

C. PCT 1527

January 31, 2018

Madam,
Sir,

Third Party Observations in the PCT

This Circular is addressed to your Office in its capacity as a receiving Office, International Searching Authority, International Preliminary Examining Authority and/or designated or elected Office under the Patent Cooperation Treaty (PCT). It is also being sent to certain non-governmental organizations representing parties interested in the PCT System.

Since July 2012 it has been permitted for third parties to submit observations on the novelty and inventive step of inventions claimed in international applications under the PCT during the international phase of processing, in addition to any opportunities which may exist during the national phase.

- ./ The report annexed to this Circular provides a review of how the third party observation system was used during its first five years of operation.

National Offices and observers to the PCT Working Group are invited to submit comments on this report and on their experience of how international phase third party observations have affected national phase processing. If your Office has communicated national phase entry information to the International Bureau, you can find the applications that have entered the national phase at your Office with third party observations made during the international phase using the search query "TPO:1 AND NPCC:XX" in the "Advanced Search" feature in PATENTSCOPE, where XX is the two-letter national phase code for your Office.

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Comments would be particularly welcome from designated Offices, covering issues such as:

- whether third party observations have been found useful in improving the quality of national search and examination or, if this is not known, what measures might be practical to measure the effect in the future;
- whether the arrangements for making the observations available to Offices are appropriate to their requirements in efficiently giving the information to examiners; and
- whether there would be any benefit seen in extending the scope of permitted observations to cover issues beyond novelty and inventive step, such as clarity, sufficiency of disclosure and/or inventorship.

Comments should be sent by February 28, 2018, preferably by e-mail to the PCT Business Development Division: pct.bdd@wipo.int. Comments will be made available to the public unless specifically requested otherwise. Based on the comments received, the International Bureau will decide whether any issues should be brought to the attention of the PCT Working Group.

Yours sincerely,



John Sandage
Deputy Director General

Annex: Report on Third Party Observations in the PCT

THIRD PARTY OBSERVATIONS IN THE PCT THE FIRST FIVE YEARS

ABOUT THE SYSTEM

1. The third session of the PCT Working Group (2010) agreed that a third party observation system should be set up (see paragraphs 138 to 151 of document PCT/WG/3/14 Rev.). Observations would be accepted from the time of international publication until 28 months from the priority date. It was implemented such that observations would be accepted only if submitted through the ePCT system. During the period for observations, links are provided to the system from the published international application on PATENTSCOPE.
2. The main principles and effects of the system are set out in Part 8 of the PCT Administrative Instructions.
3. While opportunities for third party observations or other forms of involvement are commonplace in national and regional systems, this was previously unknown in the international phase of the PCT. As such, it was agreed to begin with a conservative approach in order to avoid the risk of placing inappropriate burdens on either applicants or designated Offices. In particular, several restrictions were put in place, the main ones being as follows:
 - (a) a maximum of ten observations would be permitted on any one international application;
 - (b) a maximum of ten documents could be cited in any one observation;
 - (c) observations would be limited to matters of novelty and inventive step, not matters such as support, sufficiency or inventorship; and
 - (d) the observations should be limited in length, having only a “brief explanation” of the relevance of the cited documents.
4. On the other hand, to encourage the use of the system, it was explicitly indicated that anonymous observations should be permitted.
5. Initially, a limit of 500 characters was imposed in the system in the “brief explanation” part for each citation. Following user feedback, the sixth session of the PCT Working Group (2013) agreed to increase this limit. Since December 2014, the system has permitted up to 5000 characters to be entered directly against each cited document. In addition, a short PDF document containing additional comments may be added. The PDF document was intended to permit more effective description of how disclosures in different documents might be combined for inventive step purposes, or else to allow tables and formulae to be used in the explanation, though it is frequently also used to present the arguments in the formats used in national or regional third party observations.
6. In addition to the brief explanation of relevance, a person making observations may also upload copies of cited documents. The system permits up to three PDF documents to be attached per cited document. This was intended to allow for the possibility of attaching the document itself, an abstract and a translation of particularly relevant portions in separate files, though the system does not differentiate between different types of uploaded document.
7. Once accepted, the observations are notified to the applicant. The main observation and any document containing additional comments are made available to the public on PATENTSCOPE. To give suitable prominence to the observation, these documents are

grouped together with the international search report and international preliminary report on patentability in the “Search and Examination-Related Documents” section of the file list.

