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(PCT UNION)**

**PATENT COOPERATION TREATY (PCT)  
WORKING GROUP**

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ENHANCING THE VALUE OF INTERNATIONAL SEARCH  
AND PRELIMINARY EXAMINATION UNDER THE PCT

*Document prepared by the International Bureau*

1. Major patent Offices are increasingly looking at ways of sharing search and examination reports in order to reduce the unnecessary duplication of work as far as possible. The PCT was specifically designed to address this issue. Yet, it would appear that the system is not being used to its full potential, with many Offices remaining distrustful of international search reports and international preliminary reports on patentability, and only a few Offices using those reports either as the basis for grant or at least as the basis for an accelerated, simplified or reduced examination process.

2. For discussion at the 15<sup>th</sup> session of the Meeting of International Authorities (PCT/MIA), held in Vienna, Austria, from April 7 to 9, 2008, the International Bureau prepared a preliminary discussion paper, reproduced in the Annex to this document, inviting the International Authorities participating in the Meeting to consider how the operation of the PCT system as a whole, especially the conduct of international search and preliminary examination, the presentation and transmission of its results, and the use of those results by designated Offices<sup>1</sup>, might be improved to use the PCT system to its full potential and to maximize its value to applicants and designated Offices.

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<sup>1</sup> In this document, references to designated Offices also include elected Offices in the case where international preliminary examination may have been requested.

3. The discussions of the Meeting of International Authorities are outlined in document PCT/MIA/15/13, paragraphs 17 to 31, reproduced in the following paragraphs:

“ENHANCING THE VALUE OF INTERNATIONAL SEARCH AND  
PRELIMINARY EXAMINATION UNDER THE PCT

“17. Discussions were based on document PCT/MIA/15/2.

“18. The Secretariat, in introducing the document, noted that the issues of work-sharing between Offices and avoidance of duplication of work had been high on the agenda in the discussions of major patent Offices in the recent past. Yet, surprisingly, the PCT did not feature prominently in these discussions, although the issues which had led to the adoption of the PCT in 1970 were the same as those which were now discussed in the context of work-sharing schemes, such as the Patent Prosecution Highway and the New Route, and although the system had been set up as *the* work-sharing tool for applications filed internationally.

“19. It was, of course, recognized that a great number of applications filed internationally were filed outside of the PCT system via the Paris route, and that some Offices received the great majority of applications not via the PCT but via the Paris route, so there would be, no doubt, a great need for effective work-sharing arrangements outside of the PCT system. Furthermore, it would be the expectation and hope that, eventually, any progress in work-sharing in respect of non-PCT filings would also flow over to the PCT and result in an improved use of that system.

“20. However, there were concerns that the PCT system was being neglected and not being used to its full potential, and that some of the recent work-sharing initiatives were, in effect, trying to “re-invent the wheel”. If there were deficiencies in the PCT system, they should be addressed and fixed in the PCT, rather than designing new systems outside of, or as an alternative to, the PCT. It appeared that those deficiencies lay not in the overall design of the system but more in the way the system was being used by national Offices, including those which also acted as International Authorities; there was thus no need for a new PCT reform exercise but a need to consider how the PCT system as a whole, especially the conduct and the use of the results of international search and preliminary examination, might be improved to use the PCT system to its full potential and to maximize its value to applicants and Offices.

“21. The Authorities welcomed the document as important, timely and useful, containing a wide range of issues which required consideration by the International Authorities as well as applicants and other Offices in order to make the PCT system more effective.

“22. Some of the general observations included the following:

“(a) action was necessary in the context of backlogs growing in both number and application pendency time, which provided legal uncertainty and difficulties for industry in making investments;

“(b) some of the issues were already being at least partially addressed in ongoing projects, such as the review and improvement of quality management systems, or with the forthcoming Rule changes relating to use of earlier searches by other Offices and supplementary international search;

“(c) the challenges faced by Authorities had changed over time and the increasing linguistic diversity of prior art especially meant that collaboration was becoming essential in order to achieve high quality results;

“(d) most of the issues fell into three broad categories: enhancing quality management and related issues, such as PCT minimum documentation; further enhancement of search and examination, and greater uniformity in results and presentation in order to assist mutual exploitation; and organizational matters such as systems for centralized access and exchange of work results;

“(e) the results of international reports may be particularly important to the Offices of developing countries;

“(f) improvements in many areas required stricter adherence to the current requirements of the Treaty, Regulations and Administrative Instructions by International Authorities, rather than changes to the legal framework;

“(g) the details of patentability were a matter of national law and any review must remain within the Treaty framework.

“23. In relation to the content, scope and related quality management systems for international search reports, the following comments were made:

“(a) it was important to continually develop quality management systems;

“(b) the definition of the PCT minimum documentation needed to be revised to reflect the realities of searching in the digital age;

“(c) technical improvements as well as collaboration were required to address the difficulties of searching prior art in a wide range of languages;

“(d) it might be desirable to look at ways of collaboration on search prior to the establishment of the international search report, as well as in the consecutive approach envisaged by the Rules relating to supplementary international search;

“(e) international searches should be treated as seriously as national searches by Authorities;

“(f) timeliness of the establishment of international search reports was important in addition to quality;

“(g) further consideration was required of ways to use modern IT to collaborate effectively.

“24. In relation to the content of written opinions and international preliminary reports on patentability, the following comments were made:

“(a) the usefulness of reports was diminished by the failure to consistently list later published applications (as defined in Rule 33.1(c)) which may be of relevance to inventive step as well as novelty;

“(b) for a written opinion to properly address the issues of novelty and inventive step, it was also necessary to address the main points of clarity and support in order for the opinion to be understood in its proper context, but minor matters would be treated in such different ways by different Offices that there might be little benefit in listing them;

“(c) it was unrealistic to expect examining Offices to simply accept international reports, but the most comprehensive international report possible would minimize the additional work of a designated Office;

“(d) further consideration had to be given to the structure of reports: the current order was often not conducive to clear expression of points and it might be desirable to develop a format which was less rigid, without losing all structure.

