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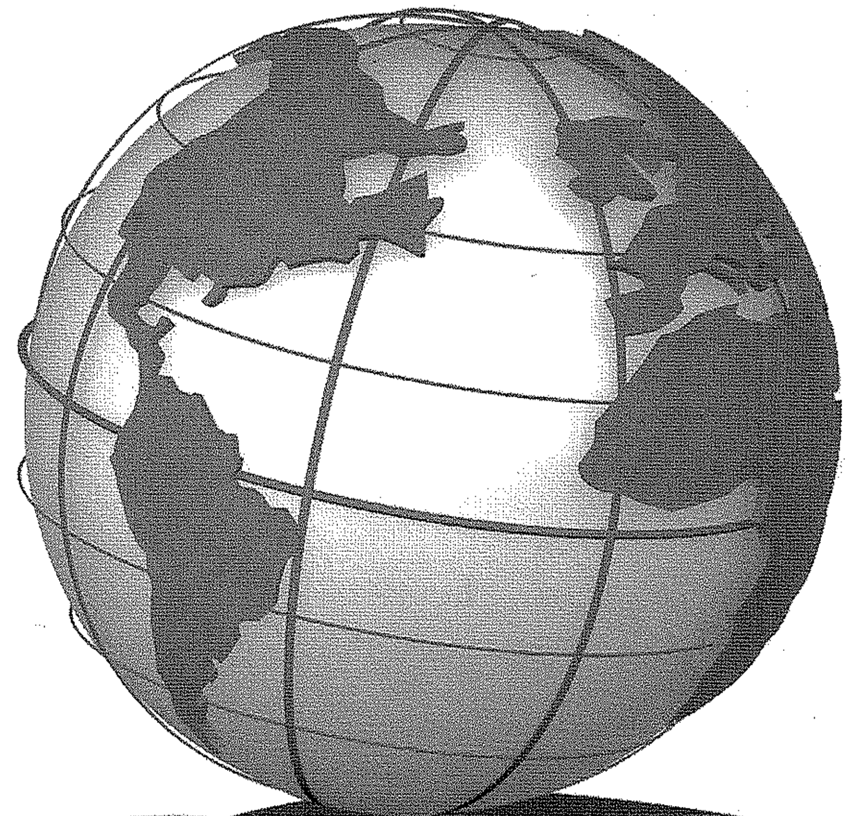
Notes on the PCT and PCT Contracting



Ian Carswell
Executive Vice President

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Director of IP Services
Project Manager – Competitively Sourced PCT Search

A "World Class" PCT System

Cardinal IP believes a world class PCT process will...

1. Provide applicants and their attorneys with valuable information
2. Increase efficiency for PCT member patent offices

The following are prerequisite to receiving these benefits...

1. Search results and written opinions must be timely
2. Search results and written opinions must be trusted

Timely and trusted search results and written opinions are the result of...

1. Good people
2. Good process

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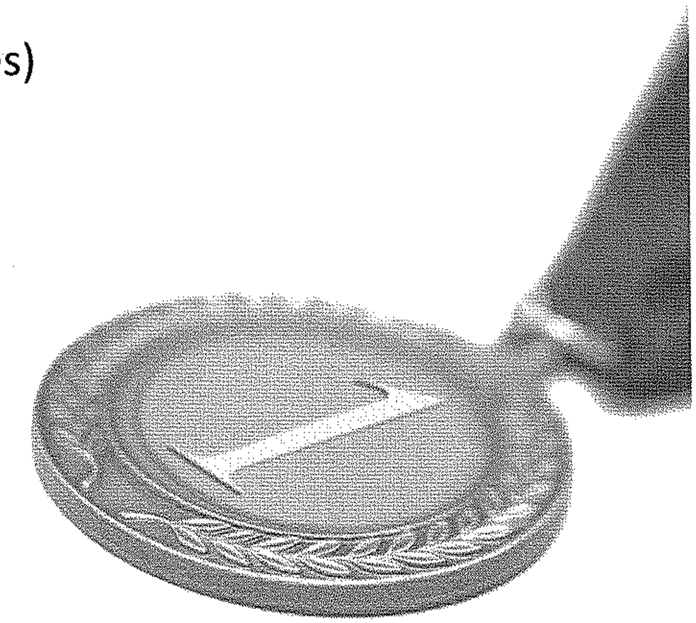
Who is Cardinal IP?

