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RESTORATION OF THE RIGHT OF PRIORITY

Document prepared by the International Bureau

SUMMARY

1. At the fifth session of the Working Group, held 2012, the Working Group requested the International Bureau to further review the practices of designated Offices relating to the restoration of the right of priority under PCT Rules 49*ter*.1 and 2[1], which entered into force on July 1, 2007, and to present its findings to the next session of the Working Group. The present document sets out a summary of the findings of the review carried out by the International Bureau.

2. In sum, it appears that, in the five and a half years that Rule 49*ter* has been in force, designated Offices have only received a few national phase entries of international applications in respect of which the applicant had requested the receiving Office to restore the right of priority during the international phase (Rule 49*ter*.1) or in respect of which the applicant had requested the designated Office to restore the right of priority in the national phase (Rule 49*ter*.2). With regard to the former (Rule 49*ter*.1 cases), it would appear that most designated Offices accepted the decisions of receiving Offices to restore the right of priority and only very infrequently saw a need to review those decisions. With regard to the latter (Rule 49*ter*.2 cases), it would appear that designated Offices restored the right of priority in most cases, irrespective of the criteria applied by them.

[1] References in this document to "Articles" and "Rules" are to those of the Patent Cooperation Treaty (PCT) and the Regulations under the PCT ("the Regulations").

BACKGROUND

3. The PCT Union Assembly, at its September/October 2005 session, adopted amendments to the PCT Regulations providing for the restoration of the right of priority. New Rules 26*bis*.3 and 49*ter* were introduced with the aim of aligning the PCT with the provisions governing the restoration of the right of priority under the Patent Law Treaty (PLT). These amendments entered into force on April 1, 2007. New Rule 26*bis*.3 was further amended by the PCT Assembly at its September/October 2007 session, with effect from July 1, 2008.

4. Under the Regulations as amended, the PCT deals with the issue of the restoration of the right of priority under two different aspects: (i) requests for the restoration of the right of priority by the receiving Office during the international phase (Rule 26*bis*.3) and the effect of any decision by the receiving Office on designated Offices during the national phase (Rule 49*ter*.1); and (ii) requests for restoration of the right of priority by designated Offices during the national phase (Rule 49*ter*.2).

5. At the fourth session of the Working Group, held in June 2011, the Working Group requested the International Bureau to review the practices of Offices relating to the restoration of the right of priority under Rule 26*bis*.3 (receiving Offices) and Rules 49*ter*.1 and 2 (designated Offices). In response to that request, the International Bureau presented a summary of the findings of the review carried out by it to the fifth session of the Working Group (document PCT/WG/5/13).

6. With regard to Rules 49*ter*.1 and 49*ter*.2 (designated Offices), that review was carried out on the basis of a Questionnaire sent to the “top 20” designated Offices with the most national phase entries in 2011 and which are required to apply the provisions of Rules 49*ter*.1 and 49*ter*.2 (13 designated Offices in total). However, due to the insufficient number of responses received from designated Offices in reply to that Questionnaire, it was not possible for the International Bureau to carry out a meaningful analysis or to draw any meaningful conclusions as to the practices of designated Offices under Rules 49*ter*.1 and 49*ter*.2. It was therefore agreed by the Working Group at its fifth session that the International Bureau would again invite all designated Offices, by way of a Circular, to report on their experiences and to present its findings to the next session of the Working Group (see PCT/WG/5/22 Rev., paragraph 303, and document PCT/WG/5/13, paragraph 31).

7. As requested by the Working Group, the International Bureau sent another Questionnaire to all designated Offices to seek further information and feedback on their practices with regard under Rule 49*ter*.1 and Rule 49*ter*.2. A summary of the findings of this review is set out in the following paragraphs.

RESPONSES RECEIVED TO THE QUESTIONNAIRE

8. In general, the PCT provisions dealing with the restoration of the right of priority by designated Offices are to be applied by all designated Offices, except for those which have notified the International Bureau by April 5, 2006, that Rule 49*ter*.1 and/or Rule 49*ter*.2 were, on October 5, 2005, not compatible with the national law applied by the designated Office concerned. At the time of sending of the Questionnaire, such a “notice of incompatibility” was still in effect with regard to the Offices of the following 19 PCT Contracting States: Algeria, Brazil, Canada, China, Colombia, Cuba, Czech Republic, Germany, India, Indonesia, Japan, Republic of Korea, Latvia, Mexico, Norway, Philippines, Spain, Turkey and the United States of America.

