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MANDATORY RESPONSE TO NEGATIVE COMMENTS IN THE NATIONAL PHASE

Document submitted by the United Kingdom and the United States of America

SUMMARY

1. The present document contains a proposal to amend the PCT Regulations to specifically provide that applicants must respond to any outstanding negative comments issued by the International Searching Authority (ISA) in the Chapter I written opinion or by the International Preliminary Examining Authority (IPEA) in the international preliminary examination report upon entering the national/regional phase.

BACKGROUND

2. At the fifth session of the PCT Working Group, held in Geneva from May 29 to June 1, 2012, the United Kingdom and the United States of America presented a joint proposal entitled "PCT 20/20", containing twelve proposals for further improvement of the PCT system (document PCT/WG/5/18). The proposals received varying levels of support by the Working Group (see the Summary by the Chair of the fifth session, document PCT/WG/5/21, paragraphs 27 to 29). However, many delegations felt that they could provide only preliminary views on the proposals and noted that more time was needed to carefully study the proposals, to consult with user groups and to consider the possible impact on respective national laws and practices. Following the discussions, the Delegations of the United Kingdom and of the United States of America agreed to further elaborate on the proposals and to provide more details on how to take the proposals forward, for discussion at the next session of the Working Group.

3. The joint PCT 20/20 proposal included a specific proposal for "Integrate National/International Phases, Use a National First Action on the Merits for PCT Search Report, Require Response to Negative Comments at the National Phase."

4. As originally set forth, this proposal envisioned three types of integration of the national and international phases:

- (a) selection of an ISA would also be deemed a national phase entry in that Office, whereby the international search report (ISR) and written opinion (WO) would constitute both the international work product and a national Office action for that Office;
- (b) requiring, at the time of national phase entry, a complete response to any outstanding negative indications made by the ISA/IPEA;
- (c) where a national first action on the merits has been issued by the ISA in its capacity as a national Office in a parent application or family member, that the ISA adopt that as the ISR/WO where the claims are the same, thus reducing the burden on the ISAs and encouraging applicants to file international applications in the best form possible.

5. Similarly, the European Patent Office (EPO), in its document titled "Proposals for Further Improvement of PCT Services and Products", which was also submitted to the fifth session of the PCT Working Group (PCT/WG/5/20), indicated that it already required such a response in its regional phase applications where it was the ISA or IPEA. The paper indicated that the EPO was of the view that this procedure could be implemented by other designated Offices in order to enhance efficiency in the processing of PCT applications in the national phase.

6. In this regard, the EPO has indicated that the implementation of this requirement has had a significant and positive impact on European regional phase filings. Specifically, since implementation, the percentage of applications affected by the requirement (i.e., where the EPO was the ISA) in which applicants file amended claims when entering the European phase has increased from 18.3 per cent in 2009 to 87.6 per cent in 2012. Further, the fact that these amendments are generally aimed at overcoming the objections raised (and are not purely formal in nature) is evidenced by the fact that, over the same period, the percentage of European regional phase applications where the EPO was the ISA which could be granted on the first action when entering the European phase has increased from 15 per cent to 33 per cent.

7. Taking into account the discussions and the comments received during the fifth session of the Working Group, the United Kingdom and the United States of America prepared revised versions of the original proposals for further improvement of the PCT system. Those revised and expanded proposals were communicated by the International Bureau, by way of a Circular (Circular C. PCT 1364, dated December 20, 2012, Annex I), to Offices of all PCT Contracting States in their capacity as a receiving Office, an International Searching and Preliminary Examining Authority and/or a designated and elected Office under the PCT, to Geneva-based missions and foreign ministries of PCT Contracting States and of States that are invited to attend meetings of the PCT Working Group as observers, as well as to certain organizations that are invited to attend meetings of the PCT Working Group as observers. The Circular invited recipients to review and further comment on those revised proposals and, in particular, to consult with user groups on those proposals and to consider the possible impact of those proposals, if adopted, on respective national laws and practices.

8. To date, 31 responses to the Circular have been received, including comments from 24 national and regional Offices and 7 user groups. Of the comments received on the proposed types of integration of the national and international phases, the highest level of support came for requiring a complete response to any outstanding negative indications made by the ISA/IPEA. The primary concern raised in the responses was the effect such a proposal would have on the non-binding nature of the international work product.

9. Further, the expanded proposals were discussed at the twentieth session of the Meeting of International Authorities under the Patent Cooperation Treaty (PCT/MIA), held in Munich from February 6 to 8, 2013. A summary of those discussions is set forth in paragraphs 52 to 102 of the Annex to Document PCT/WG/6/3 (MIA Report). In particular, it is noted in paragraph 101 that "there was particular interest and hope for fast progress in the PCT Working Group" on several items, including Item F, Integrate National and International Phases.

10. With regard to the specific discussions at the MIA on the topic of integrating the national and international phases, paragraph 68 of the MIA Report states:

"68. Many of the Authorities supported the principles of this proposal. It was desirable to reduce duplication in the system and to strengthen the link between the international and national phases, especially in the Office which acted as International Searching or Preliminary Examining Authority. This would improve quality and reduce costs. However, it was emphasized that the national phase outcomes must always be determined by the relevant designated Office. Some aspects were, however, easier than others. Parts of the proposal had already been implemented unilaterally by some Offices. Other parts might require changes to national laws. Careful consideration was necessary to the appropriate implementation of the proposals."

