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WIPO

SCP/9/6
ORIGINAL: English
DATE: April 8, 2003

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

STANDING COMMITTEE ON THE LAW OF PATENTS

Ninth Session
Geneva, May 12 to 16, 2003

STATUS OF THE PRACTICE GUIDELINES UNDER THE DRAFT SUBSTANTIVE PATENT LAW TREATY: OPTIONS FOR DISCUSSION

prepared by the International Bureau

BACKGROUND

1. At the eighth session of the Standing Committee on the Law of Patents (SCP), held in Geneva from November 25 to 29, 2002, reference was made to the legal status of the future Practice Guidelines under the draft Substantive Patent Law Treaty (SPLT) and, in particular, whether such Guidelines should or should not have any legally binding effect. The International Bureau explained that the status of the Practice Guidelines would need to be defined in the final clauses of the SPLT and that a proposal could be prepared for the next session of the SCP (see paragraph 242 of document SCP/8/9 Prov.).

2. The present document contains information in respect of the possible status of the Practice Guidelines under the SPLT, as well as some examples of guidelines for examination in certain Member States, one regional patent organization and under the Patent Cooperation Treaty (PCT). In addition to the legal status of the Practice Guidelines, the question of the form of their adoption is briefly addressed. A proposal for a provision to be included in the final clauses of the draft SPLT could be submitted to the SCP at a later stage.

OPTIONS FOR THE LEGAL STATUS OF THE PRACTICE GUIDELINES

3. Classical forms of law-making in international organizations include, in particular, multilateral Treaties, which have binding legal effect on the Contracting States. The problems relating to Treaty making, however, are the slowness of the process and the lack of flexibility in respect of amendments in times of rapid change. In recent years, less stringent forms of multilateral norm-setting without such a binding legal effect on Contracting States, such as non-binding declarations, decisions, recommendations or guidelines, have been developed or have become increasingly important. These forms of rule-making are often called "soft law" instruments. Between 1999 and 2001, for example, Member States of the World Intellectual Property Organization (WIPO) adopted three Joint Recommendations in the area of trademarks. These recommendations, although not formally binding on Member States, may have an important effect on national law-making in the future due to the political commitment expressed by Member States through the adoption of those instruments.

4. As regards to the existing range of options, it should be noted that Contracting Parties to the SPLT would be free to decide on the legal status of the Practice Guidelines. They may, in particular, consent to a legally binding effect of the Guidelines on Contracting Parties to the SPLT or, on the contrary, deny the Guidelines such a binding effect. It may be noted that the precise meaning of the expression "legally binding effect" might need further discussion in the SCP.

5. At one end of the spectrum, one could envisage the Practice Guidelines not only having a legally binding status internally for examiners in Offices, but also being able to be used by applicants or third parties as the basis of a challenge to a decision of an Office. In such a case, the Practice Guidelines would *de facto* have a similar status, from the perspective of a private third party, as an international Treaty, including the implementing Regulations under that Treaty. The other extreme would be the situation where the Practice Guidelines would constitute a mere guideline for Office examiners, without any legally binding effect whatsoever. In this case, there would be no possibility at all, whether internal to the Office or for third parties, to enforce the application of the Guidelines.

6. Many Patent Offices seem to steer a middle course, in so far as the applicable Examination Guidelines do not deploy any effect beyond the Office, but have to be followed by the examiners concerned. In certain cases, the application of such Guidelines is enforced through some kind of internal mechanism, for example a quality control scheme, whereby examiners' decisions are monitored as to their compliance with the applicable Guidelines. In other words, third parties could generally not found a legal action on the fact that a decision has been taken in violation of the Guidelines, but the Guidelines would be considered as guidance for examiners, who would be expected to follow them. The following examples illustrate this situation:

Canada

> "This manual is to be considered solely as a guide, and should not be quoted as an authority. Authority must be found in the Patent Act, the Patent Rules, and in decisions of the Courts interpreting them."[1]

[1] Manual of Patent Office Practice in the Canadian Intellectual Property Office, Foreword.

