCT applications electronically now, which costs about \$100 less (per application) than filing by paper.

When we have a case where the USPTO is not a competent receiving office (for example, when our subsidiary, Perkins, is the applicant and all inventors are residents of the UK), we previously had to ask European patent counsel to file the PCT application on our behalf. We now have an EU attorney authorised to practise before the EPO, and we can file a PCT application directly with the EPO as receiving office, naming our attorney as agent. This leads to very big cost savings: outside counsel charges thousands of dollars to file a PCT application, even when we provide the specification and drawings.

Perhaps most importantly, all of the PCT applications we file, and we filed over 250 in 2008, are prepared and filed in-house by paralegals. The only exception is when an application is jointly owned by Cat and an outside party. It costs us about \$2600 to file a PCT case internally in fees, with Korea as the searching authority. A recent case done by outside counsel came in at \$6500.

If more filings are done through the PCT, it also makes everything easier to manage. At foreign filing meetings the main point is to discuss where we should go with secondary filings on an application, but the PCT is the default choice.

We're not in a particular rush to get our patents to grant; it certainly isn't our top priority. That's one of the reasons we don't use the Patent Prosecution Highways. That may change in the future, as we find ourselves head to head with someone and we need that little bit quicker enforcement.



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