“25. In relation to questions of (perceived or real) differences between international and national reports, the following comments were made:

“(a) there might be a perception by some examiners that a national report needed to be taken more seriously than an international report since there was no further review before national rights were granted;

“(b) anecdotally, work done on PCT reports was commonly seen to be less comprehensive than for national reports, but analysis by one Authority of different types of reports prepared by that Office had found no difference in extent or content, only in presentation;

“(c) if systematic differences were perceived in content and quality of national and international reports, this should be measured;

“(d) it was desirable that Authorities should recognize their own work in the national phase such that international reports would effectively become binding on the Office which produced them as a first national action;

“(e) the quality of a report was not necessarily related to whether or not it was binding on the Office producing it, but measures certainly needed to be considered for improving the quality of non-binding reports;

“(f) there would necessarily be differences in the extent of “secret prior art” found because of the relative timing of national and international searches, but this was not a reason to delay the international search;

“(g) the desires of applicants with regard to timing of reports varied greatly and some flexibility might be desirable, but it was also necessary to take needs of third parties into account;

“(h) it might be beneficial to consider PCT “top up” searches at a later stage than the main international search.

“26. In relation to making Chapter II more attractive and encouraging entry into the national phase in a form likely to be acceptable for grant, the following comments were made:

“(a) applicants often wished to retain flexibility for as long as possible and not commit to a particular course of action within the international phase;

“(b) the efficiency of work sharing might sometimes be greater if the application entered the national phase in exactly the form on which the international search was conducted;

“(c) it would be necessary to consult with user groups on whether new options would be useful, such as amendment of the description as well as claims without demanding international preliminary examination.

“27. In relation to the possibility of promoting international first filings, the following comments were made:

“(a) it might be generally cheaper to initially make a national filing, which offered a useful filtering process for applications, increasing the average quality of those which eventually reached the International Searching Authority;

“(b) this option was already available for applicants and it was important to maintain user choice in whether it was taken up.

“28. In relation to questions of improving electronic sharing of reports and information, the following comments were made:

“(a) as much information as possible should be made available to all Offices in character coded electronic form at the earliest stage possible – easy access to national reports of other Offices was particularly important;

“(b) the option of “push” of information would be useful, as long as Offices were able to select what information was sent to them;

“(c) full text copies of documents cited by other Offices should be easily available.

“28. In relation to whether parallel processing of national and international applications was desirable or undesirable, the following comments were made:

“(a) such an approach could offer Authorities improvements in efficiency which would also result in increased quality of international reports;

“(b) alternatively, it might be considered that it was contrary to the philosophy of the PCT and that, in combination with the supplementary international search system, it could be counter-productive for the Authority as this might involve additional national processing if the reports had to be revised following the discovery of relevant prior art by other Offices.

“30. In relation to incentives which could be offered to applicants to use the system more efficiently, the following comments were made:

“(a) the complexity of applications was increasing and there was a need to look at measures to reduce excessive numbers of claims, independent claims and options within claims, as well as to consider possibilities such as only searching one independent claim per category;

“(b) fee incentives and accelerated processing for applications with positive international preliminary reports on patentability were options;

“(c) it might be desirable to require applicants to respond to points raised in the international preliminary report on patentability on entry into the national phase;

“(d) there might be a need for greater flexibility within the international phase, including a greater opportunity for applicants to respond to written opinions.

“31. The Secretariat informed the Meeting that it would present the paper in other fora, including the PCT Working Group at the end of May, in order to seek feedback on these issues from other Offices and user groups.”

*4. The Working Group is invited to consider the issues raised in the Annex to this document.*

[Annex follows]

ANNEX

ENHANCING THE VALUE OF INTERNATIONAL SEARCH  
AND PRELIMINARY EXAMINATION UNDER THE PCT

*Preliminary discussion paper prepared by the Secretariat*

(reproduced from document PCT/MIA/15/2)

SUMMARY

1. Major patent Offices are increasingly looking at ways of sharing search and examination reports in order to reduce the unnecessary duplication of work as far as possible. The PCT was specifically designed to address this issue. Yet, it would appear that the system is not being used to its full potential, with many Offices remaining distrustful of international search reports and international preliminary reports on patentability, and only a few Offices using those reports either as the basis for grant or at least as the basis for an accelerated, simplified or reduced examination process.

2. The Meeting is invited to consider how the operation of the PCT system as a whole, especially the conduct of international search and preliminary examination, the presentation and transmission of its results, and the use of those results by designated Offices, might be improved to use the PCT system to its full potential and to maximize its value to applicants and designated Offices.

THE PCT SYSTEM—USED TO ITS FULL POTENTIAL?

3. The PCT was specifically designed to reduce the unnecessary duplication of work between Offices. At the time of adoption of the PCT, in 1970, the main advantages for examining Offices were described as follows (see document PCT/PCD/2, set out in the *Records of the Washington Diplomatic Conference on the Patent Cooperation Treaty, 1970*):

*“Advantages for Examining Offices*

“86. Examining Offices are able to make substantial economies since the system renders superfluous, for most applications filed by foreigners, all or most of the work of searching, and also – when an international preliminary examination report issues – most of the work of examination. In the overwhelming majority of countries, such applications exceed in number applications filed by nationals. Japan and the United States are among the rare exceptions but, in these countries, the absolute number of foreign applications is in itself impressive (28,000 and 31,000, respectively, in 1969) and has been approached or exceeded in only four countries (38,000 in the United Kingdom, 34,000 in Germany (Federal Republic), 32,000 in France, and 30,000 in Canada). Some of the Socialist countries are also among the exceptions but, owing presumably to the recent intensification of East-West trade and expanding scientific and technical cooperation, the number of foreign applications filed in those countries is constantly and rapidly growing. In the Soviet Union, for example, the number has more than tripled within the past five years.

“87. Even national Offices which are distrustful – and, in the beginning, they might well be – as to the quality of the international search reports and preliminary examination reports, and which subject them to a certain control, have a “flying start” in

their work, since such work is rather in the nature of completing, checking and criticizing than starting from scratch in complete isolation as national Offices do at present.”

