

**CA/84/10**

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SUBJECT: Progress report on Trilateral and IP5: 3rd meeting of IP5 Heads

DRAWN UP BY: President of the European Patent Office

ADDRESSEES: Administrative Council (for information)

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### SUMMARY

The present document provides information on the outcome of the 3rd meeting of IP5 Heads, which took place in Guilin on 15 and 16 April and gives an outline of the next steps. A review on the importance of "timeliness" to the IP5 process is also presented.

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## **I. STRATEGIC / OPERATIONAL**

Strategic

## **II. RECOMMENDATION**

The Administrative Council is requested:

- To note the official launch of the ten IP5 Foundation Projects with focus on the short-term goals (2010-2011).
- To note the agreement of the IP5 Heads to explore ways to speed up the IP5 process, taking full consideration of available resources, and to report the outcome at a meeting of Deputy Heads in September 2010.
- To note the accord reached on the important role "timeliness" plays in work-sharing and the agreement to initiate a review of proposals, including a quantitative assessment of the benefit and cost of improving "timeliness", to be reported at the meeting of Deputy Heads in September.
- To note the importance of using standardised XML to enhance data transfer efficiency between the IP5 offices.

## **III. MAJORITY NEEDED**

N/A

## **IV. CONTEXT**

Regular updates concerning Trilateral and IP5 issues have been provided to the Council throughout last year with documents CA/37/09, CA/89/09, CA/167/09 and CA/190/09 and this year with CA/27/10. The present document primarily summarises the outcome of the meeting of the heads of the five IP offices (IP5), which took place on 15 and 16 April in Guilin, China. A press release was published on the EPO website on 19 April.

### **A. HIGHLIGHTS FROM THE IP5 HEADS MEETING**

The Heads of the five offices shared the view that substantial progress had been achieved in the IP5 cooperation and committed to reach the goals of the IP5 cooperation as agreed in the Jeju vision.

Reaffirming their support for all ten of the Foundation Projects, the Heads approved the overall resources requirements in 2010 and 2011 to achieve short-term goals, including investing some 210 full-time equivalents (or person-years of work). The Heads agreed to the formation of a Programme Management Group (PMG) comprising members from each of the five offices with the mandate to oversee the management of the ten projects, which are being worked on directly by three working groups.

Discussion was initiated by the USPTO on the possibility of speeding up the IP5 process, which met with support from each of the delegations. It was agreed to explore appropriate measures, taking full consideration of the available resources and input, and to report the results at a meeting of Deputy Heads in September 2010 on the margin of the WIPO General Assemblies.

Presentations by the EPO and KIPO prompted discussion on the important role "timeliness" plays in work-sharing. "Timeliness" in this respect means the timely availability of results from an office of first filing to an office of subsequent filing. Recognising its importance, the Heads agreed to initiate a review of proposals, including a quantitative assessment of the benefit and cost of improving "timeliness", also to be reported at the meeting of Deputy Heads in September.

More consideration of the importance of timeliness in the IP5 process is given in Section IV-C below.

The IP5 Heads also underlined the importance of the PCT in work-sharing and restated their commitment to collaborating with WIPO to improve the functioning of the PCT. The JPO, USPTO and to some extent KIPO, are actively engaged in Patent Prosecution Highway (PPH) initiatives and are looking to these to make an important contribution to the IP5 process. The EPO takes a somewhat different stance, particularly in view of the very low usage of the PPH pilot schemes, and places emphasis on improving the PCT as the best way forward so that its role could be further strengthened as a vehicle for efficient work-sharing.

The importance of transparency in the IP5 process was reaffirmed, as was the need for effective communication among the five offices, particularly with and between examiners, and further stakeholders. WIPO welcomed a proposal to hold a side event on the IP5 process during the General Assemblies in September 2010.

## **B. TECHNICAL MATTERS PRESENTED AT THE IP5 HEADS MEETING**

The meeting of IP5 Heads approved reports from recent meetings of the IP5 Deputy Heads and of each of the three IP5 working groups as well as the mandates for the two USPTO-led Foundation Projects.

One of the highlights from the technical discussion which ensued was agreement on the importance of using standardised XML to enhance data transfer efficiency between the IP5 offices. It was recognised that XML standardisation will bring significant benefits to the IP5 process, but user needs should also be considered.

