

The Limited Monopoly™

The "Two Wild and Crazy Guys International Patent Registry"

by John Hammond PE and Robert Gunderman, PE

"I Got This Invoice Yesterday..."

There isn't a month that goes by where we don't get a call from a perplexed client making an inquiry about an invoice received for "registration" of their PCT patent application in a prestigious international patent and trademark database. The invoices almost always have an aura of credibility: an official-sounding name of the database (or "register," "index," or "service"), a nice logo, a barcode, complete application bibliographic data, and of course, complete bank information for making payment by wire transfer for the privilege of registration for one year.

We always respond with a six word question: "You didn't pay that, did you?" So far, we've always had the relief of hearing "No." A couple of times, though, the invoice has found its way to Accounts Payable, and was down to the last level of approval for payment. No doubt you get the drift here – if you have a pending PCT application and you get one of these, you can be sure that *it's a scam*. If you pay the invoice, the bibliographic information of your PCT application is published in the prestigious database, which is worth... nothing. All of that information is already available to anyone online from the World Intellectual Property Organization (WIPO), which is the governing body for PCT applications, at no charge.

A Low Overhead Business

At any one time, there are probably dozens of these PCT fee scam companies in operation. It is easy to understand why. All that a scammer needs is a one-room office, a PC with an internet connection, and a printer. (Reciting an "office" is probably being generous; a basement, garage, or bedroom is a more likely venue.)

WIPO publishes every PCT application at eighteen months from its priority date. A published application includes all of the bibliographic data, including the mailing address of the Applicant, which is typically a corporate address. So all that a scammer needs to do is browse the newly published applications each week online, and troll for new targets. Those more skilled in database and internet software and in hacking security provisions may even be able to automate the invoice generation process.

You have to wonder – is the effort really worth it? Could anyone be that gullible? In most cases where they score, it's probably not a matter of gullibility, but rather one of bureaucracy. The invoice finds its way to Accounts Payable, someone is in a hurry, maybe it gets confused with a legitimate invoice, and payment is made. Certainly, that is a rare occurrence. But considering that more than 194,000 PCT applications were filed in 2012, and the typical invoice is for 2000-3000 Euro, if the hit rate is a few tenths of a percent, that's good enough for some folks to choose vice over virtue.

WIPO Has Put the Word Out

WIPO has been diligent in calling out the various scam companies. They have provided a web page¹ that summarizes the various scams, as well as additional pages^{2,3} with actual samples of scam invoices. If you have received a PCT scam invoice, have a look there. Chances are you'll see one from the same esteemed company that was received by another Applicant and forwarded to WIPO. If not, scan and e-mail it in. They are glad to publish them, and they do keep the list current. As of this writing, the most recent invoice on display by WIPO was posted on

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April 5th, just five days before our press deadline.

Browsing through the images of the scanned invoices, several things are notable. Some of the logos on the invoices have a "stars and stripes" motif, implying a connection to the USPTO. Others have a hint of similarity to the WIPO logo. Lastly, the most recent (2012-2013) invoices seem to originate primarily from Eastern Europe – the Czech Republic, Slovakia, Poland, and Hungary. Perhaps someone versed in international business law could explain this trend, but we can't offer an explanation other than observing that there is a pattern. Thus the origin of any invoice that you might receive should be a first red flag.

Here is a second one: if you have retained a licensed patent practitioner, you should never get any official correspondence on your patent application from the USPTO or WIPO. Your practitioner's location is the correspondence address of record in either instance. Therefore if you directly receive any communication regarding your PCT or U.S. application, as well as most foreign applications, that communication is suspect.



The TWCG Registry

Being of a particular age, we have fond memories of certain vintage Saturday Night Live episodes. Given the origin of so many of these scams, we can't help but picture would-be entrepreneurs George and Yortuk Festrunk⁴ founding the "Two Wild and Crazy Guys International Patent Registry." (Of course, these days with social media, they would be easy to spot; just look for the loud plaid pants and polyester shirts.) So if you get an invoice from them, or from any other so-called registry, don't pay it. Pass it along to your patent practitioner, or forward it to WIPO so that they can add it to their online collection. You might save someone else more than a few Euro.

1. www.wipo.int/portal/en/scam_warning.htm
2. www.wipo.int/pct/en/warning/pct_warning.html
3. www.wipo.int/madrid/en/fees/invoices_2012.jsp
4. Readers under 40: see <http://www.youtube.com/watch?v=DPy1D-bsFDE>

Authors John M. Hammond P.E. (Patent Innovations, LLC www.patent-innovations.com) and Robert D. Gunderman P.E. (Patent Technologies, LLC www.patenttechnologies.com) are both registered patent agents and licensed professional engineers. They offer several courses that qualify for PDH credits. More information can be found at www.patenteducation.com. Copyright 2013 John Hammond and Robert Gunderman, Jr.



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