Managing your patent portfolio in exceptional situations

Smart Crisis Response Checklist

Webinar 23/24 April 2020
Dr.-Ing. Katrin Winkelmann
Welcome

Dr.-Ing. Katrin Winkelmann

- Patent Attorney (Germany), European Patent Attorney, Partner at Eisenführ Speiser
- Engineering background with PhD in mechanical engineering (RWTH Aachen University)
- Former strategy consultant skilled in patent strategy and portfolio analyses
- Profound experience in patent prosecution, freedom to operate analyses, validity and infringement opinions as well as attack and defense of patents in opposition, appeal and nullity proceedings
Agenda

- How to manage budget cuts and requests to delay costs in times of crisis – may it be due to Covid-19 or some other reason?
- Which options you have with the Smart Crisis Response Checklist in the three different pillars
  - Immediate actions
  - Mid-term measures
  - Strategic long-term review

Use this checklist to make smart choices and navigate the crisis appropriate to your individual budget requirements, portfolio specifics as well as market and competitive environment.
### Overview

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## 1. Immediate Action

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# 1. Immediate Action

## A. Inventions/new applications
- Pay filing fees for new applications ready for filing later or not at all
  - *only secure priority date*

## B. Examination proceedings
- Pay filing fees for national/regional/PCT subsequent applications later and possibly file translations later

## C. Annuities
- Consider filing PCT applications instead of national/regional subsequent applications to buy time and delay cost of national/regional subsequent applications

## D. Oppositions
- Delay publication of inventions to save option to file applications later

## E. Further immediate actions

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**For all options**
- Closely monitor (extended) time limits and situational specifics to avoid (irrevocable) losses of rights
1. Immediate Action: Example 1

- € filing fee
  - pay later or not at all
- € demand for international preliminary examination
  - Do not make demand
- € fees for entry of reg./nat. phases
  - Costs due later with PCT than with direct subsequent applications
1. Immediate Action

A. Inventions/new applications

B. Examination proceedings

C. Annuities

D. Oppositions

E. Further immediate actions

For all options:
- Closely monitor (extended) time limits and situational specifics to avoid (irrevocable) losses of rights

- Delay incoming detailed analyses on Office Actions

- Get extensions of deadlines
  → Extra fees may apply!

- Delay proceedings/costs, by using measures like further processing or delays in granting procedure (e.g. minor reactions to intentions to grant)

- Use extended deadlines/delays to make substantiated decisions
  → See mid-term measures
1. Immediate Action: Example 2

Graphic adapted from EPO Guide for applicants

Examination/designation fees, costs for reply ➔ delay with further processing (but: extra fees apply!)

€ costs for detailed analysis on search report ➔ delay
1. Immediate Action: Example 2

€ costs for replies to examination reports → delay by getting extensions → delay by further processing (but: extra fees apply!)

€ costs for detailed analyses on examination reports → delay

fees for granting and validation → delay by filing minor amendment in response to comm. R 71(3) EPC → reduce number of validation countries
1. Immediate Action

A  Inventions/new applications
B  Examination proceedings
C  Annuities
D  Oppositions
E  Further immediate actions

For all options
Closely monitor (extended) time limits and situational specifics to avoid (irrevocable) losses of rights

- Check for delay of due annuity fees → But: Surcharges of up to 50% may apply!
- Use extended deadlines to make decisions → See mid-term measures
- Watch out for employees’ inventions under German law!
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**For all options**
- Closely monitor (extended) time limits and situational specifics to avoid (irrevocable) losses of rights

- In pending opposition proceedings, get extensions of deadlines, where possible
- When a deadline in pending opposition proceedings is missed, still file the submission later with explanation of delay or as anonymous third-party observation
- Consider filing “minimal” opposition → watch out not to strengthen patents by unsuccessful two-sided proceedings
1. Immediate Action: Example 3

- Immediate costs for submissions
- €
- “minimal” opposition

- € opposition fee and costs for opposition

- delay and/or keep
- “minimal”, possibly file as
- third-party observations

- Patent propriety appeal

Graphic adapted from EPO Guide for applicants
1. Immediate Action

- **A** Inventions/new applications
- **B** Examination proceedings
- **C** Annuities
- **D** Oppositions
- **E** Further immediate actions

  - **E1** Put on hold FtO projects
  - **E2** Put on hold non-deadline related work/special projects
    - *Keep list and monitor for resumption*
  - **E3** Ask for longer payment terms
**1. Immediate Action: Questions?**

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## 2. Mid-term measures

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- **To this core of the portfolio**
  - only apply reversible/recoverable measures
  - Identify the inventions, applications and patents most important for the current and future business
  - Identify the applications and patents most likely to be infringed by competitors
  - Identify a minimal/appropriate set of countries most important for the current and future business
2. Mid-term measures

