

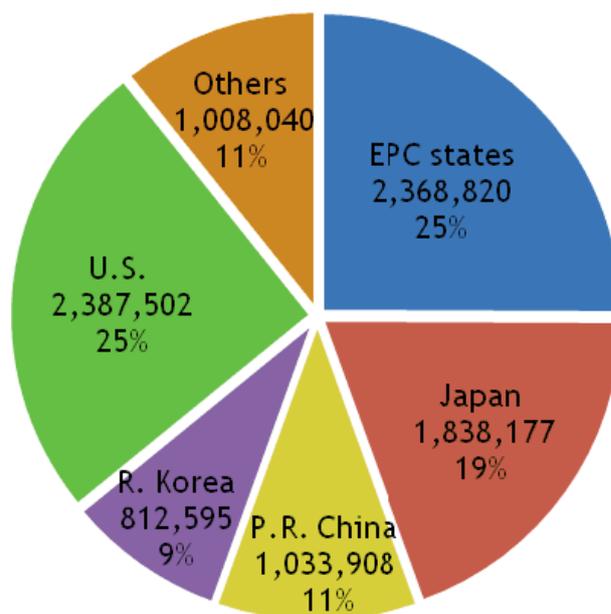
## Chapter 2

# THE IP5 OFFICES

As the world sees economic barriers between nations fade away, innovators want their intellectual creations to be protected concurrently in multiple major markets. It is believed that more than 250,000 patent applications for the same inventions are filed each year in two or more of the IP5 Offices, leading to increasing backlogs. To address this issue, the IP5 Offices are working together to try to reduce the amount of duplication of work that takes place between offices for these patent applications.

Patents are used to protect inventions, and their counts have been recognized throughout the world as a measure of innovative activity. Fig. 2.1 shows the number of patents in force worldwide at the end of 2013. The data are based on the most recent worldwide patent information available from the WIPO Statistics Database<sup>9</sup>.

Fig. 2.1: PATENTS IN FORCE END OF 2013



**fiveIPoffices**  
European Patent Office | Japan Patent Office |  
Korean Intellectual Property Office | State Intellectual  
Property Office of the People's Republic of China |  
United States Patent and Trademark Office

At the end of 2013, 89 percent of the 9.4 million patents that were in-force were valid in one of the IP5 Offices jurisdictions. This demonstrates the prominent role that is played by the IP5 Offices.

<sup>9</sup> [www.wipo.int/ipstats/en/statistics/patents/](http://www.wipo.int/ipstats/en/statistics/patents/). Data for patents in force for 2013 are missing for some countries in the WIPO data. Where available, the most recent previous year's data were substituted for missing 2013 data.

## EUROPEAN PATENT OFFICE

The mission of the EPO is to support innovation, competitiveness, and economic growth across Europe through a commitment to high quality and efficient services. Its main task is to grant European patents according to the EPC. Moreover, under the PCT, the EPO acts as a receiving office as well as a searching and examining authority. A further task is to perform, on behalf of the patent offices of several member states (Belgium, Cyprus, France, Greece, Italy, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, San Marino and Turkey) state of the art searches for the purpose of national procedures. The EPO plays a major role in the patent information area, developing tools and databases.

### Member states

The EPO is the central patent granting authority for Europe, providing patent protection in up to 40 European countries on the basis of a single patent application and a unitary grant procedure. This represents a market of more than 619 million people.

At the end of 2014, the 38 members of the underlying European Patent Organisation were:

Albania	Austria	Belgium	Bulgaria	Croatia
Cyprus	Czech Republic	Denmark	Estonia	Finland
France	Germany	Greece	Hungary	Iceland
Ireland	Italy	Latvia	Liechtenstein	Lithuania
Luxembourg	Malta	Fyr of Macedonia	Monaco	Netherlands
Norway	Poland	Portugal	Romania	San Marino
Serbia	Slovakia	Slovenia	Spain	Sweden
Switzerland	Turkey	United Kingdom		

Two other states, Bosnia-Herzegovina and Montenegro, had agreements with the EPO to allow applicants to request an extension of European patents to their territory.

The national patent offices of all the above states also grant patents. After grant, a European patent becomes a bundle of national patents to be validated in the states that were designated at grant.

### Highlights of 2014

2014 was a very positive year for the EPO. There was an increase in filings, plus 3% compared to the previous year. The EPO also increased its production, that is, search reports and examinations, and so showed its capacity to address this increasing demand. In addition, the EPO was certified ISO9001 for the whole granting process. The EPO managed to substantially improve access to Asian patent information while consolidating patent data from around the world. Bringing together diverse information about related patents to one place is now becoming a reality, which is good news for applicants and inventors. Significant progress was also made in preparatory work for the unitary patent.

In July 2014, the EPO prepared the ground for further extending its geographical area through the signature of a validation agreement with Tunisia. Under the terms of the agreement, European patent applicants and proprietors will be able to validate the legal effects of their European patents and applications on Tunisian territory, even though Tunisia is not an EPO member state.

In December 2014, the EPO's Quality Management System (QMS) of the patent granting process was certified according to the international quality standard ISO9001. New control systems have been put in place to improve identification, correction and management of non-conforming products to ensure continuous improvement of product quality and processes. In 2015, the EPO's Quality Management System will be extended to patent information and post-grant activities, which will be another milestone in the EPO's Quality Roadmap.

Every year the EPO carries out user satisfaction surveys on its search, examination and patent administration services. These surveys obtain input which is considered together with other quality-related data to enable reviews to be made of the quality and efficiency of our internal processes in these areas. The result for 2014 shows a quite high level of 78% satisfaction for search and examination.

Following positive feedback from users, the EPO introduced a new internal priority scheme in July 2014 known as 'Early Certainty from Search'. Under the scheme, the EPO aims to issue all search reports and written opinions on patentability within six months of filing; it also strives to ensure that fast-track examination is completed by the promised date. The new scheme benefits companies and inventors seeking patent protection in Europe by giving them a sound basis for their patenting strategies at a very early stage in the patent granting process. It also benefits the general public by enhancing the transparency of pending patent rights in Europe, providing an overview of prior art and patentability early on in the proceedings.

As part of its co-operation in the IP5, the EPO with SIPO introduced a new service in June 2014 called the Global Dossier. It provides a free online file inspection (also known as a "file wrapper") service that allows users to access SIPO's publicly available documents directly on the EPO website - on both the European Patent Register and Espacenet. Automatic machine translation is built in to provide English-language versions of the Chinese original documents. In 2015 the EPO's Global Dossier service was extended to include file wrapper data from the remaining IP5 Offices, namely KIPO, JPO and the USPTO.

The EPO is the world's largest PCT authority. It carries out nearly 40% of all PCT searches, and more than 55% of PCT substantive examinations. In November 2014, a system called "PCT Direct" was introduced. This links first filings handled by the EPO with the subsequent PCT applications for which the EPO acts as ISA. This allows applicants to prepare the PCT application, taking into consideration the results from the first filing, with a goal to receive a quicker positive written opinion (WO-ISA) in the international phase.

The unitary patent, to be granted and administered by the EPO, will complement existing routes to patent protection in Europe. The unitary patent will simplify procedures and lower costs for patent owners, while increasing legal certainty thanks to the introduction of a Unified Patent Court. Since the 25 participating EU member states reached political agreement in late 2012, steady progress has been made. In 2014 Europe moved closer to this much-awaited reform. In December 2014 the Select Committee, set up by EU member states to work out the legal and financial details of the unitary patent, approved the draft rules for its implementation, thus paving the way for the EPO to implement procedures related to the unitary patent in its IT systems.

In 2014 five more countries followed Austria (2013) in ratifying the Agreement on the Unified Patent Court: Belgium, Denmark, France, Malta and Sweden. Draft ratification bills were under

discussion in several other national parliaments. To enter into force the Agreement needs to be ratified by at least 13 states, including France, Germany and the UK. Another step forward was the official opening in March 2014 of a dedicated Training Centre for future UPC judges in Budapest.

(For further details see [www.epo.org/about-us/annual-reports-statistics/annual-report/2014/highlights.html](http://www.epo.org/about-us/annual-reports-statistics/annual-report/2014/highlights.html)).

