

## **Patent Cooperation Treaty (PCT) Working Group**

**Seventh Session  
Geneva, June 10 to 13, 2014**

### **THIRD PARTY OBSERVATIONS**

*Document prepared by the International Bureau*

#### **SUMMARY**

1. The third party observation system has been in operation since July 2012. In accordance with expectations and in line with national third party observation systems, it has been used for a significant number of international applications, but a very small proportion of the overall total.
2. Only a small number of observations have been rejected as being outside the requirements of the system – none of these rejections relate to matters which could be considered deliberate abuse of the system.
3. It is recommended that the system be adjusted to allow more detailed comments. Designated Offices should take steps to ensure that observations are made available to examiners in the national phase.
4. The International Bureau will likely recommend in the future also to extend the system to allow comments on other matters, such as clarity, industrial applicability and sufficiency of description, but recommends that this should wait, pending greater experience of the national phase processing of the existing observations.

#### **USE OF THE SYSTEM**

5. As expected, the system has been used in relation to a small proportion of international applications, as is the case with most national third party observation systems. There are a variety of reasons – positive and negative – that third parties might not use the system:

- (a) the international search report may already show much of the most significant prior art which could affect the validity of the international application;
- (b) the third party may not be aware of the international application;
- (c) the third party may not be aware of the PCT third party observation system;
- (d) the third party may consider it better to keep the prior art of which he is aware for use, if required, at a later stage when he may be able to make more detailed explanations or be an active party in opposition or invalidity proceedings.

6. It is hoped that the first of the above is one of the most significant factors. Knowledge and use of the system is increasing. The number of observations submitted each month from July 2012 to February 2014 is shown in Figure 1, below. Overall, the International Bureau considers that the system is being used sufficiently to show that it is considered beneficial by third parties. The main issue at present is to ensure that the information is delivered effectively to designated Offices in a form which they find useful.

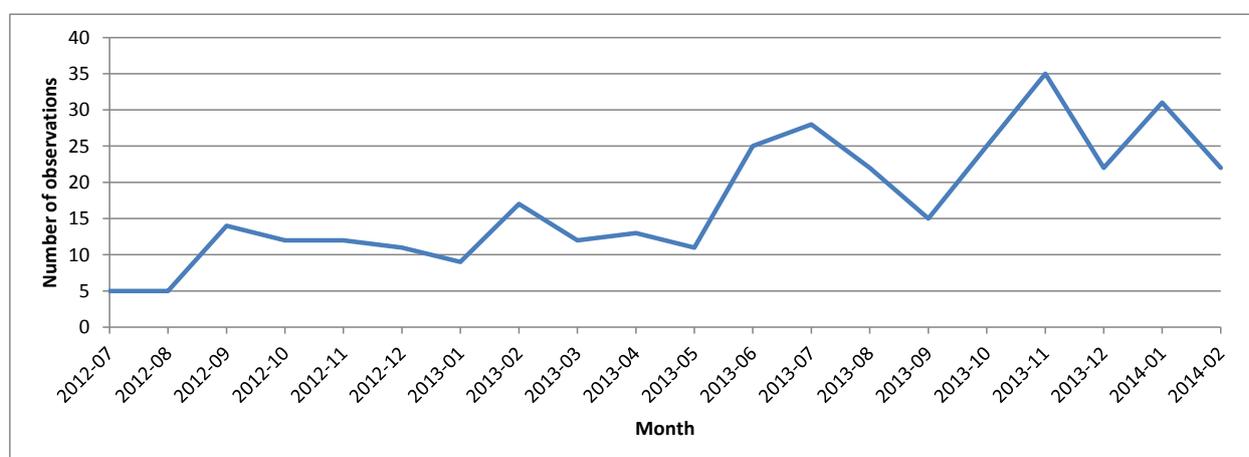


Figure 1: Number of observations per month

7. To the end of February 2014, 346 third party observations were accepted on 314 international applications. Another 18 were rejected. The most common reason for rejection was including long explanations of relevance of the citations as attached documents. A small number of observations were rejected for including matter not relevant to novelty and inventive step, for example comments on the ownership or right to apply of the applicant. Most of those with attached explanations of relevance were subsequently resubmitted in the expected form and are included in the total of accepted observations.