4. In practice, these advantages have not been fully realized in most Contracting States. Rather than taking advantage of a possible “flying start”, many Offices remain distrustful of international search reports and international preliminary reports on patentability. Only a few designated Offices use an international search report to completely replace a national search or an international preliminary report on patentability as either the basis for granting a patent without further national examination (either where the report is positive or simply using the report as an indication of the likely extent of validity)<sup>2</sup> or the basis for an accelerated, simplified or reduced examination process<sup>3</sup>. Many other Offices conduct a full national search and examination with very limited use of the international preliminary report on patentability in assisting to establish a first national report. In some cases, this occurs even

where the designated Office has itself established the international reports in its capacity as an International Authority, which implies not merely a lack of trust in the work of another Office, but that they consider the system itself not to meet their national needs.

5. The use of international preliminary examination under Chapter II has reduced dramatically since sufficient Offices have withdrawn their notifications of incompatibility with the time limit under PCT Article 22(1), as modified with effect from April 1, 2002, so that it is no longer necessary (with a few, very limited exceptions) to file a demand for international preliminary examination in order to simply extend the time limit for entering the national phase. *Prima facie*, it ought to be in the interests of applicants to amend their applications in the international phase in order to achieve a positive international preliminary report on patentability, rather than having to make equivalent amendments several times over before different Offices. However, this opportunity is not often taken. It is certainly in the interests of examining Offices concerned about increasing workload that international applications should enter the national phase already in order for grant, but few offer any special incentive for this to happen.

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<sup>2</sup> See, for example, Section 29(2)(e)(ii) of the Singapore Patents Act:  
<http://www.ipos.gov.sg/topNav/leg/>

<sup>3</sup> See, for example, the instructions on use of Foreign Examination Reports and International Preliminary Reports on Patentability in IP Australia, at paragraph 2.13.10.1 of the Australian Patent Manual of Practice and Procedures:  
[http://www.ipaustralia.gov.au/pdfs/patentsmanual/WebHelp/Patent\\_Examiners\\_Manual.htm](http://www.ipaustralia.gov.au/pdfs/patentsmanual/WebHelp/Patent_Examiners_Manual.htm)

6. In addition, applicants remain, in particular, concerned that no individual Office is capable of providing a comprehensive search of prior art in all languages; large sums of money may be wasted where important new prior art is found late in the national process when there has been significant parallel processing of applications in different languages and different States. Applicants have thus made clear that they would find it useful to receive several search reports before incurring the expense of national phase entry. Additional searches may, in some cases, be possible under the PCT once the Rules relating to supplementary international search come into force on January 1, 2009. However, this depends on the participation of a suitable range of International Authorities and some have expressed concerns, *inter alia*, about the risk of increased duplication of work and the effect that changes in timing (where supplementary international search effectively means that work which would otherwise have been performed in the national phase is brought forward) will have on their workflows.

7. In 1995, former WIPO Director General Arpad Bogoch stated (*The First Twenty-Five Years of the PCT (1970 – 1995)*, page 11):

“In the second half of the 1960s (when the plans for a PCT were under discussion) and in 1970s (when the PCT was adopted and signed), this compromise was the maximum of simplification that could be agreed upon. It still seems to be the maximum 25 years later. But I do not believe that it will remain the maximum also in the 21st century. On the contrary, I believe that further streamlining the procedures and a higher degree of relying on the results of the international search and examination can and will be realized. They should remain on the agenda of WIPO and should be vigorously pursued by the governments and the patent offices as well as by the International Bureau of WIPO.”

8. To enhance the value of the PCT system so that indeed “a higher degree of relying on the results of the international search and examination can and will be realized” and the system is being used to its full potential, it is necessary to consider why international reports are not used as fully as the founders of the system had hoped and to find ways of:

(a) ensuring that the content of international reports is in line with the needs of designated Offices in assisting national examination;

(b) improving the conduct of international search and examination to ensure that the appropriate content is consistently delivered, so as to ensure a high quality of patents granted based on work performed, as far as possible, just once in the international phase;

(c) encouraging designated Offices to have confidence in international reports and to use them to the maximum extent possible, avoiding duplication of work and its consequent costs for Offices and applicants;

(d) encouraging applicants to use the PCT to its best effect, in order to minimize the amount of work which needs to be performed in the national phase to examine the application and to bring it into order for a patent to be granted.

9. In this context, it may be useful to first review some of the recent work-sharing projects set up between national Offices outside of, or as an alternative to, the PCT system.

## WORK-SHARING PROJECTS SET UP OUTSIDE OF, OR AS AN ALTERNATIVE TO, THE PCT SYSTEM

### Patent Prosecution Highway

10. National Offices have recognized the benefit of utilizing the work of other Offices in examining equivalent applications using the Paris route and a number of pilot projects have been set up to attempt to share and make best use of each others' reports. Most notably, the trial of the "Patent Prosecution Highway" (PPH) has been sufficiently successful that it has recently been fully implemented between the United States Patent and Trademark Office and the Japan Patent Office (and it is under ongoing trial between a number of other pairs of Offices).

11. Under the PPH, a pair of Offices have a (possibly informal) bilateral agreement whereby if an applicant receives a ruling from one Office that at least one claim in an application is patentable, he may request that the other Office "fast track" the examination of corresponding claims in corresponding applications. The PPH uses fast-track patent examination procedures already available in both offices to allow applicants in both countries to obtain corresponding patents faster and more efficiently, with the assistance of search and examination results obtained from the other Office.

12. The full implementation of the PPH between USPTO and JPO, following evaluation and confirmation of the benefits of access to the results of the search and examination in the other Office, is a major landmark in work-sharing between Offices and has the potential to (perhaps dramatically) increase the efficiency of the Paris Convention system between some groups of States. In particular, it demonstrates that practical use can be made by an examining Office of the work done by another Office, operating under a different national law, to reduce the amount of work which needs to be done in order to grant a patent with an acceptable presumption of validity in accordance with the standards of the particular Office.

