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**PERMANENT COMMITTEE ON COOPERATION FOR
DEVELOPMENT RELATED TO INTELLECTUAL PROPERTY**

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**POSITIVE ASPECTS IN THE USE OF THE GLOBAL PROTECTION SYSTEMS:
PCT SYSTEM**

Document prepared by the Secretariat

I. INTRODUCTION

1. In recent years, WIPO has been increasingly strengthening its cooperation for a greater participation in and a more efficient implementation of the global protection systems, namely: the Patent Cooperation Treaty (PCT system), the Madrid Agreement for the International Registration of Marks and the Protocol (Madrid System), and The Hague Agreement for the International Deposit of Industrial Designs (The Hague system). Various activities have been carried out to meet the demands from different countries and different target groups in order to make the systems more relevant to developing countries and countries in transition and to ensure that these countries are able to take full advantage of the benefit offered by these systems.

2. The following outlines the progress made and the principal objectives set by the Developing Countries (PCT) Division regarding the promotion and implementation of the PCT global protection system.

II. THE PATENT COOPERATION TREATY (PCT)

3. The principal advantages of the PCT are that it saves work and money for applicants where patent protection is sought for an invention in several countries and that it makes the work of national offices more efficient, simpler and less costly. Furthermore, the PCT facilitates and accelerates access by the public to the technical information contained in documents describing new inventions.

4. In order to promote economic cooperation with foreign countries, it is important for a nation to adapt its economy to international standards, including that in the patent field. Accession to the PCT makes a country's patent system more attractive for the filing of patent applications thus increasing the potential for stimulating investment and technology transfer as well as promoting domestic inventive activities. It is undoubtedly a useful tool which, if effectively used, can contribute to reduce the technological gap between developing countries and industrialized countries.

5. The advantages of the PCT system are being increasingly recognized by developing countries. Its usefulness to developing countries has been demonstrated by the steep rise, within the last few years, in the number of developing country member States as well as in the number of international applications received from developing countries. These facts have led to an increasing need for cooperation and training in developing countries, for the effective implementation of the PCT. In order to meet this need, the Developing Countries (PCT) Division (PCTDC), has strengthened its efforts to promote accession and better use of the PCT system, to bring the PCT closer to developing country users and to facilitate the access to technological information by developing countries.

(a) Increase in Member States

6. In 1995 out of the 83 PCT Contracting States, 33 were developing countries representing 39.8% of all Contracting States. By the year 2000, among the 109 countries which had joined the PCT, 55 were developing countries. During the period January 2001 to June 2002, seven countries acceded to the PCT, all of them being developing countries. These countries are: Ecuador, Equatorial Guinea, Oman, Philippines, Saint Vincent and the Grenadines, Tunisia and Zambia. Thus up to the end of June 2002, developing countries represented 53.4% of the total 116 PCT Contracting States. Annex I contains a list of PCT developing country Member States.

(b) Increase in Number of Applications

7. With respect to the filing of international applications by developing countries, there has also been a similar increase by applicants from developing countries. In 1995 out of a total of 38,906 PCT applications filed, 400 were filed by applicants from developing countries, representing 1% of the total. By the year 2000 the percentage had grown to 3.5%. Out of the 90,948 PCT applications filed worldwide in 2000, 3,151 were from developing countries.

8. In 2001, the International Bureau of WIPO received 103,947 PCT applications filed in receiving Offices worldwide. This was a 14.3% increase over 2000. In the case of PCT applications from developing countries, the overall increase was 70.6% over 2000. That is to say, a total of 5,379 PCT applications originating from developing countries was received, representing 5.2% of the total PCT filings in 2001.

9. Of the 5,379 PCT applications received from developing countries in 2001, the highest number originated from Republic of Korea (2,318), China (1,670), South Africa (418), India (316), Singapore (258), Brazil (193) and Mexico (107). Annex II shows the top 60 PCT applicants from developing countries in 2001.

10. In the first six months of 2002, 2,593 PCT applications were filed by applicants from developing countries.

(c) National Phase Entry

11. The number of applications which enter the national phase in developing country Member States shows, to a certain extent, the interest by foreign companies in economic and technological cooperation with developing countries concerned. In more recent times, the number of PCT national phase entries in developing countries has sharply increased in certain developing countries with growing economies. The following table gives information on PCT national phase entries in 2001 and the percentage increase compared to 2000, for some developing countries. This information has been provided by the national offices concerned.

<i>Country</i>	<i>PCT National Phase Entry 2001</i>	<i>% Increase over 2000</i>
China	19,031	20.4
Cuba	183	22.8
India*	6,115	215.3
Indonesia	2,911	5.9
Mexico	10,592	105.9
Republic of Korea	16,992	12.3
South Africa*	4,650	320.0
Trinidad and Tobago	193	45.1

*NB: India became bound by the PCT on December 7, 1998 and South Africa on March 16, 1999. The number of PCT applications which enter the national phase in a country in the first 18 months following its accession to the PCT is usually low, due to the fact that most PCT applications enter the national phase at 30 months from the priority date, implying a 18-month delay in most cases.

