



PCT/A/50/5
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International Patent Cooperation Union (PCT Union)

Assembly

**Fiftieth (29th Extraordinary) Session
Geneva, September 24 to October 2, 2018**

REPORT

adopted by the Assembly

1. The Assembly was concerned with the following items of the Consolidated Agenda (document A/58/1): 1, 2, 4, 5, 6, 11(ii), 12, 21, 29 and 30.
2. The reports on the said items, with the exception of item 21, are contained in the General Report (document A/58/11).
3. The report on item 21 is contained in the present document.
4. Mr. Sandris Laganovskis (Latvia), Chair of the PCT Assembly, presided over the meeting.

ITEM 21 OF THE CONSOLIDATED AGENDA

PCT SYSTEM

Report on the PCT Working Group

5. Discussions were based on document PCT/A/50/1.

6. The Secretariat introduced the document, which set out a report of the eleventh session of the PCT Working Group. The session had a full agenda, with 29 agenda items and 25 working documents. This demonstrated the continued interest in the development of the PCT System as the central pillar of the international patent system to bring about further improvements for the benefit of Offices and users. A separate document (document PCT/A/50/2), setting out changes to the PCT Regulations approved by the Working Group, had been submitted to the Assembly for decision. The Working Group had also invited the International Bureau to prepare a document (document PCT/A/50/3) for consideration by the Assembly proposing to introduce an application form for appointment as an International Searching and Preliminary Examining Authority under the PCT. An overview of all items discussed during the session was provided in the Summary by the Chair attached to the document.

7. The Delegation of El Salvador, speaking on behalf of the Group of Latin America and Caribbean Countries (GRULAC), reiterated its support for the proposal by Brazil in document PCT/WG/11/18 on PCT fees to encourage patent applications by universities. The proposal was based on solid estimations carried out by the WIPO Economic and Statistics Division and supported by other documentation. As indicated in studies by the WIPO Chief Economist, universities of developing countries were seven times more sensitive to fee levels than other applicants. This implied that a fee reduction for these applicants was the most effective way to help them increase PCT filings. The revised proposal included language which took into account comments and observations made by delegations during the ninth and tenth sessions of the Working Group regarding the beneficiaries and financial impact of the proposed reduction. The changes that had been made broadened the beneficiaries to include universities in both developing and developed countries. In addition, the fee reductions were limited to a maximum number of applications for a university in a given year, with a different ceiling for universities in developing and developed countries. This therefore took into account concerns regarding the financial implications to WIPO of reducing fees. The implementation of a fee reduction would enable the use of a great reserve of talent and ability at universities and meet a real need to make better use of knowledge resources and encourage research into new products and services. GRULAC therefore urged the proposal to be given due consideration.

8. The Delegation of Brazil thanked the Delegation of El Salvador for the statement that it had made on behalf of GRULAC in support of Brazil's proposal on fee reductions for universities. The positive impact of universities on productivity growth in national economies was consolidated in academic literature. Studies had consistently found that the knowledge generated by universities enhanced the output of industry, with a strong and positive spillover effect on innovation across the economy. This had led to countries adopting numerous policies aimed at encouraging research and development efforts by universities. Yet the share of universities in the total number of PCT applications remained stubbornly low – 4.15 per cent in 2016. This indicated that universities still faced many challenges in the process of patent filings. Moreover, a study by the European Commission highlighted that patent costs were the main barrier to patenting for universities in the United States of America, the United Kingdom, Germany, France, Spain, Sweden, Poland, India, the Republic of Korea, Japan and China. If that was the case in these countries, it was even more so in countries with fewer resources. Based on such evidence and to complement policies adopted at domestic level, Brazil had tabled a proposal to facilitate access of universities to the PCT System. The proposal aimed at