### Grant Procedure

Activities associated with search, examination, opposition, appeals and classifications are all performed by EPO staff. The EPO issues a search report with written opinion on patentability for first filings within 6 months from filing (5.3 months for first filings and 5.9 months for second filings). The decision to grant or refuse a patent is taken by a board of three examiners. In Table 2.1, production figures for filings, applications, searches, examinations, oppositions and appeals in the European procedure are given for the years 2013 and 2014. There was a further increase in demand in 2014 as represented by the overall number of patent filings.

In 2014, the number of searches completed by the EPO increased by some 4.7 percent to about 223,300, while the number of final actions in examination and oppositions decreased marginally to about 125,700, actions including the PCT international work. The number of published granted patents was about 65,000. Some 2,360 decisions were completed by the EPO Boards of Appeal in 2014.

The EPO fast track procedure, Programme for Accelerated Prosecution of European Patent Applications (PACE), can be requested without any additional fee and is open for any field of technology. In 2014, the number of PACE requests increased by 2 percent to 20,640 (7,470 searches, 13,170 examinations). PACE was requested for about 7 percent of the European searches and almost 10 percent of the European examinations.

Table 2.1: EPO PRODUCTION INFORMATION

EPO PRODUCTION FIGURES	2013	2014	Change	% Change
Patent filings (Euro-direct & PCT international phase)	265,690	274,174	8,484	3.2%
Patent applications (Euro-direct & Euro-PCT regional phase)	147,869	151,981	4,112	2.8%
<b>Searches carried out</b>				
European (including PCT supplementary)	105,432	111,852	6,420	6.1%
PCT international	82,220	84,696	2,476	3.0%
On behalf of national Offices and other	25,624	26,755	1,131	4.4%
<b>Total production search</b>	<b>213,276</b>	<b>223,303</b>	<b>10,027</b>	<b>4.7%</b>
<b>Examination - Opposition (final actions)</b>				
European examination	116,820	115,595	-1,225	-1.0%
PCT Chapter II	7,863	7,987	124	1.6%
Oppositions	2,176	2,143	-33	-1.5%
<b>Total final actions examination-opposition</b>	<b>126,859</b>	<b>125,725</b>	<b>-1,134</b>	<b>-0.9%</b>
<b>European patents granted</b>	<b>66,712</b>	<b>64,613</b>	<b>-2,099</b>	<b>-3.1%</b>
<b>Appeals settled</b>				
Technical appeals	2,137	2,300	163	7.6%
Other appeals	50	60	10	20.0%
<b>Total decisions</b>	<b>2,187</b>	<b>2,360</b>	<b>173</b>	<b>7.9%</b>

### Patent Information

The EPO's patent databases remain the most comprehensive collection of patent literature. As a result of co-operation with patent offices worldwide, full-text patent collections in languages such as Chinese, Japanese, Korean, and Russian are being added, bringing the total number of documents in this database to more than 90 million by the end of 2014. These databases are available through services such as Espacenet and Open Patent Service from the EPO and also via numerous commercial providers.

Users can translate the full text and abstracts of patents in Espacenet between English and 31 other languages (covering all EPO member states languages, as well as Chinese, Japanese, Korean, and Russian). Translation from and into French or German is also available for EPO member states languages. 15,000 - 20,000 translations are made on a daily basis. Espacenet and Patent Translate are free of charge.

The EPO search platform EPOQUE is shared with 44 patent offices around the world and is used by some 17,000 patent specialists. It was a consolidation phase for 2014 following the intensive updating work in 2013. Even so, development proceeded apace to bring forward the migration to the "logical databases" that were successfully deployed to all EPO examiners.

## International and European Cooperation

The EPO continues to be engaged in different types of cooperation programmes both inside and outside Europe: including the European Patent Network (EPN), IP5, and bilateral agreements.

The EPO was a prime mover of the joint IP5 PPH pilot programme that started in January 2014, promoting the PCT. This project enables users with a positive patentability opinion from one office to request accelerated treatment at all or some of the other four, while at the same time those offices share their own results on equivalent cases. EPO also started new PPH pilots with Israel, Canada, Mexico and Singapore at the beginning of 2015.

The EPO provides support to patent offices in Europe through cooperative activities within the EPN. Under the current EPN Co-operation Roadmap 2012-2015, this focuses on three main areas: information technology, training and patent awareness via patent information.

## Economic Studies

During 2014, the Economic and Scientific Advisory Board (ESAB) conducted research work on the economic effects of patent aggregators and on the possibility of a grace period for inventors should it be introduced in Europe.

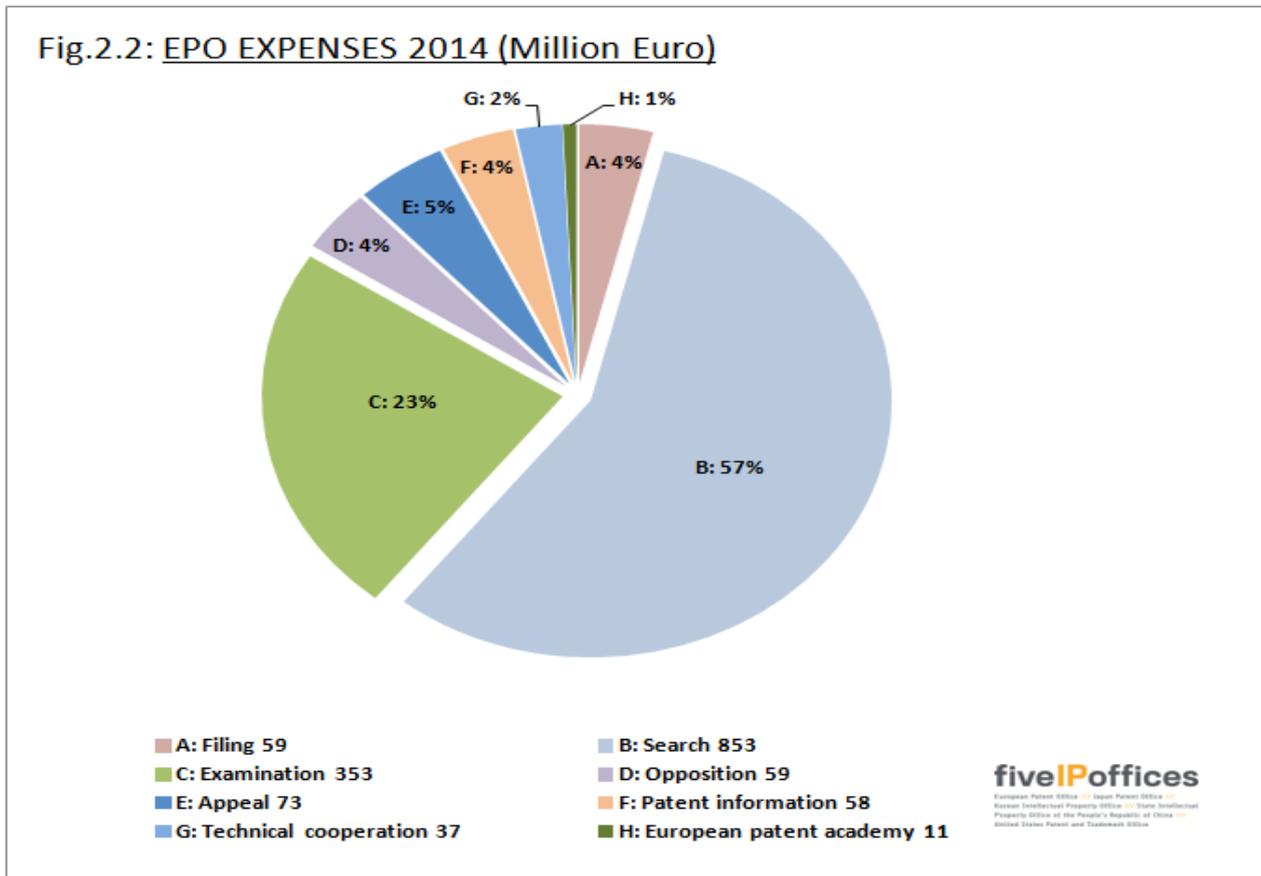
## EPO Budget

The EPO is financially autonomous and does not receive any subsidies from the Contracting States of the Organisation. Expenses are therefore mainly covered by revenue from fees paid by applicants and patentees. In 2014, the EPO budget amounted to 2.1 billion EURO.