8. 277 of the observations (80.1 per cent) were submitted anonymously.

9. 319 (92.2 per cent) observations were received in English; other observations were received in Japanese (15), French (6), German (3), Spanish (2) and Portuguese (1). The user interface for the third party observation will shortly become available in a wider range of languages, which may affect this distribution in future.

10. The largest number of observations on a single international application was three (three occurrences). The largest number of documents cited in observations on a single international application was 22; only nine international applications had more than 10 documents cited in total.

11. Of 1223 total documents cited in the third party observations, 779 (63.7 per cent) were patent documents. Non-patent literature references may be entered as 7 different categories of documents, which were distributed as shown in Figure 2, below.

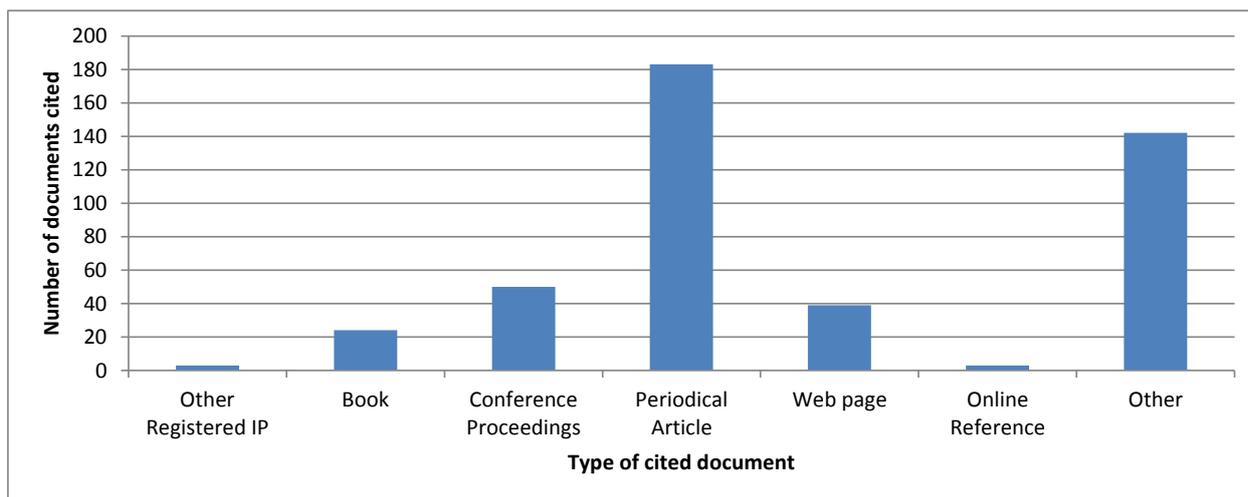


Figure 2: Distribution of types of non-patent literature referred to in observations

12. Copies of at least some of the cited documents were uploaded with 93.8 per cent of observations, including almost all non-patent literature citations. For copyright reasons, these are not made available on PATENTSCOPE, but are available to the applicant, International Authorities and designated Offices.

13. The system has been used for international applications in a wide range of technical fields, but the largest numbers have been in the following IPC subclasses:

- (a) C07D: Heterocyclic compounds;
- (b) A61K: Preparations for medical, dental, or toilet purposes;
- (c) A01N: Preservation of bodies of humans or animals or plants or parts thereof; biocides, e.g. as disinfectants, as pesticides or as herbicides; pest repellants or attractants; plant growth regulators.

14. A large proportion (28 per cent) of observations are filed in the 28th month from priority (the time limit is the end of the 28th month). It is not clear whether this is a result primarily of the time necessary to become aware of a patent application and decide whether or not to submit observations, or whether third parties consciously seek to minimize the applicant's time to consider effectively whether it remains worth entering the national phase. The distribution of times from the priority date at which observations have been received is shown in Figure 3, below.

