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COMMITTEE ON REFORM  
OF THE PATENT COOPERATION TREATY (PCT)

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REFORM OF THE PCT:  
PROPOSALS BY THE UNITED KINGDOM

*Document prepared by the International Bureau*

1. The proposals appearing on the following page were made by the United Kingdom in a submission to the International Bureau received on March 29, 2001. Background information appears in document PCT/R/1/2.<sup>1</sup>

2. *The Committee is invited to consider the proposals contained in this document.*

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<sup>1</sup> The working documents for the Committee's session are available on WIPO's web site at the following address: [http://www.wipo.int/pct/en/reform/index\\_1.htm](http://www.wipo.int/pct/en/reform/index_1.htm)

UNITED KINGDOM COMMENTS  
ON PROPOSALS FOR REFORM OF THE PCT

I. INTRODUCTION

1.01 The United Kingdom welcomes this opportunity for reform of the Patent Cooperation Treaty. We can accept the proposed two-stage approach.<sup>2</sup>

*Objectives*

1.02 We believe that reform of the system must achieve all of the following objectives:

- simplify procedures and reduce costs for patent applicants;
- reduce duplication of work between the International Bureau, Receiving Offices, International Search and Examination Authorities and national Offices;
- ensure a high quality and timely service, especially for searches and examinations;
- ensure that third parties are able to determine at the earliest opportunity whether a patent is likely to be granted in any particular state.

*Effect of delays on third parties*

1.03 Some of the US proposals<sup>2</sup> do not take the last factor sufficiently into account. Those which create further delays in the system – particularly to the entry to the national or regional phase – create uncertainty for third parties and are anti-competitive. They do not address the underlying difficulty of cost for patent applicants. PCT reform should reduce the cost of gaining international protection, not merely delay the time at which costs have to be borne at the expense of legal uncertainty for third parties.

*Quality and timeliness*

1.04 Consistent quality and timeliness of the international search and examination are essential factors in the development of the PCT system. Binding international examination will not be accepted by Contracting States or users unless the results of searches and examinations from all Authorities are seen to be a uniformly high quality. However we do not believe that this requires consolidation of Authorities. Physical centralisation is not necessary to provide a high quality result because of the excellent, and continually improving, online databases available for searching.

1.05 Recognition as an authority should depend on meeting a high standard of quality and timeliness. The Treaty should require the IB to ensure that this is attained. If an Authority consistently fails to meet the required standard, they should be required to improve or, failing that, lose their status. However any Office which can demonstrate that it can consistently maintain the required standards should be permitted status as an Authority. This could

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<sup>2</sup> See document PCT/R/1/2.

provide flexibility and additional resources to address the problems of backlogs – about 15% of applications published in 2000 did not include an international search report.

*Common standards and effect*

1.06 The eventual goal of the reforms should be examination results which are binding in all designated Contracting States. Common standards of substantive patent law are needed if for this to happen. We look forward to the parallel work on harmonisation in the Standing Committee on the law of Patents.

1.07 It is also highly desirable that the Treaty should have common effect in all states, with an absolute minimum of permissible reservations.

## II. COMMENTS ON THE US PROPOSALS

*First Stage*

*(1) Elimination of the concept of designations*

2.01 We can accept this change, which will simplify the application procedure, because the designations no longer serve their intended purpose of giving a good guide to where a patent will be sought – the maximum designation fee means that a large proportion of applications simply designate all states.

*(2) Elimination of all residency & nationality requirements*

2.02 We oppose. To open the system to applications from anyone, regardless of residence or nationality, will only reduce the incentive for new states to join the Union since it allows nationals of a non-member the benefit of easier application in Contracting States without any reciprocal benefit for nationals and residents of Contracting States.

2.03 If more flexibility is needed, it may be possible to relax the rules on where an application may be filed by those who are a national or resident of a Contracting State, without expanding the eligibility to make an application. The possible effects on workload of particular Receiving Offices, ISAs and IPEAs, and any detrimental effect that this may have on existing users of those offices, should be considered and weighed against any benefits before making such a change. This must also remain subject to Article 27(8), allowing states to apply restrictions, deemed necessary for the preservation of national security, on the right of its own nationals or residents to file international applications.

*(3) & (4) Conform to PLT*

2.04 We agree that the PCT should be consistent with the PLT, including the deletion of the requirements of rule 4(5) which require indications of the state of nationality and residence of the applicant (an application can be afforded a filing date without this information, but it should be supplied before the application proceeds further).

*(5) Availability of multiple searches and examinations*

2.05 We oppose this since it encourages unnecessary duplication of work. The system must assume that all International Search Authorities provide the same high quality of search. The IB should be able to ensure that Authorities meet the required standards.

2.06 If an applicant wants further searches he is free to commission them privately from any organisation which provides such a service (this could include ISAs), but this should not be part of the PCT system. If multiple searches or “super-searches” were to become available, we are concerned that patents with only one search done might be seen as “second-class”, forcing applicants into paying for further searches which should not be needed.

2.07 If multiple searches are nevertheless to become available, then it is essential that at least one must be completed within the current time limits, before publication of the application. Changes should not be allowed to delay publication or to increase the number of applications which fail to include a search report on publication.

2.08 If different examinations produce different results, it would be uncertain which was definitive. This would cause particular difficulties in the second stage if the results of the different examinations were both supposed to be binding on Contracting States.

*(6) Elimination of 20 month deadline for entry into national stage*

2.09 We oppose this change. Third parties should know at an early stage whether protection is to be sought in a particular State. The 20 month deadline already gives applicants 8 months longer than the 12 month priority period provided under the Paris Convention to decide on where the application should be pursued and guarantees a high quality search report being provided within this period to help decide whether this will be worthwhile.