9. In addition, a number of Member States belonging to a regional patent system have "closed the national route" and thus do not act as designated Offices; the designated Office before which applicants can enter the national phase is not the national Office of such a State but the competent regional patent Office (such as ARIPO, the EPO or OAPI). Currently, 27 States have so "closed the national route"; the EPO functions as designated Office for 11 such States, OAPI for 15 such States and ARIPO for one such State.

10. Therefore, the Offices of only 100 out of the 146 PCT Contracting States are, in effect, required to apply Rules 49*ter*.1 and 49*ter*.2 in their capacity as designated Offices. Out of those 100 designated Offices, 38 Offices[2] responded to the Questionnaire. Among those that did respond were all Offices belonging to the group of the "top 20" designated Offices (those with the most national phase entries) which have not submitted a notice of incompatibility and which have not "closed the national route".

EFFECT OF RESTORATION OF RIGHT OF PRIORITY BY RECEIVING OFFICES ON DESIGNATED OFFICES (RULE 49*TER*.1)

11. The Questionnaire asked designated Offices to indicate whether and in how many instances they had received international applications in respect of which a receiving Office had decided on a request for restoration made by the applicant during the international phase. Of the 38 Offices which responded to the Questionnaire, only nine Offices stated that they had received such international applications. In the majority of those cases, the receiving Office had restored the right of priority. All designated Offices which applied the "due care" criterion stated that, if the decision by the receiving Office to restore the right of priority right had been taken on the basis of the "unintentional" criterion, it would have no effect in their Offices and that the applicant would be required to submit a new request for restoration with the designated Office under Rule 49*ter*.2, in which case the request for restoration would be considered on the basis of the "due care" criterion.

12. Rule 49*ter*.1(d) provides for a limited review by designated Offices of a positive decision by a receiving Office to restore the right of priority. In response to the Questionnaire, a number of designated Offices stated that they had reviewed such positive decisions by receiving Offices. One designated Office stated that it would only check whether the relevant documentation was present and that the request for restoration was submitted in time. Two Offices responded that they reviewed positive decisions by receiving Offices only if there was reasonable doubt that a requirement under Rule 26*bis*.3 had not been complied with.

13. Designated Offices are not bound by decisions of receiving Offices refusing to restore the priority right (Rule 49*ter*.1(e)). In response to the Questionnaire, less than 10 per cent of designated Offices indicated that they routinely reviewed negative decisions by receiving Offices, whereas 25 per cent responded that they never reviewed negative decisions by receiving Offices. Over 60 per cent of designated Offices indicated that they reviewed negative decisions of receiving Offices only if expressly requested by the applicant.

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[2] Albania, Australia, Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Chile, Costa Rica, Croatia, Denmark, EPO, Eurasian Patent Organization, Georgia, Finland, Honduras, Hungary, Israel, Lithuania, Moldova, Morocco, New Zealand, OAPI, Panama, Papua New Guinea, Peru, Poland, Portugal, Russia, Singapore, Slovakia, South Africa, Sweden, Switzerland, Thailand, Ukraine, United Kingdom, Uzbekistan, Vietnam.

RESTORATION OF THE RIGHT OF PRIORITY BY DESIGNATED OFFICES (RULE 49*TER*.2)

14. In general, each designated Office is required, on request of the applicant, to restore the right of priority if the Office finds that the criterion applied by it is satisfied, namely, that the failure to file the international application within the priority period occurred in spite of due care required by the circumstances having been taken ("due care" criterion) or was unintentional ("unintentional" criterion); each designated Office must apply at least one of those criteria and may apply both of them (Rule 49*ter*.2(a)). Rule 49*ter*.2(f) also allows designated Offices to apply a more favorable criterion than those set out in Rule 49*ter*.2(a). Out of the 38 Offices which responded to the Questionnaire, 22 Offices stated that they applied the "due care" criterion[3], seven Offices stated that they applied the "unintentional" criterion and nine Offices stated that they applied both criteria. One Office stated that it applied a different criterion (which was more favorable to the applicant than the "due care" and "unintentional" criteria) and restored the right of priority based on a simple request for restoration made within the two months time limit.

15. In the Questionnaire, the International Bureau asked designated Offices to indicate whether they had received any requests for restoration under Rule 49*ter*.2(a) up to the end of 2012. 16 Offices responded that they had received at least one such request. Over 80 per cent of the responding Offices had received less than 10 such requests. One Office stated that it had received 200 such requests, by far the most of all Offices that responded.

