

# WIPO



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**WORLD INTELLECTUAL PROPERTY ORGANIZATION**

GENEVA

**INTERNATIONAL PATENT COOPERATION UNION  
(PCT UNION)****ASSEMBLY****Thirtieth (13<sup>th</sup> Ordinary) Session  
Geneva, September 24 to October 3, 2001****PROPOSED MODIFICATIONS OF TIME LIMITS  
FIXED IN ARTICLE 22(1) OF THE PCT***Memorandum prepared by the Director General***INTRODUCTION AND BACKGROUND**

1. Under Article 22(1) of the Patent Cooperation Treaty (PCT), the applicant must, in order to ensure that processing of the international application is commenced by the designated Offices in which the application is to proceed, perform certain acts before the expiration of 20 months from the priority date. It is now proposed to modify that time limit to be 30 months from the priority date, that is, the same as the time limit under Article 39(1)(a) which applies where the applicant requests international preliminary examination.<sup>1</sup>

2. The PCT has attracted the membership of 112 countries since its adoption in 1970 and drew the filing of 90,948 international applications in 2000, the latter figure representing an increase of 22.9% compared with 1999. The annual growth rate in filings during the past decade has consistently been over 10% and in several years was over 20%. That growth has generated an enormous increase in workload for PCT Offices and Authorities, some of which are having difficulty in meeting the demands placed on them, particularly in light of the time

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<sup>1</sup> While the time limits provided for in Articles 22(1) and 39(1)(a) are 20 and 30 months, respectively, designated Offices may, under Articles 22(3) and 39(1)(b), fix time limits which expire later. A number of designated Offices have fixed later time limits. See also footnote 5.

limits which the PCT imposes for the completion of the various steps in processing of applications. Urgent measures are needed to ensure that the PCT does not become a victim of its own success.

3. The proposal in this document is made with the particular aim of alleviating a serious workload problem faced by certain International Preliminary Examining Authorities which, as a result of unabated growth in PCT filings in recent years and increased use by applicants of the option available under Chapter II of the Treaty of filing a demand for international preliminary examination, cannot continue to deal satisfactorily with their workload. At least 80% of applications are the subject of international preliminary examination. In 2000, International Preliminary Examining Authorities produced a total of 59,201 international preliminary examination reports.<sup>2</sup>

4. The problem of coping with the growing workload has understandably been described as a “crisis” by the three International Preliminary Examining Authorities which produce the bulk of international preliminary examination reports, namely, the European Patent Office, the United States Patent and Trademark Office and the Japan Patent Office, which together produced more than 90% of the reports issued in 2000.

5. The popularity of the international preliminary examination procedure among applicants is due to two consequences which flow from its use:

(i) the procedure offers applicants the opportunity, before deciding whether to proceed with the application into the national phase, of obtaining an examiner’s opinion as to whether the invention meets the requirements of novelty, inventive step (non-obviousness) and industrial applicability<sup>3</sup> and of amending the application to improve it in the light of that opinion<sup>4</sup>;

(ii) the time limit for entering the national phase is delayed until 30 months from the priority date rather than 20 months from the priority date.<sup>5</sup>

6. From the point of view of elected Offices, the main advantage of the international preliminary examination procedure is that the international preliminary examination report can be used in arriving at a conclusion, in the national phase of processing, as to whether the invention concerned is patentable. That advantage is also available, if the reports are made publicly available by elected Offices, to affected third parties. Smaller Offices, and third parties in the countries where they are located, are particularly likely to be interested in making use of international preliminary examination reports in this way.

7. In practice, experience has shown that a significant proportion of applicants use the international preliminary examination procedure only in order to delay entry into the national phase, that is, they file a demand merely to “buy time” without having any real interest in the examiner’s opinion. In such cases, all the usual procedures involved in processing the

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<sup>2</sup> International preliminary examination reports are issued up to 28 months from the priority date, so the reports issued in 2000 mostly relate to applications filed in 1998 and 1999.

<sup>3</sup> See Article 33.

<sup>4</sup> See Article 34(2)(b).

<sup>5</sup> See Article 39(1)(a). The later time limit applies provided that the demand for international preliminary examination is filed before the expiration of 19 months from the priority date.

demand and establishing the international preliminary examination report must nevertheless be followed, even if the applicant has no intention of responding to the examiner's written opinion and has no interest in bringing the application into better order by amending it before entering the national phase, and the work involved is to some extent a waste of effort. Some of the applications concerned never enter the national phase at all. Others do enter the national phase but generally need to be the subject of amendment and further prosecution before each elected Office concerned, so that the advantage for elected Offices and third parties in having international preliminary examination reports in such cases is greatly reduced.

8. It is difficult to quantify precisely the proportion of applications in which applicants presently file a demand only to "buy time," but one estimate places the figure at 20 to 40%, depending on the technical field of the invention.

#### PROPOSED MODIFICATIONS

9. It is now proposed to modify Article 22(1) by changing the time limits for performing the acts necessary to enter the national phase to be 30 months instead of 20 months from the priority date. As a result of the modifications, the time limit for national phase entry under Article 22(1) would be the same as that which applies under Article 39(1)(a). That is, the time limit for entering the national phase would be 30 months from the priority date whether the applicant entered the national phase under Chapter I or Chapter II of the Treaty. The text of the proposed modifications is set out in the Annex.

10. It is intended that proposals for the entry into force of the proposed modifications, including transitional provisions if necessary, and possibly certain consequential amendments of the Regulations under the PCT, will be the subject of an additional document.

