

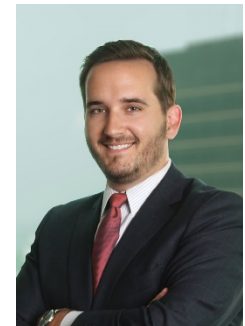
Strategies for Managing a Global Patent Portfolio



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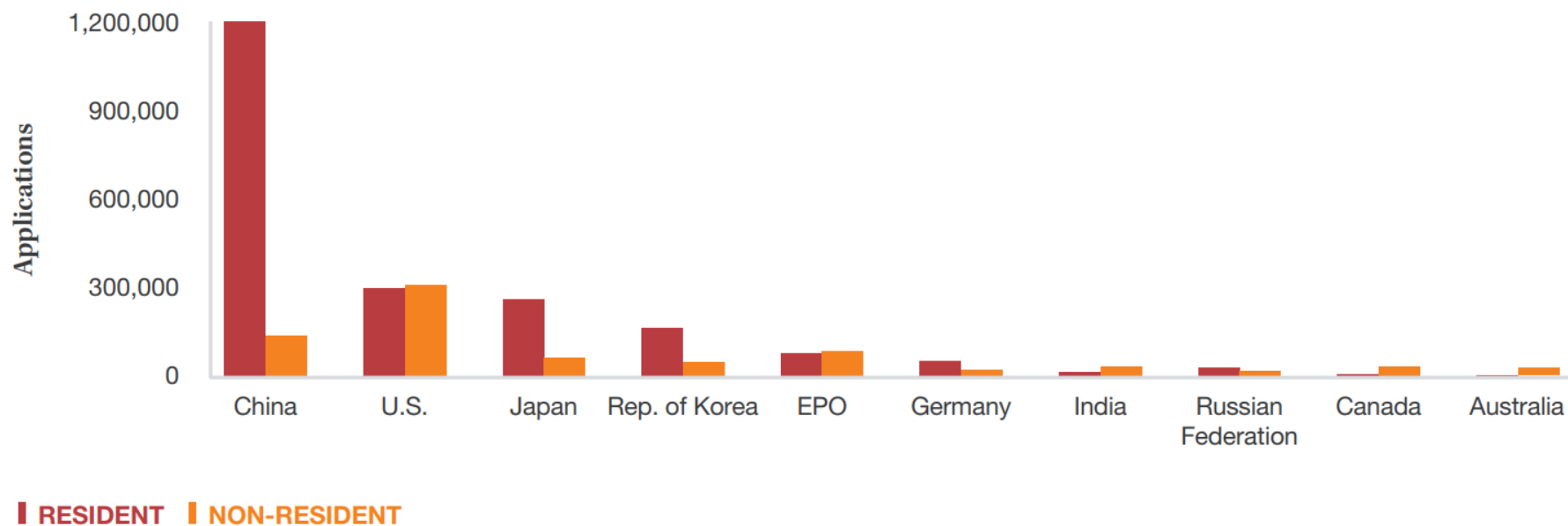


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Topics

- What are your company's overall international IP goals?
- Overall Strategies in Filings (PCT vs. Direct National)
- Managing both domestic and foreign outside counsel
 - Workload, responsibilities, oversight, etc.
- Preparing application for efficient examination at the U.S. Patent and Trademark Office upon filing