(d) Promotion of Accession and Better Use of the PCT System by Developing Countries and Countries in Transition.

12. The core functions of the PCT DCD Division include promoting accession to the PCT, disseminating knowledge about PCT and building capacity in developing countries and countries in transition in order to use such knowledge effectively in their policies and programs, on PCT and/or patent related matters. The division supports this process by conducting seminars and workshops on the PCT. Different approaches based on their specific needs and situation, were taken into account when organizing PCT-related activities for different groups of developing countries. Activities to promote the increased use of the PCT in countries in transition are planned for the second half of this year and for next year. There are presently in the Division nine professional staff responsible for covering different regions/group of countries in the world.

13. During the period January 2001 to June 2002, these seminars organized in cooperation with the national offices, were geared towards a wider range of market segments. The idea is to reach many sectors in a country so as to inform them to the advantage to be derived from the PCT for developing countries. These sectors include inventors, research institutes, lawyers and officials of IP offices. Much of the capacity building work is carried out at the national, sub-regional and regional levels.

14. It is the practice of WIPO to receive in Geneva two officials from a new Contracting State to be trained in PCT procedures for one week. Upon request by a developing country following its accession to the PCT, a PCT seminar is usually organized in the country. Such a seminar may be followed by PCT training workshops geared for the staff of the IP offices, with limited participation from the private sector. These workshops deal with the actual processing of PCT applications and have proved to be very helpful for the implementation of the PCT in the new Contracting States.

15. Following a country's accession to the PCT, the patent office of the country is usually provided, by WIPO, with a DVD workstation plus ESPACE -World DVDs containing all PCT applications. Since many important inventions are the subject of PCT applications, the patent office may use this valuable source of patent information for carrying out prior art

searches, industry research and investigating technology. In order to assist the relevant national offices in effectively using the DVD workstations, special seminars on PCT related patent information were organized. The launching of these seminars has proved to be very successful.

16. The PCTDC Division maintains close cooperation with other sectors of the Organization, in particular, with the Office of the PCT and the Regional Bureaus. This cross sector cooperation has resulted in joint seminars with the Bureaus which include, *inter alia*, PCT presentations. Therefore, the activities proposed aimed to provide a more focused response to the demands of developing countries.

17. There has been an extraordinary acceleration over the past years in the commitment from developing country governments, at the highest level, to intellectual property. Where the PCT is concerned, this has been manifest in the establishment of commissions in certain countries, for implementation of legislation to include accession to the PCT. Several advisory missions were carried out to developing countries, in order to increase awareness about PCT and to focus on the interests of policymakers. It is important to emphasize that advisory missions are carried out only upon request and when PCT questions/issues need to be clarified in order to promote the country's intended accession or expanded use of the PCT.

18. The capacity for industries and specialized institutions in developing countries to benefit from use of the PCT system, was also strengthened through specialized seminars, training sessions and company visits. These were organized in particular in those developing countries with many users of the system and were geared to specific target groups such as companies, patent agents and universities in order to promote better use and answer practical questions arising out of the use of the PCT.

19. The Permanent Committee is invited to comment on, and note, the information contained in this document.

[Annex follows]

ANNEXI

PCT States from Developing Countries (62)
(Total PCT Contracting States: 116)
Status on June 20, 2002

- | | |
|---------------------------------------|--|
| 1. Algeria | 32. Liberia |
| 2. Antigua and Barbuda ¹ | 33. Madagascar |
| 3. Barbados ¹ | 34. Malawi |
| 4. Belize | 35. Mali |
| 5. Benin | 36. Mauritania |
| 6. Brazil | 37. Mexico |
| 7. Burkina Faso | 38. Mongolia |
| 8. Cameroon | 39. Morocco |
| 9. Central African Republic | 40. Mozambique |
| 10. Chad | 41. Niger |
| 11. China | 42. Oman ¹ |
| 12. Colombia | 43. Philippines |
| 13. Congo | 44. Republic of Korea ¹ |
| 14. Costa Rica | 45. Saint Lucia |
| 15. Côte d'Ivoire | 46. Saint Vincent and the Grenadines ^{**} |
| 16. Cuba | 47. Senegal |
| 17. *Cyprus ¹ | 48. Sierra Leone |
| 18. Democratic People's Rep. of Korea | 49. Singapore ¹ |
| 19. Dominica | 50. South Africa |
| 20. Ecuador | 51. Sri Lanka |
| 21. Equatorial Guinea | 52. Sudan |
| 22. Gabon | 53. Swaziland |
| 23. Gambia | 54. Togo |
| 24. Ghana | 55. Trinidad and Tobago ¹ |
| 25. Grenada | 56. Tunisia |
| 26. Guinea | 57. Uganda |
| 27. Guinea-Bissau | 58. United Arab Emirates ¹ |
| 28. India | 59. United Republic of Tanzania |
| 29. Indonesia | 60. Viet Nam |
| 30. Kenya | 61. Zambia |
| 31. Lesotho | 62. Zimbabwe |
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[Annex II follows]

¹: not entitled to a PCT fee reduction of 75%.
^{*}: considered a Developing Country for certain purposes.
^{**}: will become bound on August 6, 2002.