Fees related to the patent grant process, such as the filing, search, examination, and appeal fees as well as renewal fees for European patent applications (i.e. before grant) are paid to the EPO directly. 50 percent of the renewal fees for European patents (i.e. after grant) are kept by the Contracting States of the Organisation where the European patent is validated after the central grant process.

On the expenses side, in addition to the salaries and allowances supported by a patent office, the EPO, as the office of an international organisation, also finances other social staff expenses such as pensions, fees for sickness and long-term care as well as education costs for the children of the employees. The EPO community consists of more than 22,000 persons (mostly are active staff, pensioners, and their family members).

Fig. 2.2 shows EPO expenses<sup>10</sup> under the International Finance Reporting Standards (IFRS) by category in 2014.



A description of the items in Fig. 2.2 can be found in Annex 1.

### EPO Staff

At the end of 2014, the EPO staff totalled about 6,900 employees from 34 different European countries<sup>11</sup>. 193 examiners were recruited during the year. The total number of search, examination, and opposition examiners reached a record figure of 4,221. Boards of appeal are composed of 162 members. Staff complement in other areas was reduced.

Following their recruitment, examiners are included in a training programme for three years. The staff work in the three official languages of the EPO (English, German, and French).

### More information

Further information can be found on the EPO's Homepage:  
[www.epo.org](http://www.epo.org)

<sup>10</sup> The EPO uses the word "expenses" in accordance with the IFRS reporting approach.

<sup>11</sup> For more details, see the 2014 EPO social report at [www.epo.org/about-us/annual-reports-statistics.html](http://www.epo.org/about-us/annual-reports-statistics.html).

## JAPAN PATENT OFFICE

### Towards the World's Fastest and Utmost Quality in Patent Examination

From the time when the First Action (FA)11<sup>12</sup>, one of the utmost important issues over these 10 years, was achieved, the JPO is heading towards realization of "the World's Fastest and Utmost Quality in Patent Examination", while considering the changing situation surrounding the patent system in these 10 years and new issues. In order to realize the goal mentioned above, the JPO has been implementing various measures according to "maintaining speed" "granting high-quality rights" and "cooperation and collaboration with foreign IP offices". Specifically, the JPO set a goal for reducing "examination total pendency" and the "First Action pendency" to 14 months and 10 months or less on average, respectively, within the next 10 years. What is more, the JPO intends to further promote innovation by supporting smooth and global business expansion through utilizing globally reliable patents of high quality.

#### 1) Initiatives for Timely Examination

##### a) Ensuring the Necessary Number of Examiners

In the FY 2014, the JPO made efforts to maintain and enhance its capabilities of examination, for example, by rehiring some of the examiners whose fixed-term employment contracts expired. For the budget for FY 2015, additional positions for 14 permanent examiners and 100 fixed-term examiners are requested. The JPO continuously needs to ensure the number of examiners for the World's Fastest and Utmost Quality in Patent Examination.

##### b) Outsourcing Prior Art Search

The JPO has been promoting the speeding up of examination through utilizing resources from the private sector. That is the JPO outsources prior art searches, while examiners are primarily responsible for registered search organizations. With the additional entry of one organization in FY 2014, the number of registered search organizations is 11 as of December 2014. 149,000 applications were outsourced in FY 2014. Regarding 77,000, nearly half of the total, the coverage of search was expanded to foreign patent documents.

#### 2) Measures towards Improvement in Quality of Examination

##### a) Announcement of Quality Policy and Quality Manual

In April 2014, the JPO announced the "Quality Policy on Patent Examination" as fundamental principles of quality management. In August 2014, the JPO released the "Quality Management Manual for Patent Examination", in which the quality management system that consists of quality management and its implementation system is documented.

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<sup>12</sup> FA11 is the goal to make the First Action pendency shortened to 11 months or less. First Action pendency is the period from the time a request for examination is made, up to when the first notice of examination results is sent.

b) Establishment of the Subcommittee on Examination Quality Management

In August, 2014, the JPO established the Subcommittee on Examination Quality Management under the Intellectual Property Committee of the Industrial Structure Council, the Ministry of Economy, Trade and Industry, for the purpose of receiving objective evaluation from an external point of view about the current status and implementation system of quality management for examination conducted in the JPO, and then reflecting the evaluation results to further improve examination quality. In FY 2014, the Subcommittee deliberated evaluation items and criteria, and gave the proposal to the JPO on improvement points about the current status and system of the quality management through the evaluation based on the evaluation items and criteria mentioned above.

c) Search for Foreign Documents

The rate of patent and utility model documents written in languages other than Japanese has increased rapidly in recent times. In order to ensure that grant rights are stable and valid in the world, it is indispensable for examiners to perform prior art searches of foreign patent and utility model documents accurately and efficiently. Therefore, the JPO has developed a search system for the overseas patent and utility model documents and has been considering the introduction of a more advanced search system. As for the remarkable increase of Chinese patent documents, the JPO started providing abstracts of Chinese documents manually translated into Japanese in March 2013 in order to establish a search environment where users can access Chinese documents in Japanese. Also, since March 2014, the JPO has been providing Japanese Classification (FI<sup>13</sup>/F-term<sup>14</sup>) to Chinese patent documents in some technical fields. Moreover, in January 2015, the JPO released the “Chinese and Korean Gazette Translation and Search System”<sup>15</sup> to the examiners and general users. This system makes it possible to perform a full text search of the patent and utility model documents of China and the Republic of Korea using Japanese.

3) Association and Cooperation with Overseas Offices

The PPH is a framework set up to allow an application that was determined to be patentable on more than one claimed rights in the office of First Filing (an office to which the applicant first filed the patent application earliest) to be given an accelerated examination with simple procedures in the office of Second Filing that cooperates with the office of First Filing upon his/her request. This supports efficient acquisition of stable and strong patent rights in a plurality of countries and regions by enabling use of search and examination results of the office of First Filing in examination in the office of Second Filing. The PPH was advocated by the JPO in 2006, and was started between Japan and the U.S. for the first time in the world. The number of PPH participating countries and regions is expanding to 36 (as of July 2015).

The accumulative number of requests for PPH in the world reached about 74,000 (as of the end of December 2014). The JPO started the PPH with Czech Republic in April, with Egypt in June, and

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<sup>13</sup> FI is subdivision of IPC. Most of FI's entries are based on the latest version of IPC, though some of them are based on the old version (e.g. IPC4). FI uses a dot hierarchy like IPC and covers all the fields of IPC (A section to H section).

<sup>14</sup> In the F-term indexing system, entire technical area is divided into small areas called “theme” and patent documents are analyzed in each “theme”. Each “theme” has “F-terms”, which are search keys. F-term is based on multiple viewpoints differing from those in IPC.

<sup>15</sup> Available for general users from 8AM to 10PM in each service day at [www.ckgs.jpo.go.jp](http://www.ckgs.jpo.go.jp).

with Romania and Estonia in July 2015. As of July 2015, the JPO implements the PPH in association with 34 countries and regions.

The “Global Patent Prosecution Highway” is the multilateral framework that was started among 17 countries and regions in January 2014. The all types of PPHs become available between IP offices participating in this framework as a principle. Germany and Estonia participated in this framework in July 2015. As a result, the number of countries and regions participating in the global PPH is expanding to 21 countries and regions (as of July 2015). The PPH is expected to become a more convenient system according to the future expanding of this framework.

#### **Establishment of New “Patent Opposition System”**

In order to enable stable patent rights to be granted earlier, a new “Patent Opposition System” was established under the revised Patent Act in April 2015. In addition, in the revised Patent Act, the demandant is limited to only the interested person in the trial for invalidation of a patent.

## JPO Production Information

In Table 2.2, production figures for applications, examination, grants, appeals or trials, and PCT activities in the Japanese procedure are given for the years 2013 and 2014.

Aiming to achieve “the World’s Fastest and Utmost Quality in Patent Examination”, the JPO has been further accelerating patent examination and continuing to focus on raising the quality of patent examination. As a result, the JPO completed 255,001 First Actions and 296,740 Final Actions in FY 2014. In addition, during FY 2014, the JPO granted 227,142 patents.