Search and Examination-Related Documents			
Date	Title	View	Download
14.04.2015	(IB/373) International Preliminary Report on Patentability Chapter I	PDF (4p.)	PDF (4p.), ZIP(XML + TIFFs)
12.04.2015	(ISA/237) Written Opinion of the International Search Authority	PDF (3p.)	PDF (3p.), ZIP(XML + TIFFs)
13.02.2015	Additional comments submitted with observation	PDF (7p.)	PDF (7p.), ZIP(XML + TIFFs)
13.02.2015	Third Party Observation	PDF (8p.)	PDF (8p.), ZIP(XML + TIFFs)
17.04.2014	Search Strategy	PDF (2p.)	PDF (2p.), ZIP(XML + TIFFs)
17.04.2014	(ISA/210) International Search Report	PDF (3p.)	PDF (3p.), ZIP(XML + TIFFs)

8. Any uploaded copies of the cited document are not made available to the public, but copies of any non-patent literature documents are usually transmitted to the applicant and all of the uploaded documents appear in the file lists in ePCT for the applicant, International Searching and Preliminary Examining Authorities and designated and elected Offices.

9. If the international search report has not been transmitted to the International Bureau before the observation is accepted, a copy of the observation is transmitted to the International Searching Authority. Similarly, if international preliminary examination has been demanded but the final report has not yet been transmitted to the International Bureau, a copy of the observation will be sent to the International Preliminary Examining Authority.

10. After 30 months from priority, copies of the observations, together with copies of any uploaded documents, are actively transmitted to designated Offices which have requested this service (11 in total). Other designated Offices should download them as needed using ePCT, PATENTSCOPE or automatically using PATENTSCOPE web services. The United States Patent and Trademark Office as designated Office has indicated that it does not routinely retrieve these observations but expects the applicant to indicate relevant documents from the observations in the Information Disclosure Statement which is required on national phase entry.

11. The applicant is permitted to provide comments on the observations until 30 months from the priority date, but not required to do so. Any applicant comments which are received are transmitted to International Authorities and designated Offices according to the same conditions as apply to the observations.

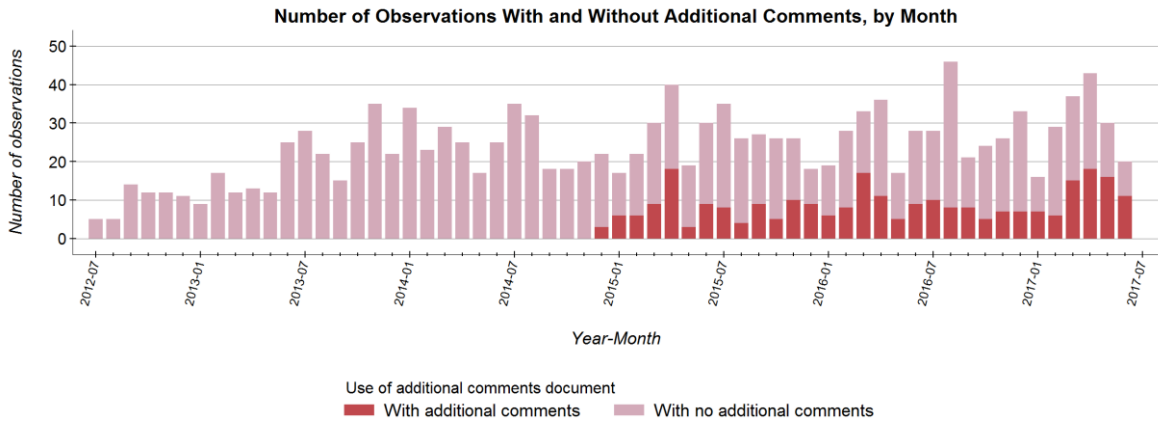
USE OF THE SYSTEM

12. Over the first five years of operation, 1,422 observations were accepted in relation to 1,394 international applications, an average of around 24 per month or one per working day. The trend is generally a gradual increase in use. However, unsurprisingly for a low volume operation, the fluctuation between months is large as a proportion of the total numbers.