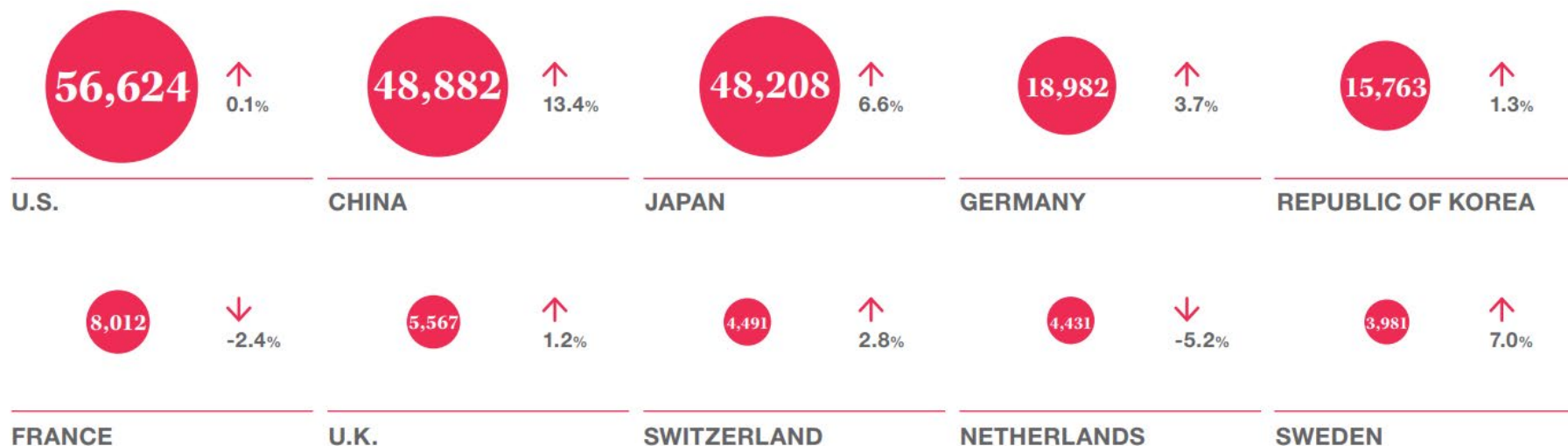
Patent applications at the top 10 offices, 2016



Source: WIPO

TOP 10 COUNTRIES

Number of PCT applications and % growth since 2016



Source: WIPO

Your Company's Overall International IP Goals

- Easy question – where are your products going to be sold?
- Harder question – where would you like to enforce your portfolio regardless of where products are sold?
- Ease of litigation or licensing in each country?
- Emerging markets?

What Countries Should I File My Patent Applications In?

- Considerations:
 - Company's Goals
 - Company's Profile
 - Company's Resources
 - Costs and Efficiencies of that Country's Patent Offices and Attorneys
 - Outlook of that Country's Market

PCT vs. Direct? EPO vs. Direct?

- When to file applications at PCT/EPO instead of direct
 - Current uncertainty for where protection is desired
 - Certainty that applications will be filed in many countries
 - Delay in prosecution

What Countries Should I File My Patent Applications In?

- EPO (or direct to certain EPO countries)
- Large markets (China, Japan, and India)
- Medium Markets with growing economies (Brazil, Russia, South Korea, and Mexico)
- Countries where claimed components will be sold
- Countries where competitor's manufacturing facilities are located
- Countries that have history of knock-offs for your technology

Technology-Related Places to File

- Automotive – EPO, China, Korea, Japan, India
- Medical Devices – EPO and Japan; China and Brazil are emerging
- Software and “High Tech” – EPO, China, Korea, Japan
- Pharma / BioTech Patents – EPO, China, Korea, Japan, Brazil

In-House Counsel Should Constantly Be Thinking About International Filings

- At initial decision to file the priority application
- At 12 month date, decision to file a PCT application
- At 30 month date, decision as to where to nationalize and revisit decisions made regarding non-PCT filings
- Inform/update foreign prosecution in view of original filing's prosecution
- At grant
- At deadlines for payment of maintenance fees/annuities

Preparing the Application for US Practice

Old School Way of Preparing Application for U.S. Filing

- Amend claims by removing reference numbers, “characterized by,” and multiple dependencies
- Slightly amend specification



New School Way of Preparing Application for U.S. Filing

- Amend claims:
 - Amend claims by removing reference numbers, “characterized by,” and multiple dependencies
 - Amend claim scope in view of ISR
- Prepare new claims
 - Get to 20 claims
 - Add additional claim sets for alternative embodiments
- Clean up specification to better suit US practice **without adding new matter**
- This can save prosecution costs by reducing the chance of an unnecessary first rejection!