Table 2.2: JPO PRODUCTION INFORMATION

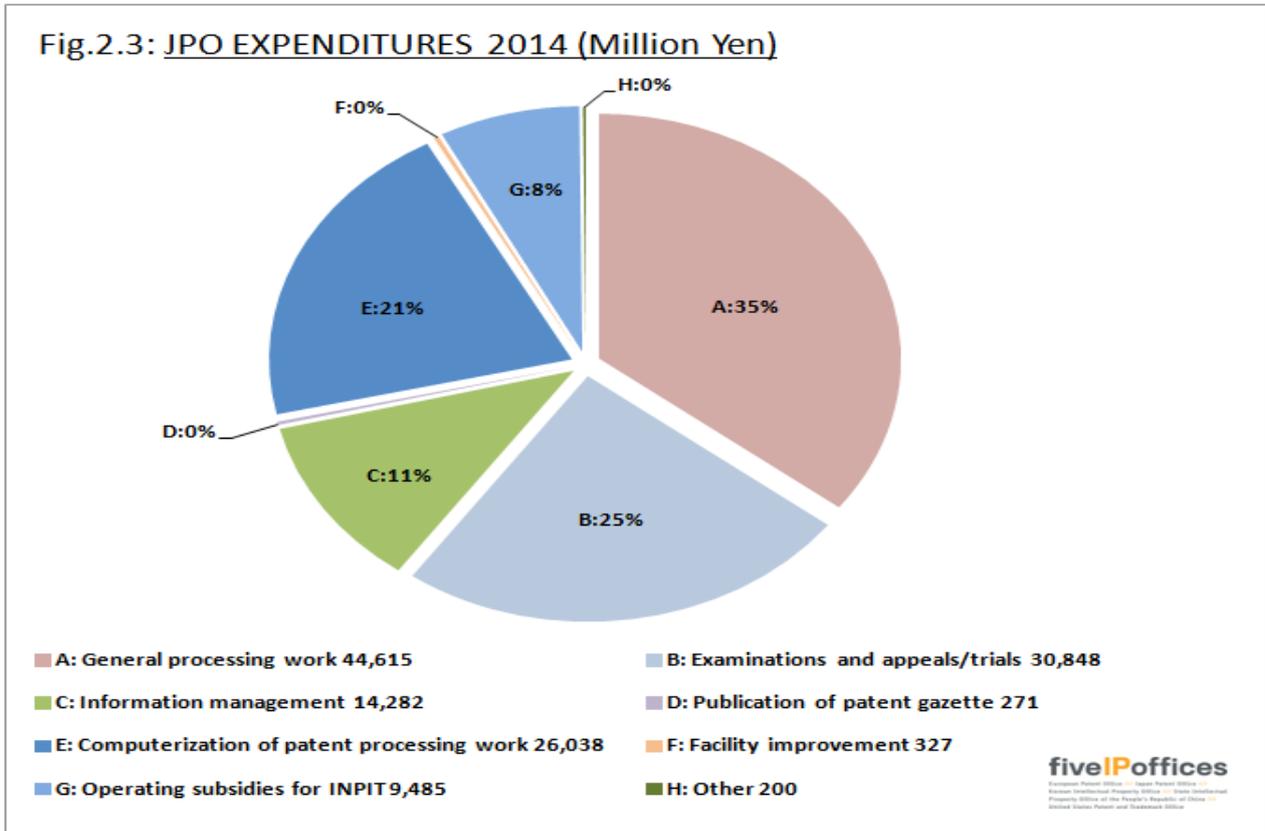
JPO PRODUCTION FIGURES	2013	2014	Change	% Change
<b>Applications filed (by Origin of Application)</b>				
Domestic	271,731	265,959	-5,772	-2.1%
Foreign	56,705	60,030	3,325	5.9%
<b>Total</b>	<b>328,436</b>	<b>325,989</b>	<b>-2,447</b>	<b>-0.7%</b>
<b>Applications filed (by Types of Application)</b>				
Divisional Applications <sup>16</sup>	28,463	27,878	-585	-2.1%
Converted Applications <sup>17</sup>	108	103	-5	-4.6%
Regular Applications	299,865	298,008	-1,857	-0.6%
<b>Total</b>	<b>328,436</b>	<b>325,989</b>	<b>-2,447</b>	<b>-0.7%</b>
<b>Examination</b>				
Requests	240,188	245,535	5,347	2.2%
First Actions	356,179	255,001	-101,178	-28.4%
Final Actions	372,680	296,740	-75,940	-20.4%
<b>Grants</b>				
Domestic	225,571	177,750	-47,821	-21.2%
Foreign	51,508	49,392	-2,116	-4.1%
<b>Total</b>	<b>277,079</b>	<b>227,142</b>	<b>-49,937</b>	<b>-18.0%</b>
<b>Appeals/Trials</b>				
Demand for Appeal against refusal	24,644	25,710	1,066	4.3%
Demand for Trial for invalidation	247	215	-32	-13.0%
<b>PCT activities</b>				
International searches	42,384	40,079	-2,305	-5.4%
International preliminary examinations	2,509	2,190	-319	-12.7%

<sup>16</sup> Divisional application(s) is/are one or more new patent application(s) which is/are filed by dividing a part of the patent application that includes two or more inventions under certain conditions.

<sup>17</sup> Converted applications include patent applications which are converted from an application for utility model registration or design registration (under Article 46 of Patent Act), and patent applications filed based on a registration of utility model (under Article 46bis).

## JPO Budget

Fig. 2.3 shows JPO expenditures by category in 2014.



A description of the items in Fig. 2.3 can be found in Annex 1.

## JPO Staff Composition

As of the end of FY 2014, the total number of staff at the JPO was 2,837. This includes 492 fixed-term patent examiners.

Examiners:	Patent / Utility model:	1,702
	Design:	49
	Trademark:	142
Appeal examiners:		387
General staff:		557
Total:		2,837

## More information

Further information can be found on the JPO's Homepage:

[www.jpo.go.jp](http://www.jpo.go.jp)

## STATE INTELLECTUAL PROPERTY OFFICE OF THE P.R. CHINA

### Main Responsibilities

Organizing and coordinating IPR protection work nationwide and improving the construction of IPR protection system; Standardizing the basic orders of patent administration; Drawing up the policies of foreign-related IP work; Working out the development programs for the patent work nationwide, drafting patent working plans, examining and approving special working plans, taking up the responsibility of the construction of the national public service system of patent information, promoting the spread and utilization of patent information with related departments and undertaking the work of patent statistics; Laying down the criteria of affirming the exclusive rights of patents and integrated circuit layout designs and appointing organizations to manage the work of right affirmation; Publicizing and popularizing patent laws, regulations and policies and drafting plans of IP-related education and training according to regulations.

### Statistical Overview of 2014

#### 1) Patent Examination Status

In accordance with the Patent Law of the People's Republic of China, the SIPO is the authority to receive and examine applications for invention, utility model, and design patents, and to grant patent rights in compliance with the Patent Law. The mechanism of earlier publication and request for substantive examination applies when processing invention patent applications, while the duration of patent rights for invention is 20 years, counted from the date of filing. The preliminary examination mechanism applies when processing utility model and design applications, while the duration of patent rights for them is 10 years, counted from the date of filing.

#### 2) Patent Applications Received in 2014

In 2014, the SIPO received 2,361,243 applications for the three kinds of patents, which represents a decrease of 0.7 percent compared to 2013. Among these applications were 928,177 for invention patents, an increase of 12.5 percent compared to 2013, 868,511 for utility model patents, a decrease of 2.7 percent, and 564,555 for design patents, a decrease of 14.4 percent.

#### 3) Patents Granted in 2014

In 2014, the SIPO granted 1,302,687 patents reflecting a decrease of 0.8 percent compared with the previous year. Of these, 233,228 were for invention patents which increased by 12.3 percent compared to the previous year, 707,883 were for utility model patents which had an increase of 2.2 percent and 361,576 were for design patents which decreased by 12.3 percent.

In Table 2.3, production figures for applications, examination, grants, reexamination and invalidation, PCT activities are given for the years 2013 and 2014. The data in table 2.3 concentrate only on invention patents.