### New Route

13. The New Route is a further project for work-sharing which is currently the subject of a pilot project between the USPTO and JPO<sup>4</sup>. Under the New Route framework, a filing in one office that is party to the arrangement would be deemed a filing in all member Offices. The first Office and applicant would be given a 30-month processing time frame in which to make available a first office action and any necessary translations to the second office(s), and the second office(s) would exploit the search and examination results in conducting their own examination. The first Office would also be responsible for 18-month publication of the application. If the language of the first Office is not English, an English language abstract and bibliographic data would be published together with the application. By allowing the second Office to exploit the search and examination results of the first Office, the New Route would help offices reduce overall workload, minimize duplication of search efforts, and increase examination quality.

14. The purpose of the New Route is stated as being an attempt to offer the same benefits as are envisaged by the PCT, but using a less centralized approach in order to reduce costs and to make the work more focused.

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<sup>4</sup> [http://www.uspto.gov/web/patents/pph/newroute\\_jpo.html](http://www.uspto.gov/web/patents/pph/newroute_jpo.html)

## USING THE PCT SYSTEM TO ITS FULL POTENTIAL

15. The success of the Patent Prosecution Highway and the interest shown in the New Route should act as an incentive to all Offices to ensure that the results of the PCT are used at least as effectively, to the benefit of a much wider audience of Offices and applicants. The PCT already has mechanisms in place designed to address problems which may be faced by the PPH and New Route, or which could be used to deliver the same benefits more effectively or to a larger audience:

(a) The applications involved are not merely related, but actually the same application: their contents are identical, assuming that translations are accurate and no additional amendments are made on national phase entry. Consequently, there is no need to make any special comparison of the claims.

(b) The PCT does not need the Office of first filing to be an examining Office in order to gain benefits. As a result, its benefits are more easily accessible to applicants from any State.

(c) The international search report and international preliminary report on patentability are (in principle) established before any national processing begins, ensuring that they are in time to be used by designated Offices (unless the applicant specifically requests otherwise).

(d) All abstracts, international search reports and international preliminary reports on patentability are translated into English by professional translators, with centralized review of quality to ensure consistency.

(e) The reports are provided directly to all designated Offices by mechanisms which are already in place.

(f) Publication of international applications is carried out in accordance with consistent standards. Offices of any PCT State are able to request changes to these standards if they are found not to meet their national needs.

(g) The PCT is already in force in 138 States, with 15 International Authorities appointed to act as examining Offices for the system. The multilateral framework and existence of the central secretariat means that no special bilateral legal or technical arrangements are needed between individual Offices for the benefits to be accessed by Offices and applicants. Changes to the form and contents of reports can, if needed, be made either through changes to the PCT Rules or Administrative Instructions (including forms), or simply by practice of the International Authorities, without need for national legislation.

16. The issues which prompted the adoption of the PCT in 1970 were the same as those which are now being attempted to be addressed by PPH and the New Route; the differences are only in the sheer numbers of applications and Offices now involved, and the technology available to assist the processing and sharing of work results. If there are concerns which prevent the PCT from being used as was envisaged by its founders to address the same relevant issues, it is essential that those concerns are dealt with directly and overcome quickly. The development of parallel systems can only bypass and not resolve such concerns.

17. At present, the amount to which the PCT is used as the route for seeking international protection as a proportion of the whole (including, in particular, the Paris Convention route) varies enormously between Contracting States. Addressing the deficiencies of the PCT system perceived by Offices and applicants in some States may permit a more fast, effective and universal solution to the rising costs and workloads than seeking further *sui generis* systems.

18. Some of the main concerns which prevent the PCT from being used to its full potential and issues to be discussed to address those concerns are outlined in following paragraphs.

#### Content of International Search Reports

19. An international search should be the fullest search which the International Authority can carry out. PCT Article 15(4) states that the International Searching Authority shall:

“endeavor to discover as much of the relevant prior art as its facilities permit, and shall, in any case, consult the documentation specified in the Regulations.”

20. It needs to be clearly understood that this reference to consultation of the documentation specified in the Regulations indicates the absolute *minimum* which an Office is required to have access to for consultation in order to become an International Searching Authority. In fact, all Authorities are *expected* to have access to much more documentation and are *obliged* to make the fullest use of all the documentation which their facilities provide access to while conducting international searches.

21. The definition of prior art (including the material in PCT Rules 33.1(b) and (c), which is not strictly “prior art” under the PCT but which is required to be included in the international search report) is designed to include all disclosures which might form prior art under the national law of any PCT Contracting State: the international search report should cite *at the very least* all those documents which would be found in an equivalent national search by the Office and possibly further ones, which might constitute relevant prior art according to the laws of other PCT States.

22. Consequently, if the PCT was being fully implemented as envisaged by those who drafted Article 15, there should never be a need for an Office to perform a national search in addition to the international search, except to the extent of providing a “top-up search” to take account of earlier applications which may have been published in the meantime. Though the problems of search collections in different languages mean that this ideal may be impossible to fully realize in the foreseeable future, even if a greater degree of confidence is achieved in the use of searches performed in other Offices, there is a strong need to minimize the additional duplicative searching which is carried out. To achieve this, it is important that the main international search is as close as reasonably possible to “right first time”, as envisaged by Article 15(4).

23. If full national phase searches, going beyond “topping up” for time and addressing particular language collections, are believed to be necessary because better<sup>5</sup> citations are routinely found in such searches, this suggests that the international searches which are carried out by International Authorities may not meet the standards required by the Treaty. This is a matter which should be addressed urgently by the Authorities and measures taken to improve the confidence of other Offices as part of performance measurement, reporting and feedback for improvements in accordance with their quality management systems. For the applicant, a particularly relevant citation being found only after entry into the national phase which should have been found in the international search can represent the waste of an enormous amount of money in time, official fees, translations, representatives’ fees and product development.

24. The quality of the international search report is the foundation on which all other opportunities for effective use of the PCT for work-sharing are laid. With a high quality international search, enormous savings of time and money can be made by all examining Offices in the national phase. Furthermore, applicants and Offices can reap benefits of confidence and efficiency in national processing in all States, whether national examinations take place or not. On the other hand, if the main international search is not conducted to a high standard, there is little point in attempting to address any of the other issues since that work, and anything else which is based on it, is essentially wasted.

