

ABOLISH CONTINUING PATENT APPLICATIONS ?

(Cecil D. Quillen, Jr.¹)

Harry, thank you. This is really old home week for me! Those of you who read resumes may have noticed that Harry and I both served as Chief Patent Counsels for what is now Eastman Chemical Company. It was Kodak's Chemicals Division when I was there.

Slim Webster, who is coauthor of the studies that are the predicate for my remarks, was Kodak's Assistant General Counsel and Chief Patent Counsel throughout my time as general counsel. He is here today. Jeff Hawley is Slim's successor at Kodak.

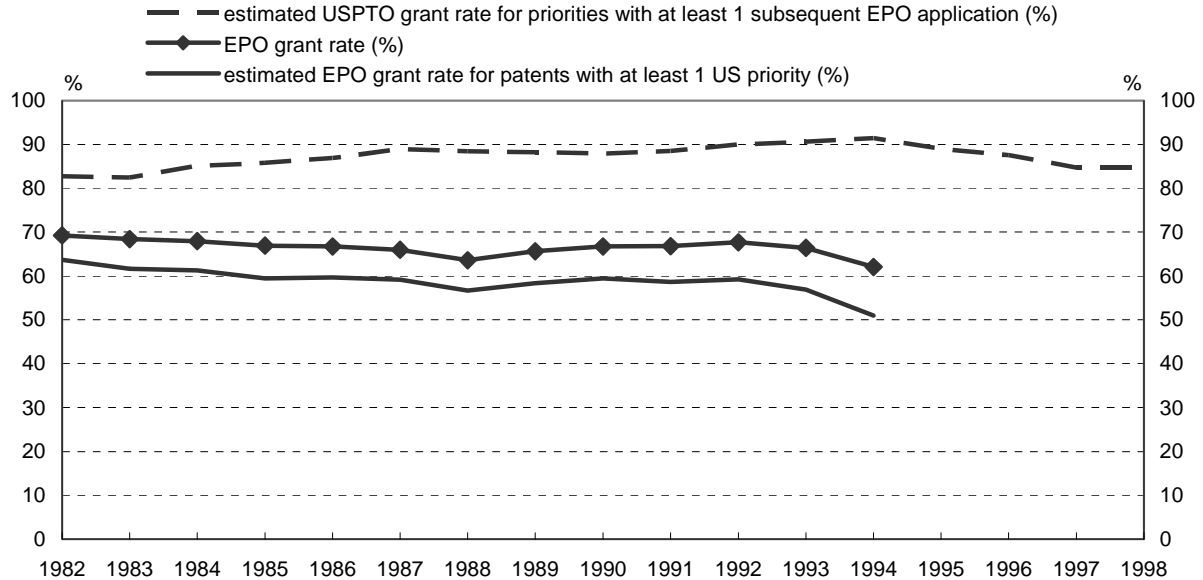
I should say a word about how Slim and I got interested in the effects of continuing applications. David Saxon, who was one of Kodak's outside Directors when I was on the Board, was MIT's president and had made his professional career in academic science. David thought the number of patents we got was a measure of the productivity of our research labs. I wanted to make sure David understood we could get as many patents as we were willing to pay for, and that the number of patents we got was certainly no indication of the productivity of our labs. I was afraid that if David persisted in his views, and our Research Director ever learned of it, and believed his performance was judged by the number of patents we got, we might bankrupt the company buying patents for him.

¹ Presented April 19, 2004 at the Patent Quality Conference sponsored by the Intellectual Property Owners Association. Cecil Quillen is the former General Counsel of Eastman Kodak Company where he was a Senior Vice President and member of the Board of Directors. He is currently a Senior Advisor at Cornerstone Research, an economic consulting firm. Comments on drafts of this presentation by Robert Barr, Mark Lemley, and Ogden (Slim) Webster were especially helpful. The views expressed herein should not be attributed to those who provided comments, or to Eastman Kodak Company or Cornerstone Research.

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Corps Totals - UPR						
Serialized UPR Filings	174,598	185,900	219,354	155,618	215,147	216,261
R 129 Filings	0	0	1,599	5,020	3,734	2,343
ACPA Filings	0	0	0	0	0	17,174
DCPA Filings	0	0	0	0	0	395
Subtotal	0	0	1,599	5,020	3,734	19,912
Divisional Filings (Rule 53 only)	9,602	10,596	26,413	9,825	12,448	10,945
Continuation Filings (Rule 53 only)	28,339	32,041	37,849	23,955	28,829	13,294
CIP Filings (Rule 53 only)	12,889	13,912	15,914	10,469	10,574	10,639
Subtotal	50,830	56,549	80,176	44,249	51,851	34,878
8129, ACPA, and Cont. Filings	28,339	32,041	39,448	28,975	32,563	32,811
DCPA and Divisional Filings	9,602	10,596	26,413	9,825	12,448	11,340
CIP Filings	12,889	13,912	15,914	110,469	10,574	10,639
Rule 53s, R129s, CPAs	50,830	56,549	81,775	49,269	55,585	54,790
As a Percent of Total UPR Filings:						
8129 Filings	0.0%	0.0%	0.7%	2.6%	1.7%	1.0%
ACPA Filings	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%
DCPA Filings	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Subtotal	0.0%	0.0%	0.7%	2.6%	1.7%	8.4%
Divisional Filings (Rule 53 only)	5.5%	5.7%	12.0%	5.2%	5.7%	4.6%
Continuation Filings (Rule 53 only)	16.2%	17.2%	17.1%	12.6%	13.2%	5.6%
CIP Filings (Rule 53 only)	7.4%	7.5%	7.2%	5.5%	4.8%	4.5%
Subtotal	29.1%	30.4%	36.3%	23.2%	23.7%	14.8%
Continuations (11129, ACPA, and Cont.)	16.2%	17.2%	17.9%	15.2%	14.9%	13.9%
Divisionals (DCPA and Divisionals)	5.5%	5.7%	12.0%	5.2%	5.7%	4.8%
CIP Filings	7.4%	7.5%	7.2%	5.5%	4.8%	4.5%
Rule 53s, R129s, CPAs	29.1%	30.4%	37.0%	25.8%	25.4%	23.2%
Corps Total Filings - UPR	174,598	185,900	220,953	190,638	218,881	236,173

Figure 7. USPTO and EPO estimated grant rates

Priority years: 1982-98



Note: EPO grant rates are defined as number of applications with grant date divided by total number of applications, sorted by year of priority (data on EPO grants is still partial for recent years). The methodology to estimate the grant rate at USPTO for US priorities also applied at EPO consists of the following steps: 1. Select all EPO applications with at least one US priority in the EPO database; 2. Track the corresponding patent number in the USPTO database on grants; 3. Divide the number of US priorities in EPO applications with a grant date at USPTO by the total number of US priorities in EPO applications, sorted by year of priority. Priority year corresponds to the initial date of filing of a patent application worldwide, regardless of subsequent filings in other countries; it normally corresponds to the date of filing in the applicant's domestic patent office.

Source: OECD Patent Database, November 2003.