Prepare Application for U.S. Prosecution

Amend the Specification

- Remove “red-flag” terms/phrases from the specification
 - “the invention is” over and over
 - “preferably”
 - “must” and other dispositive language
 - references to the claims

*** STAY UP TO DATE WITH CASE LAW AFFECTING PROSECUTION**

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

1. (Currently Amended) A belt tensioner (1) for an auxiliary-unit belt drive, which auxiliary-unit belt drive ~~comprises~~ includes a generator having a generator housing (2), a generator shaft (9), and a generator pulley (8), around which the belt is wrapped (7), comprising:

~~two annularly closed~~ a first and second tensioing arm (5) supported on the generator housing (2) and in relation to the generator shaft (9) by two tensioing rollers (3, 4), which rollers (3, 4) which apply pre-tensioning force to the belt (7) thereof before and after the generator pulley (8) by a bow spring (13), which produces a pre-tensioning force, wherein the bow spring (13) and the rollers (3, 4) are in axial overlap with the tensioing rollers (3, 4) wherein the tensioing arms (5, 6) res

accommodates the bow spring (13) and the a circular ring (14) wrap-around region of the generator pulley (8) and is limited by two walls (17, 18) of one of the arms (5) arm, characterized in that wherein the bow spring (13) is clamped between one of the walls (17) a first wall of the two walls and a driver (19) of the other second tensioing arm (6), which wherein the driver (19) protrudes axially with respect to the to a circular-ring shaped end face of the other the second tensioing arm (6) and protrudes into the arcuate spring space (14) before the other wall (18).

10. (New) A belt tensioner, comprising:
 a first and second tensioing arm supported on a generator housing;
 a first and second tensioing roller attached to the first and second tensioing arms and configured to apply a pre-tensioning force to an auxiliary-unit belt drive; and
 a bow spring clamped between the first and second tensioing arms in axial overlap with the tensioing rollers and configured to produce the pre-tensioning force.

Is Commonality in Applications Possible?

- Potential to coordinate with foreign in-house counsel to arrive at common techniques to be used in all originating patent applications so that follow-on foreign applications can be consistent, requiring less amending
 - Example: less description and admission of the prior art, more emphasis on embodiments in detailed description, more figures, etc.

Cost Savings Analysis for Preparing Application

- Upfront prosecution costs – may increase based on attorney’s hourly rate
- Increase likelihood of reducing USPTO and attorney fees
- Prosecution Fees Reduced
 - Substantive first non-final rejection vs “throw-away” non-final rejection
 - By reducing an appeal
 - Save approximately \$2800 in USPTO fees
 - Save additional fees for attorney’s, where Appeals typically cost more than OA Response
 - By reducing an RCE
 - Save approximately \$1300 in USPTO fees
 - Save additional fees for attorney’s time to respond to additional OA Responses

*** BONUS * - Potentially Faster Time to Issuance / Reduced P.H. Estoppel**

Cost Savings Study

- Assumptions :
 - 100 Patent Docket
 - Appeal Cost and Fees are \$6,000 each
 - \$2800 USPTO Fees
 - \$3200 Attorneys Fees for Appeal + Reply (Based on AIPLA average)
 - RCE Cost and Fees are \$3,300 each
 - \$1300 USPTO Fees
 - \$2000 Attorneys Fees for Amendment + Response (Based on AIPLA average)
 - Half of the Office Actions Reduced are Appeals, while the other half are RCEs

<u>Percentage of OAs Reduced</u>	<u>Total Cost Savings</u>
10%	\$46,500
20%	\$93,000
30%	\$139,500
40%	\$186,000
50%	\$232,500

Managing In-house and Outside Counsel

- Work performed in-house vs. outside
 - Cost
 - Trust
 - Efficiencies
 - Keeping the wheels greased with in-house attorneys
- Different companies have different approaches

Managing Foreign Counsel

- Can have local presence in foreign countries
 - Will have direct interest in company's goals and standards and applying to that country's patent practices
- Can punt responsibilities to US outside counsel
 - Hold US outside counsel responsible for quality control of foreign outside counsel
- Can manage foreign counsel from in-house position