25. It is consequently essential that International Authorities should not view international searches as in any way less important than their national searches. It is also normally in their own interests to perform a high quality search on international applications: such applications will almost always enter the national phase before that Office as a designated Office, except where prior art is found which causes the application to be abandoned, which would also happen for a direct national application. If the international search is not performed to a sufficient standard to meet the needs of national processing within the Office acting as International Searching Authority, it will need to be repeated, causing more work for the Office, rather than less, as well as failing to provide the service required by the Treaty to applicants and to all other designated Offices, and reducing confidence in the system as a whole.

26. In this context, it is to be noted that there is an exception to the case where applications can be expected to enter the national phase before the Office which acts as International Authority. In a few States, it is common practice for parallel national and international processing to take place: the international application claims priority from a national application, which also proceeds in its national processing, either directly or else in the form of a successor application (for example, claiming national priority from the original application). In such a case, it would seem to be in the interest of the International Authority as well as of all parties to identify the equivalence and to have the two applications handled by the same examiner, if possible simultaneously. This should permit the highest quality reports to be established with the minimum of effort. Handling the production of these reports separately involves additional work, and risks significantly different results being

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<sup>5</sup> *Different* citations are to be expected given that much technology is recorded in more than one place and the selection of particular examples is a matter of judgment and convenience for the examiner; a citation is only *better* if it leads to a substantial narrowing or elimination of claims because it demonstrates that more was known or obvious than was apparent from other citations.

reported for the two different cases. This would reduce the value of the reports to designated Offices and might provide justified grounds for complaint from applicants who receive very different conclusions on directly comparable applications. The more general question of why applicants seek dual processing, whether this may be used to the benefit of the whole system, or whether measures should be sought to reduce the need for such an approach, are considered in paragraphs 58 to 65, below.

27. The questions to be addressed in this context include the following:

(a) *Does the review of PCT minimum documentation need to clarify the meaning of this term in addition to ensuring that its scope is appropriate to best assist the establishment of high quality international search reports?*

(b) *Could other changes to the Regulations further clarify the standards which are required of an international search?*

(c) *Are there any measures which could be taken collectively by International Authorities to improve the quality of the main international search, especially with regard to the different languages in which prior art is published, in order to reduce the need for searches to be carried out by several Offices?*

(d) *Are International Authorities' quality management systems properly testing whether their international searches meet all the standards required by Article 15(4)?*

#### Content of Written Opinions and International Preliminary Reports on Patentability

28. The content of written opinions and international preliminary reports on patentability, whether under Chapter I or Chapter II (collectively referred to below as "international examination reports"), are defined by Rules 66 and 70, which are open to amendment if the form or content of such reports are not considered sufficiently useful to assist processing in the national phase. The only fundamental limitations on the contents of the report are in PCT Article 35(2), which requires that:

(a) the international examination report *must* (with a few exceptions relating to subject matter, clarity or unity of invention) include an opinion on whether the invention appears to be novel, involve an inventive step and be industrially applicable in accordance with the meanings of those terms under the PCT: with the exception of the special case where there are earlier national applications published after the priority date of the international application, this will give the same result as if any individual national test were used in a great majority of cases. The existence of earlier national applications should in any case be noted in the report (Rule 64.3) so that they can be given suitable scrutiny in the national phase.

(b) the international examination report *must not* contain any statement on the question whether the claimed invention is or seems to be patentable or unpatentable according to any particular national law: however, while no such explicit statement is permitted, a well-written and complete international examination report should provide sufficient information that the patentability of a claim according to individual national laws should be apparent, except for a limited range of fields of technology where it is recognized that significant differences in law apply.

29. An international examination report is permitted to comment on any defects of form or content under the Treaty or Regulations, or to comment on the clarity of the claims, the description and the drawings, or the question whether the claims are fully supported by the description. However, the extent to which this is done in any particular case varies enormously. While little formal research has been done into the matter, anecdotal evidence from applicants suggests that such matters are commented on a great deal more at the national stage than in international preliminary reports on patentability.

30. As has been shown by the success of the Patent Prosecution Highway, the fact that there are differences in patentability criteria between two different Offices does not preclude a positive national examination report from one Office being of use to another Office in allowing an accelerated examination of the acceptability of the relevant claims before the other Office. Even if an examination report is not positive, an Office may find it useful in assisting the compilation of its own examination report. If national examination reports on equivalent applications in different States can be found useful, it should be possible to make international examination reports more useful in the national phase, noting that:

(a) it can be certain that (unless intervening amendments have been filed and subject to errors in translation) the report refers to the actual content of the application, whereas there could be differences between supposedly equivalent applications filed separately through the Paris Convention route;

(b) there should be no differences in the law to be applied relating to unity of invention, since a PCT application in the national phase only needs to meet the PCT definition of unity of invention, not any national equivalent;

(c) the international examination report will always be available in English, in addition to its original language.

31. The questions to be addressed in this context include the following:

(a) *Might designated Offices benefit from greater consideration by the International Authority of matters which are permitted, but not required in an international examination report, such as clarity and support?*

(b) *Could the definition of the relevant standards under the PCT, such as “prior art”, be amended to make them more relevant to national phase processing in all designated Offices?*

(c) *Could the form and content of international examination reports be improved to make them more useful to designated Offices?*

#### Trust in Reports Prepared Other than for Specific National System

32. If the PCT is to be of benefit to applicants in providing a truly efficient service, and to Offices in helping to reduce backlogs and improve the quality of granted patents, the primary concern which needs to be addressed is that many Offices (and in some cases applicants) perceive international search reports and international preliminary reports on patentability as being inferior to national search and examination reports. Consequently, in many cases a full

national search and examination is carried out on an international application in the national phase, even by the designated Office which itself carried out the international search and/or preliminary examination in its role as an International Authority.

33. When held by Offices which act as International Authorities, such lack of trust is doubly worrying since not only are they apparently unnecessarily repeating work which they are supposed to have already performed themselves, but it also understandably reduces the confidence of those designated Offices which need to rely almost exclusively on the international reports that the patents which they grant are of good quality (or, in the case of registration systems, that the major defects have reliably been identified to assist third parties in their assessment of the registered patent).

