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INTERNATIONAL PATENT COOPERATION UNION
(PCT UNION)

MEETING OF INTERNATIONAL AUTHORITIES
UNDER THE PCT

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DRAFT PCT INTERNATIONAL SEARCH AND
PRELIMINARY EXAMINATION GUIDELINES:
COMMENTS BY THE INTERNATIONAL FEDERATION
OF INDUSTRIAL PROPERTY ATTORNEYS (FICPI)

Document prepared by the International Bureau

1. The comments appearing in the Annex to this document were submitted by FICPI with the request that they be taken into account in the course of the revision of the PCT International Search and Preliminary Examination Guidelines.

2. *The Meeting of International Authorities is invited to consider the comments set out in the Annex to this document.*

[Annex follows]

ANNEX



FÉDÉRATION INTERNATIONALE DES CONSEILS EN PROPRIÉTÉ INDUSTRIELLE

OFFICE OF
THE PRESIDENT

29 October, 2002

BY EMAIL

Dr Kamil Idris
Director General

World Intellectual Property Organization
34 chemin des Colombettes
1211 Geneve 20
SWITZERLAND

Dear Dr Idris,

PCT Reform

As you certainly know, FICPI is a federation of private practitioners, from some 70 countries, who are professionally involved in intellectual property matters.

We are pleased to have the opportunity to take part in the initiatives undertaken by WIPO. It is essential to our membership that we are engaged in the ongoing process of improving the patent system. Accordingly, we welcomed your initiative on the "Patent Agenda". We regarded this initiative as a challenge, and we had extensive consultations among our members before we compiled our written response in February this year.

We also closely follow the reform of the Patent Cooperation Treaty (PCT), initiated by the US about two years ago. Despite the success of the system, there is of course always room for improvement. The heavy workload on the major patent offices was also a decisive factor. At the first PCT Reform Committee meeting in May 2001, a number of goals were set up. It was also pointed out by several delegations and observers that the reform should not only solve the current problems but should also constitute a long-lasting improvement.

In order to cope with the workloads that have built up considerably during recent years, the EPO and the USPTO unilaterally decided to change their statutory provisions such that the Chapter I time limit was deferred from 20/21 to 30/31 months. In order to retain the overall system and to avoid different rules to be applied, the PCT Assembly shortly afterwards modified the PCT Article 22 time limit correspondingly. Now, the PCT member states are changing their national patent laws so as to accommodate for this change. As a consequence, many applicants will now refrain from using Chapter II. To some extent, this may solve the problems associated with "unnecessary" examination work (where the applicant has no interest in entering into a dialogue with the PCT examiner).

Correspondence to:

**The President
FICPI**
21st Floor
367 Collins Street
Melbourne 3000
Australia
Telephone
+61 3 9622 2215
Facsimile
+61 3 9620 4068
E-mail
mroyal@ficpi.com

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It should be noted, however, that the extension of the Chapter I proceedings in itself does not solve the bulk of the workload problems. To a large part, it gives a transitional effect only, and this effect will disappear after a few years.

During the last year, the PCT Working Group, the PCT Reform Committee and the PCT Assembly have prepared and decided on a further set of PCT Rule changes involving an "enhanced" search and examination system which will enter into effect in January 2004. The search examiner will prepare an opinion on patentability along with the usual search report. In case the applicant chooses Chapter II and enters into international preliminary examination proceedings, this written opinion is considered to constitute the first written opinion of the International Preliminary Examining Authority in spite of the fact that it was drawn up by the search examiner. This will have the effect that the presently existing obligation on the Examiner to enter into a dialogue with the applicant is virtually eliminated. It is entirely up to the Examiner whether he should somehow notify the applicant of a negative determination on patentability or if he should directly issue a negative Report by simply transforming the written opinion into an International Preliminary Report on Patentability (Chapter II PCT).

Admittedly, it was a remarkable achievement by the International Bureau to work out all the necessary Rule changes to implement this new scheme and to navigate between the various interests of the member states.