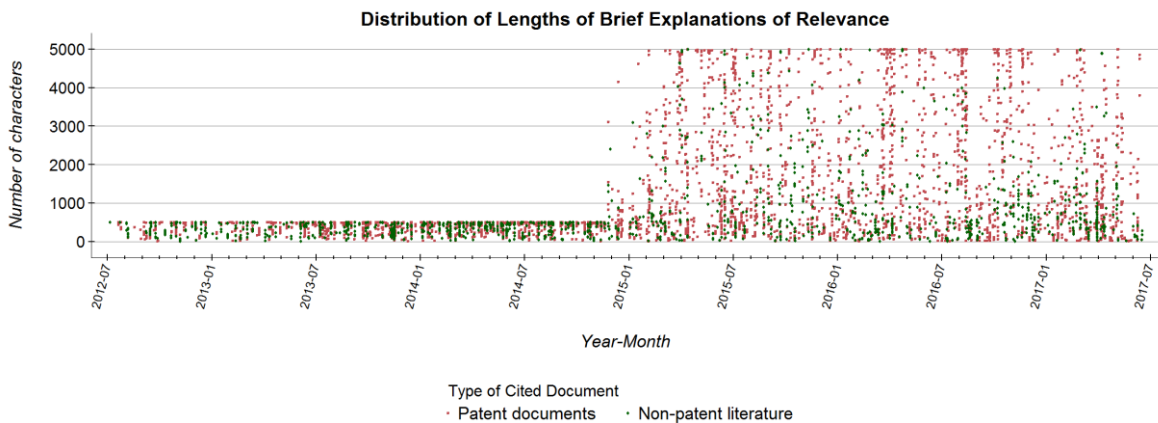
Length of Observations

13. In practice, there has been no evidence of attempts at abuse. Only 45 observations have been rejected by the International Bureau. Of these, most were either observations made in error by people trying out the system, or else ones containing relatively minor defects, which were corrected and subsequently resubmitted (if an observation is rejected, unless the observation appears to be a deliberate attempt at abuse, the person making the observation is notified and a draft is restored to the state immediately before submission, allowing any necessary corrections to be made, provided that the time limit has not yet expired). The International Bureau is not aware of any cases where a deliberately filed observation would be likely to be considered unacceptable in a national third party observation process which allows observations on a broader range of patentability issues.

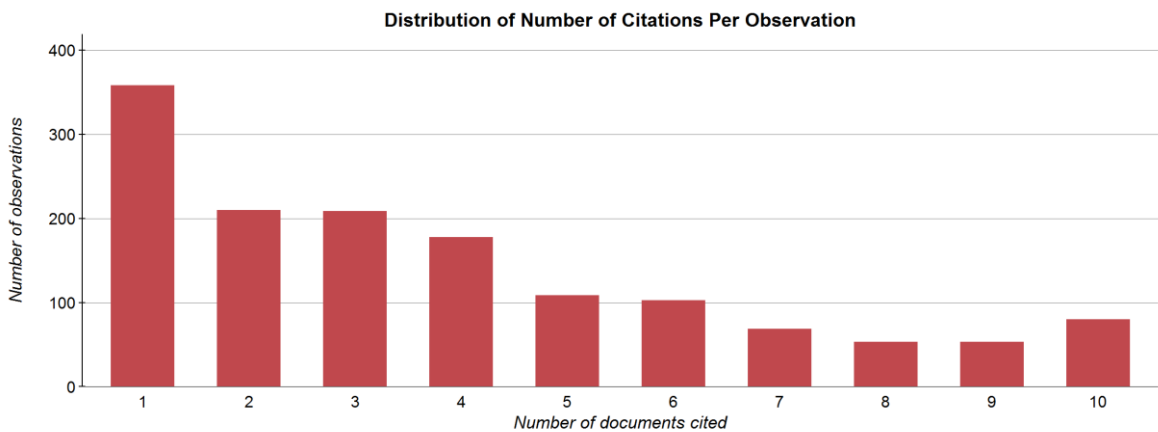
14. Since the option of including a PDF document making additional comments was made available in December 2014, 32 per cent of observations have done so (273/852).

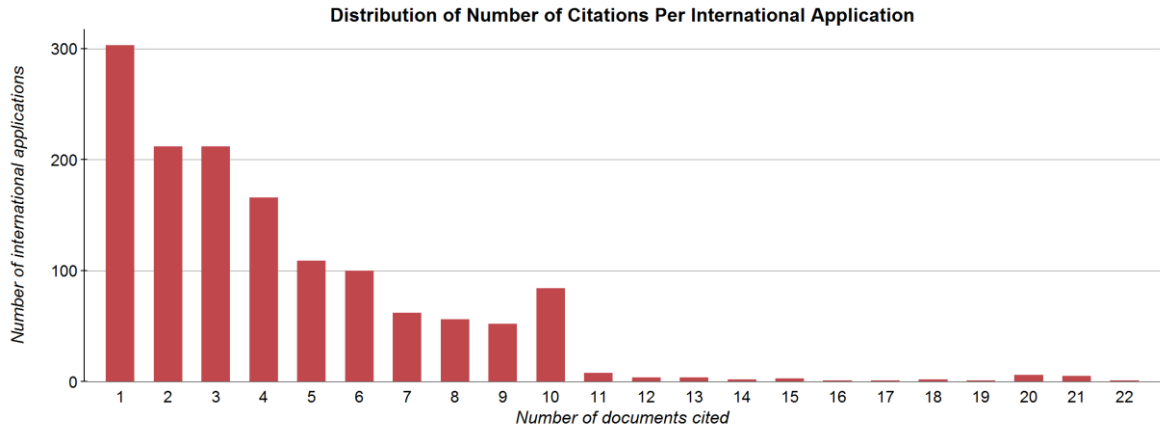


15. Since the option became available of making longer “brief explanations of relevance”, many people have chosen to do so, including a number of explanations using the maximum length. But the distribution of lengths has covered the entire possible range, with a slight bias towards the lower end, implying that people making an observation will not usually deliberately write more than they consider necessary to make their point effectively.