34. The questions to be addressed in this context include the following:

(a) *What is the difference (perceived or actual) between a national and an international search?* (In principle, an international search should in all cases be *at least* as comprehensive as any national search: see paragraphs 19 to 27, above.)

(b) *Are any such differences a result of the definitions in the Treaty or the Regulations, or as a result of the particular way that the international search is carried out?*

(c) *What is the difference between a national examination report and an international preliminary report on patentability?* (There are certain differences which are required by the Treaty, others which are a result of matters in the PCT Rules and others still which are dependent on the decision of the International Preliminary Examining Authority: see paragraphs 28 to 31, above.)

(d) *Do any of the perceptions depend on whether the international preliminary reports on patentability was established under Chapter I or Chapter II of the Treaty?* (In principle, the only differences should be a greater likelihood that the priority document is not available at the Chapter I stage, precluding any comment on the validity of any relevant priority claims, and that at under Chapter II there has been an opportunity to amend the specification, allowing some initial negative comments to be overcome.)

(e) *To the extent that any such differences reduce the usefulness of an international report to a designated Office, can the content or format be changed to reduce or overcome the problem?* (The fact that a report is made in a different format to an Office's normal national report and in accordance with slightly different legal provisions does not pose an insuperable barrier, as witnessed by the success of work-sharing pilot projects such as the Patent Prosecution Highway: see paragraphs 10 to 12, above.)

Preliminary and Non-Binding Nature of PCT Reports; Complete Reports

35. A commonly stated reason for not using PCT reports to assist national processing to the fullest extent (and not to use PCT reports as a basis for requesting accelerated examination under PPH) is that they are “preliminary “ and “non-binding” in nature and thus not equivalent to national reports or office actions which indicate, in a non-preliminary and binding nature, that certain claims in an application are patentable. Article 33(1) states that:

“[t]he objective of the international preliminary examination is to formulate a preliminary and non-binding opinion on the questions whether the claimed invention appears to be novel, to involve an inventive step (to be non-obvious), and to be industrially applicable.”

36. However, the actual issues at stake appear to be whether the report in question is of *scope* to be of use to another Office and has been established to a *sufficiently high standard* as to give an appropriate (though never absolute) degree of confidence. If that is so, the “preliminary “ and “non-binding” nature cannot genuinely be seen as a barrier to use of a report; it is simply a tool to assist the examiner in making a faster and more complete assessment of the application against the requirements of his national law.

37. The PCT was designed to take into account the fact that there are differences in national laws relating to prior art, novelty, inventive step and other matters, and to permit reports to be established which can be of use in different States. Furthermore, it contains possibilities for changing the definitions of the tests and the form and contents of the reports if States feel that their needs are not being met, as discussed in paragraphs 28 and 31, above.

38. The PCT also requires International Authorities to establish reports of high quality (see especially paragraphs 19 and 20, above). While the quality of international reports is only controlled by the International Authorities which themselves establish the reports, this is also the case for use of national reports: no national Office has the right to control the quality of national reports established by another Office for its own purposes. The use of reports in an arrangement such as PPH must be based on an assessment of their usefulness. A bilateral arrangement may permit feedback, but ultimately the relationship is based on trust, rather than control. International Authorities must recognize that the production of high quality reports is ultimately in their own interests as well as those of applicants and all other Offices within the PCT system and take all necessary measures to ensure appropriate quality.

39. Another commonly stated problem with using reports established at too early a stage in proceedings is that they do not properly take into account “secret prior art”: the prior art which has not been published at the priority date or filing date of an application, but which appears in a patent application of earlier priority date or filing date. However, even 30 months from the priority date, a search cannot be guaranteed to find all secret prior art, in view of the number of possibilities involving invalid priority claims, different administrative and legal delays in publication and delays in classification and inclusion of documents in some search databases. Furthermore, PPH and the New Route consider using national searches from other States, even though most of those searches will specifically ignore secret prior art in the form of applications from States (or regions) other than the one where the search is being conducted, whereas international searches are specifically required to include this information, to the extent that the applications have been published at the time of the international search.

40. The questions to be addressed in this context include the following:

(a) *Does it matter whether a report is “binding” on one Office for its contents to be taken into account by another Office?*

(b) *Does it matter whether a search has been conducted at a sufficiently late stage for all “secret prior art” to have been taken into account for it to be of use to another Office?*

#### National Phase Entry in Acceptable Form

41. The greatest benefit of the PCT system would be achieved if a large proportion of international applications entered the national phase in a form which was suitable for grant without any further amendment, accompanied by search reports and international preliminary reports on patentability of sufficient quality that designated Offices were able to determine with a minimum of effort that their particular national requirements had been met.

42. However, the use of Chapter II of the PCT has been declining and the majority of international applications as initially filed contain some form of defect which requires correction before the application is granted by Contracting States with examination systems. While it is undoubtedly beneficial that International Preliminary Examining Authorities are no longer burdened with the production of international preliminary examination reports which were not used and were demanded solely to extend the time limit before entry into the national phase, the work of national Offices and costs for applicants could be significantly reduced if Chapter II could be used effectively to ensure that the international application met the requirements of novelty, inventive step, industrial applicability, clarity and support before it entered the national phase.

43. While it is acknowledged that there are differences between PCT standards and national laws, and reasons for which different claim drafting styles are adopted in different States (in order to ensure appropriate scopes of claim are upheld by the various court systems), these differences need not be insuperable barriers. Offices' evaluation of PPH pilots has demonstrated that it is possible to achieve benefits by submitting claims to one Office which have been found acceptable to another Office, even though that Office operates under a different legal system.

44. International Preliminary Examining Authorities could encourage high quality national phase entries by ensuring that the applicant has the greatest possible opportunity to overcome deficiencies within the international phase, by giving a full written opinion at an early stage, allowing a real chance for the applicant to file amendments to correct defects, including offering additional opportunities to file amendments where the applicant has provided a prompt response which seriously attempts to address the examiner's report but minor outstanding issues remain (in this context, see also the discussion on the use of international applications as first filings, paragraphs 50 to 54, below).