- IP research and software services
- Founded in 2001
- FY 2007 – Began contract for PCT Search Services
    - Average of 15,000 cases per year (>50% of cases)

- Personnel
    - President – 20 yrs. in IP
    - Executive VP – 12 yrs. in IT, 8 years in IP
    - Director IP Services – 4 yrs. USPTO as Examiner, 3 yrs. managing the PCT Search contract
    - Over 150 research analysts
        - IP Attorneys
        - PhD and Masters in Engineering
        - Former U.S. Patent Examiners



We bring strong backgrounds and a proven track record;
Cardinal IP is a trustworthy partner

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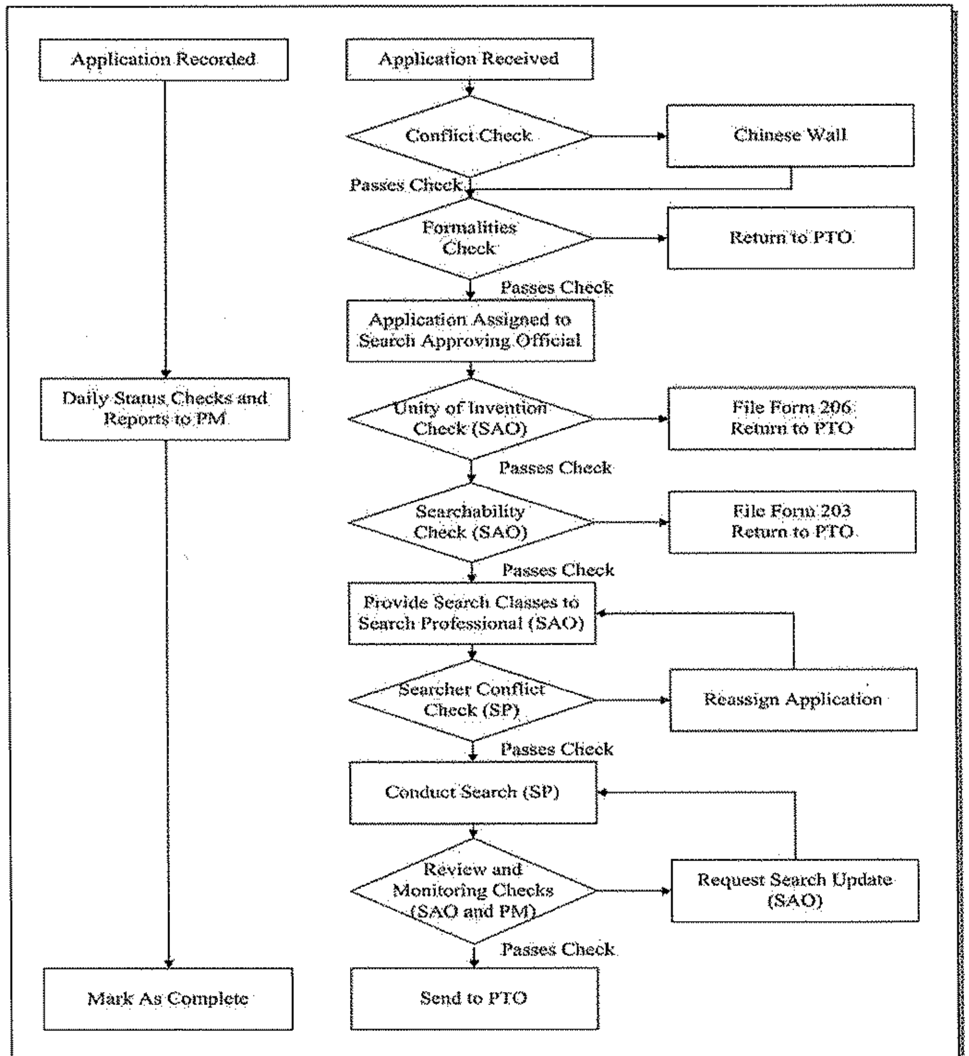
Contracted Search Process