On receiving a report from KIPO, the heads expressed their satisfaction on the success of the first IP5 Examiner's Workshop held in Korea in October 2009 and their support for the continuation of the IP5 Examiner's Workshop, the next of which will be hosted by the EPO on 2-9 October in Munich. The latter will focus on a comparison of search tools, practices and procedures in the five offices.

## **C. "TIMELINESS"**

The number of patent applications filed in patent offices around the world has increased rapidly from approximately 1.0 million applications in 1996 to approximately 1.7 million applications in 2006. Currently, some 80 percent of the total number of patent applications filed in the world per year and 93% of all PCT applications are filed at the IP5 offices. It is estimated that around 290 000 per year of such applications could benefit from work-sharing.

Currently, the majority of results from other IP5 offices are not available at the EPO when the examiner commences the work. Delaying the EPO processing is not an option as this would increase pendency.

The business case for the EPO regarding the re-utilisation of data made available by work-sharing may be summarised as follows (figures for 2008 provided by the Controlling Office for applications having an IP5 priority other than the EPO):

a) Paris route second filed applications	= 19 500
b) PCT International phase with EPO as ISA	= 14 000
c) Regional phase PCT bis with other IP5 office as ISA	= 29 000

For the majority of regional phase PCT applications, case c), the work of the Office of First Filing (OFF) is available on time and may be reused by the EPO as Office of Second Filing (OSF). For cases a) and b), however, "timeliness" is an issue. On average, when KIPO makes its prior art available for non-PCT applications under case a), the EPO has already completed 39% of its searches of second filings (see graph in Annex 1). The ratio is 42% for the JPO under the JP-FIRST acceleration scheme, 45% for SIPO, 47% for the USPTO and 69% for the JPO under the normal JPO processing scheme.

Consequently, the decision of the IP5 Heads to scrutinise timeliness is an important step forward in the IP5 process for the EPO.

#### **D. OTHER IP5 DEVELOPMENTS**

The first of two meetings of the IP5 Working Group on Classification (WG1) scheduled for this year took place at the USPTO on 22-25 March. Progress was made towards agreement of the "Operation Procedures of the Common Hybrid Classification Project" (CHC-OPS) following the drawing up of a first draft by the EPO. Much work had been done on the five pilot projects and two were deemed ready to be forwarded to the IPC following formal checks. It is anticipated that the schemes for the remaining three pilot projects will be agreed at the next meeting of the working group, which will take place in October in Korea.

#### **E. TRILATERAL CO-OPERATION**

In March, the latest Trilateral Technical Data Standards Area (TDSA) meeting was held at the USPTO. The meeting focussed on coordinating views on XML and agreed to move this discussion to the IP5 level.

The next Trilateral meeting takes place on 1-3 June at the USPTO, with the Trilateral Strategic Working Group (SWG) meeting on 2 June and the Trilateral / Trilateral Industry meeting on 3 June. An oral report on the meetings will be given at the June Council meeting.

#### **V. INTERNAL CO-ORDINATION**

As reported previously to the Council, the EPO is working to ensure that all IP5 activities are in line with office policy for implementing programmes (Managing Successful Programmes, MSP) and that, where possible, knowledge is transferred from existing Trilateral initiatives to the IP5 programme. Extensive co-ordination is also taking place to assure that IP5, SPP and UIP activities are aligned.

**VI. NEXT STEPS**

The EPO will host the next meeting of IP5 Deputy Heads in September in Geneva during the WIPO General Assemblies, followed by a Heads Dinner. A side event on the IP5 process will also take place.

The EPO will also host the second IP5 Examiner Workshop on 2-9 October in Munich.

The next meeting of IP5 Heads will be held in Japan in the first half of 2011 to take stock of progress made.

**VII. ALTERNATIVES**

N/A

**VIII. FINANCIAL IMPLICATIONS**

As reported in CA/190/09 and CA/27/10, the IP5 Foundation Projects will require significant resources and extensive planning, of which the latter will be financed from the planned 2010 budget. It is anticipated that substantial IP5 investments will be necessary from 2011 onwards. The detailed plans produced by the working groups and approved by the Heads will be included in the 2011 budget proposals.