Japan

"In June of 1993, Japan Patent Office integrated the former general guidelines and dozens of industrial field oriented guidelines, etc., into "Examination Guidelines for Patent and Utility Model" after being reviewed in order to correspond to the emerging technologies. Since then, these Guidelines have been utilized by patent examiners as general instructions for applying the provisions of the Patent Law relating to the examination of patent applications, and have been of assistance to both applicants and patent practitioners in better understanding the examination practice in the Patent Office."[2]

United Kingdom

"Statements made in the Manual are not in themselves an authority for any action by an officer of the Patent Office. While the Manual may be regarded as a guide to action, it does not impose any particular line of action, and may not be quoted to that end."[3]

United States of America

"The Commissioner issues interpretative rules on patentability in the Official Gazette for publication and in the Manual of Patent Examining Procedure (MPEP) for internal use. The MPEP does not have the force of law, but it has been held to describe procedures on which the public can rely. The MPEP is a guide for patent attorneys and patent examiners on procedural matters. The Manual is not binding on the courts, but notwithstanding, it is an official interpretation of statutes or regulations with which it is not in conflict. However, the MPEP is binding on the PTO."[4]

European Patent Office

"The Guidelines are intended to cover normal occurrences. They should therefore be considered only as general instructions. The application of the Guidelines to individual European patent applications or patents is the responsibility of the examining staff and they may depart from these instructions in exceptional cases. Nevertheless, the parties can expect the Office to act as a general rule in accordance with the Guidelines until such time as they are revised. It should be noted also that the Guidelines do not constitute legal provisions. For the ultimate authority on practice in the EPO, it is necessary to refer firstly to the European Patent Convention itself including the Implementing Regulations and the Rules relating to Fees, and secondly to the interpretation put upon the Convention by the Boards of Appeal and the Enlarged Board of Appeal."[5]

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2 Examination Guidelines for Patents and Utility Models in the Japan Patent Office, Preface.

3 Manual of Patent Practice in the UK Patent Office, Preface to the fourth edition.

4 Ethicon, Inc. v. Quigg, 849 F.2d 1425 (Fed.Cir.1988). Litton Systems, Inc. v. Whirlpool Corp, 728 F.2d 1423 (1984). In re Kaghan, 387 F.2d 398, 401, 156 USPQ 130, 132 (CCPA 1967).

5 Guidelines for the Examination in the European Patent Office, Introduction, 1.2.

PCT

> "These Guidelines are common rules of international preliminary examination and assist in the application of the provisions of the PCT, PCT Regulations and PCT Administrative Instructions relating to international preliminary examination. They are intended to cover typical occurrences. They should therefore be considered only as general directives; examiners will have to go beyond the instructions in exceptional cases. Nevertheless, applicants can expect the International Preliminary Examining Authorities to act, as a general rule, in accordance with the Guidelines until such time as they are revised. It should be noted also that the Guidelines do not have the binding authority of a legal text."[6]

7. Beyond these examples, information obtained about other countries has shown that they view the Examining Guidelines in a similar way as in the examples above. For example in Mexico, the Examiner's Guidelines are used for internal purposes only, namely for examiners to interpret the statutory provisions.

OPTIONS CONCERNING THE FORM OF ADOPTION OF THE PRACTICE GUIDELINES

8. As regards the option of legally binding Guidelines, one way of dealing with the issue would be to approve such Guidelines, together with the Treaty and Regulations, at a Diplomatic Conference on the adoption of the SPLT. One inconvenient aspect of this way of proceeding would appear to be the time consuming discussion and adoption of the full Guidelines in detail during such a Conference. A further possibility which could be envisaged if the Guidelines were intended to be made legally binding would be to identify the relevant parts of the Guidelines and to move them to the Regulations. This might, however, unduly burden the Regulations.

