

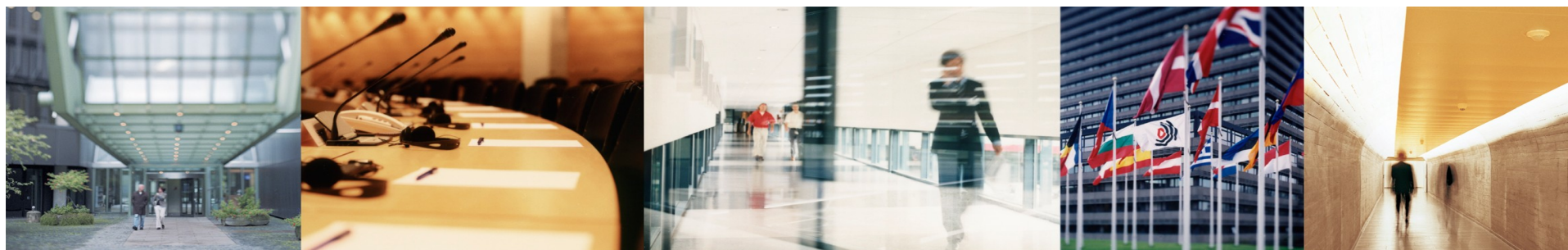


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Perspectives on the Role of SDOs at the Intersection of Patents, Standards, Law and the Global Economy

