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(PCT UNION)**

ASSEMBLY

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PROPOSED MODIFICATIONS OF TIME LIMITS
FIXED IN ARTICLE 22(1) OF THE PCT:

IMPLICATIONS FOR ELECTED OFFICES;
CONSEQUENTIAL AMENDMENTS OF RULE 90*bis*;
ENTRY INTO FORCE AND TRANSITIONAL ARRANGEMENTS

Memorandum prepared by the Director General

INTRODUCTION

1. In document PCT/A/30/4, it is proposed to modify Article 22(1)[1] by changing the time limit for performing the acts necessary to enter the national phase to be 30 months instead of 20 months from the priority date, as set out in the Annex to that document. Paragraph 10 of that document indicates that proposals for the entry into force of the proposed modifications, including transitional provisions if necessary, and possibly certain consequential amendments of the Regulations, would be the subject of an additional document. Some further explanation is also included in this document as to the implications of the proposed modifications from the point of view of elected Offices, having regard to some preliminary reactions to document PCT/A/30/4 that have been conveyed informally to the International Bureau.

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

The opportunity is also taken to make several corrections to the French text (only) of document PCT/A/30/4.

IMPLICATIONS FOR ELECTED OFFICES

2. In document PCT/A/30/4, paragraph 11, a brief explanation was given of certain likely consequences of the proposed modifications. It now seems useful to expand that explanation somewhat, taking particular note of the interest of elected Offices, some of which are small and have limited resources, in having access to the results of the international preliminary examination procedure for the purposes of processing international applications during the national phase.

3. It is expected that applicants who wish to use the international preliminary examination procedure merely to "buy" more time for entering the national phase would not file demands for international preliminary examination if the modifications were made, and elected Offices would therefore not receive international preliminary examination reports for applications in that category. However, a certain percentage of those applicants who currently use the procedure to "buy" time never proceed into the national phase, and the reports established in those cases are of no use to elected Offices since they do not have to process the applications concerned. Under the proposed change, such applicants would not need to use the international preliminary examination procedure and the corresponding international preliminary examination reports would not need to be prepared or further processed.

4. In the case of that proportion of applicants who use the international preliminary examination procedure merely to "buy" time but who do ultimately enter the national phase, the reports in respect of the applications concerned would be unlikely to be very useful to elected Offices: they would be expected to contain negative opinions; no amendments would have been made during the international preliminary examination to bring the applications into order for the purposes of the national phase; and there would in almost all cases be a need for further examination, prosecution and amendment during the national phase. At present, elected Offices which are faced with such international preliminary examination reports, which may be less than helpful, are prohibited by Article 42 from requiring such applicants to furnish the results of search and examination in other elected Offices. If the modifications to time limits proceed, and the applicants concerned do not file demands but still enter the national phase, the national Offices concerned – as designated Offices which are not elected – would then be free to require the furnishing of search and examination results in other Offices. This would put them in a better position than they often are in such cases at present.

5. Moreover, since the modifications are expected to result in a decrease in the number of demands filed, the over-stretched resources of the major Offices that act as International Preliminary Examining Authorities will be under less pressure from the competing needs of national or regional applications, on the one hand, and international applications, on the other. Accordingly, the Authorities will be in a better position to maintain high standards in all of the work they undertake, including international preliminary examination work. So far as international preliminary examination work is concerned, their resources will be focused on serving the needs of those applicants who have a genuine desire to take advantage of the substantive benefits offered by the procedure. Those applicants will therefore continue to get high quality service, and the reports available to elected Offices and third parties will continue to be of high quality.

6. By contrast, if the modifications are not made, there is a risk that the PCT system will be undermined by the workload crisis affecting the major International Preliminary Examining Authorities. In order to ensure that they are in a position to properly meet their obligations under the PCT, those Authorities will be forced to take hard decisions which may result in some decrease in the quality or the extent of availability of their services.[2] Any significant reduction in the quality or scope of the services provided by the Authorities would adversely affect not only those applicants who merely want to "buy" time but also those who have a real interest in the results of the international preliminary examination procedure, with negative consequences for the PCT system generally. Therefore, the advantage for applicants, elected Offices and third parties in having international preliminary examination reports would be likely to be reduced to a great extent if the proposed modifications are not made.

