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# PPH - Much ado about nothing?



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Many patent offices give applicants the opportunity to ask for simplified examination and grant by taking into account the examination results from other patent offices. Dr. Malte Köllner, Dennemeyer & Associates, and Dr. Markus Rieck, Fuchs Patentanwälte, explain such programs, what they mean and whether they make sense in practice.

**B**y implementing a Patent Prosecution Highway (PPH) program, patent offices aim to avoid duplication of effort – which is good. Basically, if a patent application has been positively examined by the patent office of country A, this result can be brought to the attention of the patent office of country B, if the latter has promised to take such a result into account in the framework of a PPH program based on a contract between patent office A and B.

For the patent applicant this sounds like a good idea. The positive examination result of patent office A will be used by patent office B, thus the duration of patent granting, as well as the costs, are reduced.

That is the theory anyway.

However, patent office B does not have to follow the positive examination result of patent office A. It can follow it, but may also come to a different conclusion. Or come to the same conclusion, but only after a few material office actions.

So, is there a positive practical effect of such programs or not? Let's try to find out.

## Résumés

### Dr. Malte Köllner, Patent Attorney, Dennemeyer & Associates

Qualified as a German Patent Attorney, European Patent, Trademark and Design Attorney, Dr. Köllner holds a Ph.D. in Physical Chemistry and a diploma in Physics from the University of Heidelberg. His areas of expertise include physics, physical chemistry, optics, lasers, biotechnology, medical devices and software.

With vast experience in the field of intellectual property, Dr. Köllner furthermore acts as the editor-in-chief of the well-known German journal for patent law "Mitteilungen der Deutschen Patentanwälte" and is lecturer at various conferences and universities. His notable achievements in the IP area have for several years in succession, listed him as one of the World's Leading Lawyers and IP Strategists.

### Dr. Markus Rieck, Patent Attorney, Fuchs Patentanwälte

Dr. Rieck is a Patent Attorney at Fuchs Patent Attorneys since 2007 and became a partner in 2011. Markus studied pharmaceutical sciences at the Johann Wolfgang Goethe University Frankfurt am Main, passed the third pharmaceutical state examination, and worked for three years in the field of clinical research, pharmaceutical technology and pharmacokinetics as well as in the field of analytical chemistry at Abbott GmbH & Co. KG.

He is qualified as a German and European patent attorney, and has earned his Master of Laws in European Intellectual Property in 2013. Markus is a regular contributor to a local German portal dedicated to entrepreneurs, covering intellectual property matters for startup companies [Ed. Rhein-Main-Startups.com].

## Existing PPH programs

It all started in 2006 with the first PPH agreement between the Japanese Patent Office and the US Patent Office<sup>1</sup>.

Since then, a large number of PPH programs have been signed between different patent offices. The PPH portal site of the Japan Patent Office provides a good overview<sup>2</sup>. There are currently six different types of PPH programs and related agreements:

- Classic PPH,
- PPH Mottainai,
- PPH 2.0,
- PCT (Patent Cooperation Treaty)-PPH,
- Global PPH (a recent addition), and
- IP5 PPH.

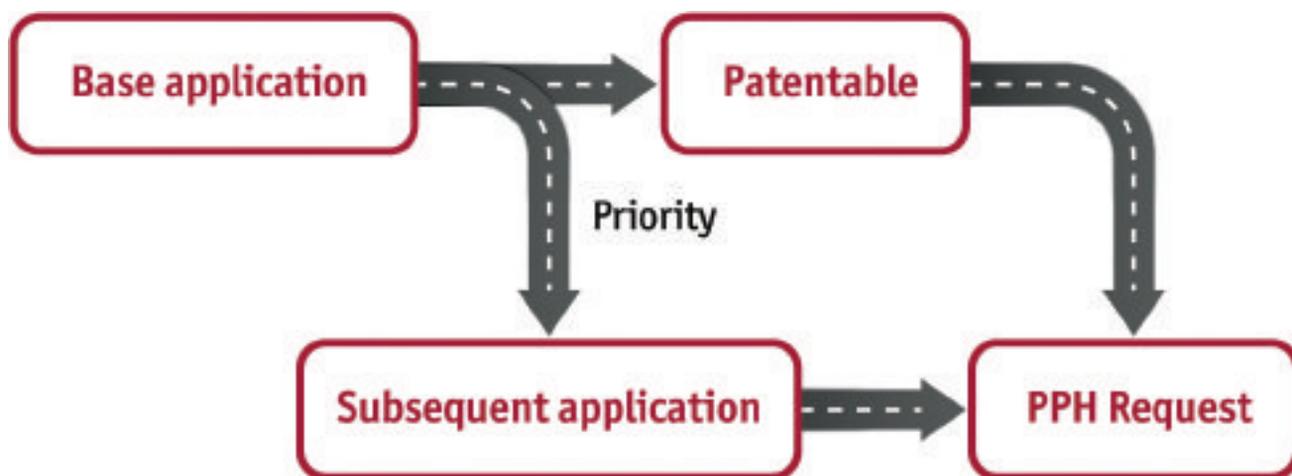
"Mottainai" is a Japanese word that refers to the feeling of regret when the value of a thing is not used reasonably.