Part 1

Timeliness Assurance



Quality Assurance

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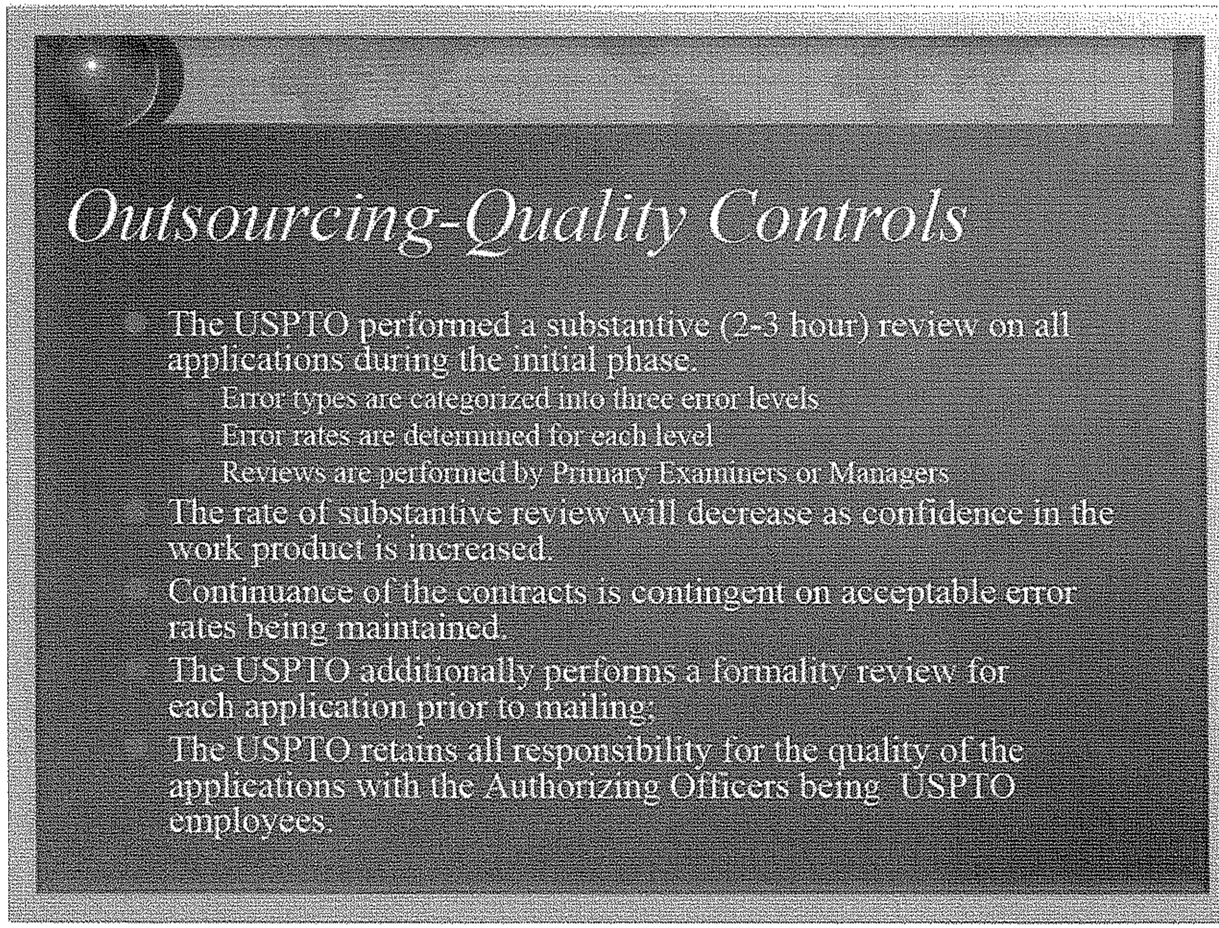
Contracted Search Process
Part 2

Quality
- 3 sets of eyes at Cardinal IP
- Second strong QA process at the USPTO

Timeliness
- Cardinal IP completes each search and written opinion in <u>less than 30 days</u>



Source: 2007 AIPLA presentation given by Mark Powell, USPTO Group Director

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Quality Results

The USPTO required contractors to maintain an assessed error rate below *5.49%*

Cardinal IP has maintained a rate *<u>below 2%</u>* over the course of the contract