7. Proposals have already been made to the Committee on Reform of the PCT whereby concerns regarding the availability to elected Offices of international preliminary examination reports might be addressed – for example, by providing for an expanded international search report containing, in addition to its present contents, an opinion as to patentability.[3] Such proposals will be addressed by the proposed working group on reform of the PCT[4] and, if agreed by it, the Committee and the Assembly, could be implemented relatively quickly – for example, during the transition period that will be necessary before the proposed modifications of Article 22(1) fully enter into force (see paragraphs 10 to 15, below).

CONSEQUENTIAL AMENDMENTS OF RULE 90*bis*

8. Consequential amendments of Rule 90*bis* are proposed in Annex I to this document.

9. The existing time limit for withdrawing the international application, any designation, any priority claim, the demand or any election is either 20 months or 30 months from the priority date, depending on whether it is the time limit under Article 22(1) or 39(1)(a) which is applicable. That distinction will become meaningless if the time limits under Articles 22(1) and 39(1)(a) are both 30 months, and Rule 90*bis* is therefore proposed to be amended so as to refer only to the 30-month time limit.

ENTRY INTO FORCE AND TRANSITIONAL ARRANGEMENTS

10. Decisions for entry into force of the modifications of the time limits fixed in Article 22(1) and of the amendments of Rule 90*bis*, together with transitional arrangements, are proposed in Annex II to this document.

11. It is proposed that the modifications of the time limits fixed in Article 22(1) enter into force, in general, on April 1, 2002 (Annex II, paragraph (1), first sentence). Since, however,

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2 For example, the European Patent Office as International Searching Authority and International Preliminary Examining Authority, which at present is prepared to act in respect of international applications filed with the receiving Office of any Contracting State, now wishes to have the possibility (like most other Authorities) of restricting its competence (see document PCT/A/30/6).

3 That proposal, made to the Committee at its first session in May 2001, is quoted in paragraph 13 of document PCT/A/30/4 (reproducing paragraph 71 of document PCT/R/1/26, the text of which is reproduced in document PCT/A/30/2).

4 See document PCT/A/30/2.

Article 22(3) enables national laws to fix time limits expiring later than those applicable under Article 22(1), any Contracting State which wishes to do so would be able to take advantage of that faculty by introducing the 30-month time limit, so far as its designated Office is concerned, before April 1, 2002.[5]

12. The modified (30-month) time limit would be applicable to any international application, so far as a particular designated Office is concerned, in respect of which the 20-month time limit expires on or after the date of entry into force of the modifications of Article 22(1) for that Office and in respect of which the acts referred to in Article 22(1) have not yet been performed by the applicant (Annex II, paragraph (1), second sentence).

13. Recognizing that some countries will have to change their national laws in order to implement the modifications, transitional arrangements are needed to enable postponement of the entry into force of the modifications in respect of the designated Offices concerned, which would have to notify the International Bureau accordingly by January 31, 2002, in order to enable any such notifications to be published by the International Bureau in sufficient time for applicants to be properly informed before the modifications enter into force, in general, on April 1, 2002 (Annex II, paragraph (2)).[6] It is to be hoped, however, that any Contracting State whose national law is incompatible with the modified time limit will take urgent action to overcome the incompatibility so that such a notification does not have to be given or, if one does have to be given, it can be withdrawn as soon as possible (Annex II, paragraphs (3) and (4)).

14. Where a designated Office finds it necessary to make use of the transitional arrangements, an applicant wishing to have the advantage of a 30-month time limit in respect of the national phase before that Office will therefore still need to file a demand for international preliminary examination before the expiration of 19 months from the priority date, even though a 30-month time limit may apply in respect of other designated Offices without the need to file a demand.

15. It is proposed that the amendments of Rule 90*bis* enter into force on April 1, 2002 – that is, the same date as is proposed for the entry into force, in general, of the modifications of the time limits fixed in Article 22(1) (Annex II, paragraph (5)). No transitional arrangement is needed in respect of the amendments of Rule 90*bis*, even for the case where an Office makes a notification under Annex II, paragraph (2), with the effect that the time limit under Article 22(1) would remain for the time being at 20 months so far as that Office is concerned. In such a case, the effect of the international application will cease, so far as that Office is concerned, if the applicant does not perform the acts necessary for entering the national phase before the 20-month time limit (see Article 24(1)(iii)), and there would thus be nothing left of the application, so far as that Office is concerned, for Rule 90*bis* to act upon.