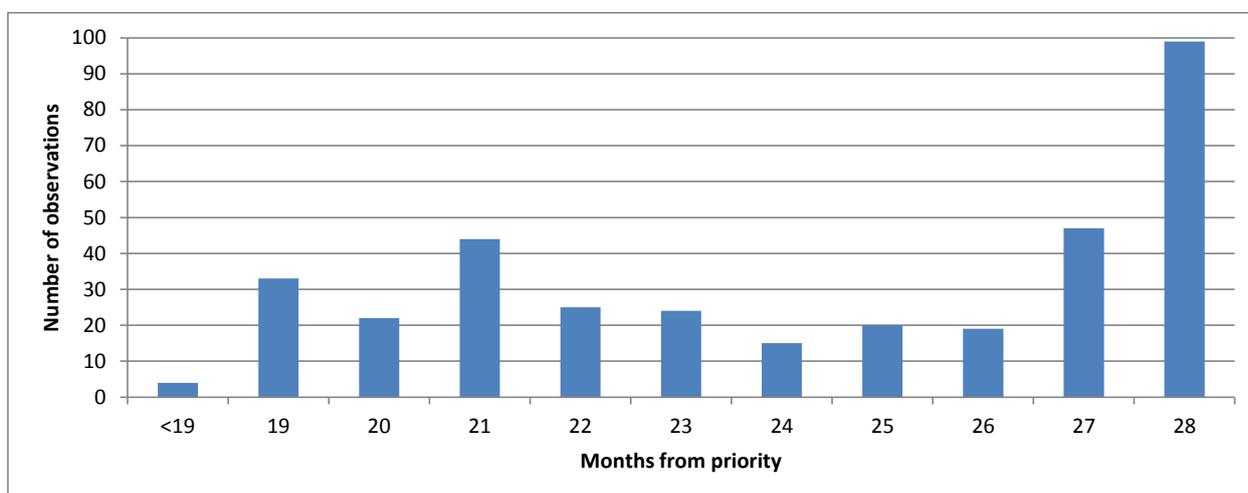


Figure 3: Distribution of observations by month from priority

## **EFFECT ON INTERNATIONAL PHASE PROCESSING**

15. Only 10 observations (2.9 per cent) were submitted before the International Bureau had received the international search report and in several of those cases, the report had already been established and was in the process of being transmitted. Few observations appear to have caused the applicant to demand international preliminary examination; from the data currently available (which may not be complete), only 3 demands appear to have been made after a third party observation was made. It is likely that this is in large part because the time limit for making a demand has usually expired by the time an observation is submitted. Consequently, very few observations have been taken into account in the international preliminary report on patentability.

## **MODEL OBSERVATION**

16. The Annex contains a model third party observation containing a number of cited documents of different types to illustrate the quantity of information which can be entered and the manner in which it is presented.

## **FEEDBACK FROM USERS**

17. The feedback from third parties having used the system has so far been generally positive. The main concerns which have been raised have been:

- (a) Entering observations with more than one or two cited documents is time-consuming. It is not always easy to complete the task in a single session and, being an online service, give rise to concern that significant amounts of work will be lost if the Internet connection fails or any other error occurs. This is being addressed by allowing observations to be saved as drafts which can be resumed in a later session. This improvement is expected to become available around the time that the Working Group meets.
- (b) The limit of 500 characters per citation for the "brief explanation of relevance" is very small compared to the explanations which are commonly given in national third party observations. Furthermore, the fact that the 500 character fields are specifically tied to individual citations can make it difficult to explain inventive step issues.
- (c) The fact that only plain text may be entered in the brief explanation of relevance can make it difficult to enter formulae and other matters which may help to clarify the relevance of a cited document in certain circumstances.

## **USE BY DESIGNATED OFFICES**

18. Several designated Offices have reported that national examination has begun on a few international applications where third party observations have been submitted and the observations have been considered. In around two thirds of the cases, at least one of the documents from the third party observation has been cited for novelty or inventive step purposes in addition to documents which had been found as a result of the international or national search. However, in most cases where a national phase entry has occurred, national examination of the relevant international applications has not yet begun. Consequently, it remains too early to draw meaningful conclusions on how useful international third party observations have been found by examiners in helping to refuse or narrow the scope of claims.

