INTERVENTION

at the

Trilateral User Conference

The Patent System of the Future: the role of the Trilateral Offices

Europe and the Trilateral Co-operation: Challenges and Achievements

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Isar Building room 102

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[1. INTRODUCTION]

It is a great honour for me to open this Trilateral Users Conference, which takes place in parallel with the 23rd Trilateral Conference in Munich, at the headquarters of the European Patent Office.

I would like to welcome Mr Makoto Nakajima, Commissioner of the Japan Patent Office; Mr John Dudas, Undersecretary of Commerce for IP and Director of U.S. Patent and Trademark Office; Mr Thierry Stoll, Deputy Director General of Directorate General Internal Market and Services; Mr Matthew Bryan, Director at WIPO, Mr Filipov, Ambassador of the former Yugoslavian Republic of Macedonia, but also to welcome very particularly the users and their representatives as this meeting today is dedicated to them.

We look forward to this exchange of views today, which will give us the opportunity to set the best possible orientation of the Trilateral cooperation for the future in line with the users' needs.

[2. THE TRILATERAL CO-OPERATION]
[Historical Background]

The Trilateral cooperation is a success story that started in 1983 when, at the initiative of the USPTO Commissioner Mr. Mossinghof, the first Trilateral Conference was organised in Washington, with Mr Wagasuki for the JPO and Mr Bob van Benthem, the first President of the European Patent Office.

The founding concept was that substantial progress could be achieved if the three Offices dealing with more than 85% of the patent applications filed in the world could join forces to improve their operation.

The intention was not to create a '' centre of the best '', but that the three Offices should develop solutions that could be made available to the whole patent community with the aim of promoting the development of the global patent system.

It has indeed functioned very well in this way and most of the solutions and policies developed by the Trilateral Offices have been widely disseminated.

The slogan of the first years of the Trilateral cooperation was "to create the paperless office". I think we can say that this goal has been achieved today.

The main steps were four:

1. The transformation of all the paper search documentation into electronic documentation
2. The establishment of standards for the exchange of electronic documents and electronic data
3. The creation of common search databases
4. The introduction of electronic filing of patent applications and of specific data sequences, in biotechnology for instance

The availability of this huge amount of data in electronic form also set the basis of a revolution of the traditional ''publication systems'' at the Patent Offices.

A much wider, cheaper and efficient dissemination of the technical information contained in patent documents became possible.

The three Offices then created - and it was a very complex and political task - a common Patent Information Policy, which is today accepted by the majority of the other patent offices in the world.

In 2001 then in San Francisco, under the pressure of the growing workload resulting from the globalisation of the economy, the increasing success of the Patent System and the emergence of new technologies, the three Offices put the focus of their trilateral work on ''workload reduction of Offices and Associated costs''.

[Re-Use of the work done by an other Trilateral Office]

The potential is clear: some 200.000 applications per year examined by a trilateral office have also been examined by another trilateral office.

And we are working to find ways to exploit this potential. We are making constant progress by utilising, in each office, the work already performed by an other office. We must continue on this road: we know it is a strong demand of our users.

Nevertheless, major obstacles still remain:

- the differences in the Patent Law procedures - for instance the deferred examination in Japan - as well as the existing back-logs in examination mean that less than 10% of the search results that the EPO could re-use are actually available by the time the EPO procedure starts.

- the results of a search made by one of the other office are not completely equivalent to the results obtained at the EPO.

The EPO strongly believes that the quality of the Patents we grant should stay high and be subject to constant improvement. Our efforts to re-use the work done by the other Offices must not lead to a decrease of the quality of the granted patents.

It is for this very reason, that the EPO, while fully supporting the exchange of the present search results, would like the trilateral work to lead to a further harmonisation of the examiners resources:

1. search and examination tools
2. databases and documentation, particularly for new technology, especially non patent documents, scientific publications, traditional knowledge and documentation in foreign languages from newly industrialised countries
3. the development of computer translation of technical documents
4. harmonisation of the Classification schemes

In parallel, the three Offices should compare and develop their systems of quality management and quality control.

To proceed further, important progress towards the Harmonisation of Patent Law will be necessary. There are encouraging signs of progress regarding the SPLT (Substantive Patent Law Treaty), at the global level of WIPO, and also at national level within the USA indicating a new and strong interest to progress towards harmonisation.

It is clear that at least an agreement on a common definition of Prior Art, Novelty and Inventiveness will be a milestone on the road towards a re-use of examination work.

[Trilateral Strategy Review]

To take all these new elements into account, the EPO has invited its trilateral partners to consider a Strategic review of our Trilateral work: the discussions will continue and will be finalised maybe next year in Tokyo.

The areas under review are six:

1. Use of our automation results for the benefit of the users and a consequent decrease in the total costs of the Patent system
2. Further harmonisation of our granting systems -which will be a contribution to Patent Law Harmonisation
3. Better communication between the Offices and the Public
4. Improvement of quality management and quality control
5. Contribution to global effectiveness of the Patent system (by solving enforcement problems and supporting innovation)
6. Development of the dissemination of Patent Information.