16. Of the 16 designated Offices which had received requests for restoration under Rule 49*ter*.2, three Offices stated that they applied the "unintentional" criterion. All of these designated Offices had restored the right of priority in all cases in which they had been requested to do so.

17. Nine of the 16 designated Offices which had received requests for restoration under Rule 49*ter*.2 stated that they applied the "due care" criterion only. Of these, three Offices indicated that they had restored the right of priority based on the "due care" criterion in all cases in which they had been requested to do so; one Office stated that it had refused the one request it had received. Three other Offices stated that they restored the right of priority based on the "due care" criterion in 80 per cent, 93 per cent and 96 per cent of cases, respectively. The two remaining Offices stated that they had not made a decision in the cases pending before that Office by the time they completed the Questionnaire.

18. Four of the 16 designated Offices which had received requests for restoration stated that they applied both criteria. Two of those Offices indicated that they had restored the right of priority on the "due care" criterion in all cases, whereas one Office stated that it had done so in 80 per cent of the cases. One Office stated that it had not taken any action on a request for restoration it had received because the receiving Office had already restored the right of priority.

3 One Office informed the International Bureau that it applied a different criterion, namely, it restored the right of priority under Rule 49*ter*.2 if the applicant failed to file the international application due to "circumstances beyond the control of the applicant". The Office explained that its legal provisions had been in place prior to the adoption of Rule 49*ter*. Even though the Office acknowledged a possible disparity between its standard and the standard set out in Rule 49*ter*, the standard applied by that Office could still be considered a strict application of the "due care" criterion. For the purposes of this document, the International Bureau considered the criterion applied by this Office as falling under the "due care" criterion.

Requirements for the “Due Care” Criterion

19. Designated Offices which applied the “due care” criterion indicated that they restored the right of priority if the error was an “isolated”, “unforeseeable” or “unavoidable” mistake in a normally satisfactory process set up to ensure the timely filing of the international application within the priority year, or which resulted from “exceptional circumstances”. Some Offices stated that they required that the failure to timely file the international application occurred through “no fault” or despite “due diligence and prudence”. Many Offices stated that, in order to satisfy the “due care” criterion, “all reasonable means” had to have been undertaken to ensure the timely filing of the international application. Several Offices stated that if the mistake was attributable to an assistant, the applicant or agent had to show that the person selected was qualified, instructed properly and supervised sufficiently.

20. Almost all designated Offices indicated that an accident, illness or a long stay in hospital was one of the typical scenarios where the Office might restore the right of priority right based on the “due care” criterion. A number of Offices further indicated “force majeure” situations, such as earthquakes, floods, heavy snow, fire, destructive storms, war, revolution, civil disorder, strike, etc. as reasons meeting the “due care” standard. A delay in the mailing service, an unforeseeable breakdown of the automated system or a docketing error made by a sufficiently trained and experienced employee were also mentioned as possible scenarios meeting the “due care” standard. Examples presented by designated Offices which would not qualify as “due care” included: lack of a satisfactory monitoring system; not allowing sufficient time for a fax transmission; financial difficulties; workload; absence from the Office due to a business trip or holiday; lack of knowledge of the PCT or of the 12 months time limit; or the fact that not only one isolated but several independent mistakes had resulted in the late filing of the international application.

21. In summary, it would appear that most Offices apply a similar “due care” standard under Rule 49*ter*.2. Only two designated Offices appeared to apply a slightly stricter "due care" standard, with one of them accepting only “circumstances beyond the control of the applicant”, whereas the other required that it had been "impossible” for the applicant to file the international application in time.

Requirements for the “Unintentional” Criterion

22. In the Questionnaire, Offices had been requested to explain the requirements an applicant had to meet in order for the Office to restore the right of priority based on the “unintentional” criterion. Some Offices indicated that, in such a case, any reasonable explanation would suffice; others required that the applicant had the “intention to meet the deadline”, or that the applicant did not “deliberately” fail to timely file the international application. One Office stated that any failure to file the international application in a timely fashion resulting from any error would be regarded as “unintentional”. Another Office indicated that it required that the applicant complied with “certain essential facts directly related to the filing of the application, including preparatory acts and the realization of the minimum actions” to avoid late filing. Some designated Offices indicated that they would refuse a request for restoration on the basis of the “unintentional” criterion if the applicant “intentionally” did not file the international application for various reasons, if the submitted declaration of reasons contained “incorrect or divergent information” or if the error was of a “repetitive nature”.