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The Situation

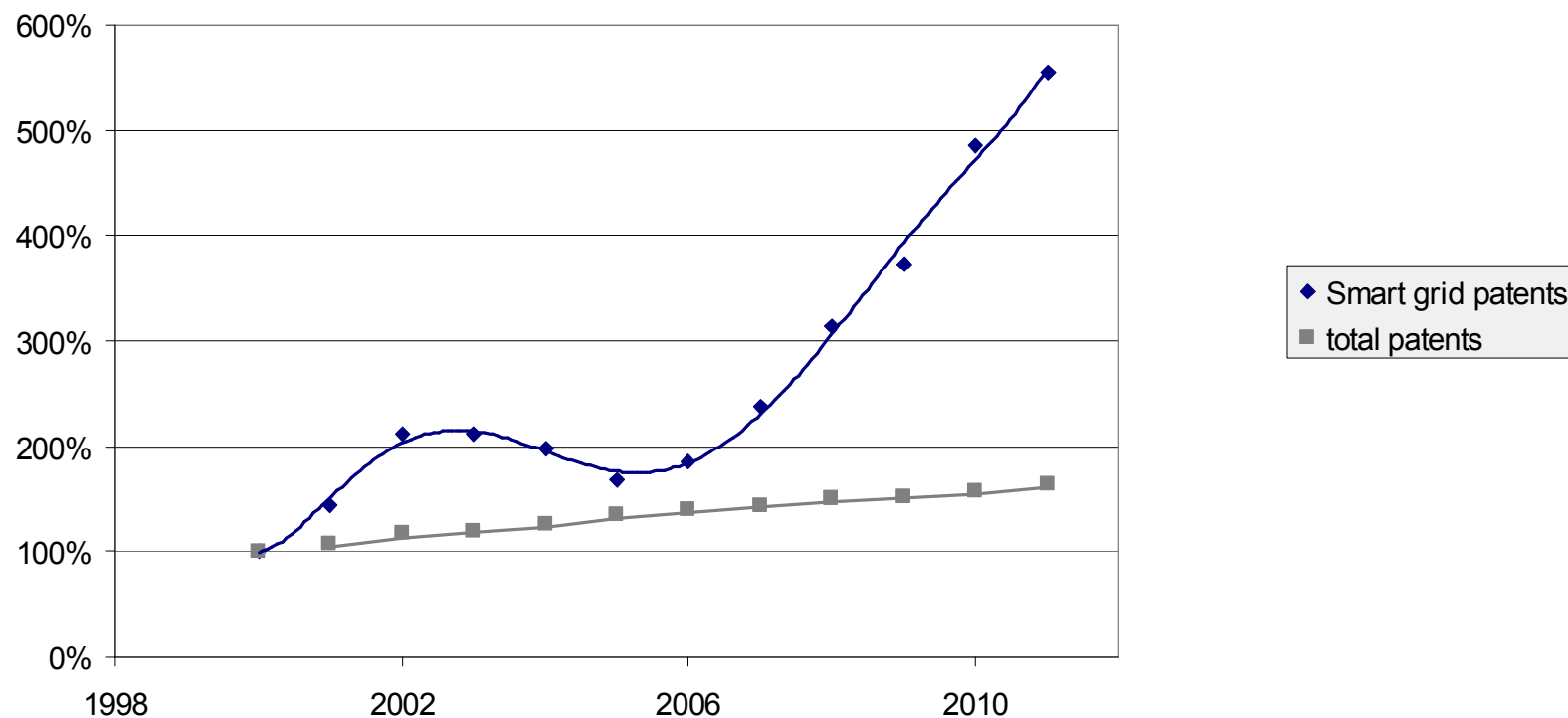


Potential conflicts between patents and standards

- Patent ambush (Dell, Rambus)
- Refusal to license unrevealed patents (LG, Philips)
- Failure to agree on FRAND (Qualcomm, Orange Book, Microsoft/Motorola)
- Third party transfer without pass on of obligations towards SDO (Nokia, Bosch)
- Third party patents not in the standard (Microsoft, i4i)

Worldwide trends in Smart Grid patenting

Yearly filings (relative to the year 2000)



Approximately 6500 patent families related to Smart Grids

Patent Thickets / Patent Wars



c.f. EPO Economic and Scientific Advisory Board
<http://www.epo/about-us/office/esab/workshops.html>

Patents and standards

Standards:

- Mostly set by industry
- Perceived by public to be for the public good.
- In a technically interlinked world, their nature is potentially global.
- Accessibility and ownership issues increasingly debated

Patents :

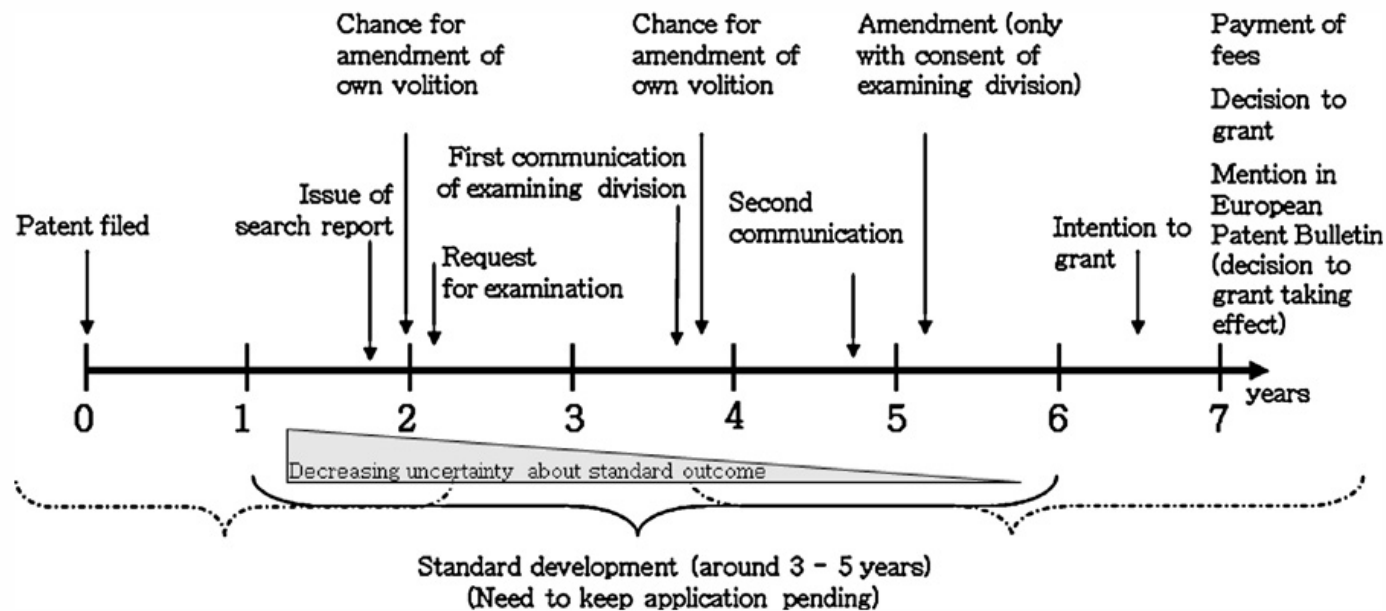
- Temporary exclusive rights
- Can be used to exclude others from use of the technology, or license
- Embedded in standards, they offer their owners a 'double competitive advantage'.
- Territorial nature

Exclusively owned technologies embodied in standards - **rules of inclusion and use** must be clear:

Solution:

Licensing on **FRAND** terms - **F**air, **R**easonable **A**nd **N**on-Discriminatory - reasonable terms, and to all

Demand for patenting and patent grant on time



Conclusion/hypothesis:
*Patents in standards are of 'higher value'
than non standard related patents!*

What can Patent Offices do (and what not)?

