

Consultation on accelerated patent processing at the IPO

Introduction

The IP Federation represents the views of a significant number of major innovative UK companies in matters concerning intellectual property policy. A list of members is attached. Not only do our companies own considerable numbers of IP rights, both in Europe and internationally, but they are affected by the activities and IP rights of competitors. They may be either plaintiffs or defendants in IP related court actions.

The consultation

The Intellectual Property Office (IPO) launched on 17 April 2013 a [consultation](#) which sought views on accelerated patent processing at the IPO. They propose to introduce a “superfast” patent processing service. Comments were sought by 12 June 2013, but the IPO has kindly granted an extension up to 21 June 2013.

IP Federation response

Our response to the questions is as follows:

(i) Do you think that your organisation will use the service?

No, our members would not expect to use the service except in exceptional circumstances. It is extremely unlikely the service would ever be used for first filed (priority) applications by our members as the risks are too great in our view.

In our view, the existing acceleration system works well and meets business needs. Should a ‘superfast’ system be introduced and be widely used, we have concerns that it would cause backlogs for examination of non-accelerated and conventional accelerated procedure applications.

(ii) Do you think the proposed level of fee is appropriate?

It is unclear whether the proposed fee is set at such a high level to reflect the resource intensive nature of the superfast process or to serve as a deterrent so as to limit the number of Applicants making use of the service.

On the presumption that the high fees are intended to reflect the increased work load associated with a superfast application, the amount still seems to be inordinately high and of doubtful value for a search that is not comprehensive. We have a real concern that uninformed Applicants would believe

the high cost results in a premium service when in reality it would provide an inferior patent right.

In addition to the fee itself being high, when this is combined with patent attorneys' fees, it might make such a request prohibitive. In particular, external patent attorneys responsible for superfast applications will be under greater pressure to deal with potentially lengthy and complex objections under severe time constraints, and therefore possibly also an urgency surcharge would be levied. This will inevitably add significantly to the total costs incurred in connection with a superfast application.

(iii) Do you agree that use of the service should be subject to those conditions outlined in paragraph 27, and/or do you think the service should be subject to other conditions?

Paragraph 27 notes that the request must be made at or shortly after the time of filing the application; the Applicant can opt out of superfast processing at any time, but this will not prevent publication.

The wording "shortly after" is unclear. The rules should prescribe a specific period in which the superfast service may be requested and outside which any superfast service request would be rejected.

In our view, the superfast service must be requested at the time of filing the application and the superfast status must be published alongside the filing details in the advertisement made in the Patent Journal; this is believed to be essential. The IP Federation would like here to indicate its objection to any move to allow superfast service requests to be made after the filing date.

It is unclear whether the superfast service may be requested at the time of entering the UK national phase of a PCT application. If the IPO continues with the superfast examination proposal, then it should be made explicit as to whether the service would apply for UK national phase applications.

(iv) Do you think superfast applications should be made open to public inspection early in the process, before publication of the specification in the usual manner?

Publication of the superfast application is expected to occur at or around 50 days from the filing date, but it can be a minimum of one month before the date of grant. The IPO appears to have selected that minimum period in order to provide sufficient time for third parties to submit observations, but our members believe that one month is insufficient time for third parties to monitor applications, perform searches, analyse the documents located, and submit well-prepared observations against those applications affecting them.

The intention is to advertise the filing of a superfast application in the Patents Journal no later two weeks after its filing date, and to highlight its superfast status. There is also a proposal to make superfast applications

open to inspection through Ipsum at the same time as making the advertisement in the Patents Journal. This proposal is viewed as an absolute necessity if the superfast application system is introduced. Otherwise, valuable time is wasted between third parties becoming aware through the advertisement in the Patent Journal of a potentially relevant superfast application and the publication of that superfast application.

(v) Do you think that delays on the part of the applicant should result in loss of superfast status, or simply add to the overall application processing time?

In order for the superfast service to succeed, it is expected that the IPO will have to process the superfast applications very efficiently, and careful planning on the part of the examiners will be essential. However, that planning may be difficult in the event that deadlines are missed by the Applicants as the examiners may not know when to expect the Applicants' input.

To allow superfast applications to continue in the superfast service despite delays caused by the Applicant would introduce further uncertainty to third parties which need to know the fate of the superfast applications in a timely manner.

Clearly delays on the part of the Applicant should result in the loss of the 'superfast status'.

(vi) Do you foresee any risks or problems with grant of a patent in as little as 90 days, which are not already acknowledged in this document?

We foresee the following risks and problems:

General:

The consultation document acknowledges that the search and examination of an application for which 'superfast status' is requested cannot be complete and that therefore there is a significant risk that a 'superfast' granted patent will be invalid.

Thus there can be no presumption that a patent issued under the superfast service is valid because it will not have undergone a full search. Furthermore if the granted but potentially invalid patent were to be used as a basis for PPH (Patent Prosecution Highway) examination elsewhere, the problem is exacerbated and proliferated internationally.