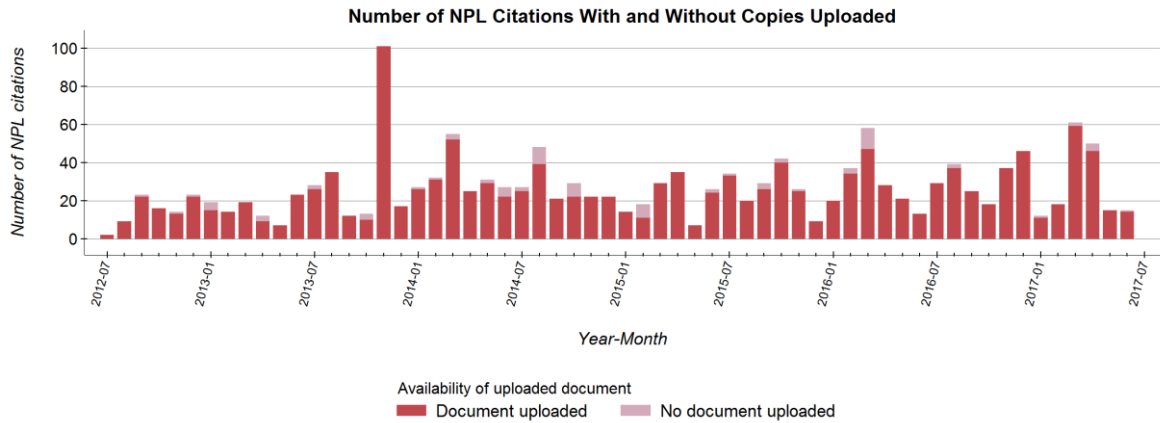
16. Nor have there been signs of deliberate “flooding” of the applicant and designated Offices with alleged prior art of doubtful relevance. The most common number of cited documents in an observation was just one. The average was around 3.8 and the maximum 22, with the largest number of observations on a single application being three.





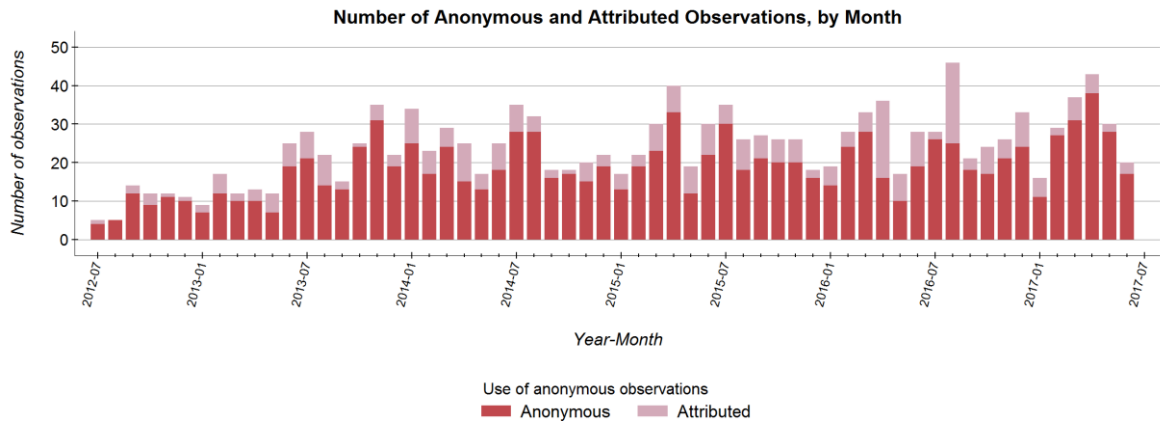
Copies of Cited Documents

17. The system permits, but does not require the person making the observation to upload a copy of a cited document. This is particularly useful in the case of non-patent literature, which may be difficult for the applicant, International Authority or designated Office to obtain.