The different programs can only be used if the respective patent offices have signed agreements. The main difference between the programs is around which examination results can be used within the PPH program.

**Classic PPH** considers only the examination results of the following categories of base applications:

- a) First filing of the patent family or divisional application thereof;

Figure 1 – Example of classic PPH



b) National or regional part of a PCT application without priority or divisional application thereof; or

c) National or regional part of a PCT application with priority of a PCT application, which in turn does not claim priority, or a divisional application of it.

In other words, the PPH request can only be based on a granted first filing in classic PPH.

An example is shown in Figure 1 above.

Under **PPH Mottainai** or **PPH 2.0**, the examination results of applications that do not fall under the above categories can be used. In other words, the examination result may come from any family member. Therefore, PPH Mottainai and PPH 2.0 offer more opportunities for a PPH request than the classic PPH. Figure 2 (below) shows an example of such an application.

PPH 2.0 differs from PPH Mottainai in so far as for such a request neither the allowable claims nor a translation of these allowable claims needs to be filed<sup>3</sup>. Only the office actions concerning the base application must be submitted; a machine translation of these is sufficient.

Within a **PCT-PPH** program, the examination and search results of an international searching authority or an international preliminary examining authority can be used.

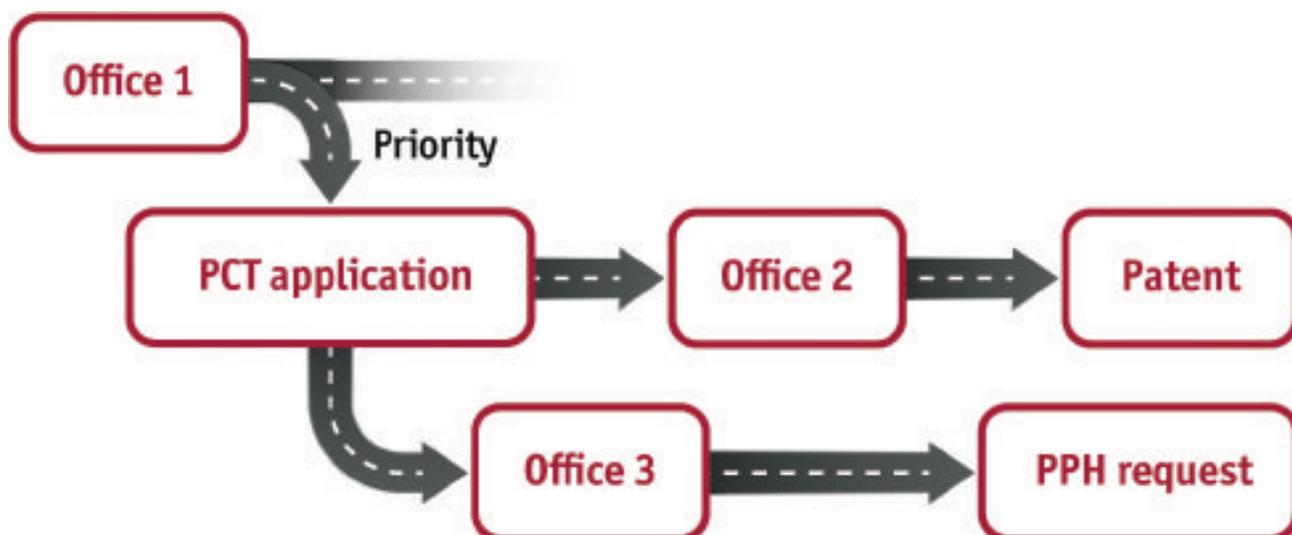
The **Global PPH** program has been signed by a number of patent offices so far, among which are:

- AU IP Australia (IP Australia)
- CA Canadian Intellectual Property Office (CIPO)
- DK Danish Patent and Trademark Office (DKPTO)
- ES Spanish Patent and Trademark Office (SPTO)
- FI National Board of Patents and Registration of Finland (NBPR)
- GB United Kingdom Intellectual Property Office (IPO)
- JP Japan Patent Office (JPO)
- KR Korean Intellectual Property Office (KIPO)
- NO Norwegian Industrial Property Office (NIPO)
- PT Portuguese Institute of Industrial Property (INPI)
- RU Russian Federal Service for Intellectual Property (ROSPATENT)
- US United States Patent and Trademark Office (USPTO)
- XN Nordic Patent Institute (NPI)

The innovation here is that this program is not bilateral, as all the other programs mentioned so far are. Under the Global PPH, all patent offices that have signed will accept a PPH request based on examination results from any other of the member patent offices, that way simplifying the PPH world. The formal pre-requisites though are comparable to PPH Mottainai<sup>4</sup>.

As can be seen, some of the major patent offices refused to join the global PPH program, namely the European Patent Office (EPO) and State Intellectual Property Office of China. Therefore, another PPH program was invented called **IP5 PPH**. Obviously, the members are China, Europe, Japan, Korea, and the US<sup>5</sup>. Here again, a PPH request

Figure 2 – Example of PPH Mottainai





can be based on examination results from any member and the formal requirements are comparable to PPH Mottainai.

It is not easy to keep track of all the PPH agreements that have been signed worldwide between different offices. Not even the USPTO or JPO seem to be able to cope. The best overview can be found on JPO's PPH portal<sup>6</sup>.

## Requirements

The formal and material requirements are now basically identical in all PPH programs. The basics are:

- At least one claim must be found to be allowable by patent office A.
- A PPH request can be filed with patent office B requesting allowance of this claim(s) also by patent office B for the corresponding patent family member.
- The allowable claims and the corresponding office actions must be filed with the PPH request.
- The cited prior art must be provided.
- A claims correspondence table must be presented, showing the correspondence between the claims found allowable by patent office A and the claims that are to be allowed by patent office B.
- A translation of the allowable claims and the corresponding office actions into English must be furnished. For some patent offices, a machine translation of the office actions is acceptable, but not for all.
- Patent office B must not yet have issued a first material office action.

## What benefits does a PPH request bring?

Obviously, preparing a PPH request involves a certain amount of expenditure. For instance, if the request is based on the positive examination of an EP application with German as the language of the application, translations of the claims and office actions must generally be produced and furnished.

This expenditure could only be justified if the PPH request increases the chances of the patent being granted for this application or if fewer office actions are received until grant of the patent. Is that the case?

**Does a PPH request increase the chances of obtaining a patent?:** The JPO provides some statistical data to clarify these questions<sup>7</sup>. For example, by an analysis of the probability with which a patent is granted following a PPH request as compared to all the other patent applications. The JPO has a 76% granting rate for PPH requests and a 68% rate for all other patent applications. In the case of the USPTO, these numbers are 87% and 52%. The DPMA (German patent office) and the EPO have not made such data available.

Is that the answer then? Does a PPH request increase the chances of an application being granted?

No. These statistics compare the rate of granting for PPH applications with the rate of granting for all other applications. However, PPH applications have been considered patentable by some patent office. So they are among those applications that can be granted, whereas “all other applications” also contain those applications that are not new or inventive, and cannot be granted. It is, thus, not a surprise that the rate of granting for PPH applications is higher than the rate of granting for all other applications. It is not a consequence of the PPH request.

**Does a PPH request reduce the number of office actions until grant?:** The available data is not sufficient to answer this question. The JPO states that the number of office actions decreases from a 1.1 average without a PPH request to 0.92 with a PPH request (classic or Mottainai) and even to 0.43 with a PCT-PPH request. The USPTO indicates that the number of office actions decreases from a 2.5 average without a PPH request to 2.13 with a classic PPH request and 1.61 with a PCT-PPH request<sup>8</sup>. Unfortunately, there is no data available for the EPO and the DPMA.

But here again, quite naturally the number of office actions for applications with allowable claims is likely to be lower than for all applications, in other words applications without a PPH request.

It is again not a consequence of the PPH request, but a consequence of the fact that an allowable wording of the claims that was found in country A can efficiently be used in country B.

**Does a PPH request reduce the costs of the granting procedure?:** A survey conducted by the USPTO<sup>9</sup> suggests that applicants save US \$2000-13,000 per application if they participate in the PPH program. However, the data collection methods are not particularly clear.