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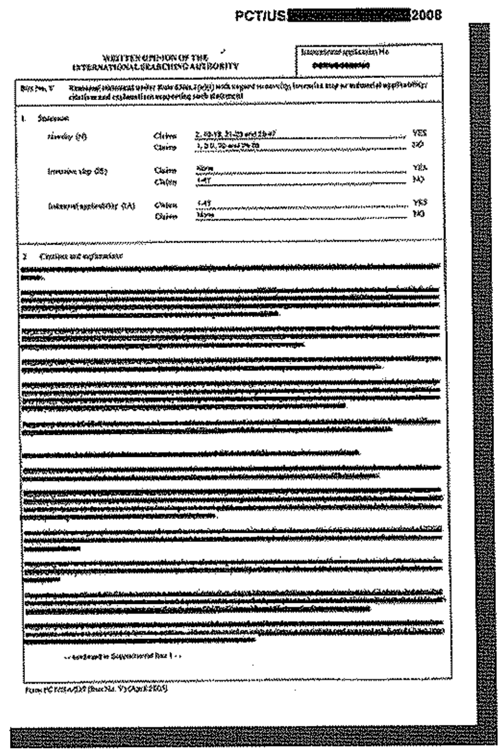
Cardinal IP Opinion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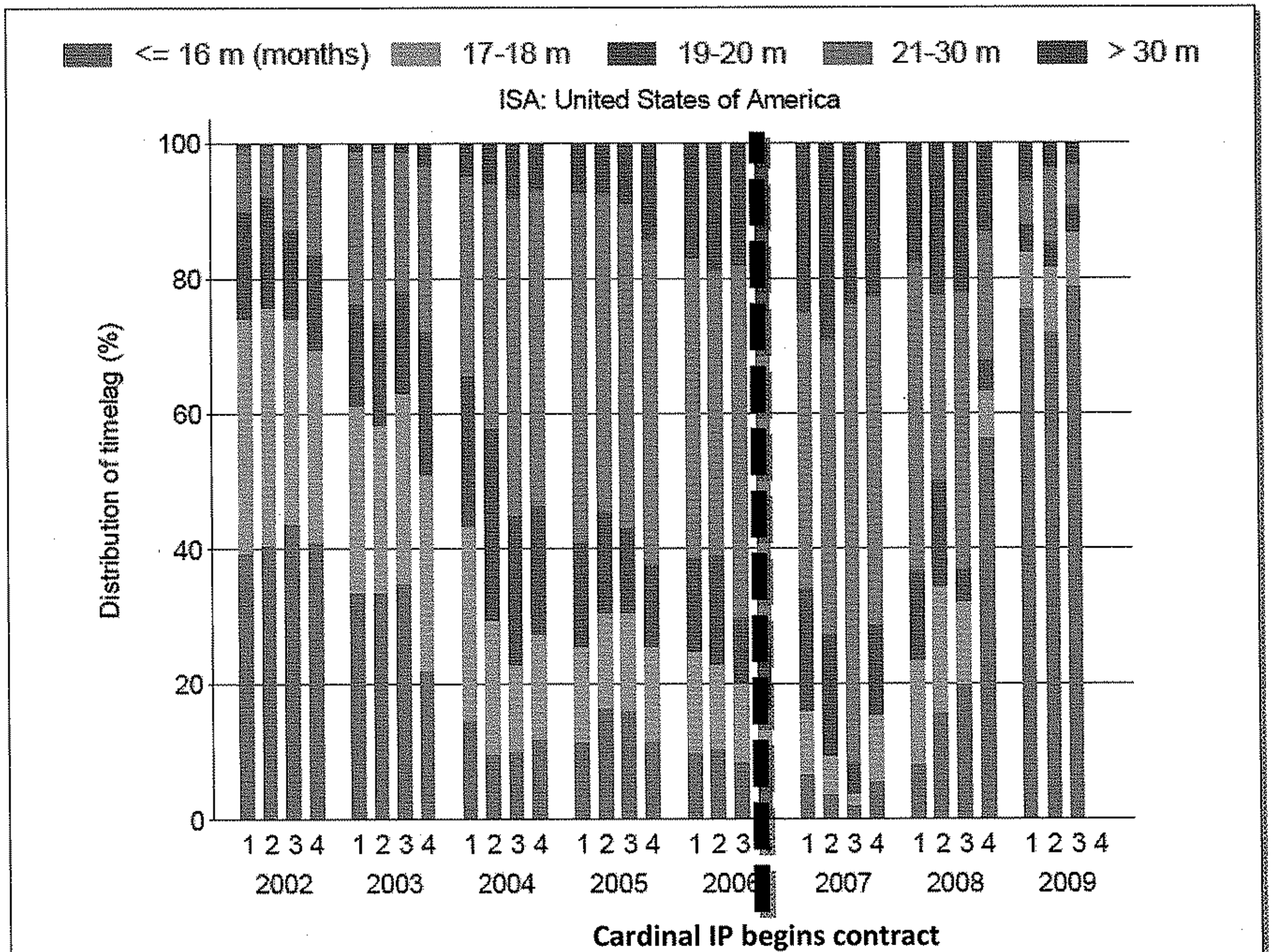
Timeliness Results