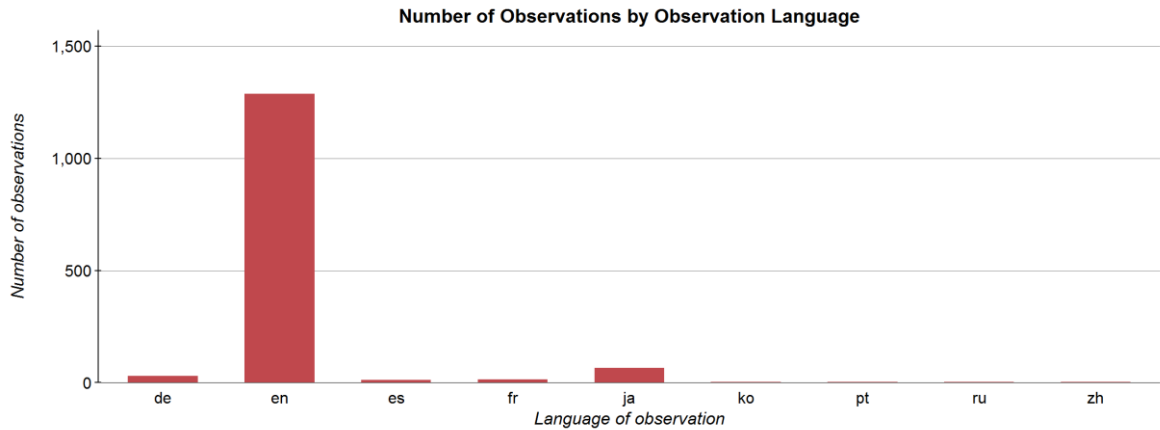
Anonymous Observations

18. As expected, a majority of observations (1,114 or 78 per cent) were made anonymously. The proportions have remained generally consistent across the period. Overall, documents were uploaded for approximately 87 per cent of cited documents as a whole and nearly 95 per cent of non-patent literature.

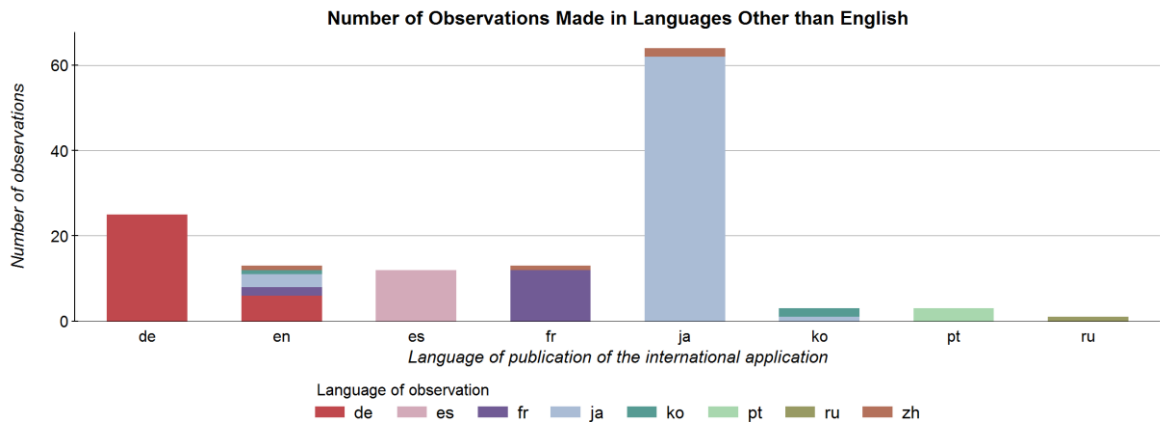


Language of Observations

19. Observations can be submitted in any language of publication, but a large majority (over 90 per cent) are submitted in English. This is partly an effect of the fact that, while use of other languages is rising, around half of international applications are still published in English, but likely also reflects an attempt to make the observations accessible to as many designated Offices as possible, noting that the observations are not translated by the International Bureau.



20. Perhaps unsurprisingly, a large majority of observations which are made in languages other than English are made in the language of publication of the international application to which they refer. By far the largest volumes of non-English observations are Japanese observations on Japanese international applications and German observations on German (and, to a lesser extent, English) international applications.



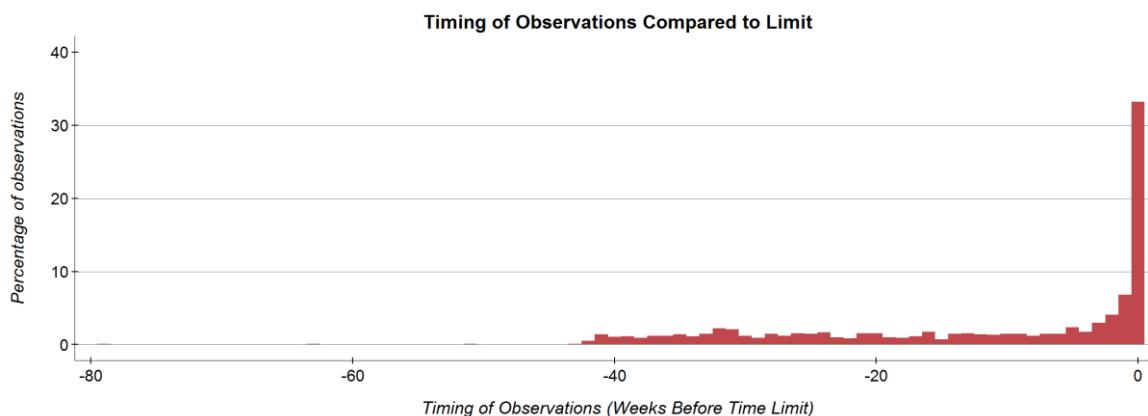
	Language of publication								
	de	en	es	fr	ja	ko	pt	ru	zh
Total observations	127	901	24	50	240	62	3	5	10
Obs. in English	102	888	12	37	176	59	0	4	10
% in English	80.3%	98.6%	50.0%	74.0%	73.3%	95.2%	0%	80.0%	100%

Responses to Observations

21. Very few applicants choose to respond in the international phase. Only 64 applicant responses have been received – around 4.5 per cent of the number of observations made.