Table 2.3: SIPO PRODUCTION INFORMATION

SIPO PRODUCTION FIGURES	2013	2014	Change	% Change
<b>Applications filed</b>				
Domestic	704,936	801,135	96,199	13.6%
Foreign	120,200	127,042	6,842	5.7%
<b>Total</b>	<b>825,136</b>	<b>928,177</b>	<b>103,041</b>	<b>12.5%</b>
<b>Examination</b>				
First actions	407,478	534,733	127,255	31.2%
Final actions	355,051	430,661	75,610	21.3%
<b>Grants</b>				
Domestic	143,535	162,680	19,145	13.3%
Foreign	64,153	70,548	6,395	10.0%
<b>Total</b>	<b>207,688</b>	<b>233,228</b>	<b>25,540</b>	<b>12.3%</b>
<b>Reexamination and invalidation</b>				
Reexamination requests	18,829	24,452	5,623	29.9%
Invalidation requests	2,930	3,422	492	16.8%
<b>PCT activities</b>				
International searches	20,374	25,614	5,240	25.7%
International preliminary examinations	383	344	-39	-10.2%

#### 4) Examination Period

In 2014, the number of patent applications decreased slightly, while the examination periods for the three kinds of patents were shortened steadily. Compared to 2013, the examination period for invention patents was reduced from 22.2 months to 21.8 months. The examination period for utility model patents was reduced from 4.3 months to 3.5 months and for design patents, the period was reduced from 3.8 months to 3.7 months.

#### Informatization and Documentation

In 2014, SIPO implemented 23 supporting projects for the Chinese Electronic Examination System (E-System), completed the patent transaction service system, provided online services to the public, upgraded patent agency management system, and improved the overall examination support ability and social public service ability. The Chinese Patent Search and Service System (S-System) continued to improve its search function to enrich search resources, optimize system performance, enhance the user experience and improve the retrieval efficiency. China Electronic PCT (CEPCT) system was formally launched, which achieved paperless examination on the acceptance of the PCT application in international phase, the international examination and preliminary examination service.

By the end of 2014, SIPO had accumulated more than 450 patent literature resources, including 63 kinds of bibliographic abstracts, 124 kinds of full images, 31 kinds of full texts, 189 kinds of assisted retrievals and dozens of independent processing data. Bibliographic abstracts cover 102

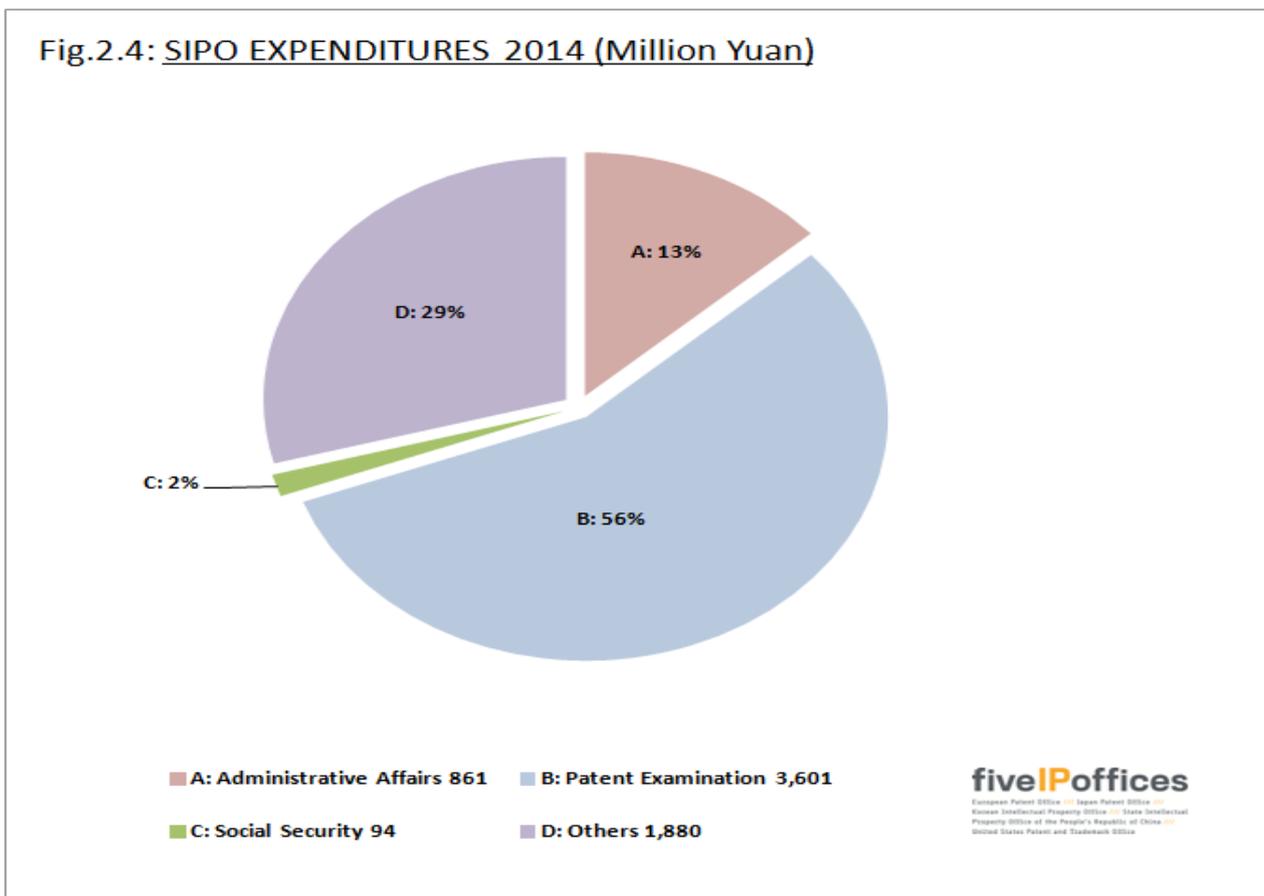
countries (regions) or organizations and full images cover 31. At present, the total patent documentation of SIPO is more than 12 million.

### International Cooperation

In 2014, SIPO steadily propelled the relevant work of Hague Agreement in China's accession to the International Registration of WIPO Industrial Designs, and completed development and commissioning work of the Chinese interface for the Hague system electronic filing. SIPO became the authority for Iran's PCT international patent examining and preliminary searching. In 2014, SIPO established new bilateral partnerships with Czech Republic and Slovakia and resumed cooperation relations with the Hungarian Intellectual Property Office.

### SIPO Budget

Fig. 2.4 shows SIPO expenditures by category in 2014.



A description of the items in Fig. 2.4 can be found in Annex 1.

### SIPO Staff Composition

The SIPO has seven functional departments, a supervision department, a party committee of institution, a retired personnel department, and subsidiaries as the Patent Office, the Patent Reexamination Board and other subordinate units under the Offices, public institutions, and social organizations. In total, the SIPO has 12,912 full-time employees.

The Patent Office, an organization under the SIPO with 16 departments and one affiliated enterprise, is mainly responsible for receiving and examining patent applications, granting patents and handling other administrative matters entrusted by the SIPO. It has a staff of 2,964 currently, among which 1,855 employees are examiners for invention patents, 244 employees are for utility models and designs, 279 employees are for preliminary examination and work-flow management. Moreover, 334 employees work in support departments (i.e. patent documentation, automation, examination affairs administration) and 252 employees are responsible for general administration. The seven Patent Examination Cooperation Centers, including three newly founded centers located in Hubei, Tianjin, and Sichuan province, as institutions affiliated to the Patent Office, share the responsibility of patent examination, among which the Beijing Center was founded in 2001 and has 2,789 employees at present, the Jiangsu Center was founded in 2011 and has 1,514 employees, the Guangdong Center was founded in 2011 and has 1,461 employees, and the Henan Center was founded in 2012 and has 760 employee. The Hubei, Tianjin, and Sichuan Center were all founded in 2013 and have 654, 173, and 119 staff members respectively. China Patent Technology Exploitation Enterprises, which is the only wholly owned enterprise under the Patent Office, has 456 employees.

The Patent Reexamination Board, affiliated directly with the SIPO, has a staff of 278, and is responsible for processing requests for patent reexamination and invalidation of patent rights.

At the end of 2014, the SIPO had a total staff of 12,912. The breakdown was as follows.