9. If, on the other hand, the Practice Guidelines were understood as a mere guidance to be followed by examiners in the Offices concerned, different options for their adoption could be contemplated:

(i) A first text of the Practice Guidelines could be agreed by the SCP before the adoption of the SPLT, for example, at the Diplomatic Conference. Contracting Parties could agree, via a provision in the SPLT or the Regulations, that their Offices will respect the Practice Guidelines. It could be made clear in such a provision that the Guidelines involve no legally binding effect so that they could not be used by applicants or third parties as the basis of a challenge to a decision of an Office[7]. Depending on the discussions during the Diplomatic Conference, it may be necessary to align the first version of the Practice Guidelines to the adopted text of the SPLT, as well as to further elaborate on the text of the first version of the Practice Guidelines. This work could be done by the SCP, since the SPLT Assembly might be established only years after the adoption of the SPLT. The final adoption of the Guidelines as well as future amendments to the Guidelines would be left to the SPLT Assembly.

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6 PCT International Preliminary Examination Guidelines, part I-3.2.

7 The inclusion of such a provision seems to be necessary in respect of all options listed in paragraph 9.

(ii) A further option consists in having the Practice Guidelines established and promulgated by the Director General of WIPO after consultation with the Member States concerned. The Director General may further be given the authority to amend the Guidelines after a similar consultation. This approach has been chosen in the context of the Administrative Instructions under the PCT (see PCT Rule 89.2). It may be noted that, with respect to the PCT International Search and International Preliminary Examination Guidelines, the situation is somewhat different, since they are mentioned in neither the Articles nor the Rules of the PCT. The PCT Guidelines are, in practice, issued by the Director General of WIPO, after consultation with the relevant PCT authorities. As to their legal status, the agreements concluded between WIPO and each of the PCT authorities approved by the PCT Assembly specify in Article 2(1):

> "In carrying out international search and preliminary examination, the Authority shall apply and observe all the common rules of international search and of international preliminary examination and, in particular, shall be guided by the PCT Search and the PCT Preliminary Examination Guidelines."

(iii) Yet another option that might be considered is the one that was followed by WIPO in the area of trademarks: between 1999 and 2001, three sets of provisions on the protection of marks were adopted as Joint Recommendations by the Paris Union Assembly and the WIPO General Assembly, namely the Joint Recommendation concerning Provisions on the Protection of Well-Known Marks, adopted in 1999, the Joint Recommendation concerning Trademark Licenses, adopted in 2000 and the Joint Recommendation concerning Provisions on the Protection of Marks, and other Industrial Property Rights in Signs, on the Internet, adopted in 2001. The advantage of this form of adoption is that Member States express their political will in support of the provisions thus adopted, a political will that might be of an importance as big as an instrument which is legally binding, but to which Member States might hesitate to adhere. In addition, soft law instruments may develop to binding provisions, as may happen in respect of the Joint Recommendation concerning Trademark Licenses, the inclusion of which into the Trademark Law Treaty (TLT) is presently considered by WIPO's Standing Committee on the Law of Trademarks (SCT). One less convenient aspect of the approach described above is that the amendment of provisions adopted by the WIPO Assemblies, absent some legal provisions deciding otherwise, would be rather difficult and cumbersome.

SUMMARY OF THE ISSUES FOR DISCUSSION

10. It should be noted that any of the options concerning the legal status of the Practice Guidelines outlined in this document will be conditioned by the final contents of the SPLT and its Regulations. On the other hand, the early identification, by the SCP, of a preferred option for the legal status of the Practice Guidelines might be essential to the further development of the SPLT, since the contents of the latter will also depend on the status and contents of the Practice Guidelines. In view of the above, the following main issues are raised for discussion:

11. The first issue is whether the Practice Guidelines should have a legally binding effect so that they could be used by applicants or third parties as the basis of a challenge to a decision of an Office. If this was the case, the two main options would appear to be either the adoption of the Guidelines at the Diplomatic Conference for the adoption of the SPLT, or the transfer of those parts of the Guidelines considered to require legally binding effect of a treaty nature to the Regulations.

12. The second issue relates to the possible form of adoption of the Practice Guidelines, where they are not to be given a legally binding status. A number of different approaches for the form of adoption in this case have been outlined in paragraph 9(i) and (ii).

13. Finally, the SCP may wish to examine further possibilities offered by soft-law instruments, such as the adoption of the Practice Guidelines in the form of Joint Recommendations by the WIPO Assemblies as was the case for the three trademark recommendations described in paragraph 9(iii).

14. The SCP is invited to consider and make observations on the contents of this document.

[End of document]