More favorable requirements

23. Rule 49*ter*.2(f) allows designated Offices to apply a more favorable requirement than those set out in Rule 49*ter*.2(a) and (b). Three Offices stated that they allowed for an extension of the time limit to request restoration before the designated Office, which ranged from three months up to an indefinite period of time. One Office stated that it applied a more favorable criterion than "due care" or "unintentional" by restoring the right of priority based on a simple request for restoration made within the 2 months time limit.

Fees for Processing Restoration Requests

24. Rule 49*ter*.2(d) provides for the possibility to charge a fee for the processing of a request for restoration. 31 of the 38 designated Offices which responded to the Questionnaire stated that they had made use of this provision, whereas seven Offices stated that they did not charge any fee. Most Offices stated that they charged a fixed processing fee, ranging from approximately 2 USD to 800 USD. A few Offices stated that they applied a differentiated fee structure, with one Office differentiating between online payments and other payments, and another Office processing requests for restoration as requests for the extension of time limits and charging a fee for each month or part of a month for which an extension was sought. Two Offices indicated that they charged two different levels of fees, one for requests concerning patents and one for requests concerning utility models. One of those Offices also stated that it distinguished whether the failure to file the international applications within the priority year was due to a mistake by the applicant or by the agent.

Other Comments Made by Designated Offices

25. One Office expressed an interest in the development of guidelines regarding the practice of receiving Offices and designated Offices dealing with requests for restoration, especially on how to assess whether the "due care" and/or "unintentional" criteria had been met. An interest in further guidance on how to calculate the amount of the fee charged by designated Offices for processing requests for restoration was also expressed.

26. In this context, it is recalled that, with regard to the practice of receiving Offices, the International Bureau had sent out a Circular in January 2013 which proposed modifications to the PCT Receiving Office Guidelines, with a view to providing further guidance to receiving Offices on the application of Rule 26*bis*.3, in particular on the interpretation of the "due care" and "unintentional" criteria, as had been requested by the Working Group during its fifth session[4]. Designated Offices may find these Guidelines also helpful when deciding on requests for restoration under Rules 49*ter*.1 and 49*ter*.2.

RECOMMENDATIONS

27. In principle, from the feedback received from designated Offices in response to the Questionnaire, it appears that the practices of designated Offices relating to the restoration of the right of priority (Rules 49*ter*.1 and 2) are generally in line with the intentions expressed by the PCT Working Group on Reform of the PCT and the PCT Union Assembly when these Rules were adopted. With regard to Rule 49*ter*.1, it appears that designated Offices generally accept the decisions made by receiving Offices during the international phase and, if at all, only review them to a limited extent. With regard to Rule 49*ter*.2, it appears that designated Offices generally interpret the criteria for restoration of the priority right in a similar manner.

[4] See the PCT Receiving Office Guidelines, and Circular C.PCT 1372 at http://www.wipo.int/export/sites/www/pct/en/circulars/2013/1372.pdf.

28. Noting that eight out of the 10 designated Offices which belong to the group of the Offices with the most national phase entries still have a notice of incompatibility in force, the Working Group may wish to consider inviting these Offices again to consider reviewing their national laws with a view to being in a position to withdraw the notice of incompatibility in the near future, as has been proposed to and agreed by the Working Group in previous sessions, in particular in the context of the Working Group's discussions on the PCT Roadmap.[5]

29. In reply to the Questionnaire, a number of Offices stated that, while at present they did not apply Rule 26*bis*.3 and/or Rule 49*ter*, even though they had not submitted any notice of incompatibility with regard to those Rules, they intended to do so in the near future, once they had changed their national laws to comply with their PCT obligations. The Working Group may wish to consider inviting all of those Offices, and all Offices which are required to apply Rules 49*ter*.1 and 49*ter*.2 but have not replied to the Questionnaire, to review their national law with a view to ensuring that it complied with the obligations under Rules 26*bis*.3 and 49*ter*.1 and 49*ter*.2.

30. The Working Group may further consider inviting designated Offices to turn to the proposed draft modifications to the Receiving Office Guidelines for useful guidance on the interpretation of the "due care" and "unintentional" criteria.

31. *The Working Group is invited to note the content of the present document and to express its views on the recommendations set out in paragraphs 28 to 30, above.*

[End of document]

[5] See also document PCT/WG/2/3, paragraphs 3, 18, 19(d) and 34(4); document PCT/WG/2/14, paragraphs 49 to 50; document PCT/WG/3/2, paragraphs 197 to 198; and document PCT/WG/4/3, paragraphs 91 to 92, 198.