[Exhibition]

Outside this room the three Offices are presenting a selection of key projects of the trilateral cooperation. I invite you all to have a look at the exhibition stands during the breaks and to ask questions to the staff of the three Offices.

[3. THE LATEST DEVELOPMENTS AT THE EPO]

Let me turn now to the most recent developments at the EPO and to the challenges we face today.

The European Patent Organisation itself, with now 31 Member States using a common granting procedure, is itself a major contributor to the harmonisation of Patent Law and is proof that harmonisation is possible and positive for different countries.

To face the EPO workload, we have

- improved the EPO structure
- streamlined the working procedures
- improved our working tools

I will develop briefly each one of these three issues:

[New structure]

The new structure, which was introduced in January 2005, brings together the 3.500 EPO examiners located in Munich, The Hague and Berlin in 14

Technology Clusters (e.g. Biotechnology, Computers), each under the responsibility of a single Principal Director. The 14 Clusters are themselves under the responsibility of one single Vice-President.

All the Support Services, like the Computer Services, Documentation, Patent Administration, Quality Management are also under one Vice-President.

This restructuring has been necessary to ensure the efficiency, the quality and the harmonisation of the work performed at the EPO.

[Streamlined working procedures]

The streamlined working procedures are characterised by the general introduction of the Enhanced European Search Report (EESR), which comprises the delivery of a preliminary opinion on patentability together with the Search Report.

This procedure is a European equivalent of the International Search Opinion (ISO) introduced in the PCT. On the basis of the preliminary opinion, the applicant can make a better informed decision on whether to proceed to substantive examination. It decreases substantially the workload of the office and is very positive for the Applicants (in our recent survey, 89% of the Applicants found this measure very useful).

[Working tools]

Concerning working tools, we have finalised the end-to-end electronic workflow of patent applications, which was the dream of the founders of the Trilateral Cooperation, also at the EPO:

- All Patent Applications (EP, PCT, National) entering the Office, which are not filed through the electronic filing system are transformed immediately into electronic documents and uploaded into searchable databases. This ensures that all the subsequent steps in the processing of the application can be performed electronically.
- We continue to encourage electronic filing with our fee policy.
- At the other end of the process, the publication of documents is no longer effected on paper at all, but since 1 April 2005 has been solely on the European Publication Server

Our efforts to master the workload bring constant progress in spite of the parallel growth in the number of applications (6% in 2004, and still 6% in

2005). With regard to our target to grant our patents within 3 years (Paris conference criteria), 26% of our grants fulfilled the criteria.

Considering the specific nature of the European procedure, the figures concerning the availability of the first office action, the search report with the preliminary opinion on patentability, are particularly significant:

- for 1st filing : 90% search reports are completed in time (i.e. after 8 months)
- for 2nd filing : half of the publications include the first action
- for International applications: 64% of PCT searches were performed in time (i.e. before 18 months).

[Quality]

Quality is essential if we are to provide the level security which is necessary for Applicants to support their innovation and investments. The pressure of the workload should not be diminished at the cost of the quality of the patents granted.
Timeliness is one of the most important elements of quality, together with certainty, completeness and correctness.

We have put into place a reinforced quality management system, monitored by a Quality Principal Directorate. From a European perspective the Quality of the granted Patent is the cornerstone of the Patent System.

[Fees]

The EPO's efforts to rationalise its working methods and to introduce automation have produced significant benefits for the Applicants.
Since 1992 the EPO has not adjusted its fees: this corresponds to a decrease of procedural fees of 38% in real terms. On several occasions, the EPO has even reduced the fees: this corresponds to an equivalent annual saving 330 million Euros for the applicants.

From the perspective of the global costs of a patent for applicants, the success of the Office in reducing its procedural fees is only one element. Let me remind you that of the total cost of a patent for an applicant only 13% are EPO fees; 20% are annual maintenance fees, 27% goes to the patent attorney and 40% are translation costs.

[London Agreement]

The solution to the translation problem and the costs related to it will be the entering into force of the London Agreement. In October 2000 in London, 10 European countries signed an additional protocol to the EPC. This has been ratified by UK and Germany.

Its entry into force now depends on ratification by France. If this were done: 500 million Euro per year would be saved and could be re-invested in innovation.

With the London Protocol in force:

- no translation at all would be required in countries having French, German or English as a national language
- only a translation of claims would be required in other countries
- a full translation may be required only in case of litigation before the courts

[EPLA]

Another milestone in the positive development of the Patent System in Europe will be the European Patent Litigation Agreement (EPLA). My feeling is that the present situation in Europe could be favourable to the adoption of this agreement.
It will increase legal certainty by harmonising litigation across Europe and provide a solid basis for enforcement of patents. We are confident the European Commission is approaching this issue today in a very positive way.

[CONCLUSION]

In conclusion, the EPO is in a better position to contribute to the innovation process both in Europe, with its Member States by optimizing the Patent System, and in the world, in cooperation with its trilateral partners.
We therefore look forward to regular and intensive contacts with you, such as the meeting organised today, to make sure that the efforts made will meet the users' needs.