making full use of PCT fees as a regulatory tool, positively influencing the filing behavior of universities, but without substantially affecting the cost recovery function of PCT fees. Consequently, the targeted fee reduction would generate a concrete effect in the form of a 7 per cent increase of PCT applications from universities, most notably from developing countries, advancing innovation and stimulating creativity, which were among the core goals of WIPO. It would positively influence the filing behavior of universities, without substantially affecting the flow of revenues. The fee reduction was also in line with several of WIPO's Strategic Goals, such as Strategic Goals II (Provision of Premier Global IP Services), III (Facilitating the Use of IP for Development), V (World Reference Source for IP Information and Analysis) and VII (Addressing IP in Relation to Global Policy Issues), as well as with the stated goal of WIPO of ensuring a more widespread use of the services provided by the Organization's global registration systems. In the eleventh session of the PCT Working Group, the proposal had received the support of 108 countries, representing more than two-thirds of all PCT Contracting States. There was therefore an urgent need to provide a response to the legitimate expectations of these countries which came from different world regions with differing levels of development. The Delegation understood that fee reductions for universities from developed countries could be discussed, again taking into account the estimations made by the WIPO Chief Economist on the financial impact to the Organization. The openness of all regional groups to discuss the proposal encouraged the Delegation to continue this discussion in the next session of the Working Group. The implementation of such a fee policy would enable the use of a large pool of scientific and technological talent in these universities, where there was a genuine need to tap this knowledge source and to create additional incentives for the production of innovative products and services. The proposed fee reduction would encourage the use of the PCT System and increase the diversity in the geographical composition of applications, thus generating additional demand in the medium term for PCT services. This was fully in line with WIPO's mission. Finally, the Delegation called on all Member States to support and approve discussion of the proposal. When implemented, taking into account input made by all Member States, the proposal would create a smart fee reduction for the benefit of the international community, thereby promoting the use of the patent system and taking a first concrete step on discussions related to PCT fee elasticity. The Delegation underlined that every Member State should be encouraged to share its own experiences and thoughts, and contribute to the discussions so that an inclusive proposal could be reached that reflected everyone's views to the extent possible.

9. The Delegation of Cuba expressed its support for the proposal by Brazil on fee reductions for universities.

10. The Delegation of the Democratic People's Republic of Korea referred to the agenda item discussed in the PCT Working Group titled "International Applications Linked to United Nations Security Council Sanctions" and reiterated its position in this regard. First, the Delegation stated that the Democratic People's Republic of Korea had consistently rejected United Nations Security Council resolutions on sanctions against the Democratic People's Republic of Korea as they had no legal grounds and no impartiality. Meanwhile, the Delegation stated that the international environment was now greatly improving in creating peace on the Korean peninsula, and that the voices to stop the brutal United Nations sanctions against the Democratic People's Republic of Korea were ever increasing among UN Member States. Second, the Delegation stated that patents were not themselves materials or services but instead were solely intended to protect the intellectual property of human beings. Therefore, the Delegation stated that delegations at the PCT Working Group meeting had emphasized that the recommendations of the Panel of Experts should not have a negative impact on the PCT System and the mandate of WIPO for an effective international IP system; it further noted that some delegations even raised concerns about going beyond the requirements of the UN sanctions. Proceeding from this perspective, the Delegation once again urged that UN sanctions should not be applied at WIPO in the field of IP protection, including patents, under

any circumstances, and that such an agenda item related to illegal and illogical recommendations should be removed from the agenda of the PCT Working Group.

11. The Delegation of Uganda expressed appreciation to the Director General of WIPO and the Secretariat for the robust performance of the PCT System. For the system to remain robust, continuous improvement needed to take place to correspond to new challenges and changing needs of users. At the same time, it should be conducive and inclusive to innovation and ensure accessibility to any interested user, especially those with limited financial resources. In line with this, the Delegation was particularly impressed with the ongoing discussions on fee reductions for certain applicants from certain countries, notably developing countries and least developed countries (LDCs). The Delegation strongly believed that a fee reduction for applicants from universities in Uganda, and in many developing countries and LDCs, could go a long way in increasing the use of this system. The reduction could also greatly contribute to university-driven innovation in Uganda. The Delegation believed that the fee reduction could be compensated by the increase in the number of applications. Regarding future developments of the PCT System, Uganda had been and would remain open to legal developments necessary to support the implementation of technical assistance-related recommendations of the PCT Roadmap and the WIPO Development Agenda to eliminate differences in search and examination. On a case by-case basis and in line with the Industrial Property Act 2014, patent examiners in Uganda were currently using search results from other Offices. The Uganda Registration Services Bureau was interested in receiving technical support on systems to assist national phase entry, and on PCT online services to strengthen its role as a receiving Office. The Delegation concluded by reiterating its commitment to the continuous development and utilization of the PCT system.

12. The Assembly of the PCT Union:

- (i) took note of the "Report on the PCT Working Group" (document PCT/A/50/1); and
- (ii) approved the convening of a session of the PCT Working Group, as set out in paragraph 8 of that document.

Proposed Amendments to the PCT Regulations

13. Discussions were based on document PCT/A/50/2.

14. The Secretariat introduced the document, which set out proposed amendments to Rule 69 of the PCT Regulations. The amendments had been discussed by the PCT Working Group, which had unanimously agreed to recommend that this Assembly should adopt the amendments as proposed. The proposed amendments, as set out in Annex I to the document, aimed to increase the time available for dialogue between the applicant and the examiner during international preliminary examination. The amendments would allow the International Preliminary Examining Authority to start the international preliminary examination as soon as it had received all the required documents and fees, without needing to wait until the time limit had expired for filing a demand for international preliminary examination.

