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Eric Elting is the Director of Global Legal and Patent Business Development for TransPerfect Translations. He regularly speaks on patent-filing issues at legal conferences around the world, such as the EPO Patent Information Conference, and gave a talk at the 43rd DIA Annual Meeting entitled 'Strengthen and Secure your Global and Intellectual Assets.' Under his tutelage, TransPerfect has become a leading provider of translation and legal support services to Global 100 and Fortune 500 corporate legal departments around the world. The company translates in more than 100 languages and has over 50 offices worldwide.

Filings for less

 *How companies can stop wasting money on patent translations and love their intellectual property*

In April 2008, candidates to be the next Director General of the World Intellectual Property Organization (WIPO) met to discuss civil society groups' concerns regarding accountability and transparency, including the many issues underlying the patent application process. Recognising the 'knowledge gap' and technology challenges faced by developing countries, candidates emphasised the importance of translating information into languages other than French and English.¹ However, despite this acknowledged need for transparency within the international patent filing process, the question of how to manage the costs and complications associated with the current linguistic requirements remains open.

The London Agreement, which took full effect on 1 May 2008, aims to reduce application costs by minimising the requirements to file translations of granted patent applications under the European Patent Convention. Under the agreement, member states are classified into one of two categories:

- (1) states having an official language in common with one of the official languages of the European Patent Office (English, French and German), and
- (2) states having no official language in common with one of the official languages of the EPO.²

In accordance with Article 1(3), states within the first category may opt out of

the translation requirements altogether, while states within the second category have significantly reduced requirements: as long as the patent is granted in one of the three official languages of the EPO, filing parties may only need to supply their state with a translation of the claims in the state's official language. In this manner, little translation is required in order to register your patent with multiple EPO member states. However, the London Agreement is not a silver bullet. Participation is voluntary, and many states have yet to ratify the agreement. Additionally, the London Agreement only covers the EU; other countries will have to continue operating under the status quo. As IP demands within the EU continue to increase, languages outside English, French and German will enter into the system from developing countries, replacing if not adding to the original traffic in the process.

While the need for a more efficient filing process is universally acknowledged, the movement towards a single-language system will likely remain incremental. It is therefore no surprise that patent-filing managers of international corporations are shifting away from the traditional approach of using foreign counsel for non-legal work, and exploring new methods for protecting their assets. In this approach, filing managers pass their original application to in-country counsel, who then liaises with foreign associates who perform the legwork and, more often than not, the translation itself.



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Costs associated with this filing process include the fees associated with filing in the various countries and the additional costs of translating the application from the source language into the target language. In many situations, a third-party, professional translation services company can produce less expensive translations while further trimming costs by eliminating the need for local counsel.

In Europe especially, the costs of translation can be staggering. According to the EU Observer, Europe lags far behind the United States and Japan in overall patent-filing activity.³ According to the online magazine *Japan Inc*, a single European patent can cost between €15,000 (\$23,600 USD) and €45,000 (\$70,800 USD) to file and take through to grant. The final figure depends on many factors, particularly the European states where protection is required, with the fees for translations often taking up the lion's share.⁴ The article later goes on to break down the specific costs of filing with the EPO: a single patent application with around 20 pages of description and around three pages of claims, converted into granted patents in the UK, France and Germany, may incur translation charges of around €3,000 (\$4,700 USD). If the list of countries is extended to include Austria, Denmark, Italy, Portugal, the Netherlands, Spain and Sweden, the costs skyrocket to €14,000 (\$21,900 USD).

Enterprises who partner with a third-party language services provider will significantly reduce these costs through the use of Translation Memory (TM) tools, which can identify and leverage repeat text across all past and current patents within an organisation. Since most companies focus on a particular subject area, such as medical devices

or computer technology, each organisation's patents will naturally share a significant amount of repeat or similar terminology. Repeat text costs much less to translate than new text. Over time, as a company accrues more translation memory, the savings will naturally increase. For companies that have never worked with a translation provider, any past patents can be analysed for repeat text, resulting in an instant translation memory database that can yield immediate cost reductions.

