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**INTERNATIONAL PATENT COOPERATION UNION
(PCT UNION)**

PATENT COOPERATION TREATY (PCT)
WORKING GROUP

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CLAIMS FEES

Document prepared by the European Patent Office

1. The European Patent Office (EPO) submitted a document to the last Meeting of International Authorities under the PCT (document PCT/MIA/15/9) proposing the introduction of a provision allowing International Searching Authorities to impose a claims fee for PCT applications, similar to the kind of claims fee which is charged by many PCT Contracting States under national law. As a complementary measure, the EPO also suggested a provision to allow International Searching Authorities to restrict the scope of the international search report in certain circumstances, again similar to national law; for example, under the European Patent Convention (EPC), only one independent claim per category is generally allowed.

2. As stated in document PCT/MIA/15/9, it is already well known from previous discussions on these issues that claims fees raise a number of legal and technical questions and that, if not properly implemented, claims fees could lead to undesired consequences in terms of applicant behavior. However, that is no reason to abandon efforts to achieve an acceptable, workable and effective means with which to equip International Searching Authorities to influence applicant behavior and keep their workload manageable. The alternative, it is suggested, would be to maintain the legal status quo in face of ever increasing filing numbers and added complexity of applications which, while maintaining the semblance of legal integrity, will in time lead only to *de facto* diminution of search quality, lack of

transparency and ultimately a lessening of confidence in the PCT system. Given the concerns already raised about the quality of international search and the sustainability of the current system raised in document PCT/WG/1/3, the EPO believes it is essential to bring the Treaty into line with the realities of present day filing behavior, not only from the point of view of users but also from the point of view of the International Searching Authorities.

3. For that reason, the EPO, while acknowledging the concerns expressed by many delegations in the Meeting of International Authorities - see the report of that meeting (PCT/MIA/15/13) - is encouraged by the generally supportive attitude of most delegations to the concept of claims fees and related measures. As regards the specific concerns raised in the Meeting of International Authorities, these might be summarized as follows:

(i) Article 17 permits only one sanction, i.e., deemed withdrawal of the international application - it is not possible to restrict the search to claims which have been paid for.

(ii) Applicants might limit the number of claims in the international phase in order to avoid claims fees only to reintroduce those claims after national phase entry before those Offices where no claims fee is payable.

(iii) There is no legal basis in the PCT to restrict the scope of the search to one independent claim per category.

4. Dealing with each of these objections in turn.

Deemed withdrawal is the only permissible sanction

5. The EPO does not favor a complete loss of rights in these circumstances as it would be disproportionate. A frequent criticism of PCT in the past has been that it is unduly complex and contains many traps for the unwary, often causing a complete loss of rights in circumstances where a less severe sanction, for example, a financial penalty or loss of some specific right, may have been sufficient. The EPO believes that failure to pay an excess claims fee falls into just such a category. It is of course right that applicants be penalized for failure to pay the correct fees on time; however, as the sanction under many national laws, including the EPC, is that the claim concerned, not the entire application, is deemed abandoned, this should apply equally in PCT. It is suggested that a specific Rule based on the restriction of search possibility, envisaged by Article 17, should be introduced on a discretionary basis. Similarly, the argument that Article 14 concerning non-payment of fees permits only one sanction, i.e., withdrawal of the international application, does not stand up to scrutiny. Article 14 refers to the prescribed fees payable to the receiving Office on filing the international application. Other fees, however, such as that regarding late filing of the sequence listing under Rule 13*ter* or late payment of the Chapter II handling fee under Rule 58*bis* 2 incur a penalty falling short of the deemed withdrawal of the international application and, in the EPO's submission, there is no reason why a similar provision involving curtailment of the search to those claims which have been paid for should not be introduced.

Applicants might limit the number of claims in the international phase and then increase them in the national phase

6. It is more likely that applicants, faced with the prospect of paying national claims fees, will seek to include many claims before an International Searching Authority where no claims fee is payable then amend in the most economically advantageous way possible after national phase entry. This will impose a severe search burden on the International Searching Authorities.

There is no legal basis in PCT to restrict the search to one independent claim per category

7. The EPO does not accept this argument, which seems to be based on an unduly literal interpretation of Article 17, i.e., that a restriction of search is only possible in those circumstances where failure to comply with prescribed requirements is so severe that a meaningful search would be completely impossible. What is required rather is a pragmatic interpretation of the Treaty provisions. Article 6 imposes a requirement that the claims must be clear, concise, fully supported by the description and define the matter for which protection is sought. Failure to comply with this requirement should indeed justify a restriction of the international search. However, taking a literal interpretation of Article 17 means that only in the most exceptional and blatant cases would a breach of Article 6 lead to any effective sanction in the international phase. Contrast this, for example, with the situation under the European Patent Convention where the corresponding provision to Article 6 is Article 84 EPC. Article 84 EPC has permitted introduction of a subordinate rule expressly allowing for restriction of examination to one independent claim per category. It is suggested that, on the basis of a purposive construction of Articles 6 and 17, there is no legal bar to introducing an analogous provision in the PCT concerning the scope of the international search report.

8. Nevertheless, as stated in the MIA document, the EPO does not intend to make a specific legislative proposal until all of the issues have been fully debated in this Working Group. This document is intended to serve as a basis for such discussion and the views of delegations are invited.

9. The Working Group is invited to comment on the proposals contained in this document

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