#### EFFECTS OF THE PROPOSED MODIFICATIONS

11. The adoption of the same time limit for entering the national phase irrespective of whether the applicant requests international preliminary examination would have a number of consequences:

(i) since applicants who wished merely to "buy time" would not need, as at present, to file a demand for international preliminary examination, the number of demands filed could be expected to decrease significantly;

(ii) International Preliminary Examining Authorities would therefore only have to process demands and produce written opinions and international preliminary examination reports in cases where the applicant has a real interest in the results of the international preliminary examination procedure;

(iii) there would be a decrease in the number of international preliminary examination reports available to elected Offices and third parties, but the international applications concerned would be those in respect of which the applicant has no real interest in taking full advantage of the international preliminary examination procedure.

## RELATIONSHIP TO REFORM OF THE PCT

12. The proposed modifications should be seen in the framework of the process of reform of the PCT commenced by the Assembly at its 29th (17th extraordinary) session held in Geneva from September 25 to October 3, 2000.<sup>6</sup>

13. Certain proposals were discussed by the Committee on Reform of the Patent Cooperation Treaty (PCT) at its first session held in Geneva from May 21 to 25, 2001. One of the matters which the Committee has recommended to the Assembly should be referred to a working group for consideration relates to improved coordination of international search and international preliminary examination and the time limit for entering the national phase. The following appears in the report of the Committee's session:<sup>7</sup>

“A proposal made at the meeting by the Delegation of the United States of America found interest among delegations as a possible starting point for priority consideration by the working group, which should prepare options and alternative approaches for later consideration by the Committee. That proposal, with further suggestions made in the discussion, had the following basic features:

“(i) an expanded international search report which would contain, in addition to its present contents, a first opinion as to patentability (such as is produced in the first written opinion during the present international preliminary examination procedure);

“(ii) that first opinion could be published with or after the international application and the rest of the search report, subject to a possible right of the applicant to first rebut the opinion;

“(iii) full international preliminary examination would be undertaken only if the applicant took further, definite, steps to initiate it in reply to the first opinion;

“(iv) the time limit for entering the national phase would in any event be 30 months from the priority date;

“(v) the fee structure for international search and international preliminary examination would require modification accordingly.”

14. That proposal, which was intended to offer benefits to Offices, applicants and third parties, has not yet been discussed. Subject to the Assembly's approval,<sup>8</sup> it is expected to be given detailed consideration by a working group on reform of the PCT which would be convened to meet from November 12 to 16, 2001, and, depending on the results of that consideration, thereafter by the Committee and subsequently the Assembly itself.

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<sup>6</sup> See the Assembly's report contained in document PCT/A/29/4, particularly the decision in paragraphs 51 and 58, the substance of which is reproduced in document PCT/A/30/2, paragraph 2.

<sup>7</sup> See paragraph 71 of document PCT/R/1/26, which is reproduced in document PCT/A/30/2.

<sup>8</sup> See document PCT/A/30/2, paragraphs 5 and 8.

PROCEDURE FOR MAKING THE MODIFICATIONS

15. Article 47(2) provides:

“(a) All time limits fixed in Chapters I and II of this Treaty may, outside any revision under Article 60, be modified by a decision of the Contracting States.

“(b) Such decisions shall be made in the Assembly or through voting by correspondence and must be unanimous.

“(c) The details of the procedure are governed by the Regulations.”

16. Rule 81 of the Regulations under the PCT contains the procedural details referred to in Article 47(2)(c). Rule 81.2 deals with the case where modification is made by decision of the Assembly (as distinct from voting by correspondence):

“(a) When the proposal is made to the Assembly, its text shall be sent by the Director General to all Contracting States at least two months in advance of that session of the Assembly whose agenda includes the proposal.

“(b) During the discussion of the proposal in the Assembly, the proposal may be amended or consequential amendments proposed.

“(c) The proposal shall be considered adopted if none of the Contracting States present at the time of voting votes against the proposal.”

*17. The Assembly is invited to decide that the time limits fixed in Article 22(1) of the PCT be modified as set out in the Annex.*

[Annex follows]

ANNEX

TEXT OF THE PROPOSED MODIFICATIONS<sup>9</sup>

**Article 22**

**Copy, Translation, and Fee, to Designated Offices**

(1) The applicant shall furnish a copy of the international application (unless the communication provided for in Article 20 has already taken place) and a translation thereof (as prescribed), and pay the national fee (if any), to each designated Office not later than at the expiration of ~~20~~ 30 months from the priority date. Where the national law of the designated State requires the indication of the name of and other prescribed data concerning the inventor but allows that these indications be furnished at a time later than that of the filing of a national application, the applicant shall, unless they were contained in the request, furnish the said indications to the national Office of or acting for the State not later than at the expiration of ~~20~~ 30 months from the priority date.

(2) Where the International Searching Authority makes a declaration, under Article 17(2)(a), that no international search report will be established, the time limit for performing the acts referred to in paragraph (1) of this Article shall be the same as that provided for in paragraph (1).

(3) Any national law may, for performing the acts referred to in paragraphs (1) or (2), fix time limits which expire later than the time limit provided for in those paragraphs.

[End of Annex and of document]

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<sup>9</sup> Text in paragraph (1) which is proposed to be deleted is struck through; text proposed to be inserted is underlined. Paragraphs (2) and (3), which are not proposed to be changed, are reproduced for convenient reference only.