**IX. LEGAL BASIS**

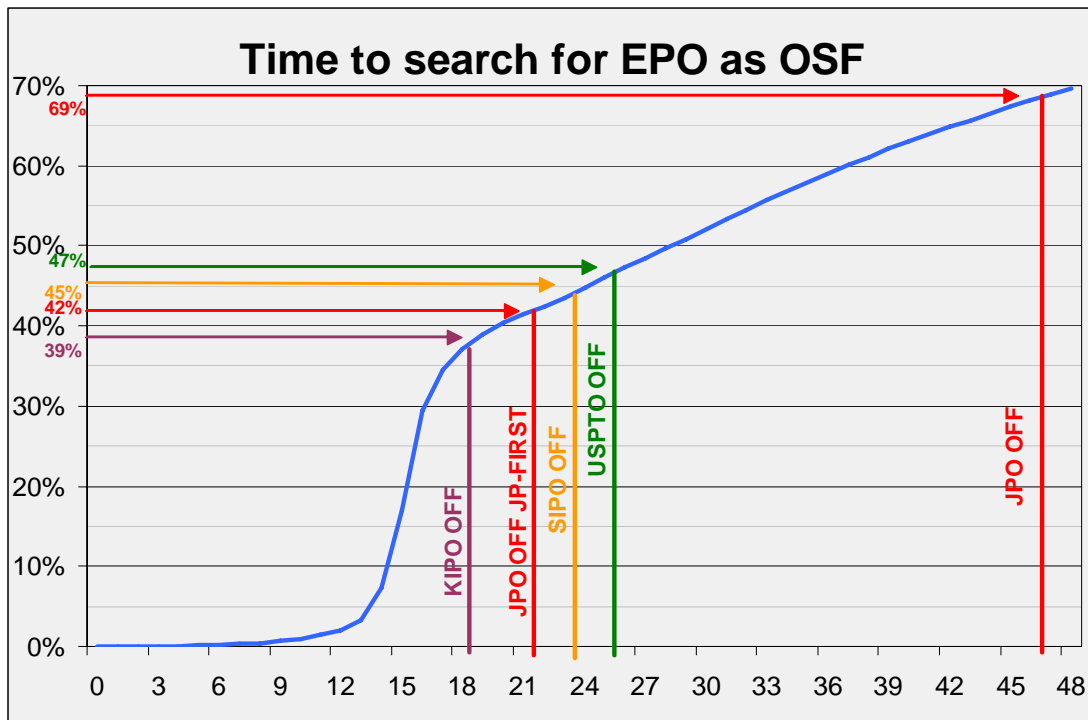
N/A

**X. DOCUMENTS CITED**

CA/37/09, CA/89/09, CA/167/09, CA/190/09 and CA/27/10.

Press release at [www.epo.org/topics/news/2010/20100419.html](http://www.epo.org/topics/news/2010/20100419.html): "Green Light" given to IP5 Foundation Projects.

**ANNEX 1      GRAPH SHOWING CURRENT "TIMELINESS" FOR PARIS ROUTE APPLICATIONS**



(Data for 2008 provided by the Controlling Office.)

- The curve on the graph represents the time after which a certain percentage of searches on non-PCT second filings having an IP5 priority (KIPO; JPO, SIPO or USPTO) are completed at the EPO.
- The other lines represent the average time at which the other IP5 Offices make available their prior art search on non-PCT first filings (Paris route).



## **ANNEX 2 THE THIRD MEETING OF IP5 HEADS OF OFFICE**

### **Record of Discussion**

Ms. Alison BRIMELOW, President of the EPO, Mr. Tetsuhiro HOSONO, Commissioner of the JPO, Dr. Jung-Sik KOH, Commissioner of the KIPO, Mr. David KAPPOS, Under Secretary of Commerce for Intellectual Property and Director of the USPTO and Mr. Lipu TIAN, Commissioner of the SIPO, jointly held the third Meeting of IP5 Heads of Office in Guilin, the People's Republic of China, on 15 and 16 April 2010.

Dr. Francis GURRY, Director General of the WIPO was present at the meeting as Observer.

Mr. Lipu TIAN, Commissioner of the SIPO, served as Chairman of the meeting.

#### Opening Remarks

1. The Heads of the five offices shared the view that substantial progress had been achieved in the IP5 cooperation and committed to reach the goals of IP5 cooperation as agreed in the Jeju vision.