Timing of Observations

22. There is a very great tendency to leave observations until the last minute. Around 33 per cent of observations are received in the final week before the limit (28 months from the priority date); around 18 per cent in the last two days.



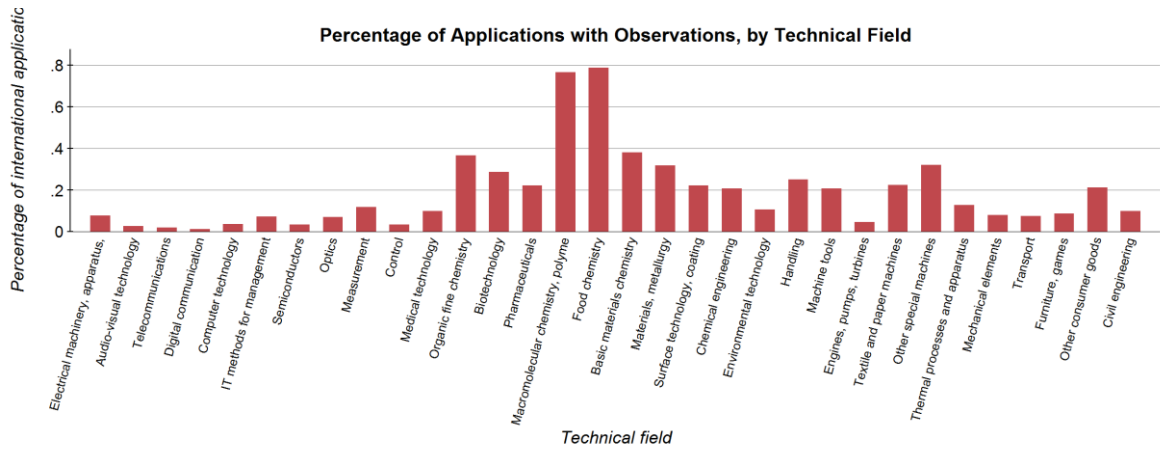
23. The result of this is problematic in several ways:

- (a) observations are very rarely sent to the International Preliminary Examining Authority to be taken into account for international preliminary examination (since observations are only possible after international publication, it should be extremely rare for them to be sent to the International Searching Authority no matter how quickly they are submitted);
- (b) the applicant has limited time available to consider whether to respond during the international phase;
- (c) where the International Bureau finds defects in the observation, it is frequently impossible to reject them and receive a corrected version before the time limit expires.

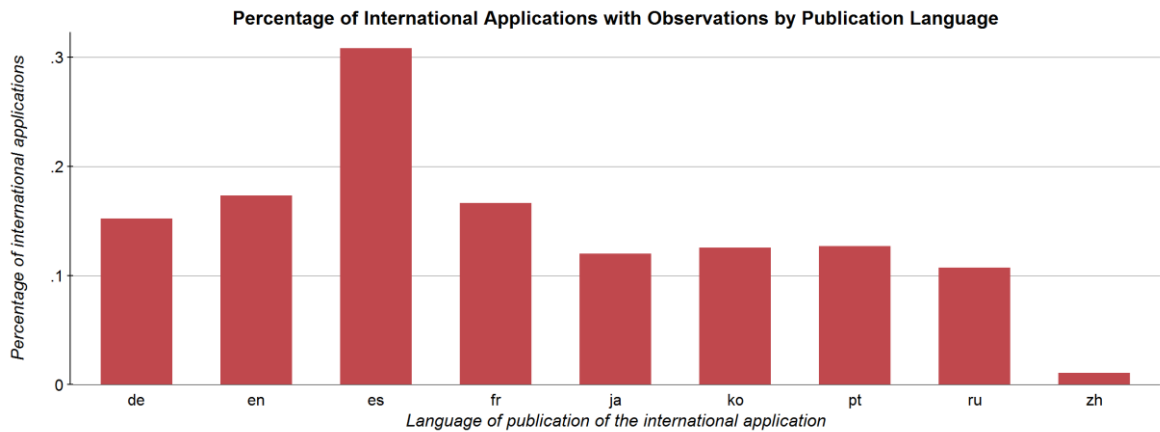
Distribution of Observations

Overall, observations are received on around 0.15 per cent of published international applications¹. However, this is not distributed evenly across technology. The highest use of the system is in the fields of macromolecular chemistry and food chemistry (approaching 0.8 per cent of published applications in those fields).