“ Translation Memory tools ... can identify and leverage repeat text across all past and current patents within an organisation. ”

My organisation, TransPerfect, recently performed this type of analysis for a pharmaceutical company with whom we had no prior relationship. We found over 50% repeat text in 5 patents, saving the client €7,800 (\$12,000 USD) on their immediate patent translation needs.

Companies who have high-volume needs will reap the most savings from TM. In 2005 and 2006, TransPerfect studied 300 patents for leading pharmaceutical and technology companies and identified how often each company had repeat text within individual patents and across multiple patents. Of the two industries, Life Sciences had the most repeated text. An analysis of one pharmaceutical company's patents showed 3.1 million total words, with 2.1 million words repeated throughout seven applications. Five additional applications showed

even greater amounts of repeat text when compared to the original translation work. By contrast, one technology company only had 14 percent repeat text over 51 applications—not as impressive, but still a significant cost reduction.

In addition to cost savings through TM, third party providers can guarantee much higher levels of accuracy than a foreign associate who happens to also offer translation services. Not only is accuracy essential to the filing and approval process, but it helps your patent stand up to scrutiny in the event of a dispute. According to Martin Köhler, German attorney-at-law and partner of the IP law firm Reimann Osterrieth Köhler Haft in Düsseldorf, the more complex the technology, the more difficult it may be to establish that all features of a patent claim are fulfilled. Under German civil procedure rules, for example, the patentee has to establish that every feature of the claim is used by the infringer. As long as the patentee has not established to a certain extent the necessary facts, the defendant in principle is not obliged to present counter-arguments.⁵ In other words, highly complex patents must be translated with pinpoint accuracy if they are to hold up in a dispute. The best third-party language services providers can assist attorneys in this matter by translating each patent with a native-speaking linguist who has extensive experience on the subject matter at hand, ensuring that even extremely technical patents are translated more accurately and efficiently.

Additionally, language services providers with a significant amount of patent experience are familiar with all relevant international regulations and have best-practice workflows in place that can further speed the process. They can advise each client on the most



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efficient filing procedures and outfit them with customised technology tools that can speed the translation request and delivery process. While these may sound like minor efficiencies, speed is absolutely essential to the success of any company's patent initiatives. Especially in this digital age where information travels at the speed of light, counterfeiting is a rampant problem; getting your products patented as fast as possible can help protect your investment.

At present, partnering with a reputable language services provider is the ideal means for creating cost and time efficiencies in the international filing process. That said, we can all keep crossing our fingers that a single-language system will soon go into effect. While the EPO continues pressing

forward with the London Agreement, members of the industry actively seek to simplify and perfect the current system by means of the Triway Pilot Programme. At the trilateral pre-conference in 2005, the United States Patent and Trademark Office (USPTO), along with the EPO and the Japan Patent Office (JPO), offered a proposal in which the three offices would join forces to form a Triway Office in order to cut back on time and costs concerning the patent application process. Under this proposal, each office would conduct searches on corresponding applications filed under the Paris Convention. The proposal was agreed upon in November of 2007 and will run for a year at a set date of 28 July 2008 – 28 July 2009.⁶ By launching this trilateral proposal, the patent industry is hoping to create a new search sharing process that would better execute the expertise of each office and its role in the entire application process.

Understanding the IP Industry's challenges in translation is as important as understanding its opportunities towards success. The use of a third party vendor not only eases the headaches within the application process, but ensures continuous quality

and success after the patent has been accepted and enters into commerce and trade. Though we can and should continue to work towards a more efficient system for international IP filings, the need for patent translation will continue to exist. While old habits die hard, companies who employ a reputable language services provider for their patent translations will see marked cost reductions and enjoy faster time-to-market. And let's not forget, getting your IP to the market is what this is all about.

Notes

- 1 <http://www.ip-watch.org/weblog/index.php?p=1016>
- 2 <http://www.epo.org/patents/law/legal-texts/london-agreement/key-points.html>
- 3 Elting, Eric. Translation Inflates Cost of EU Patents, Executive Counsel, September/October 2007
- 4 http://www.japaninc.com/mgz_jan-feb_2008_european-patent-applications
- 5 Kohler, Martin. Germany: enforcement of patents for electronic inventions World Focus: IP & High Technology. October 2006. p.17.
- 6 <http://www.epo.org/patents/law/legal-texts/InformationEPO/archiveinfo/20080716.html>



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