19. At present, the main comments have been that some designated Offices have found it difficult to ensure that the observations are reliably brought to the attention of the examiners in the national phase. The number of observations is not large enough for many Offices to fully automate their retrieval and incorporation into the national examination file. A few observations have not been taken into account in the first national action as a result of such administrative difficulties.

20. There are currently two main ways of receiving the observations:

(a) Designated Offices may choose to receive all observations electronically as a package via PCT-EDI, which include the structured information in XML format, together with copies of any cited documents which were uploaded together with the observation, allowing the documents and data to be imported directly into national systems for easy use by the examiner. At present, 12 designated Offices have chosen to receive the information this way.

(b) Other designated Offices retrieve third party observations when a national phase entry occurs, using either PATENTSCOPE or automated PATENTSCOPE web services (typically at the same time that they retrieve the application body, international search report and international preliminary report on patentability by the same method). This is more efficient in that it avoids receiving large numbers of documents which will never be relevant because the international application may never enter the national phase. However, the cited documents are not available through these services and can only be obtained by making a manual request to the International Bureau. ePCT services for designated Office will become available in Autumn 2014, allowing such Offices to retrieve cited documents from the International Bureau's file on demand.

21. In principle, the International Bureau would like to offer a more specifically tailored service to push the observations and cited documents to designated Offices if and when the international application enters the national phase. However, at present, the quality and timeliness of national phase entry information received by the International Bureau from designated Offices is not sufficient to ensure that this would result in delivery of the observations at a time when they would be useful.

22. It is observed that the United States Patent and Trademark Office does not itself retrieve the third party observations since they are not compliant with the national law on third party observations, which includes strict requirements on the form of such observations and in some cases requires a fee to be paid. On the other hand, any relevant citations should usually be brought to the attention of the examiner by the applicant as a result of the requirement for the applicant to disclose relevant prior art of which he is aware, with the risk of the patent later being declared invalid if he fails to do so.

## **INTENDED FUTURE DEVELOPMENTS**

23. The documents cited in third party observations are recorded in a structured format, based on the ST.36 standard for recording documents in XML format for the purposes of search reports. Once a sufficient volume of international search reports are received in similar structured formats, it is intended to offer systems which allow applicants, Offices and third parties to:

(a) view an online listing of all of the cited documents for an international application, whether from an international search report, international preliminary examination report or third party observation; the listing would include links to copies of patent documents or other documents where a valid URL has been provided, as well as family matching information for patent documents, to assist in finding equivalent disclosures in languages which may be more convenient for the reader; later developments would likely include machine translation of the brief explanations of relevance;

(b) download the information in structured format which can be imported into other systems as required; and

- (c) select some or all of the cited documents to be placed into a simplified listing format, allowing the applicant to more easily meet disclosure requirements of Offices, such as the United States Patent and Trademark Office, which require the applicant to submit a list any relevant prior art of which they are aware.

## RECOMMENDATIONS

24. *The International Bureau recommends* that the 500 character per cited document limit on the “brief explanation of relevance” be greatly increased (for example, to 5,000 or 10,000 characters):

(a) While there is frequently merit in reducing the length of documents to the shortest possible to make a point effectively, in those cases where an uploaded document with additional explanations has been rejected, the rejected explanations have generally appeared much more helpful in explaining the relevance of a document than the 500 character summaries by which they have subsequently been replaced.

(b) If designated Offices remain concerned at the prospect of extremely lengthy explanations of relevance, it would be possible to develop alternative views of the information, showing only the bibliographic data necessary to identify the citations on a “cover” section, and leaving the longer view behind for reference only if required.

25. *The International Bureau recommends* that the system should strongly encourage the use of the existing structured forms for entry of the brief explanations of relevance, but that additional uploaded explanations should not be prohibited, especially where the explanation requires the use of formulae or other complex formatting.

26. *The International Bureau recommends* that further experience should be gained of the national phase use of third party observations before extending the system to allow observations also on clarity, industrial applicability and sufficiency of disclosure. It is believed that such observations would in principle be desirable, but that it would be useful to have additional feedback on how examiners use the existing form in order to design a system which encourages the information to be provided in a manner which is most easily used.