45. Consideration might also be given to the desirability of making amendments to the description and drawings of the international application under Chapter I of the PCT, in addition to amendments of the claims under Article 19 (it would also be necessary to determine whether this would be permissible under the Treaty without amendment of Article 19). While this would not offer the benefits of an international examination report indicating whether the deficiencies noted in a report under Chapter I had been eliminated,

applicants might find a benefit in being able to easily enter the national phase in a common form before all designated Offices, complementing the current informal comments which are currently permitted in response to a written opinion of the International Searching Authority.

46. Designated Offices could offer significant discounts or other benefits, such as fast-track procedures, to international applications which enter the national phase accompanied by a positive international preliminary report on patentability relating to the application in the form in which it enters the national phase.

47. Designated Offices might also consider the extent to which amendments in the national phase to meet national requirements are actually necessary if the requirements of novelty, inventive step, industrial applicability, clarity and sufficiency of disclosure are met. PCT Article 27(1) requires that:

“No national law shall require compliance with requirements relating to the form or contents of the international application different from or additional to those which are provided for in this Treaty and the Regulations.”

48. However, anecdotal evidence suggests that designated Offices commonly require amendment of the international application in the national phase to meet national requirements relating to matters other than those essential, clearly substantive issues. This provides additional work both for applicants and Offices, with no obvious benefit in providing a more valid patent.

49. The questions to be addressed in this context include the following:

(a) *What could International Preliminary Examining Authorities do to make PCT Chapter II proceedings more attractive to applicants?*

(b) *What could designated Offices do to make it desirable for applicants to enter the national phase with a “positive” international preliminary report on patentability?*

(c) *Do applicants wish to make amendments in the international phase? If not, why not? (See paragraphs 52 to 54 and 58 to 65, below.)*

(d) *Could benefits be gained from permitting amendment of the description and drawings in the international phase without demanding international preliminary examination?*

### The Importance of Timing and First Filings

50. One of the major lessons which is emerging from the projects on work-sharing is that the timing of actions in different Offices is important if duplication is to be avoided. One Office must have had time to complete sufficient work to be useful before any search and examination begins in another Office. Since it is difficult to coordinate actions on a case-by-case basis, one promising approach may be for Offices to ensure that search and examination is carried out in a timely manner on first filings at that Office, in the hope that these results can be of benefit to second filings in other Offices, and that results from other Offices will be available before the normal commencement of search and examination of applications claiming priority from earlier applications in other Offices.

51. While the timetable set by the PCT attempts to ensure that there is always time for an international search and preliminary examination to be carried out before any national search and examination begins in designated Offices, there may be room to consider enhancing these possibilities. At present, PCT first filings are relatively uncommon: the majority of international applications claim priority from an earlier national application. Consequently, there is usually only an 18 month period between the international filing date and entry into the national phase, a time which is quite limited for full international search and examination once delays are taken into account relating to the formalities processing of the international application and the need to transfer documents between different Offices, a process which even now often takes place by conventional mail.

52. In the case of a PCT first filing, there are 30 months which can be used for international search and preliminary examination. If there were an incentive for applicants to choose this route, this would allow ample time for international search as well as examination with more than one opportunity to file amendments. Alternatively, or additionally, there would be time to establish several supplementary international search reports. This could allow the international application to enter the national phase with a very strong likelihood of being immediately in order for grant, with a high degree of confidence in the results of the international search and examination.

53. If International Authorities were prepared to offer the necessary level of service, and this were to be recognized by designated Offices in the form of accelerated procedures and reduced national fees for entering the national phase with a positive international report of an appropriate standard, the benefits in reduction of workload and cost savings could be enormous, and available to applicants from all PCT States, rather than relying on special bilateral arrangements.

54. The questions to be addressed in this context include the following:

(a) *Do International Authorities see benefits, either in their roles as International Authorities or as designated Offices, in promoting improved international processing by encouraging international first filings?*

(b) *What incentives could be offered to encourage the appropriate changes in applicant behaviour?*

#### Availability and Use of Information

55. Another lesson to be learned is that work done by one Office can be of benefit to another, even though there are differences in national systems. However, for that work to be used, the second Office needs to know that the work has been done by the first Office, and to be able to access the relevant information.

56. To maximize the use of the PCT, it may be desirable to promote the sharing of work performed in the national phase, as well as that from the international phase, so that further information can be used where it becomes available in time to be considered by other national Offices. Measures to consider would include:

(a) notification of national phase entry to the International Bureau by a more complete range of Offices;

(b) central access to national search and examination reports and related material (such as search strategies) from international applications in the national phase by other Offices;

(c) common standards for recording and transmitting basic citation information, sufficient to allow national Offices to allow the automatic collation of citation information from different Offices, making assessment of the prior art by an examiner more efficient;

(d) “push” of information by the International Bureau, to allow designated Offices to receive notifications of equivalent national actions in other States according to their particular needs, for example relating to all applications which have entered the national phase but not yet been granted.

57. The questions to be addressed in this context include the following:

(a) *Would there be benefits in seeking improved standards for transmitting key information between Offices?*

(b) *Should designated Offices seek to share national phase information for the benefit of other designated Offices?*

(c) *Is there interest in “push” of information from other designated Offices to assist ongoing national processing?*

(d) *To the extent that multiple searches are considered necessary, are there any other measures which might be taken to minimize the work involved in conducting them, and to ensure that the results of further searches are seen by other Offices as quickly as possible in a format which is useful to them?*

Revising the Distinction Between International and National Phases

58. One of the concerns of International Authorities is that a strict division between international and national search and examination may not be efficient, and that better results could be achieved with less overall effort if the two processes were conducted simultaneously.