However, for the users, the new system is unfortunate. The major flaw is that the single major effort made by the PCT authority is made at an early date when the applicant is not yet aware of the prior art relied upon by the search examiner. The major offices have declared that there is no time for the PCT examiners to enter into a substantive examination process. The European Patent Office has actually suggested a shift of the dialogue part of the PCT procedure (the workload associated with examination of the application) from the international to the national phase. See document PCT/R/WG/2/1 Add.1, paragraphs 7 and 8.

Upon receiving a search report, a diligent applicant will normally restrict the claims in view of the cited art and then enter into Chapter II proceedings by filing a demand together with amended claims. Under the present system, the applicant knows that he will either receive a written opinion containing the Examiner's objections or a positive International Preliminary Examination Report (IPER). In the former case, the applicant will have the opportunity to further amend the international application before the IPER is established.

Under the new system, as a result of the recently adopted Rule changes, the applicant has no guarantee that he will be allowed to enter into a dialogue with the Chapter II examiner and to make further amendments to the international application before the International Preliminary Report on Patentability (Chapter II) is established. It is entirely up to the Examiner (under Rule 66.4) to decide on the further processing of the application, and he may directly issue a negative Report.

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Our federation intervened on this point at the May meeting of the PCT Reform Working Group. In June, some user groups, IPIC, FICPI, ABA and JIPA, made a joint submission to the PCT Reform Committee (PCT/R/2/7), and this submission was supported by virtually all user groups at the Committee meeting in July. However, the Committee turned down our suggested amendment of Rule 66 (by adding a new provision in Rule 66.2(f)). See the Committee report PCT/R/2/9 paragraphs 36 through 42.

Our main concerns are the following:

Rights under PCT Article 34

According to Article 34(2)(a), "The applicant shall have the right to communicate orally and in writing with the International Preliminary Examining Authority". This provision of the Treaty is bypassed by the new rule changes.

No value for money

In case the applicant pays the necessary fee for Chapter II proceedings, and the Examiner directly issues a negative Report, the applicant has not been given a fair chance in spite of the extra money invested.

One less opportunity to amend the international application

Under today's system, and in line with the basic ideas of the PCT system with separate search and examination, the applicant can amend the claims after receiving the search report but before the substantive examination under Chapter II. Thereupon, the applicant always has a further possibility to amend the international application if the examiner issues a written opinion with objections. Under the new system, the applicant has only one chance by right.

Importance to users

In some cases it is critically important to an applicant to receive a positive Report. One such case is when the applicant, e.g. an individual inventor or a start-up company, has to rely on investors for the exploitation and protection of the invention. Another case is where the applicant wishes to obtain patent protection in developing countries or other designated countries which rely on the PCT reports for their decision to grant or not to grant a patent. In fact, one of the main reasons for adopting the new scheme was an express need for such countries to receive a patentability report in each PCT application. The report will then form the basis on which the particular office finally determines whether or not to issue a patent.

Workload considerations

There is a great risk that the new system will be counter-productive in that a substantial part of the workload will be shifted from the PCT authorities to the national and regional offices as a consequence of the applicants receiving negative opinions in a larger number of cases, possibly in a major part of all PCT applications.

In national (non-PCT) patent applications, on the other hand, a normal first Office Action contains one or more objections to patentability. Just as often, after a dialogue with the applicant and amendment of the claims, the Examiner is prepared to allow the application and grant a patent.

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It is quite possible or even likely that many applicants will now enter into the national or regional stage with a negative International Preliminary Report on Patentability (Chapter I or Chapter II). Consequently, the necessary dialogue will be deferred to parallel proceedings in two or more Offices. No doubt, this will involve a duplication of effort and an increase of the total workload.

Future work on PCT Reform

We understand that the PCT Reform process will continue and that the Chapter I and II proceeding will possibly be merged into one procedure. Maybe it will be possible to eliminate the above-mentioned drawbacks in such a unitary procedure. Our federation will follow this development with great interest and is willing to take part as an observer in the process.

However, at present, the Guidelines for Search and Examination will be revised in view of the recently adopted Rule changes, a work to be carried out by the PCT authorities in cooperation with WIPO. It is our hope that you will assist us in ensuring that our concerns will somehow be taken account in this work. This is very important for the users and for the continued success of the PCT system.

Yours sincerely



Malcolm Royal
PRESIDENT
mroyal@ficpi.com