SIPO Functional Department	91
Patent Office: Examiners:	
Invention	1,855
Utility Model & Design	244
Preliminary Examination and Flow Management	279
Supporting Departments	334
General Administration	252
Total	2,964
Patent Reexamination Board	278
Other Subordinate Units under the Office	9,579
Total	12,912

### More information

Further information can be found on the SIPO's Homepage:  
[www.sipo.gov.cn](http://www.sipo.gov.cn)

## KOREAN INTELLECTUAL PROPERTY OFFICE

### Overview

The Korean Intellectual Property Office (KIPO) is the governmental authority in charge of affairs regarding patents, utility models, industrial designs, and trademarks.

The main functions of KIPO include: the examination and registration of intellectual property rights; the conducting of trials on intellectual property disputes; the management and dissemination of information on intellectual property rights; the promotion and enhancement of public awareness of invention activities; and the advancement of international cooperation and the training of experts on intellectual property rights.

Its mission statement is as follows:

*To contribute to technological innovation and industrial development by facilitating the creation, commercialization and utilization of intellectual property and by strengthening the protection of intellectual property.*

The KIPO strives to fulfil its mission by implementing diverse policies focused on timely, high-quality examination.

### Statistical Overview of 2014

The total number of Intellectual Property Rights (IPRs) applications – including patents, utility models, designs, and trademarks – submitted to KIPO in 2014 amounted to 434,047, a 0.9 percent growth rate compared to 2013. In 2014, patent applications totalled 210,292, showing a 2.8 percent increase from 2013, the highest growth rate among all IPRs.

Utility model applications decreased 16.3 percent to total 9,184, and design applications decreased 3.9 percent for a total of 64,345. Trademark applications for 2014 totalled 150,226, a 1.7 percent growth rate compared to 2013.

In Table 2.4, production figures for applications, examination, grants and PCT activities of patents are given for the years 2013 and 2014.

Table 2.4: KIPO PRODUCTION INFORMATION

KIPO PRODUCTION FIGURES	2013	2014	Change	% Change
<b>Applications filed</b>				
Domestic	159,978	164,073	4,095	2.6%
Foreign	44,611	46,219	1,608	3.6%
<b>Total</b>	<b>204,589</b>	<b>210,292</b>	<b>5,703</b>	<b>2.8%</b>
<b>Applications filed (by Types of Application)</b>				
Divisional Applications <sup>18</sup>	6,885	7,725	840	12.2%
Converted Applications <sup>19</sup>	67	84	17	25.4%
Others	197,637	202,483	4,846	2.5%
<b>Total</b>	<b>204,589</b>	<b>210,292</b>	<b>5,703</b>	<b>2.8%</b>
<b>Examination</b>				
Requests	164,844	169,894	5,050	3.1%
First actions	181,871	166,915	-14,956	-8.2%
Final actions	179,794	177,289	-2,505	-1.4%
<b>Grants</b>				
Domestic	95,667	97,294	1,627	1.7%
Foreign	31,663	32,492	829	2.6%
<b>Total</b>	<b>127,330</b>	<b>129,786</b>	<b>2,456</b>	<b>1.9%</b>
<b>Applications in appeal</b>	<b>8,111</b>	<b>7,335</b>	<b>-776</b>	<b>-9.6%</b>
<b>PCT activities</b>				
International searches	34,431	30,128	-4,303	-12.5%
International preliminary examinations	263	250	-13	-4.9%

### Examination Service

#### 1) Reducing First Action pendency

As the cycle of technological development continues to shorten, the KIPO is reducing the first action pendency of IPRs for the sake of affording timely protection.

<sup>18</sup> A divisional application is filed to divide a patent application (known as the parent application) into two or more applications.

<sup>19</sup> A patent applicant may convert an application for utility model registration to a patent application within the scope of matters stated in the description or drawing initially attached to the patent application.

In 2014, first action pendency was 11 months for patents and utility models, 6.4 months for trademarks, and 6.5 months for designs. Compared to 2013, first action pendency for 2014 was reduced by 2.2 months for patents and utility models, 1.3 months for trademarks, and 0.8 months for designs.

The KIPO's 2015 target goals are 10 months for patents and utility models, and 5 months for trademarks and designs. Since IPR applications and requests for international searches under the PCT are steadily increasing, the KIPO is in the process of recruiting additional examiners.

## 2) Enhancing examination quality

One way the KIPO ensures examination quality is by double-checking randomly selected cases of IPR examination, as well as international search reports (ISRs) under the PCT, in order to determine areas for potential improvement.

Examination review is primarily conducted by the 16 reviewers of the Examination Quality Assurance Division, as well as by the directors of each examination bureau, who review examinations according to specific guidelines.

In 2014, this division reviewed examinations conducted on 3,343 patents and utility models, 4,365 trademarks and designs, and 1,519 ISRs. In addition to the activities mentioned above, examination reviews of 2,236 patents and utility models, as well as 1,376 trademarks and designs, were carried out by the directors of the examination.

On December 11<sup>th</sup>, 2014, the KIPO acquired ISO9001 certification, thereby inspiring worldwide confidence in its examination quality.

## 3) Three-track patent and utility model examination service

The KIPO provides examination services in accordance with its clients' IPR strategies and preferred time schedules. In the case of patents and utility models, applicants can choose the most appropriate examination track for their patent strategy: accelerated, regular, or customer-deferred.

Accelerated examination provides examination services within three to five months. Conversely, the customer-deferred examination track provides examination services within three months of the desired postponed examination date.

## Enhancing IP Protection

### 1) Raising awareness of IPR protection

The KIPO conducted a series of public awareness activities and collaborated with civic consumer advocacy groups to enhance IPR protection and consumer awareness of the illegality of counterfeit goods. The KIPO also held national campaigns in 13 cities and provinces, urging consumers to buy genuine goods.

Since 2011, the KIPO has conducted a total of 96 consumer training sessions targeting housewives and office workers to prevent them from purchasing counterfeits. The KIPO produced televised advertisements with a famous actress as its publicity ambassador to form a social consensus on

the illegality of counterfeit goods. The KIPO also enhanced public awareness using various online media, including Social Network Services (SNS).

In 2014, the KIPO launched “College Student Supporters” to promote IPR protection among college students through campaigns and other activities. The KIPO also produced cartoons to raise awareness of IPR protection among the youth, then conducted practical education on how to distinguish genuine goods from counterfeits.

## 2) IP Desk

The KIPO operates IP desks as part of an effort to enhance the protection and acquisition of Korean companies’ IPRs in foreign markets. In 2014, the KIPO newly established a desk in Frankfurt, Germany, bringing the number of cities in which the KIPO operates IP desks up to 10, including Beijing, Shanghai, Qingdao, Shenyang and Guangzhou in China; Bangkok in Thailand; Ho Chi Minh City in Vietnam; and Los Angeles and New York in the United States.

IP desks provide Korean companies with consultations on registering and protecting IPRs and dealing with IPR disputes. In addition, the KIPO hold briefings and seminars to share information on preventing infringements.

In 2014, in China and Thailand, the KIPO held three seminars, with combined a total of 238 attendees, to help government officials from those two countries recognize counterfeit goods.

The KIPO is also making efforts to develop cooperative channels with foreign IPR-related organizations in order to protect the IPRs of Korean companies operating overseas. In July 2014, the KIPO dispatched delegates and business representatives abroad to work on ways to create a favourable IP protection environment.

## 3) Establishing policies to protect “K-brands”

Thanks to the recently concluded Free Trade Agreements with major trading partners China and Vietnam, it is expected that there will be a lot more Korean companies entering into new global markets in the near future. The KIPO, therefore, established a comprehensive policy to protect Korean brands (K-brands) in regions where the distribution of counterfeited Korean products is continuously increasing.

The main goals of the comprehensive policy to protect K-brands are as follows: building a system for responding to foreign brokers of Korean trademarks, launching a support center for crackdowns on imported counterfeit goods in Korea, jointly engaging industries in recognizing and cracking down on counterfeits, and enhancing international border measures with foreign customs offices.

## Global IP Cooperation

The KIPO expanded its multilateral and bilateral cooperation so that stakeholders can more easily acquire and protect IPRs.

Firstly, the KIPO have contributed around 8.1 million Swiss francs for the continued operation of the “Korea Funds-in-Trust” (FIT) over the past 10 years. A ceremony commemorating the 10<sup>th</sup> anniversary of the Korea FIT’s establishment was held during the WIPO 2014 General Assembly.

