# Harmonization Pending

## —Patent Authorities in Debate—

**As the industrial structure becomes more information-intensive, copyrights, patents and other intellectual property rights are becoming increasingly important and increasingly contentious. Hoping to defuse patent friction before it gets politicized, the heads of the Japanese, American and European patent authorities are working together to harmonize their systems and to spread the benefits of such protection worldwide. How do they view the issues? What are the prospects?**

**The article that follows is an edited transcription of a discussion among President Paul Braendli of the European Patent Office (EPO), Commissioner Donald Quigg of the United States Patent and Trademark Office (USPTO) and Commissioner Fumitake Yoshida of the Japanese Patent Office (JPO).**

**Yoshida:** The turn of the year is typically a time for reflecting on the past and dreaming of the future. So the most appropriate way to start might be to ask you not for your New Year's resolutions but for your New Year's dreams. However, dreams have to be grounded in reality, and I would rather start by discussing the current state of patent information and system harmonization.

**Braendli:** The first thing that has to be noted is that we are cooperating to coordinate the welter of national systems, and the benefits of this cooperation stem from the fact it is cooperation as opposed to negotiation. This is very important in the patent information field. Whereas negotiation is appropriate when interests are fundamentally divergent or even opposed, cooperation is better for working together to advance common interests—and we do share common interests in the patent information field.

One point in common is that all three offices are being challenged to maintain or even improve their services for industry, despite an ever-increasing flood of applications and accompanying data. Second, all three offices are attempting to meet this challenge with massive investment in modern information-processing technology. And third is that we all need to further adapt our patent laws to the needs of emerging technologies such as biotechnology.

The data banks that our three offices are creating are very important, and it is in our common interests to have mutual access to these data banks to provide a foundation for the harmonization of patent information. And to do this, we need to define certain conditions.

## Quality of life

**Quigg:** Patent systems were created to encourage the development of technology and hence to improve the quality of life throughout the world. To do that, it is necessary to tell the public what has already been invented, giving inventors enough specificity that they can determine which roads to follow to avoid legal claims and provide the world with even better solutions. As we move toward harmonization, our laws should be geared to providing that sort of disclosure to the general public.

There are, for example, several things the Japanese Patent Office needs to do for the promptness and accuracy of its examinations. The JPO receives something like 550,000 applications a year, about four times the 137,000 applications we receive. Yet it has fewer than 1,000 examiners compared to our 1,500. In addition, it has a system providing for pre-issue opposition as well as the system of request for examination—the two procedures tend to hold up the use and development of patents that should be out much earlier than is now possible. It also has a huge backlog.

We had a similar backlog. The USPTO was a shambles eight years ago. The only way to reduce our backlog, we decided, was to hire a large number of quality examiners, train them well, and cut the length of time a patent application would pend. Since then, we have hired and extensively trained upwards of 1,400 quality examiners—three-fourths of them honors graduates—and the average pending time in the USPTO is down to 19.9 months, even though applications are up 28%.

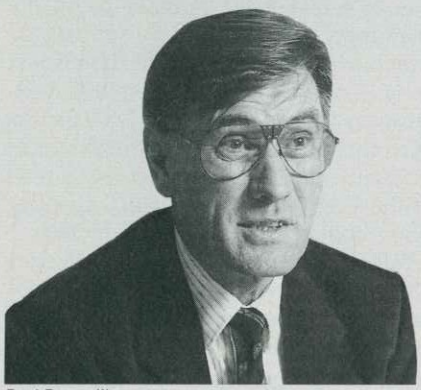
We did away with our paper reference files and embarked upon a couple of automation systems, including our "full text search system" to use specified key words to find documents from among all of the references included in the automation system. To deal with the tremendous surge in the number of applications filed in the field of biotechnology, we gave each of those examiners personal computers so they could prepare their own papers without waiting for the typing pool.

**Yoshida:** Thank you for the advice. I also have some advice for you, but I would like to keep this discussion as nonconfrontational as possible and to concentrate on how we can cooperate in the harmonization of our filing, examination and approval procedures.