11. After further consideration of the responses to the Circular and in view of the specific discussions on the matter held at the MIA, and especially in view of the extensive revisions to national laws and practices that would be involved in the implementation of items 1 and 3 in paragraph 4, it has been decided that the only type of integration that is ripe for further consideration by the Working Group at this time is the requirement for a complete response to any outstanding negative indications made by the ISA/IPEA.

PROPOSAL

12. The Annex to this document contains specific proposals to amend the PCT Regulations to provide that applicants must respond to any outstanding international stage objections upon entering the national/regional phase.

13. Adoption of this proposal would help to reduce the amount of duplicative work being performed by the national/regional Offices and would promote the advancement of the prosecution of international applications in the national/regional phase.

14. Currently, with no such requirement in place, applicants can, and many times do, enter the national/regional phase with either the same claims that were originally filed in the international application or those amended claims filed in Chapter II. Further, applicants often file such claims without any remarks directed to overcoming the objections set forth in the international phase work product.

15. Such behavior by applicants:

- trivializes the work performed by the International Authority in the application;
- forces the national/regional Office to unnecessarily perform a substantially identical search and examination as that already performed by, and issue a substantially identical work product as that previously issued by, the International Authority;
- stagnates the prosecution of the application, thus further delaying the issuance of a valid national/regional patent.

16. Work in each stage of an international application should build upon, and further the progress made in, the previous stage. Chapter I should build on any prior national application work, and Chapter II is designed to build on the work performed in Chapter I. In the same manner, national stage prosecution should logically continue the forward momentum gained in the international stage. However, failure to provide a mechanism requiring the applicant, upon entering the national phase, to respond to any outstanding objections made in the international phase only serves to allow the international phase progress to stall, and even regress, at a crucial point in the application's prosecution.

17. As discussed in the expanded PCT 20/20 proposals, it was previously envisioned that this proposal would be implemented through a simple amendment to PCT Rule 51bis. However, after further consideration an amendment to Rule 51bis is not necessary and, in fact, would not be proper. Specifically, Rule 51bis is directed to the items related to the form or content of the application that are allowed to be required by the designated Offices under Article 27(1). However, the present proposal concerns a requirement allowed under Article 27(6) directed to substantive issues of patentability.

18. Therefore, it is instead proposed that the Regulations be amended through the addition of new Rules 51ter and 76bis which specifically provide that applicants must respond to any outstanding objections issued by the International Searching Authority in the Chapter I written opinion or by the International Preliminary Examining Authority in the international preliminary examination report upon entering the national/regional phase.

19. As noted in paragraph 7 above, the primary concern raised by numerous respondents to the Circular was the effect such a proposal would have on the non-binding nature of the international work product. In this regard, it should be noted that under the current proposal, the final determination of whether or not patent rights are ultimately granted is still left entirely to the national/regional Office concerned. The national/regional Office is in no way bound to accept the final determination of the International Authority as its own.

20. Concerns regarding the non-binding nature of the international work product are also addressed thorough the provision in paragraph (b) of each Rule, wherein each designated/elected Office is free to establish the appropriate sanction for failure to provide the requisite response, including imposing no sanction at all by virtue of the fact that it is written as a "may" provision.

21. *The Working Group is invited to consider the proposals contained in the Annex to this document.*

[Annex follows]

PROPOSED AMENDMENTS TO THE PCT REGULATIONS¹

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¹ Proposed additions and deletions are indicated, respectively, by underlining and striking through the text concerned. Certain provisions that are not proposed to be amended may be included for ease of reference.

Rule 51ter

Response to Outstanding Objections Before the Designated Office

Rule 51ter.1 Mandatory Response

(a) If, at the time of submission of the requirements under Article 22 to the designated Office, the International Searching Authority has issued a written opinion under Rule 43bis which contains negative statements under any of PCT Article 33 (2), (3), or (4), the applicant shall also be required to submit a response directed to overcoming the objections set forth in the written opinion. Such a response must be in the form of:

- (i) an amendment to the claims which overcomes the objections, and/or
- (ii) a substantive argument which distinctly sets forth the errors in the objections.

(b) Failure to submit a response under paragraph (a) may result in the imposing of an appropriate sanction as determined by the designated Office.

(c) Where the applicant did not furnish a response under paragraph (a), prior to imposing any sanction provided for in paragraph (b) the designated Office shall invite the applicant to furnish such response within a time limit which shall be reasonable under the circumstances and shall be fixed in the invitation.

Rule 76bis

Response to Outstanding Objections Before the Elected Office

Rule 76bis.1 Mandatory Response

(a) If, at the time of submission of the requirements under Article 39 to the elected Office, the International Preliminary Examining Authority has issued a written opinion under Rule 66, or an international preliminary examination report under Rule 70, which contains negative statements under any of PCT Article 33 (2), (3), or (4), the applicant shall also be required to submit a response directed to overcoming the objections set forth in the opinion or report. Such a response must be in the form of:

- (i) an amendment to the claims which overcomes the objections, and/or
- (ii) a substantive argument which distinctly sets forth the errors in the objections.

(b) Failure to submit a response under paragraph (a) may result in the imposing of an appropriate sanction as determined by the elected Office.

(c) Where the applicant did not furnish a response under paragraph (a), prior to imposing any sanction provided for in paragraph (b) the elected Office shall invite the applicant to furnish such response within a time limit which shall be reasonable under the circumstances and shall be fixed in the invitation.

[End of Annex and of document]