- **A** Safeguard the core of the portfolio

- **B** Make smart cuts on the rest of the portfolio

- **C** Further strategies for examination proceedings

- **D** Further opposition strategies

- **E** Bolster your market share and portfolio profitability

- Review in particular patents and applications older than 12 years for relevance and potential abandonment
  
  → See also strategic review for commercialization prior to abandonment

- Watch out for employees’ inventions under German law and possible (licence) agreements!
## 2. Mid-term measures

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- Use successful claim limitations from parallel examination proceedings and/or PPH options to streamline international prosecution
- Consider filing “minimal” responses to Office Actions when no further extensions of deadlines are possible
- Use PCT applications to “buy time” and delay decisions/cost of national/regional applications
- Use videoconferencing for oral hearings with Patent Offices
2. Mid-term measures

A. Safeguard the core of the portfolio

B. Make smart cuts on the rest of the portfolio

C. Further strategies for examination proceedings

D. Further opposition strategies
   - Team up with other companies to file shared opposition
   - Consider filing “minimal” submissions on most decisive points
   - Consider continuation of opposition on the Patent Office’s own volition and national nullity suits in selected jurisdictions as fall back options
   → watch out not to strengthen patents by unsuccessful two-sided proceedings

E. Bolster your market share and portfolio profitability
2. Mid-term measures

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- Harvest most promising inventions for future business and start preparation for patent filings
- Evaluate design-around solutions for important third party patents, in particular also for opposed patents
- Gather possibly infringed patents and documents on acts of infringement by competitors for patent enforcement in order to gain market share
2. Mid-term measures: Example 1

Status quo/before crisis

Increase market share in a shrinking market

- Competitor 1
- Competitor 2
- Competitor 3
- Your market share

In recession

Protect new inventions

Enforce patents

Increased market share

Design around third-party patents

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## 2. Mid-term measures: Questions?

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3. Strategic long-term review

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- Match IPR to Business Strategy
- Integrating innovation and decision processes
- Realign Application Strategies
3. Strategic long-term review

A. Match IPR to Business Strategy

B. Integrating innovation and decision processes
   - Identify current/future business areas and possible changes
   - Match inventions/families to current/future business areas
   - Match country coverage to current/future business areas

C. Realign Application Strategies
3. Strategic review: Example 1

€ for validation in all EPC states: up to 60,000 EUR

€ for validation in three selected EPC states DE, FR, GB may be as low as 1,600 EUR*

*depends on requirements of selected states
3. Strategic long-term review

3. Strategic long-term review

A  □ Match IPR to Business Strategy

B  Integrating innovation and decision processes

C  Realign Application Strategies

- Identify current/future business areas and possible changes
- Match inventions/families to current/future business areas
- Match country coverage to current/future business areas
- Before abandoning parts of the portfolio, explore options for commercialization, such as licensing
3. Strategic long-term review

3. Strategic long-term review

A  Match IPR to Business

B  Integrating innovation and decision processes
   - Align patent process from invention harvesting through application and examination with product development/management
   - Identify and regularly update usage of patents in products, countries and by competitors
   - Designate decision makers for all patent related decisions and create quick and reliable decision making routines

C  Realign Application Strategies
3. Strategic review: Example 2
3. Strategic long-term review

A. Match IPR to Business

B. Integrating innovation and decision processes
   - Consider language of first filings, also in view of envisaged country coverage
   - Review choice of Patent Office for first filings, e.g. regarding possible filings languages and cost, quality and timing of search results
   - Decide whether fast paced or delayed examination best fits which parts of the portfolio and apply strategies like priority claims, PPH, PACE, PCT direct, PCT Chapter II accordingly

C. Realign Application Strategies
3. Strategic review: Example 3

Combination offices/languages and of filing routes as an option to save cost and delay/accelerate as needed

1. National Routes
   - National Patent Offices
   - Patents

2. Regional Route
   - Regional Patent Office (ARIPO, EPO)
   - national Patents

3. International Route (PCT)
   - Int. Search Auth. / Int. Prelim. Exam. Authority
   - [International phase]
   - [National phase]

Patent Prosecution Highway (PPH) as an option to streamline international prosecution

Graphic adapted from WIPO and EPO Guide for applicants
### 3. Strategic review: Questions?

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Summary

- Be **aware** of the range of **all the options** you have for **immediate**, **mid-term** and **strategic long-term** actions.

- Align the measures with your company’s **business strategy** and **competitive environment**.

- **Combine** this knowledge to apply **selected measures** to **individual cases** to build and safeguard a **strong portfolio** within your **budget requirement**.

Act **wisely** and use the crisis to **grow stronger**.
Thank you!

Dr.-Ing. Katrin Winkelmann

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European Trade Mark and Design Attorney

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Disclaimer

The measures described herein are subject to the threat of partially irrevocable legal consequences.

It is recommended that qualified legal advice be obtained before implementing any of the measures described herein.