To bring in such a system goes against the current emphasis on improving the quality of the search and examination process.

There is a significant concern within our membership that such a system introduced by a reputable Patent Office would be viewed as a precedent and be followed by Patent Offices in other jurisdictions with less rigorous search and examination standards, leading to a lowering of the quality of

the search and examination process in countries with less developed patenting systems.

It also deviates from what users and Patent Offices perceive as a good international standard of an 18 month publication term for all applications (reference the Tegernsee consultation).

Problems for SMEs:

There is a concern that SMEs will think the accelerated patent processing is a premium service especially in view of the high fees, when it will in fact deliver an inferior patent.

Uninformed and inexperienced SMEs could cause problems for themselves by requesting the superfast service at the priority application stage, which will result in a publication during the priority year. With the current jurisprudence arising from EPO and the UK Courts, this could have severe consequences for the validity of any European or UK patent application filed at the end of the priority year, claiming priority from the 'superfast' application and including additional and possibly commercially significant improvements.

SMEs in particular may not understand such implications of early publication and grant, but may feel pressured by business advisors to use the 'superfast' system in view of gaining patent grant to claim under the Patent Box or to use to support funding requests for external investors.

Problems for third parties:

In view of the limitations on searching, third parties will be presented with a granted patent of uncertain validity.

Those third parties may incur considerable expense unnecessarily should they choose to redesign their goods or services to avoid infringing a patent which may later be revoked or amended once relevant S. 2(3) prior art is identified. Further, some third parties may even discontinue offering products or processes alleged to infringe a patent, which could lead to significant losses, again unnecessarily. . Proposals to include provisions to stay any infringement proceedings pending completion of the full search may be necessary.

To avoid the threats associated with the superfast patents, third parties will need to put in place new monitoring procedures.

Third parties may feel obliged to demand early publication of their own applications to take advantage of the prior art effect. For instance, an applicant of a regular UK patent application filed less than 18 months before the filing date of a superfast application may feel forced to request early publication of its regular UK patent application so that it may be cited against the superfast application under S. 2(3). This may disrupt their

patent filing strategy and brings risks to their own filing programmes and patent protection.

Publication of impending grant of a patent right of concern will require third parties to run very urgent validity assessments - probably attracting urgency surcharges if effected externally - in order to submit third party observations between publication and grant.

For all of the above reasons the superfast service would increase third party costs significantly.

Problems for Applicants

As reviewed above, there can be significant problems for Applicants should the 'superfast' service be requested for a first filed, priority application: once a superfast application has been filed, its publication cannot be prevented and this can have consequences for later further filings claiming priority from this application.

There are also problems arising for an Applicant should relevant Section 2(3) art be located in a supplementary search after grant as there are limitations to post-grant amendment in the UK which do not apply pre-grant. Therefore, there is no guarantee that a patent granted under the superfast service as a result of the inadequate search and examination could be amended in order to rectify the invalidity and the Applicant may find itself in a more difficult position than under the conventional examination process.

UK patent applications are favoured by many as a cost effective and speedy means of achieving a well-examined patent. In our view, the superfast application service runs contrary to this expectation because of the high fee and the inferior search and examination, with a search that will be non-exhaustive due to the lack of S. 2(3) prior art available and an examination that may sometimes lack the necessary care and attention due to the time constraints imposed by the 90 days period.

Final comment

Although our members would not in any case expect to use the service except in exceptional circumstances, we hope that the IPO will take the above comments on board. In our view, the existing acceleration system works well and meets business needs. A 'superfast' system could cause backlogs for examination of other patent applications, with many other risks and problems, as set out above.

IP Federation
21 June 2013

IP Federation members 2013

The IP Federation represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. Its Council also includes representatives of the CBI, and its meetings are attended by IP specialists from three leading law firms. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

AGCO Ltd
ARM Ltd
AstraZeneca plc
Babcock International Ltd
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
BTG plc
Caterpillar U.K. Ltd
Delphi Corp.
Dyson Technology Ltd
Element Six Ltd
Eli Lilly & Co Ltd
ExxonMobil Chemical Europe Inc
Ford of Europe
Fujitsu Services Ltd
GE Healthcare
GKN plc
GlaxoSmithKline plc
Hewlett-Packard Ltd
IBM UK Ltd
Infineum UK Ltd
Johnson Matthey PLC
Merck Sharp & Dohme Ltd
Microsoft Limited
Nokia UK Ltd
Pfizer Ltd
Philips Electronics UK Ltd
Pilkington Group Ltd
Procter & Gamble Ltd
Renishaw plc
Rolls-Royce plc
Shell International Ltd
Smith & Nephew
Syngenta Ltd
The Linde Group
UCB Pharma plc
Unilever plc
Vectura Limited