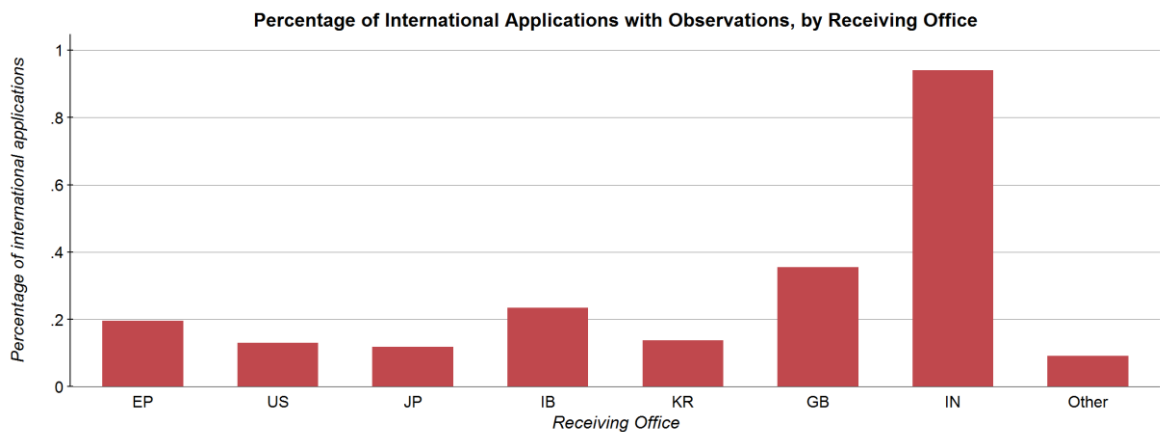
¹ Percentages of applications indicated in this report are approximations, based on the numbers of international applications of different categories published between 2012 and 2016. Exact figures would only be possible to calculate after the period for making observations had closed for all international applications which could fall within the intended scope of the report.



24. Observations are, for the most part, spread relatively evenly across languages and origins of publications, with a few exceptions. In relation to language, observations are highest on international applications filed in Spanish (though this relates to only 24 observations and consequently may not be statistically significant) and almost non-existent on international applications filed in Chinese.

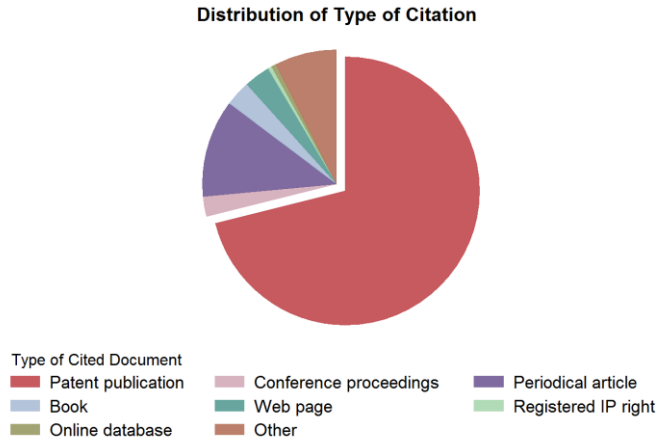


25. In relation to origin, use is slightly higher in relation to international applications filed at the receiving Offices of the European Patent Office, the International Bureau, the United Kingdom and India. Corresponding to the finding with respect to language, use is extremely low in relation to applications filed at the receiving Office of the State Intellectual Property Office of the People's Republic of China (just 14 observations in relation to over 100,000 candidate published international applications).