My personal experience in the US is different. Firstly I prepared a PPH request, which involved costs. I asked a US colleague to complete the relevant forms and file the PPH request with the USPTO, which also involved costs. The next thing that happened, and on more than one occasion, was an office action objecting to formal deficiencies in the PPH request. Now this needed to be answered, involving further costs. Then we received a decision from the USPTO stating that the PPH request was allowable. And here is your first material office action. So nothing gained, but money lost.

On the other hand, my personal experience in Canada is positive. Every PPH request immediately led to granting of the patent. However, Canada has a long tradition of taking over the examination results of the US.

Therefore, it looks like a PPH request does not necessarily help the applicant and does not change the traditions of patent offices. Offices like Canada and Singapore, which have a long tradition of taking over examination results from other countries, continue to do so, now within the framework of PPH programs. Other offices, however, with a long tradition of doing their own examination, also continue to do so, despite any PPH program or PPH request.

Quite explicitly, a PPH request filed with the EPO is only treated as a request for accelerated examination according to the PACE program<sup>10</sup>. There is no promise or intention to take over the examination results from other countries.

**Does a PPH request shorten the time to the first office action?:** Yes. The average time it takes from filing to the first office action is in fact reduced. With a PPH request, the average time until the first office action is less than six months in all offices that have disclosed their data. Without a PPH request, the applicant must wait at least 1.5 years, on average, at the majority of offices.

## Conclusion

What does it mean if Iceland is a member of the Global PPH program? How many examiners do they have and how many patents

are granted nationally in Iceland per year? In 2009, 16 patent applications entered the national phase in Iceland after PCT<sup>11</sup>. Are any of the other members of the Global PPH program, for example Japan, willing to take over national examination results from Iceland?

What we have learned so far is the following:

- Although it seems intuitively compelling, whether a PPH request increases the chances of a patent application being granted is rather questionable.
- The five big patent offices do not seem to take over examination results from other offices. This is why PPH requests with these offices are not recommended.
- With smaller patent offices PPH requests can be useful for the applicant, for example in Canada.
- There is no evidence that a PPH request reduces the number of office actions until grant.
- A PCT-PPH request is completely useless. There is nothing in such a request that the office does not yet know.
- Whether a PPH request helps reduce costs is not proven. One can assume this is possible with some offices, but not for others.
- A PPH request accelerates the examination procedure.

Sadly, it looks like none of the PPH programs produced one single new feature. Accelerated examination already existed and the taking over of examination results (or not) has not changed, although there was a lot of publicity claiming it would.

The task before us is to find out where a PPH request makes sense, more particularly: which specific combination of earlier grant in one country and a later PPH request in another country makes sense. Does, for example, China accept examination results from the EPO and JPO rather than from the USPTO? A lot of empirical work lies ahead of us before we can answer those questions.

*An earlier version of this text appeared in German in the journal "Mitteilungen der deutschen Patentanwälte" at Mitt. 2013, 525. This version here is, however, much shorter and contains a number of new insights.*

<sup>1</sup> The Patent Prosecution Highway – "Scaling a Sensible Approach to Worksharing" – Blog by Under Secretary of Commerce for Intellectual Property and Director of the USPTO David Kappos: [http://www.uspto.gov/blog/director/entry/the\\_patent\\_prosecution\\_highway\\_scaling](http://www.uspto.gov/blog/director/entry/the_patent_prosecution_highway_scaling)

<sup>2</sup> See <http://www.jpo.go.jp/ppph-portal/>

<sup>3</sup> USPTO Official Gazette 1376 OG 45

<sup>4</sup> See [www.jpo.go.jp/ppph-portal/globalpph.htm](http://www.jpo.go.jp/ppph-portal/globalpph.htm)

<sup>5</sup> See [www.epo.org/law-practice/legal-texts/official-journal/information-epo/archive/20131218.html](http://www.epo.org/law-practice/legal-texts/official-journal/information-epo/archive/20131218.html)

<sup>6</sup> See [www.jpo.go.jp/ppph-portal](http://www.jpo.go.jp/ppph-portal)

<sup>7</sup> See <http://www.jpo.go.jp/ppph-portal/statistics.htm>

<sup>8</sup> See <http://www.fr.com/files/uploads/Documents/Patent%20Prosecution%20Highway%20-%20Webinar%20October%202011%20FINAL.pdf>

<sup>9</sup> See footnote 1 above.

<sup>10</sup> OJ EPO 2010, 50.

<sup>11</sup> See <http://www.arnasonfaktor.is/english/news/nr/499>



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