27. *The Working Group is invited to:*

(i) *comment on the use of the third party observation system so far;*

(ii) *indicate what improvements would be desirable to ensure that the observations can be used effectively as part of national phase processing; and*

(iii) *approve the recommendations made by the International Bureau in paragraphs 24 to 26, above.*

[Annex follows]

MODEL THIRD PARTY OBSERVATION

PATENT COOPERATION TREATY

PCT

THIRD PARTY OBSERVATION

(PCT Administrative Instructions Part 8)

Applicant's or agent's file reference TEST-1234	
International application number PCT/EP2012/001318	International filing date (day/month/year) 26 Mar 2012 (26/03/2012)
Applicant TEST APPLICANT CORP. (+4)	

Third party observation submitted by Anonymous	Observation submitted on behalf of
Date of submission(day/month/year) 29 Apr 2014 (29/04/2014)	Language of observation English

Basis and contents of observation 1. The observation is made on the basis of the claims in the international application as amended under Article 19 on 02 Jan 2013 (02/01/2013). 2. The observation comprises: <u>4 references to documents.</u> <u>5 uploaded copies of documents.</u>
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Citation # 1 (Patent/utility model) (# uploaded documents: 1):

Country code: GB	Publication number: 2000001	Document kind code: A	
Patent Applicant/Patent Owner: DETROIT TOOL & ENG CO	Title of invention: Tines Assembly		
Link to document:			
Publication Date: 04 Jan 1979 (04/01/1979)	Filing Date:	Priority Date: 13 Jun 1977 (13/06/1977)	
Source of Abstract:	Accession number:	Publication Date of Abstract:	Retrieval Date of Abstract:
Most relevant passages or drawings: Page 3 lines 1-2; Figures 3 and 4		Relevant to Claims: 1, 4-6, 12	
Brief explanation of relevance: <p>Figures 3 and 4 show the arrangement of tines required by claims 1, 4 and 5. Furthermore, page 3 lines 1-12 suggest the use of a variety of lightweight metallic materials; the specific alloy required by claim 6 is well known in the field for a variety of purposes (see citation 3) and it would be obvious to use it in both the drive shaft and the tines.</p> <p>The ranges required by claim 12 would be an inherent property of most alloys in the dimensions shown unless specifically treated [500 char limit]</p>			

Citation # 2(Conference proceedings) (# uploaded documents: 2):

Author: SMITH, James		Conference Title: Cutters World		Conference Date: 20 Nov 2011 (20/11/2011)	
Conference Location: Berlin, Germany		Title of article: Varied edge angles for more effective cutting		Place of publication:	
Publisher:		Publication Date: 12 Dec 2011 (12/12/2011)		ISBN:	
DOI:					
Most relevant passages or drawings: Page 3 lines 12-16; Slide 16 of presentation			Relevant to Claims: 1-3		
Brief explanation of relevance: The presentation indicated the use of cutting edge angles which vary according to the parameters required by claims 1-3, as shown by the proceedings of the conference, published before the priority date of the invention.					

Citation # 3(Periodical article) (# uploaded documents: 1):

Author: BLANC, André		Title of article: Finishing lightweight alloys for cutting tools		Title of Periodical: Metal Finishing		Publication Date: Apr 2010 (04/2010)	
Issue Number of Periodical: Vol 108, Issue 4		Publisher of Periodical:			Place of publication:		
Page range of article within periodical:		ISBN:			ISSN:		
DOI:							
Most relevant passages or drawings: Page 43, lines 12-15					Relevant to Claims: 6		
Brief explanation of relevance: The article shows an example of the use of the alloy specified in claim 6 in a similar cutting arrangement.							

Citation # 4(Book) (# uploaded documents: 1):

Title: Cutting Implements	Author: Branko Ivanov	Subtitle:
Place of publication:	Publisher: Oxford University Press	Year of Publication: 1983
Number of edition:	ISBN:	
DOI:		
Most relevant passages or drawings: pages 123-131	Relevant to Claims: 8-13	
Brief explanation of relevance: The book sets out all the underlying principles which affect the selection of the materials referred to in claims 8-13. Those referred to in claims 8, 9 and 11 are specifically suggested on page 126. Those of claims 10, 12 and 13 would be obvious alternatives given the criteria indicated.		

[End of Annex and of document]