Source: WIPO July – September 2009 Quarterly Report

Five Recommendations

Recommendation 1:

Institute a PCT Quality Control Force

- Current PCT quality controls are based on procedural self-governance by each ISA
  - No standardization amongst ISAs
  - No external auditing
- Without agreed upon auditing standards, developing trust is difficult
  - Applicants, Attorneys, and patent offices need assurances on quality
  - Trust enhances value and adds efficiency
- Timeliness should be considered in the quality audit

- Specific proposals:
  - Develop auditable quality standards
  - Establish a WIPO team of PCT quality auditors
  - Begin regular quality auditing
  - Give them a big stick…

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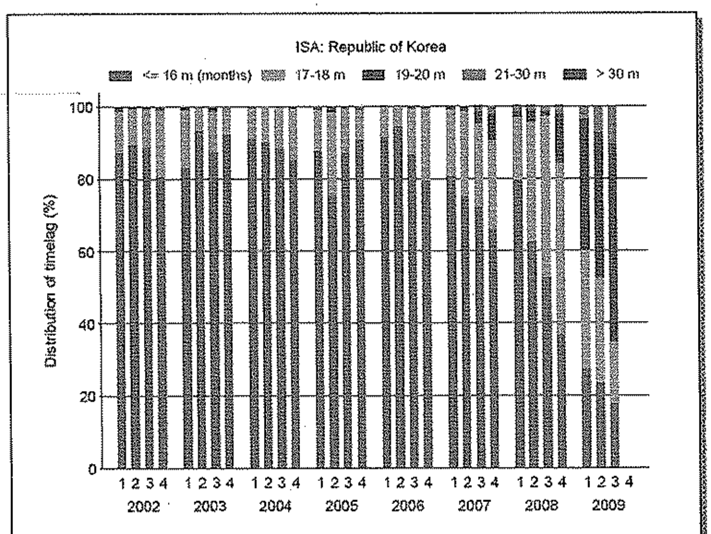
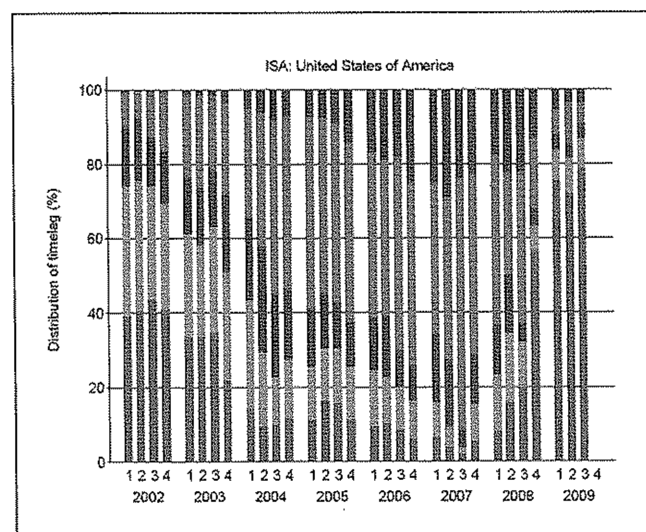
Five Recommendations

Recommendation 2:
Allow Reassignment of ISA

- No current method to manage massive system overloads (see charts below)
- Reassignment provides a "big stick" for quality and timeliness concerns
    - Would require applicant approval
- Possible with: <u>Standardized Pricing</u>
    - ISA's submit internal cost estimates for approval
    - Price set at highest approved estimate
        - ISA's receive payment based on approved estimates
        - Extra funding pays for Quality Control Force, discounts for small inventors, information technology upgrades, other ideas?