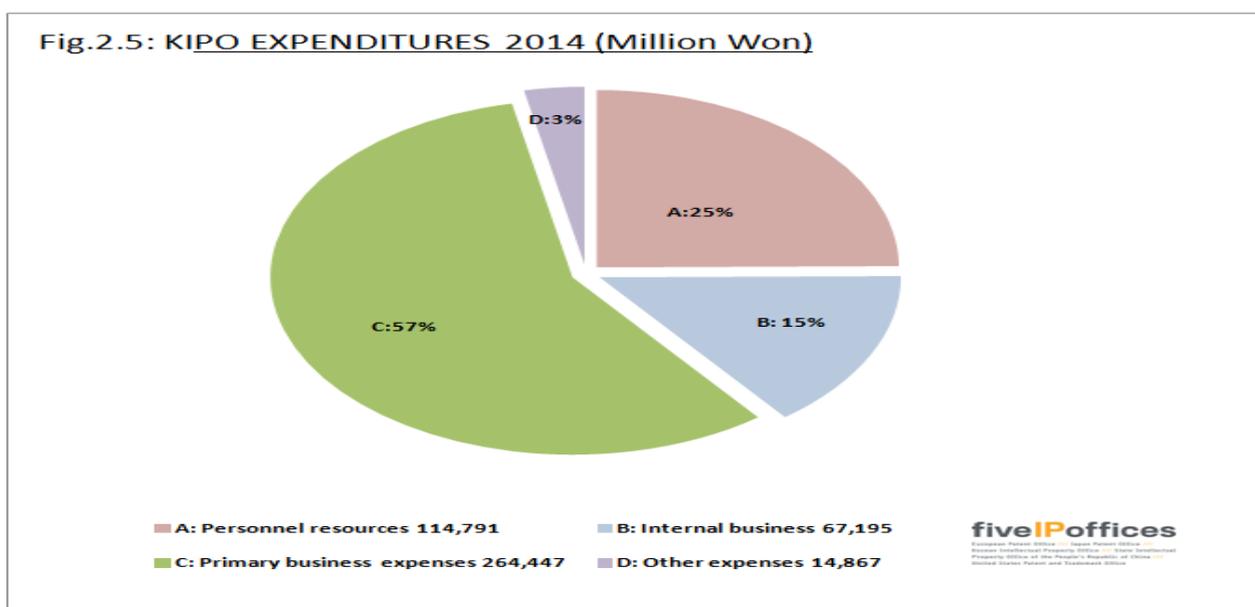
This ceremony served to celebrate the Korea FIT's achievements and reinforce Korea's future commitment to playing a pivotal role in bridging the IP divide among WIPO member states.

Secondly, in March 2014, the KIPO deposited its instrument of accession to the Geneva Act of the Hague Agreement concerning the International Registration of Industrial Designs (Hague system), and, since the following July, have implemented the system, thereby contributing to the Hague system's early establishment as a route for acquiring global design rights. Moreover, the KIPO worked to help applicants easily acquire design rights overseas.

Last but not least, the KIPO participated in the IP5 PPH and the global PPH, wherein the KIPO was joined by 13 other countries, expanding the number of countries with which Korea has established PPHs, from 14 in 2013 to 21 in 2014. Unlike previous PPHs that were based on bilateral agreements, global and multilateral PPHs have largely improved user convenience by making it possible to submit a PPH application to several countries with just one request form.

### KIPO Budget

Fig. 2.5 shows KIPO expenditures by category in 2014.



A description of the items in Fig. 2.5 can be found in Annex 1.

### KIPO Staff Composition

At the end of 2014, the KIPO had a total staff of 1,568. The breakdown is as follows.

Examiners	
Patents and Utility Model	813
Designs and Trademarks	159
Appeal examiners	99
Other staff	497
<b>Total</b>	<b>1,568</b>

**More information**

Further information can be found on KIPO's Homepage:  
[www.kipo.go.kr](http://www.kipo.go.kr)

## UNITED STATES PATENT AND TRADEMARK OFFICE

### Mission Statement

The mission of the United States Patent and Trademark Office (USPTO) is:

*Fostering innovation, competitiveness and economic growth, domestically and abroad by delivering high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property policy, and delivering intellectual property information and education worldwide, with a highly skilled, diverse workforce.*

The USPTO is pivotal to the success of innovators. In fulfilling the mandate of Article 1, Section 8, Clause 8, of the U.S. Constitution, "*To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries*", the USPTO is on the cutting edge of technological progress and achievement in the United States.

The USPTO provides valued products and services to its customers in exchange for fees that are appropriated to fund its operations. The powers and duties of the USPTO are vested in the Under Secretary of Commerce for Intellectual Property and Director of the USPTO, who consults with the Patent Public Advisory Committee and the Trademark Public Advisory Committee. The USPTO operates with two major business lines, Patents and Trademarks.

The USPTO's Strategic Plan for FY 2014-2018 sets forth the agency's three mission-focused strategic goals and one management goal, as well as the proposed objectives and initiatives to meet those goals. The plan is designed to continue strengthening the capacity of the USPTO, improve the quality of issued patents and registered trademarks, and shorten the time it takes to get a patent. This plan will continue to enhance and accelerate the innovation and job growth needed to transform the U.S. economy, foster competitiveness, and drive the creation and growth of U.S. businesses. This plan was developed with input from the public advisory committees, stakeholders, the public and USPTO employees.

- Goal 1: Optimize Patent Quality and Timeliness.
- Goal 2: Optimize Trademark Quality and Timeliness.
- Goal 3: Provide Domestic and Global Leadership to Improve IP Policy, Protection and Enforcement Worldwide.
- Management Goal: Achieve Organizational Excellence.

### Agency News

FY 2014 was another banner year for the USPTO. The USPTO decreased the unexamined patent application backlog, lowered patent pendency and was named number one out of 300 agency subcomponents in the rankings of the 2013 Best Places to Work in the Federal Government.

Reducing the backlog and pendency of unexamined patent applications and improving patent quality are of the utmost importance, and the USPTO is making great progress thanks to expanded training, improved technology, and the dedication of highly motivated employees. The backlog of unexamined patent applications at the end of FY 2014 was 605,646, down from 750,596 in 2008 (a 19.3 percent decrease), despite a historical growth rate of five percent in applications. In terms

of application processing, first action pendency has been reduced to 18.4 months, and average total pendency has been reduced to 27.4 months. USPTO plans to reduce those pendencies further, to 11.5 months and 21.2 months, respectively, by FY 2018.

In a time of increased demand for patents and trademarks, the Office is taking advantage of the latest modern information technology to facilitate the work and to improve the provision of services to the public. By transitioning to next-generation information systems using cloud and open-source technology, the USPTO is operating more nimbly, delivering better and faster services, while minimizing costs.

The USPTO is pushing forward with the implementation of the provisions of the Leahy-Smith *America Invents Act (AIA)*. One of the provisions is to establish USPTO regional offices, which are vital in providing assistance to inventors, entrepreneurs, and small businesses and which serve as hubs of innovation, education and outreach. The Elijah J. McCoy Satellite Office in Detroit, Michigan opened for business in July 2012 and is busy processing patent applications and managing appeals and trials. On June 30<sup>th</sup>, 2014, the permanent regional office in Denver, Colorado was opened. In April 2014, the city council of San Jose, California unanimously approved the terms and conditions for a permanent facility to serve the Silicon Valley region, and the USPTO is planning to open that satellite office in the autumn of 2015. In the autumn of 2015, the regional office in Dallas, Texas also is expected to open.

The Office conducted extensive patent examiner training in FY 2014 on important matters including functional training; the Cooperative Patent Classification (CPC) system; the impact of key intellectual property cases such as the Supreme Court's decisions on patent eligible subject matter (*Association For Molecular Pathology v. Myriad Genetics, Inc.* and *Alice Corp. v. CLS Bank International*); and the first-inventor to-file statutory provision.

The USPTO continues its efforts to hire the best and brightest. In FY 2014, the USPTO hired new patent examiners, administrative judges, and staff for the satellite offices. The Patent Trial and Appeal Board met all deadlines for incoming petitions and added 61 judges across the four offices.

### **International Cooperation and Work-sharing**

It has also been a year of exciting progress on the international front, as the USPTO works with offices around the world to build a more robust and efficient international IP system. The USPTO is committed to optimizing work sharing among offices and to eliminate duplicate work to enhance efficiency.