-increasing transparency-



The "social contract" implicit in the patent system

**Reveal
invention**



**Get
exclusivity**



... so that others can learn from it
and improve upon it!

Potential Remedies by Patent Offices

- Improve 'patent quality'
- Identification of prior art documents coming out of the standardisation process (non-patent literature)
- Closer collaboration between POs and SDOs

Recommendations for improving the patent system

2012 Statement

by the EPO Economic and Scientific Advisory Board



<http://www.epo.org/about-us/office/esab.html>

Patent Quality

Workshop: EPO Economic and Scientific Advisory Board

'A high quality patent (a) satisfies the legal patentability requirements at a given patent office, (b) it has been granted, and (c) is likely to withstand invalidity proceedings in court or before an administrative body'

Improve patent quality:

pre-grant:

- speed and quality of examination
- enhanced use of non-patent literature
- POs to share information during search and examination process

post-grant:

- improve opposition and re-examination procedures
- more efficient and less expensive litigation systems
- establish reliable alternative dispute-resolution mechanisms

Why standards-related documentation?

- Ever-increasing relevance of non patent documents as prior art for patent-related search
- Standards documents very pertinent in patent examination, in some fields contributing a very significant proportion of relevant citations



Particular needs of Patent Offices from SDOs

- Interest in **early draft documents**, more than final resulting standards
- Access to **all non-confidential technical documents** (standards, temporary, drafts, contributions, ...)
- Technical field (publishing **working group**) on each document
- **Effective publication date** of submitted contributions



Standards documents available for EPO examination

Standards and contributions from:

- 3GPP
- ETSI
- ITU
- IEEE-SA
- IETF

To be added in 2013:

- 3GPP2 Standards and contributions
- OMA Standards and contributions
- Cryptography and Data Security Standards and Directives (IACR later also USENIX, BSI, NIST, ARXIV), expected in 2013/2014

Governance of the System(s)



EPO Cooperation Agreements with SDOs

- In 2012 and 2013 EPO renewed MoUs with ETSI and IEEE-SA, widening the scope of cooperation in both new agreements.
- Cooperation Agreement in place with ITU since 2011: cooperation intensifying
- First agreement concluded with IEC 2012 gives EPO access to IEC documentation for the purposes of the patenting process in all its phases
- Meetings and discussions with a number of international and national SDOs
- Contribution to international fora on interrelations between Patents and Standards
- Informing applicants and other patent system stakeholders of EPO approach

Costs from cooperation with SDOs for the EPO

- Cooperation needed **long effort** to convince on common interests and goals
- Despite proliferation of IPR in standards and increased reference to standards in patent applications, **resistance to convergence** remains very strong
- EPO **had to become member** of SDOs, often with similar conditions to
- Industry, although not participating in standards development and certainly not profiting as participating industry
- Acquisition of standards documentation and the necessary processing for extracting the necessary bibliographic data and introducing data in internal databases has considerable **cost** (order of 0,5 mio. Euros/yr), depending on the format of each documentation
- **Training of examiners** to ensure awareness of importance, and ability to access standards in search

Goals

- **Contribute towards transparency:** technical (up-to-date, informative databases).
- **Increase quality and legal security of granted patents in** technical areas with high number of industrially and commercially very important patent applications.
- **Establish simple queries** through uniform internal databases in order to **assure qualitative but also efficient patent searches**
- Working towards a **common, standards-related documentation database** in Cooperation among major Patent Offices (IP5, composed of USPTO, JPO, KIPO, SIPO, EPO).

Goals

- Standardisation organisations could **link their IP declarations databases to the public registers of the major Patent Offices**, such that the included information (validity of application, scope of granted patents, patent family, etc.) is constantly updated and valid.
- Patent rules of standardisation organisations, in particular dissemination and confidentiality rules, should be made more clear.
- In general: proper functioning of both systems needs coordinated and long-term strategies and action at their interface
- Use of **templates, and "standardisation" of format of SDO documentation**, to reduce processing costs for EPO and promote further dissemination

Beyond Patent Offices



Increase Transparency

- Define explicit goals of IPR policies at SSOs
- Harmonization of IP policies between SSOs at global level (WTO, WIPO standards?)
- Rules for definition, control and maintenance/update of essentiality
- Transparency with SEP (change of) ownership
- Create inexpensive dispute resolution (out of court, arbitration centres)
- Requirement for FRAND to transfer with the patent
- Establishment of FRAND reference criteria (Motorola/Microsoft - Robart: e.g. SEP licensing not in vacuum, important to standard vs product, SEP vs. patents not in standard ...)
- Reference data bases for licensing terms (did FRAND work?)
- Counterfactual (what would have been without FRAND?)

THANK YOU FOR YOUR ATTENTION

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