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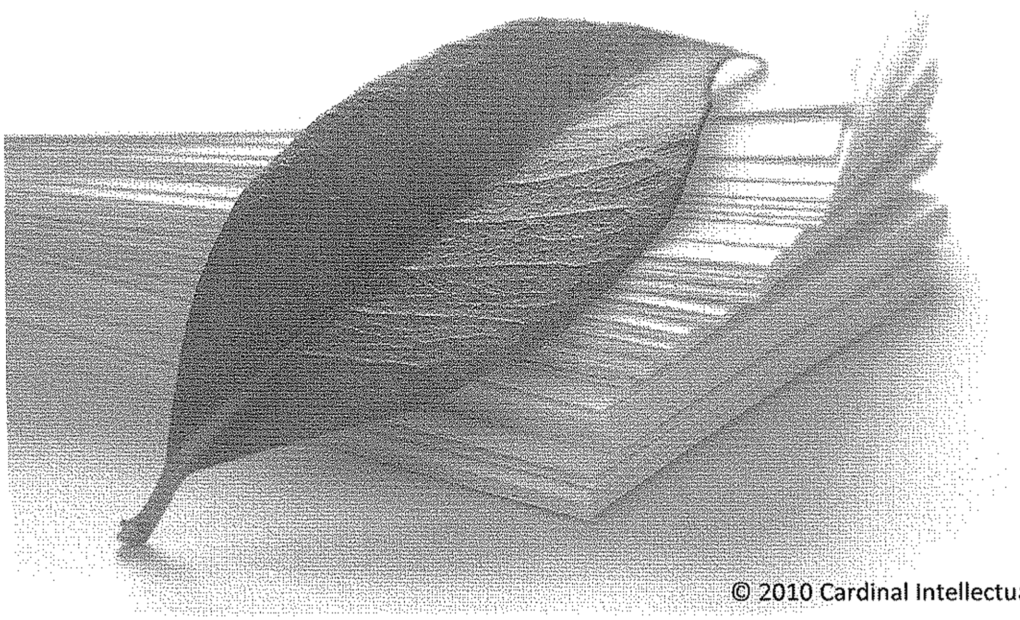
Five Recommendations
Recommendation 3:
Less Paper

- There are times when a hard copy is preferred
- Can we do the “green thing?”

- Specific proposals:
  - Single space applications
  - Switch to two column format
  - Reduce font size
  - Stop mailing hard copies



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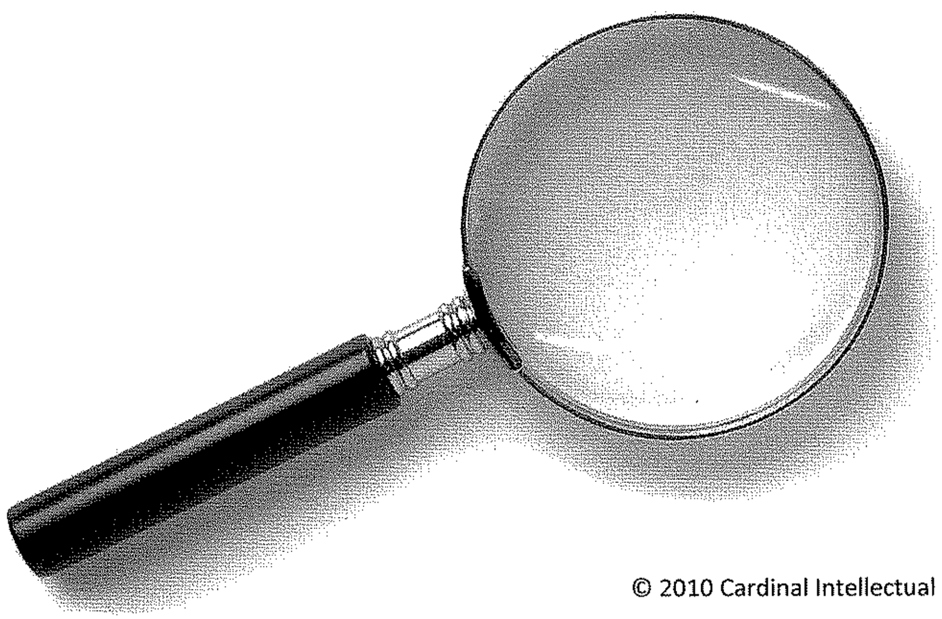
Five Recommendations

Recommendation 4:

Continue Search Contracting

- Excellent quality control measures are in place
- Timeliness is exemplary
- USPTO examiners are free to focus on US Applications

- Specific proposals:
    - Fully fund the contract for this fiscal year
    - Develop an RFP for rebid and extension next year
    - Conduct a feasibility study for IPEA contracting



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Five Recommendations

Recommendation 5:

Put PCT Results in the Examiners Hands

- Eliminate duplication of work
- Examiners can't use what they don't know about
- Helps address pendency in US Applications

- Specific proposals:
    - Implement a process to import results into EDan

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Thank You

Questions?