2.10 Indeed, rather than extending the period, we consider that it would be better to fix the period at 20 months instead of allowing individual states to set an unlimited longer period for entry to the national phase.

2.11 We recognise that the time limit can already be avoided by use of the Chapter II International Preliminary Examination. However third parties then have the benefit of seeing a reasoned opinion on patentability when the application enters the national or regional phase, without having to wait for the local examination.

*(7) Elimination of the concept of demands*

2.12 We do not support a compulsory International Preliminary Examination at this stage. The fact that 20% of applications do not demand Chapter II international preliminary examination demonstrates that there is a significant body of users who do not wish to incur the cost of this service. Even if the costs of the system are reduced so that an application with compulsory International Preliminary Examination costs no more than the present cost of an application without this examination, it would be cheaper still if no IPE were performed. A compulsory examination may however be desirable under the second stage if examinations were to become binding on the Contracting States.

*(8) Accommodate further deferral of national stage entry*

2.13 We strongly oppose this proposal, which is open to anti-competitive abuse. Even now it can be more than 2½ years before third parties know whether an application will be pursued in any particular state. We do not think that any further delay can be justified against the rights of third parties. Indeed as in proposal (6) above, it may be desirable to fix the period within which the application must enter the national phase at 30 months instead of allowing longer periods to be set by individual states.

*(9) Combination of search and examination*

2.14 We agree that this proposal could improve efficiency since it reduces duplication of work. However, we do not believe that for the moment international preliminary examination should be compulsory. Furthermore, there seems little point in delaying issue of an examination report which had been drawn up simply because the normal time for issue under the present system had not been reached. It may be better to allow applicants to decide whether to select this option (eg by electing the application as soon as it is filed). This would give the efficiency gains for those applications without wasting time examining applications which do not get elected.

2.15 Most importantly this type of change should not be introduced in any way which would mean that a international search report would not be available in time for the publication of the application 18 months after the priority date. The availability of the search report with the application is of vital importance to third parties, who must be able to assess the strength of any patent application which has been published, as well as to applicants wishing to know whether to continue with their application.

*(10) Fee reassessment*

2.16 We agree that fees should continue to be reassessed to avoid surpluses in the PCT Union budget.

*(11) Reduction/elimination of formalities etc*

2.17 We agree that the handling of applications by Receiving Offices and the International Bureau should be reviewed to maximise efficiency following on from electronic filing and the other reforms. We propose the following specific points, which fall into the category of this general US proposal:

- Checks currently performed by both Receiving Office and IB should only be carried out once.
- Powers of attorney should not be required unnecessarily.
- The need for the various notifications concerning the applications (eg Articles 13, 20, 36; rules 17, 24, 47) should be re-evaluated.
- Electronic information transmission should become the norm, both between offices and authorities and to the applicant (but this must not prejudice the effective use of the system by persons who do not have access to the necessary equipment).

- Transfer to the national phase should be handled centrally by the IB.

*(12) Reenergize technical assistance under PCT Articles 51 and 56*

2.18 We agree that there is a need to ensure that the programs under these Articles deliver their intended results effectively and with value for money. However only Article 51 is relevant to technical assistance to developing countries. Article 56 concerns ensuring consistent quality between ISAs and IPEAs. As noted above we believe that this provision should be strengthened to ensure that international searches and examinations are recognised as being of the same high quality.

*(13) & (14) Electronic publication and transmission*

2.19 We agree that electronic publication and transmission of search and examination reports is highly desirable provided that the traditional service does not suffer as long as there is any Contracting State which is incapable of fully receiving the benefits of the electronic system.

2.20 Following publication, all matter on file should be open to public inspection unless there are overwhelming reasons to keep it confidential. In particular Article 38 should be deleted so that third parties can see the results of any international preliminary examination without having to wait for the application to enter the national or regional phase.

*(15) Other PLT-consistent changes*

2.21 We agree that changes of this type are generally desirable.

*Second stage*

*(1) Regionalization of current search/examination authorities*

2.22 We do not recognise any need for regionalization of search or examination authorities. Rather the system must concentrate on ensuring quality while making the best use of the available resources of national and regional patent offices.

*(2) Elimination of distinction between national and international applications*

2.23 We are not aware that there is any demand for this type of arrangement. PCT applications made at the same time as identical national applications are relatively unusual in the UK. More common is for a later PCT application to claim priority from a national application (thereby potentially benefiting from an extra year of protection) and to abandon the national application, relying instead on a UK designation in the PCT application. It may be that Contracting States which are also Authorities deal with parallel applications more frequently and useful benefits could be gained from reduced duplication of work between the national and international applications. Minor benefits can be seen for the applicant only having to submit a single application which can be treated as both types. However, it does not seem desirable to encourage duplicate applications whereby both the national and international routes are followed.

*(3) Positive examination results in certain PCT authorities binds Contracting States*

2.24 We support the goal of a binding international examination, provided that the necessary degree of substantive patent law harmonisation has been achieved. However, the US proposal implies that results would only be binding from certain Authorities and then only in states which were not themselves Authorities. This proposal could only be acceptable if the result of examination by any examining authority was binding in all designated Contracting States.

*(4) Provide further flexibilities in terms of relaxed timing requirements for national stage processing*

2.25 We strongly oppose further relaxation of timing requirements. A single binding examination should result in faster grant, not slower national phase entry.

### III. MEMBERSHIP OF WORKING GROUPS

3.01 All PCT Contracting States should be able to make their concerns felt about this important subject. However we recognise the need for efficient progress and could support a proposal for a group which does not include all PCT states as members. In this case the minutes of the meetings should be distributed as quickly as possible to all PCT Contracting States and provision made to take full account of written representations from states which are not members of a working group.

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