

Encouraging News for US Patent Applicants

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New Zealand innovators filing patent applications in the US may well find the process of obtaining a US patent quicker and cheaper in the future. The Barack Obama administration has precipitated a change in leadership at the United States Patent and Trademark Office (USPTO) that promises to result in improvements to the patent system in a key overseas market for New Zealand technology companies.

The US is a crucial market for any New Zealand company looking to expand its commercial activities beyond Australasia. The patent system provides the ability to keep rival products or services out of the market. Therefore, for technology companies, a US patent portfolio and filing strategy is normally an essential part of a market entry strategy or the maintenance of a market share. Over 100 US patents are granted to New Zealand applicants each year, although in recent years this number has marginally declined. This trend may be connected with the fact that many New Zealand companies and inventors filing patent applications in the US have found, along with everyone else using the system, that obtaining US patent protection can be a more lengthy, expensive and frustrating process than in many other countries.

In August of this year, David Kappos was sworn in as the new Director of the USPTO. In very little time, the rumblings of change are already being heard, and this can only mean good news to patent applicants, as Kappos seems set on reducing examination time and increasing the effectiveness of examination. Patent examiners have been told that "patent quality does not equal rejection". Rather, it means working with applicants "to get to the real issues efficiently" and "to find the patentable subject matter and get it clearly expressed in claims that can be allowed". To back up these remarks, Kappos has hinted at a change to the 'count' system, the system used to measure examiners' performance. This currently creates problems because US examiners are incentivised to initially reject applications. The suggestion of a re-engineered system to better encourage compact processing of patent applications is welcome news to applicants.

Other suggestions mentioned by Kappos include initial examiner interviews to help bring the focus of examination to the important issues and mechanisms to accelerate important applications while quickly abandoning hopeless cases. Some particular technology areas may also be a focus for quicker processing. Another idea is to create a "nationwide workforce" of patent examiners, possibly an extension of the Peer-to-Patent Pilot Program currently in place for data processing inventions, in which the public can assist during examination by submitting relevant prior art.

The comments all seem to be geared towards encouraging examiners to expeditiously allow those applications that meet all requirements, and this may lead to a resulting reduction in the time and costs to prosecute a US patent application. For New Zealand applicants, for whom the US patent system is often a particularly expensive

undertaking, the signs are positive.

A culture does not change overnight, however, so it is likely to take a while for applicants to notice the effects of Kappos' new direction. Furthermore, applicants may find that US attorney costs for responding to an individual examiner's report may increase because of the time required for the US attorney to discuss the relevant issues with the examiner. However, the savings in costs from avoiding repeated responses and rejections will more than make up for any such increases.

The ability to protect inventions and technology in the US is very important for New Zealand innovators, and the signs are this process will become quicker and cheaper in the future.