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[5] Time limits expiring later than 20 months from the priority date already apply in the case of a number of designated Offices. In fact, a 31-month time limit will apply from January 2, 2002, in the case of the European Patent Office as a designated Office. See also Rule 50.1 as to the exercise of the faculty under Article 22(3).

[6] Transitional arrangements were adopted by the Assembly at its 11th session (7th extraordinary) in 1984 when modifying the time limit fixed in Article 39 (see document PCT/A/XI/9, Annex VII).

DOCUMENT PCT/A/30/4: CORRIGENDA (FRENCH TEXT ONLY)

16. See the French version of this document for several corrections of the French text (only) of document PCT/A/30/4.

17. The Assembly is invited:

(i) to decide that Rule 90bis shall be amended as proposed in Annex I;

(ii) to adopt the decisions proposed in Annex II, relating to entry into force and transitional arrangements, in respect of the modifications of the time limits fixed in Article 22(1) proposed in document PCT/A/30/4 and the amendments of Rule 90bis proposed in Annex I.

[Annexes follow]

ANNEX I

PROPOSED AMENDMENTS[1] OF RULE 90*bis*
OF THE REGULATIONS UNDER THE PCT

Rule 90*bis*
Withdrawals

90*bis*.1 *Withdrawal of the International Application*

(a) The applicant may withdraw the international application at any time prior to the expiration of ~~20 months from the priority date or, where Article 39(1) applies, prior to the expiration of~~ 30 months from the priority date.

(b) and (c) [No change]

90*bis*.2 *Withdrawal of Designations*

(a) The applicant may withdraw the designation of any designated State at any time prior to the expiration of ~~20 months from the priority date or, where Article 39(1) applies in respect of that State, prior to the expiration of~~ 30 months from the priority date. Withdrawal of the designation of a State which has been elected shall entail withdrawal of the corresponding election under Rule 90*bis*.4.

(b) to (e) [No change]

90*bis*.3 *Withdrawal of Priority Claims*

(a) The applicant may withdraw a priority claim, made in the international application under Article 8(1), at any time prior to the expiration of ~~20 months from the priority date or, where Article 39(1) applies,~~ 30 months from the priority date.

(b) to (e) [No change]

90*bis*.4 to 90*bis*.7 [No change]

[Annex II follows]

[1] Text which is proposed to be deleted is struck through.

ANNEX II

PROPOSED DECISIONS RELATING TO ENTRY INTO FORCE AND TRANSITIONAL ARRANGEMENTS

(1) The modifications of the time limits fixed in Article 22(1) proposed in document PCT/A/30/4 shall, subject to paragraphs (2) and (3), enter into force on April 1, 2002. The modifications shall apply, so far as any designated Office is concerned, to any international application in respect of which the period of 20 months from the priority date expires on or after the date on which the modifications enter into force in respect of that Office and in respect of which the acts referred to in Article 22(1) have not yet been performed by the applicant.

(2) If, on October 3, 2001, any such modification is not compatible with the national law applied by a designated Office, it shall not apply in respect of that Office for as long as it continues not to be compatible with that law, provided that the said Office notifies the International Bureau accordingly by January 31, 2002. The notification shall be promptly published by the International Bureau in the Gazette.

(3) Any notification sent to the International Bureau under paragraph (2) may be withdrawn at any time. Such withdrawal shall be promptly published by the International Bureau in the Gazette and the modifications shall enter into force two months after the date of such publication or on such earlier or later date as may be indicated in the notice of withdrawal.

(4) It is recommended that any Contracting State whose national law is not compatible with the modifications take urgent action to amend its law to make it compatible so that a notification does not have to be given under paragraph (2) or, if such a notification must be given, so that it can be withdrawn under paragraph (3) as soon as possible thereafter.

(5) The amendments of Rule 90*bis* proposed in Annex I shall enter into force on April 1, 2002.

[End of Annex II and of document]