#### Resource requirement and PMG

2. The Heads of the five offices approved the Overview of Overall Resources Requirements in 2010 and 2011, including investing some 210 Full Time Employees to achieve the short-term goals of ten foundation projects.

3. The Heads of the five offices approved the Programme Management Group Progress Report and its mandate. The Heads of the five offices approved the Landscape for IP5 Cooperation which had been endorsed at the Fourth Meeting of Deputy Heads of Office.

#### Working reports and mandates

4. The Heads of the five offices approved the Report on the Fourth Meeting of IP5 Deputy Heads of Office, including the Reports of WG1/2/3. The Heads of the five offices expressed their full satisfaction on the quick progress of WG1/2/3.
5. The Heads of the five offices approved the mandates of the two foundation projects led by the USPTO, namely 'Common Approach to Sharing and Documenting Search Strategies' and 'Common Search and Examination Support Tools'.
6. The USPTO briefed on the outcome of the third WG1 meeting, and the Heads of the five offices agreed on the critical importance of the implementation of CHC.

#### Involvement of examiners

7. The KIPO reported on the first IP5 Examiners Workshop in 2009 and the Heads of the five offices affirmed its success and its importance in promoting mutual trust and understanding among IP5 examiners. The Heads of the five offices expressed their support for the continuation of IP5 Examiners Workshop.

8. The EPO will host the second IP5 Examiners Workshop on 2-9 October 2010 in Munich. Recognizing the technical difficulties related to search tools for the workshop, the Heads of the five offices suggested that further discussions be held at working level.

#### Transparency and communication

9. The Heads of the five offices agreed on the importance of the transparency in IP5 process and the need for effective communication among five offices, with IP5 examiners and stakeholders. WIPO welcomed a proposal to hold a side event on the IP5 process during the General Assemblies in September 2010. The PMG was mandated to take necessary steps on this.

#### XML standardization

10. The Heads of the five offices agreed on the importance of XML standardization as well as the benefits that it brings to IP5 Foundation Projects. It was also noted that user needs should be considered.

#### Open Discussion

11. The Heads of the five offices reconfirmed the vision established at the Jeju meeting in 2008, i.e. The elimination of unnecessary duplication of work among the offices, enhancement of patent examination efficiency and quality, and guarantee of the stability of patent right.

12. The Heads of the five offices emphasized that:

- The implementation of foundation projects shall conform with the relevant laws and regulations that each office needs to abide by;
- The foundation projects shall be implemented in order to ensure overall optimization and effectiveness;
- The foundation projects shall utilize the available resources most effectively;

13. The Heads of the five offices agreed that the pilot programmes need to be conducted effectively, and stressed the importance of the feedback and assessment of the pilot programmes;

14. Heads of the five offices agreed that the ten foundation projects were crucial in building a work sharing environment, and were committed to move these forward. The Heads of the five offices expressed their willingness to explore appropriate ways to speed up the process, taking full consideration of the available resources and input. The Heads of the five offices invited the working groups to consider ways of accelerating certain activities and report the results to the Deputy Heads in September 2010.

15. The Heads of the five offices re-emphasized the importance of work-sharing to deal with patent workload, and stressed that work-sharing should take into account the differences of each office, as well as the needs and participation of users.

16. The Heads of the five offices understood the important role that timeliness played in work-sharing, and would initiate further discussion on this topic. The Heads of the five offices invited the PMG to explore the various proposals discussed, including a quantitative assessment of the benefit and cost of improving “timeliness”, and report to the Deputy Heads in September 2010.
17. The Heads of the five offices underlined the importance of the PCT in work-sharing, and that five offices could collaborate with the WIPO for improvement of PCT system, so that the role of PCT system could be further strengthened as the vehicle for efficient work-sharing.
18. The Heads of the five offices also recognized the opportunity for PPH to play an important role in work-sharing, including in the context of strengthening the PCT.

#### Next Steps

19. The IP5 Heads of Office agreed that meetings of Working Groups 1 to 3 shall continue and that the Deputy Heads need to continue their meetings, the next meeting to be held on 22 September in Geneva followed by a Heads' dinner. The Deputy Heads meeting and subsequent Heads' dinner will be hosted by the EPO.
20. The next meeting of IP5 Heads of Office shall be held in Japan in the first half of 2011 to take stock of short term goal progress.