15. The Delegation of Austria highlighted the specific role of Austria in the framework of the PCT through the long experience of the Austrian Patent Office as an International Searching and Preliminary Examining Authority under the PCT. Serving as an International Authority had proven to be beneficial both for applicants using the Austrian Patent Office as an International Searching Authority or International Preliminary Examining Authority, as well as for the Austrian Patent Office itself, where providing these services was an incentive to constantly improve the quality of patent search and examination. In its endeavor to serve the PCT community, the Austrian Patent Office was obliged to provide search and preliminary examination reports which

would usually decide the fate of a PCT application. While it was obvious that the different national patent rules and legal provisions provided the ultimate reason whether or not a patent application should become a granted patent, in most cases, the assessment of novelty and inventiveness of an application in practice proved to be of utmost importance. The Delegation thus had a special interest in the development of the PCT System and its constant development to serve the international community. Austria had been able to participate actively in the considerations and endeavors of the PCT Working Group. The Delegation welcomed and supported the proposed amendments to the PCT Regulations, as contained in document PCT/A/50/2, along with the recommendations concerning future work of the PCT Working Group in document PCT/A/50/1. Furthermore, as an International Searching and Preliminary Examining Authority under PCT, the Austrian Patent Office was especially satisfied with the Working Group's decision to entrust the International Bureau with the preparation of a proposal for consideration by the Assembly in relation to the introduction of an application form for the appointment of an Office or intergovernmental organization as an International Searching and Preliminary Examining Authority, as contained in document PCT/A/50/3. In summary, the Delegation looked forward to continuing its service as a reliable partner in the PCT System.

16. The Assembly of the PCT Union adopted the proposed amendments to the Regulations under the PCT set out in Annex I to document PCT/A/50/2, and the entry into force and transitional arrangements set out in paragraph 4 of the same document.

Application Form for Appointment as an International Searching and Preliminary Examining Authority under the PCT

17. Discussions were based on document PCT/A/50/3.

18. The Secretariat introduced the document, which set out a proposal to introduce an application form for an Office or intergovernmental organization to use when seeking appointment as an International Searching and Preliminary Examining Authority under the PCT. The draft application form, which was set out in the Annex to the document, had been used in an earlier version as the basis for the applications by the Turkish Patent and Trademark Office and the Intellectual Property Office of the Philippines for appointment by the Assembly as International Searching and Preliminary Examining Authorities. In addition, the form had also been used by many International Searching and Preliminary Examining Authorities in their applications for extension of appointment at the forty-ninth session of the Assembly in 2017. To introduce the draft application form into the procedure for appointment of an International Authority, the document proposed that the Assembly adopt a decision to modify paragraph (e) of the Understanding concerning procedures for appointment of International Authorities that was adopted by the Assembly at its forty-sixth session in 2015. In addition, the decision set out the procedure for modifying the application form in the future.

19. The Assembly of the PCT Union adopted the proposed decision set out in paragraph 10 of document PCT/A/50/3, relating to the introduction of an application form for appointment of an Office or intergovernmental organization as an International Searching and Preliminary Examining Authority under the PCT.

Amendment of the Agreement in Relation to the Functioning of the Canadian Commissioner of Patents as an International Searching and Preliminary Examining Authority under the PCT

20. Discussions were based on document PCT/A/50/4.

21. The Secretariat introduced the document by referring to the extension by the Assembly at its forty-ninth session in 2017 of the appointment of all International Searching and Preliminary Examining Authorities until the end of 2027. At that session, the Assembly had approved a new agreement in relation to the functioning of the Canadian Commissioner of Patents as an

International Searching and Preliminary Examining Authority. In addition, as it had not been possible for Canada to complete the relevant national processes for ratification of the new agreement, the Assembly had approved an extension of the existing agreement between the Canadian Commissioner of Patents and the International Bureau until the end of 2018, pending completion of the necessary procedures. During the ratification of the new agreement in Canada, it had become apparent that it might not be possible to complete the procedure for ratification of the new agreement by the end of 2018. In addition, in order to complete the ratification, the Government of Canada required amendment to certain procedural and formal matters in the agreement that had been approved by the Assembly. Consequently, the document invited the Assembly to approve a draft amendment to the existing agreement between the Canadian Commissioner of Patents and the International Bureau, as set out in Annex I of the document, to extend it for a further period of one year pending ratification of the new agreement. In addition, the document invited the Assembly to approve the proposed amendments to the new agreement that was approved by the Assembly in 2017, as set out in Annex II to the document.

22. The Assembly of the PCT Union:

- (i) approved the text of the draft amendment to the agreement in relation to the functioning of the Canadian Commissioner of Patents as an International Searching and Preliminary Examining Authority, as set out in Annex I to document PCT/A/50/4; and
- (ii) approved the proposed amendments to the agreement in relation to the functioning of the Canadian Commissioner of Patents as an International Searching and Preliminary Examining Authority, as set out in Annex II to the same document.

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