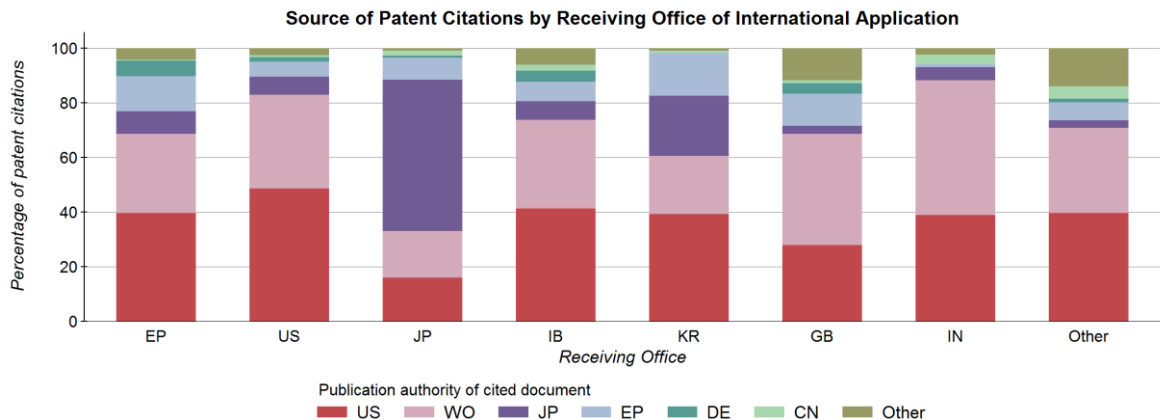


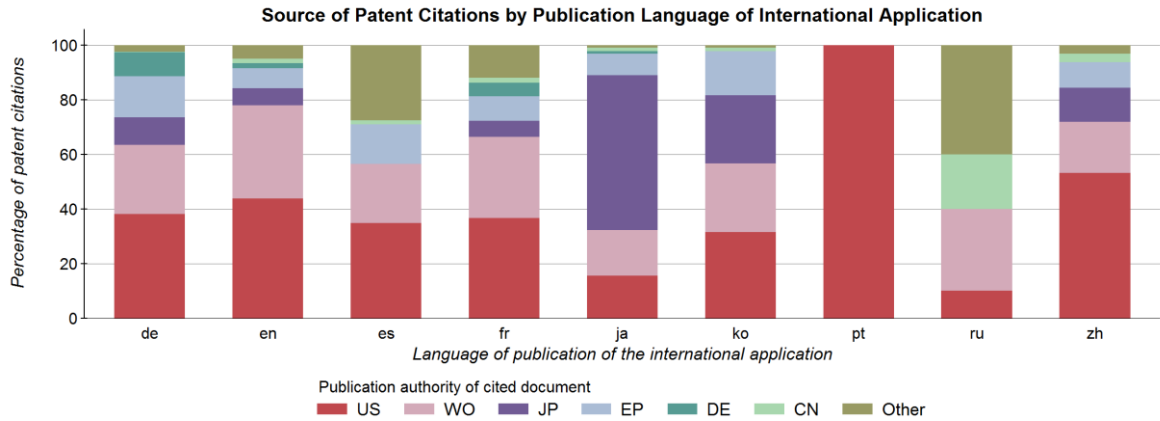
Types of Citation

26. It was hoped that the third party observation system would be particularly effective at bringing to light non-patent literature documents, which are more difficult for patent Offices to search effectively. Perhaps unsurprisingly, a majority of cited documents, around 71 per cent, are patent documents. However, it should be recognized that a 29 per cent rate of non-patent literature citations is considerably higher than the average for international search reports.



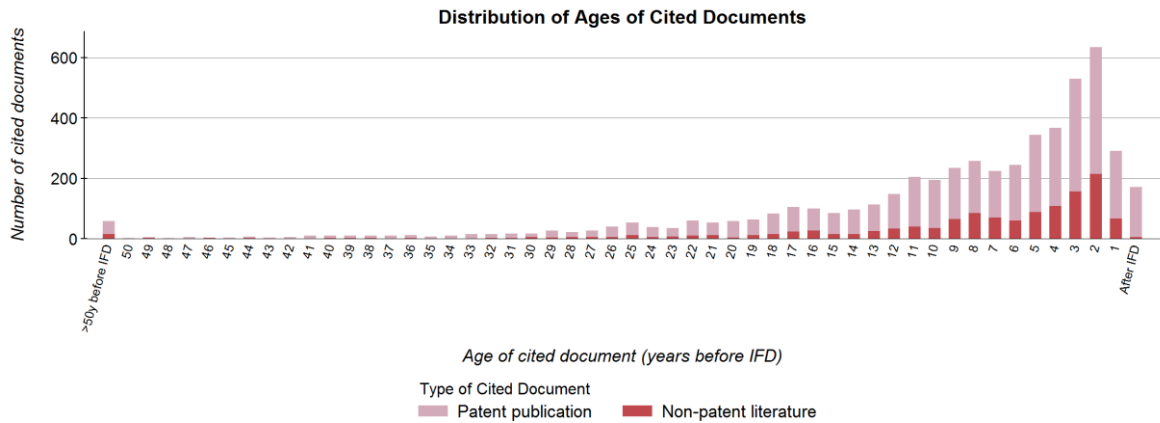
27. The distribution of sources of patent documents cited in third party observations varies considerably between international applications whether viewed according to the receiving Office at which the international application was filed or the language in which the international application was published. There is a slight tendency towards greater numbers of citations from the same Office (US patent publications are more commonly cited against international applications from RO/US) or in the same language (Japanese applications tend to be cited against applications from RO/JP). This may reflect either the fact that the most relevant prior art tends to come from the same geographical area, or that the people most interested in international applications are often competitors from the same region.





AGE OF CITATIONS

28. Information concerning the date on which a cited document was published is available in most cases, albeit in many cases only at the level of year or month for non-patent literature. The distribution of the approximate age of cited documents at the international filing date of the international application on which the citation is made is set out below (years are rounded up so that “1” represents any publication published in the 12 months prior to the international filing date). As can be seen, most cited documents are relatively new, with most documents being published within a few years before the priority date and a significant number falling into categories “E” or “P”.



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