59. As noted in paragraph 26, above, parallel processing of both a national and an international application is common before some Offices which act as both a national Office in respect of a national first filing and an International Searching Authority in respect of a PCT application claiming priority from that national first filing or a common earlier application. In such a case, it may be difficult to ensure that the two applications are processed simultaneously and it requires a thorough check to ensure that they are truly equivalent in scope. Actual early national phase entry of the international application would be one way to allow for simultaneous processing but is uncommon, presumably because applicants do not find that the advantages of early national phase entry outweigh the loss of many of the advantages of the PCT system, particularly for applicants from States other than that whose Office is acting as International Authority:

(a) national phase entry usually requires a local agent to be employed in addition to the main agent handling the international phase;

(b) a translation of the international application needs to be established if it was not filed or published in an official language of the relevant State, even though several International Authorities will conduct searches on international applications in a wider range of languages than they accept for national processing.

(c) amendments are often required to the description for the purpose of national processing, which takes the time of a local agent, even though these changes have no relevance to the essential question of what is the invention to be searched.

(d) there is often no guarantee that the national search will be carried out before national phase entry is required for other States.

(e) the results of the national search are not automatically provided to the Offices of other designated States.

60. However, if parallel processing is considered by International Authorities to be desirable, the same benefits could also be achieved in a different way, short of formal national phase entry before the Office concerned. It is observed that the PCT does not prohibit International Authorities from conducting a national search and examination on an international application during what is usually considered to be the international phase, provided that the applicant has requested that this be done. The restriction on national processing is set out in PCT Article 23 as follows:

*Article 23*  
*Delaying of National Procedure*

(1) No designated Office shall process or examine the international application prior to the expiration of the applicable time limit under Article 22.

(2) Notwithstanding the provisions of paragraph (1), any designated Office may, on the express request of the applicant, process or examine the international application at any time.

61. Consequently, if the applicant has requested that a national search and examination be carried out, it is open to the International Authority to perform this at the same time as the international work. It is a matter of national or regional law and practice to determine whether all of the actions normally required for entry into the national phase (provision of translations, payments of fees and appointment of local agents) need to have taken place at this point.

62. For the main international search, it would require significant incentives for the applicant (in terms of reduced overall costs or convenience of processing) for the applicant to be willing to pay the national fees which would presumably be required (at least in part) at this point, since there would be no basis for making parallel national processing mandatory for the international search.

63. However, it could be envisaged (in accordance with Rule 45*bis*.9(a)) that the supplementary international search service might be offered only in the case where the applicant also requested a national search or examination to be conducted simultaneously. Provided that the costs and procedures involved were not excessive, it is likely that this would be seen as a beneficial service by applicants, who would in any case be unlikely to request a supplementary international search from an International Authority unless there was a real intention of entering the national phase in that State, subject to there being no “killer” citations found. The International Authority could therefore, in such cases, establish their first action as a designated Office with reduced effort compared to considering the application from fresh in the national phase.

64. Where a national search or examination report is established before the end of the main international phase together with an international report, there may be benefit to other designated Offices in making that report publicly available through the PATENTSCOPE® website and other PCT electronic services, along with the international reports. Such an arrangement might also be desirable for reports established at a later stage by any designated Office as noted in paragraph 56, above, though this would involve a separate transmission or notification step to be reliably set up, whereas national reports established at the same time as an international one could be transmitted as part of the same package as the international report.

65. The questions to be addressed in this context include the following:

(a) *Can parallel national and international phase processing by an International Authority be used to make the overall process more efficient?*

(b) *If so, are changes to the PCT system or to national law or practice necessary or desirable in order to encourage early national phase entry for the Office acting as an International Authority, or better identification of equivalent direct national applications, in situations where this represents a efficient processing route?*

(c) *If not, are changes to the PCT system or to national law or practice necessary or desirable in order to discourage direct national filings being pursued in parallel to an international application?*

#### Incentives for Applicants

66. The cost of parallel processing before several different Offices is in itself an incentive for the applicant to bring his application in order for grant in as few actions as possible before each Office. However, efficient use of the system would be encouraged if International Authorities and designated Offices were to offer further incentives for behaviour which minimizes the overall workload on Offices and also to reduce opportunities for abuses of the system, such as deliberately delaying grant and creating uncertainties for international trade by unnecessarily varying the scope of apparently equivalent patents between States.

67. The fees for international search and preliminary examination are, in general, set at a significantly higher level than for national searches and examinations carried out by the same Office and there is not always a reduction in national fees to take account of work done during the international phase, even where the International Searching Authority and the designated Office are the same body. Most Offices subsidize their national search and examination work using renewal fees received from those applications which are granted (or in some cases, while the applications are still pending) but may not feel able to do so, at least to the same extent, for international applications. This is despite the fact that:

(a) an international application is in fact an application in the State whose Office is acting as International Searching Authority and is very likely to enter the national phase (or an equivalent regional phase) before that Office; and

(b) the international search should be at least as effective for the national phase work of the International Authority which established the report as a national search conducted at the same time in the life of an application.

68. Offices should consider how they can make better use of international search and examination reports so as to reduce their workloads and pass the savings on to applicants. A measure of particular benefit for reducing workload would be to offer incentives for entering the national phase in the form which is the subject of a positive international preliminary report on patentability, and is therefore likely to be acceptable for grant with little or no amendment. Such incentives could take financial form, or else accelerated processing in a similar manner to PPH.

69. The questions to be addressed in this context include the following:

(a) *What incentives can be envisaged in the PCT system generally to encourage applicants to use the system efficiently, so as to reduce the workload of Offices?*

(b) *What actions can International Authorities take to give incentives to applicants to use the system efficiently?*

(c) *What actions can designated Offices take to give incentives to applicants to use the system efficiently?*

70. To allow the PCT to alleviate the workload and patent quality problems of national Offices, and to reduce costs to applicants to the extent which was envisaged at its adoption in 1970 will require serious steps to be taken by all Offices involved in the system, including receiving Offices, International Authorities, designated Offices and the International Bureau, as well as by applicants themselves. A concerted effort could pay significant dividends in a relatively short timescale if the will is present among all parties.

*71. The Meeting is invited to consider measures which should be taken to maximize the utility of international search and preliminary examination in order to contribute effectively towards an efficient and high quality international patent system, taking into account especially the questions in paragraphs 27, 31, 34, 40, 49, 54, 57, 65 and 69.*

[End of Annex and of document]