The two things you mentioned as barriers causing delays in the Japanese system—the system of allowing pre-issue opposition and the system of request for

examination—are actually helping to ensure the system's smooth functioning. We get about 540,000–550,000 patent applications a year, and if we had to examine all of them, we could not handle them all even if we doubled the number of examiners. Instead, the system of request for examination allows inventors to look at the other patents and developments before making a final decision on whether or not to seek examination.

Likewise, the opposition system is positioned within the overall examination procedures, and although it takes about three or four months, it makes for a much more valid examination. This opposition system is a very important part of the Japanese system, providing the ideal mix between promptness and the proper granting of patents. The system is an integral whole, and I would not want to change just one or two parts without considering the impact on the other parts.



Paul Braendli

On the backlog problem, we have asked the private sector to rescreen their applications more rigorously to improve the quality of the system input, and this has already produced results. On output, our efforts to enhance the efficiency of overall examination procedures can be divided into three measures.

The first one is a significant increase in the number of examiners, and we are in the process of gaining public and government support for an increase starting in fiscal 1989. The second one is the development of our new automation system, especially establishment and operation of the F-term database, to make the whole procedures more efficient. And the third is the subcontracting of pre-search work to outside organizations, which will be possible when the F-term database is completed. So we are, in fact, making a systematic effort to reduce examination delays.

## Key to success

**Braendli:** Just as Commissioner Quigg referred to the U.S. system, I would like to refer to the European experience. The EPO was created to eliminate redundant work and to rationalize the patent granting process for the inventors, and this system unification has done much to reduce the backlogs built up by the respective offices. The European patent experience shows that cooperation is efficient, and that good databases for patent information are the key to success.

The JPO, USPTO and the EPO are all making enormous efforts in the documentation area, and stronger cooperation and coordination here—say a common data bank—would be a big help.

**Yoshida:** I agree that we can all learn a lot from each other, and I hope we can achieve similar systems and move to the harmonization of our systems. One of my dreams is to develop a satellite-based patent information network that would enable all countries, developing and industrialized alike, to instantaneously access patent information throughout the world.

Conceivably, each country's examiners could access this information in their own language with highly sophisticated translating machines, and maybe we could eventually even communicate through electronic interpreting devices. Given the present rate of technological progress, this might not be too distant a dream.

**Braendli:** We seem to have the same dreams. I also mentioned satellite use in an internal study on EPO telecommunication problems. The age of the satellite has arrived, and there is no reason patent data cannot be distributed via satellite in the near future.

I also dream of more cooperative handling of the applications filed in our three regions. The EPO has an examination board of three examiners of different nationalities so as to guarantee that all aspects, all approaches and all mentalities are taken into account. I envision a worldwide version of the same system in which an applicant could apply to a board composed of examiners from all three of our offices.

Another dream is mutual appreciation for the result of examination in each office. I am not saying that if a Japanese office has granted a patent it should automatically be granted in Europe or in the United States, but a prior examination in one of our regions should carry some weight. There are, of course, problems such as the language problem, but language problems should be solvable in the near future with computerized translation, another project we are working on.

But the first dream—bringing the three together in a treaty to have a supra-examination—would be more fascinating, not that there should be a supra-office. No supra-office is possible in the near future. The creation of the EPO took about 40 years from conception to inception, and it would certainly take much longer to make a common office worldwide. But there can be interim solutions.

**Quigg:** To do the job that each of us does, we have to be dreamers. President Braendli's dreams correspond to some extent to my own dreams, which I will divide into three different elements. One is the harmonization of our patent laws. We are well-launched into that activity. Next is the harmonization of the way the three offices search and examine. This is not necessarily a regional office, but maybe some sort of reciprocity. Third is the establishment of an international court of appeals.

With standardized laws and standardized search and examination methods, we should be able to come out with standardized documents, and an international court of appeals would ensure that these documents are interpreted in the same way. This would give us a system in which an application could be filed in any one of the countries of the region, a patent issued, and the patent enforced in any one of the countries of the region. This would also, incidentally, solve our language problem.

