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PROPOSAL BY THE UNITED STATES OF AMERICA, JAPAN AND THE EUROPEAN PATENT OFFICE FOR ESTABLISHING A NEW WORK PLAN FOR THE STANDING COMMITTEE ON THE LAW OF PATENTS (SCP)

Document prepared by the International Bureau

1. The Annex to this document contains a proposal by the United States of America, Japan and the European Patent Office relating to the establishment of a new work plan for the Standing Committee on the Law of Patents (SCP), received in a communication dated July 12, 2004, requesting, pursuant to Rule 5(4) of the WIPO General Rules of Procedure, that this item be added to the agenda.

2. The General Assembly is invited to consider the proposal contained in the Annex.

[Annex follows]

ANNEX

PROPOSAL FOR ESTABLISHING A NEW WORK PLAN FOR THE STANDING COMMITTEE ON THE LAW OF PATENTS

by

The United States of America, Japan and the European Patent Office

BACKGROUND

1. The World Intellectual Property Organization (WIPO) has been considering substantive patent law harmonization for over twenty years. Discussions began in 1983 when the WIPO Director General proposed a study on the legal effects of an international grace period on patent law. Work on the study gradually evolved, through the commendable efforts of the Committee of Experts, into a draft substantive harmonization treaty text. That text was the focus of the ultimately unsuccessful 1991 Diplomatic Conference on the Conclusion of a Treaty Supplementing the Paris Convention as far as Patents are Concerned.

2. In the aftermath of the failed 1991 Diplomatic Conference, substantive harmonization was set aside as a topic of discussion. In November 2000, however, work on substantive patent law harmonization began anew in the WIPO Standing Committee on the Law of Patents (SCP) with a view to concluding a Substantive Patent Law Treaty (SPLT).

3. Since November 2000, the SCP has held six sessions to discuss the scope and content of the SPLT. The goal of the SPLT is the harmonization of issues relating to the grant of patents. Substantive patent law harmonization will facilitate the objectives of enhancing patent quality and producing beneficial results for the users of the patent system world-wide.

4. Although the work of the SCP has produced some useful results, the lack of progress at recent SCP sessions clearly demonstrates that the current model for discussion is not workable. Indeed, discussions in the SCP have degenerated to the point that the SCP was unable to agree to a further work program at its most recent session of May 10-14, 2004. There are several reasons for this lack of progress. A significant shortcoming of the current model is the sheer volume and complexity of issues to be covered at each SCP session. Each of the sixteen SPLT Articles, each of the sixteen Rules and all of the accompanying Practice Guidelines (180 paragraphs total in the current draft) are placed on the agenda for discussion at each session. Beyond this, the draft treaty documents contain several provisions that have been extremely controversial and of a high political sensitivity, leading to postponement of discussions on some provisions and protracted debates with little resulting progress on others.

5. Against this background, and as noted by the International Bureau (IB) in SCP/10/8, several groups, including the Trilateral Offices (United States Patent and Trademark Office, Japan Patent Office, and the European Patent Office), the International Association for the Protection of Intellectual Property (AIPPI), the American Intellectual Property Law Association (AIPLA) and the United Kingdom Chartered Institute of Patent Agents (CIPA), met in the interim between the May 2003 and May 2004 SCP sessions to consider ways to move the SCP talks forward. Each of these efforts focused on reducing the SPLT to a more

manageable "first package" of provisions that could lead to near-term agreement and positive results for all stakeholders in the patent system.

6. Responding to the invitation from the IB in SCP/10/8, Japan, the United States of America and the European Patent Office submitted a proposal (SCP/10/9) for adoption at the May 2004 SCP meeting to reduce the scope of the SPLT to a "first package" of prior art-related provisions. Despite support from many delegations at the May meeting, there was no consensus on adopting the proposal, as reflected in the Chairman's Summary (SCP/10/10 Prov.). In addition, there was no consensus on the broader issue of future work for the SCP. Many delegations noted that continuing with the current model of discussing the entirety of the current draft SPLT documents is unmanageable, inefficient, and unworkable, and, therefore, was no longer a viable manner in which to proceed. In view of the division of opinions on how to proceed with the work of the Committee, the Chairman concluded that there was no consensus on the future work plan for the SCP.

PROPOSAL FOR A NEW WORK PLAN

7. The lack of consensus as to a way forward in the SCP, coupled with the importance of meaningful harmonization to stakeholders of the patent system, highlight the urgent and imminent need for the General Assemblies to adopt a sensible work plan for the SCP. That work plan should be manageable in scope, yet sufficiently comprehensive to achieve positive and effective results. Moreover, the work plan should focus on the issues which are the most likely to produce near-term consensus, yet include provisions that will address the concerns of all stakeholders.

8. In this light, we propose that the General Assemblies should: (1) decide modalities for the future work of the SCP; and (2) adopt a revised approach that limits the work of the SCP to an initial package of priority items as set forth below, with a view to concluding a more limited substantive patent law treaty as soon as possible. Specifically, it is proposed that a logical place to begin discussions is with the following prior art-related issues:

1. Definition of Prior Art
2. Grace Period*
3. Novelty
4. Non-obviousness/Inventive Step

Discussion on other issues of substantive patent law in the SCP would be deferred pending resolution of these priority issues.

9. Such provisions would provide the best opportunity for near-term agreement and results. Harmonization on these issues would result in consistent examination standards throughout the world, improved patent quality, and a reduction in the duplication of work performed by patent offices. An internationally recognized definition of prior art should also address concerns regarding protection of traditional knowledge, as discussed by the WIPO Intergovernmental Committee on Traditional Knowledge, Genetic Resources and Folklore.

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* Since grace period and first-to-file are linked, grace period, although included in the first package for discussion, is subject to movement on first-to-invent.

10. While the proponents of this proposal might prefer a more expansive treaty, it is with a spirit of compromise that we propose the aforementioned framework for proceeding within the SCP. This approach still provides sufficient flexibility required for national practices to continue or proceed at whatever pace or level is appropriate.

CONCLUSION

11. Twenty years is far too long to have dwelled on a subject so important to the global economy, to the stakeholders of the patent system and to patent offices worldwide. For this reason, it is proposed that the General Assemblies adopt the above-identified work plan for the SCP that focuses on harmonizing a first package of prior art-related issues. It is our sincere hope that we can adopt a plan for future work of the SCP so that we can achieve meaningful progress toward our shared objective of substantive patent law harmonization. We believe that the current proposal, outlined above, presents a constructive contribution to this end.

[End of Annex and of document]