The USPTO introduced the Global Patent Prosecution Highway, a streamlined network replacing dozens of existing bilateral arrangements, speeding up the examination process among participating offices. As part of the transition from the United States Patent Classification System to the Cooperative Patent Classification (CPC) System, examiners completed their CPC training in January 2015, enabling them to effectively search in CPC and place CPC symbols on published patent applications and granted patents. The USPTO is expanding efforts to encourage other countries to adopt this increasingly global classification system.

The PPH continues to be a successful work sharing vehicle, delivering prosecution advantages to both users and IP offices. The USPTO continues to expand the program by partnering with new

offices and conducting stakeholder outreach (the USPTO currently has PPH agreements with 29 other IP offices). In FY 2014, the USPTO received over 7,199 applications within the PPH program. The USPTO, through the Global Intellectual Property Academy (GIPA), provides IP educational opportunities to U.S. and foreign government officials, domestic small and medium-sized enterprises (SMEs), universities and the public. The GIPA provides expertise on administration, protection and enforcement in all areas of domestic and international IP. In FY 2014, the GIPA conducted 139 training programs for foreign government officials, reaching an audience of 6,503 foreign government officials from over 100 countries. The GIPA is using technology to make training programs more efficient and to expand the reach of those programs.

Table 2.5 includes production figures for application filings, PCT searches and examinations, first actions, grants, applications in appeal and interference, and patent cases in litigation for the years 2013 and 2014.

Table 2.5: USPTO PRODUCTION INFORMATION

USPTO PRODUCTION FIGURES	2013	2014	Change	% Change
<b>Applications filed</b>				
Utility(patents for invention) <sup>20</sup>	571,612	578,802	7,190	1.3%
Domestic	287,831	285,096	-2,735	-1.0%
Foreign	283,781	293,706	9,925	3.5%
Plant	1,406	1,063	-343	-24.4%
Reissue	1,065	1,265	200	18.8%
<b>Total Utility, Plant, Reissue</b>	<b>574,083</b>	<b>581,130</b>	<b>7,047</b>	<b>1.2%</b>
Design	36,034	35,378	-656	-1.8%
Provisional	179,202	170,143	-9,059	-5.1%
<b>Total</b>	<b>789,319</b>	<b>786,651</b>	<b>-2,668</b>	<b>-0.3%</b>
Requests for Continued Examination(RCE) <sup>21</sup>	169,005	171,126	2,121	1.3%
<b>PCT Chapter I Searches</b>	<b>14,141</b>	<b>22,142</b>	<b>8,001</b>	<b>56.6%</b>
<b>PCT Chapter II Examination</b>	<b>1,300</b>	<b>1,243</b>	<b>-57</b>	<b>-4.4%</b>
<b>First actions (includes utility, plant, and reissue applications)</b>	<b>594,257</b>	<b>593,723</b>	<b>-534</b>	<b>-0.1%</b>
<b>Grants (total)</b>	<b>277,835</b>	<b>300,678</b>	<b>22,843</b>	<b>8.2%</b>
U.S. residents	133,593	144,621	11,028	8.3%
Foreign	144,242	156,057	11,815	8.2%
Japan	51,919	53,849	1,930	3.7%
EPC states	43,450	47,733	4,283	9.9%
R. Korea	14,548	16,469	1,921	13.2%
P.R. China	5,928	7,236	1,308	22.1%
Others	28,397	30,770	2,373	8.4%
<b>Applications in appeal and interference Proceedings</b>				
Ex-parte Cases Received	9,481	9,585	104	1.1%
Ex-parte Cases Disposed	10,865	9,489	-1,376	-12.7%
Inter-partes Cases Contested	209	238	29	13.9%
Inter-partes Cases Disposed	175	247	72	41.1%
<b>Patent Cases in Litigation</b>				
Cases filed	176	132	-44	-25.0%
Cases disposed	121	254	133	109.9%
Pending cases (end of calendar year)	267	158	-109	-40.8%

<sup>20</sup> Unless otherwise noted, the USPTO statistics presented elsewhere in this report are limited to utility patent applications and grants.

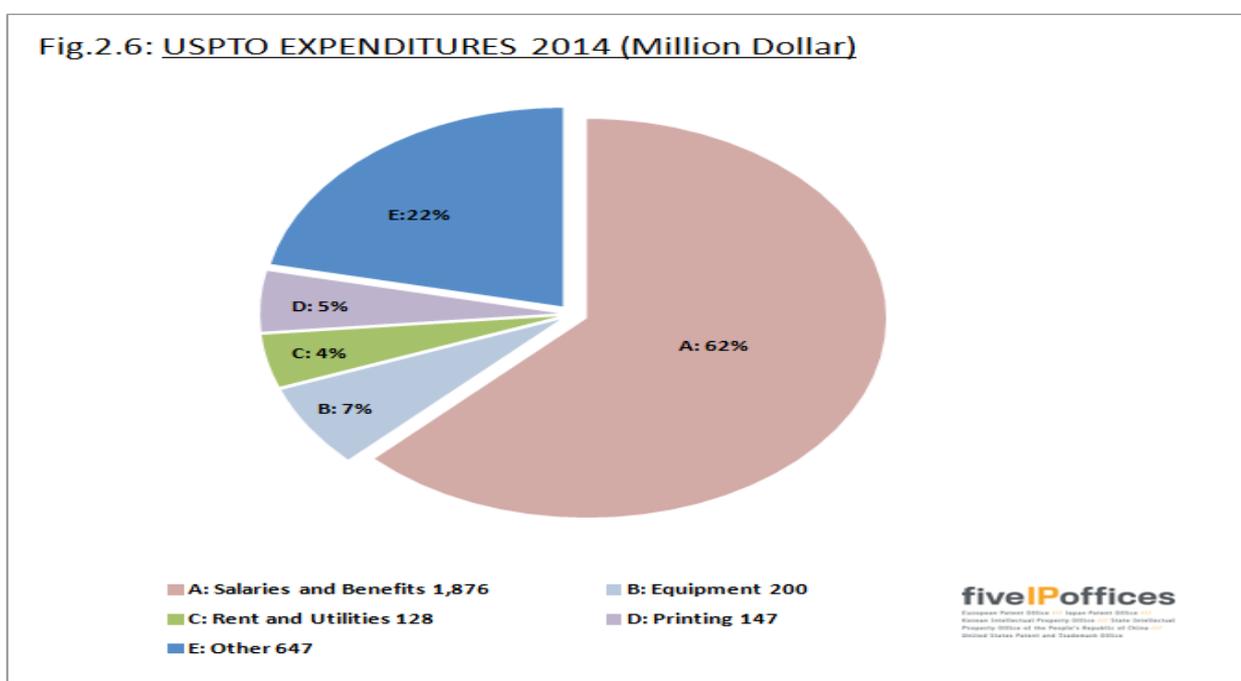
<sup>21</sup> A Request for Continued Examination is a USPTO procedure under which an applicant may obtain continued examination of an application by filing a submission and paying a specified fee, even if the application is under a final rejection, appeal, or a notice of allowance.

### USPTO Budget

The USPTO utilizes an activity based information methodology to allocate resources and costs that support programs and activities within each of the three strategic goals. In FY 2014, USPTO expenditures totaled \$2,997.5 million. Agency-wide, 20.1 percent of expenditures were allocated to IT security and associated IT costs.

Goal 1 - Optimize Patent Quality and Timeliness	\$2,685.2 million
Goal 2 - Optimize Trademark Quality and Timeliness	\$ 262.8 million
Goal 3 - Provide Domestic and Global Leadership to Improve IP Policy, Protection and Enforcement Worldwide	\$ 49.5 million

Fig. 2.6 shows USPTO expenditures by category in 2014.



A description of the items in Fig. 2.6 can be found in Annex 1.

### USPTO Staff Composition

At the end of FY 2014, the USPTO work force was composed of 12,450 federal employees. Included in this number are 9,145 Utility, Plant, and Reissue patent examination staff and 157 Design examination staff, 429 Trademark examiner attorney staff, and 2,719 managerial, administrative and technical support staff.

### More information

Further information can be found on the USPTO's website:  
[www.uspto.gov](http://www.uspto.gov)