Fumitake Yoshida

**Yoshida:** There are basically two approaches that can be taken. One is to start harmonization from the legal aspect and then develop that into strengthening cooperation. The second approach is to start with the strengthening of cooperation and to develop that into systemic harmonization. Happily, both of these approaches are being taken simultaneously in the trilateral forum.

We are, however, seeing some problems with the United States' first-to-invent system as well as the absence of early publication of the application. We all have differences. This is why the World Intellectual Property Organization (WIPO) has become so important to discuss harmonization of patent system. Nonetheless, WIPO's discussions have not always been the smoothest, in part because of the participation by the developing countries.

## Realistic system

Thus I feel the establishment of the Club of 15 (Japan, the United States and 13 leading European countries) marks a major step forward toward more realistic harmonization of the patent system. Among them, the industrialized countries in the Club of 15 account for more than 80% of the world's total patent applications, and it is up to us to lead the international patent harmonization effort.

**Quigg:** As I mentioned earlier, we have to be geared toward producing something that will be serviceable for all countries, including those that are moving into the industrialized world. Our countries—and our offices—are probably more aware of the benefits of a strong intellectual property system than countries that have not yet fully industrialized are, and our success is a good demonstration of the fact that strong intellectual property laws benefit the development and growth of industry within those countries. Harmonization is essential, and the Club of 15 is an absolute necessity if we are to move forward.

**Braendli:** I am very happy and thankful that the EPO initiative to create the Club of 15 was welcomed positively by our trilateral partners. The EPO itself is a successful, well-balanced system that is the child of a broad harmonization of the many different legislations and basic systems in Europe, and the development of harmonization is unthinkable without considering the European experience.

We have had success with the principles of first-to-file, early publication of the application with the search report, non-deferred examination with requests for examination, and opposition after grant. These principles keep the public informed of what is going on and guarantee that the patentee gets the patent as quickly as possible. Although I am not saying the European principles are the only answer, we do need to cooperate and come up with some basic principles common to all of our areas. It is an agreement on principles that will help ensure the success of the Club of 15.

The goal of the Club of 15 is to advance the work of WIPO, but if that road proves fruitless, I would not rule out trying other venues for the same results. Harmonization is not something that should be restricted to the three partners in our trilateral forum. On the other hand, the industrialized countries and the developing countries do not see industrial property protection the same way, and this divergence of views makes the broad harmonization of all the countries in WIPO extremely difficult. I do not see any immediate solution. We need to give this a little more time.

**Quigg:** I am very much in agreement with President Braendli. If at all possible, we should look forward to getting a treaty through WIPO. But we have to recognize that this might not be possible—and if we have not made a lot of progress after a couple of years, we will have to look at the possibility of going outside of WIPO, possibly through the trilateral forum, and arranging a treaty that would at least harmonize the laws of the countries represented there.

Donald Quigg

## Shared dreams

There are some countries still classified as developing countries that are moving very far into the industrialized realm, and several of them find it to their benefit not to offer sufficient protection for inventors outside of their countries.

Helping WIPO is undoubtedly one of the strongest drives of the Club of 15, but at the same time we have to look realistically at the position that the developing countries within WIPO have taken with respect to harmonization. We could well wind up negotiating a treaty within WIPO with just the countries represented by our three offices as signatories, leaving the door open for later accession by the developing countries when they are ready. But we cannot allow those countries that are not ready to block the treaty.

President Braendli says to give the process time, and I agree—although I would qualify this by saying that the period of time should probably not exceed a couple of years.

**Braendli:** I agree. When I said to give it time, I did not mean time without end. It makes no sense to postpone the operation indefinitely. We should do our best to avoid the fate of the Paris Convention revisions. These, you will recall, started in the 1970s and have yet to produce results.

**Yoshida:** It appears that we all have basically the same dreams for the future of patents on an international scale. Of course, we cannot be satisfied with leaving them only dreams. We now have the responsibility of striving for further extension of our trilateral cooperation to contribute to the development of patent harmonization throughout the world. The need is patently clear.