

Patent Cooperation Treaty (PCT) Working Group

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

APPOINTMENT OF INTERNATIONAL AUTHORITIES

Document prepared by the International Bureau

SUMMARY

1. The present document contains background information and outlines policy considerations which, in the view of the International Bureau, ought to be taken into account in the review of the procedures and criteria for appointment of an Office as International Searching and Preliminary Examining Authority under the PCT. It further sets out a concrete proposal as to how to change the current procedures for appointment so as to ensure a proper expert review of an application for appointment by an Office prior to a decision being taken by the PCT Assembly, as well as preliminary observations, recommendations and queries by the International Bureau concerning the issue of substantive criteria for appointment as the basis for a first round of discussion by the Working Group on this issue.

BACKGROUND

2. At its 44th session, held from September 23 to October 2, 2013 in Geneva, the PCT Assembly approved a recommendation that the International Bureau should undertake a review of the criteria and procedures for appointment of an Office as an International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA) under the PCT and make proposals for necessary changes if appropriate, in coordination where appropriate with the Meeting of International Authorities, for discussion by the Working Group at its next session (paragraph 3 of document PCT/A/44/1 and paragraph 19(ii) of document PCT/A/44/5 Prov.).

3. As a first stage in the review of the criteria and procedures for appointment of an Office as and International Authority, as mandated by the PCT Assembly, the International Bureau sought the input by the Meeting of International Authorities (PCT/MIA), which discussed the issue at its twenty-first session, held in Tel Aviv from February 11 to 13, 2014, based on a document prepared by the International Bureau (document PCT/MIA/21/3) and a document submitted by the European Patent Office, the Federal Service for Intellectual Property (Rospatent) and the United States Patent and Trademark Office (document PCT/MIA/21/21). The discussions by the Meeting are set out in paragraphs 44 to 54 of the Summary by the Chair of the session (document PCT/MIA/21/22), reproduced in document PCT/WG/7/3. Those discussions can be summarized as follows:

(a) With regard to the procedures for appointment, the Meeting agreed that the process needed to be reviewed to allow effective expert consideration of applications for appointment. It suggested several stages which the process should involve in the run-up to the decision on the appointment by the PCT Assembly.

(b) With regard to the criteria for appointment, the Meeting agreed that it was premature to recommend any changes. Noting that the key issue at stake was ensuring that Offices were able to perform international search and preliminary examination to the necessary level of quality, the Meeting tasked its Quality Subgroup to further consider the quality requirements to act effectively as an Authority and how these could be better expressed in the criteria for appointment.

4. The present document is divided into four main parts. The first part contains some brief background information on the current criteria and procedures for appointment (document PCT/WG/6/4 includes a history of the development of the criteria and procedures for appointment as an International Authority, which is not repeated in the present document). The second part sets out a number of policy considerations which, in the view of the International Bureau, ought to be taken into account in the review of the criteria and procedures for appointment.

5. Parts three and four of the present document, covering the issues of procedures for appointment and criteria for appointment, respectively, have been drafted taking into account the discussions by the Meeting of International Authorities referred to above. In the view of the International Bureau, and taking into account the discussions by the Meeting of International Authorities, it would appear that agreement might be achieved more quickly on improvements to the procedures for appointment, whereas the issue of possible changes to the criteria for appointment might require further discussions among Member States and thus more time.

CURRENT CRITERIA AND PROCEDURES

6. The current requirements for an Office to be appointed and to operate as an International Authority are¹:

(a) the Office must have at least 100 full-time employees with sufficient technical qualifications to carry out searches and preliminary examinations;

(b) the Office must be in the possession of, or (since July 1, 1992) have access to, the PCT minimum documentation, properly arranged for search and examination purposes;

(c) the Office must have a staff which is capable of searching and examining the required technical fields and which has the language facilities to understand at least those languages in which the minimum documentation referred to in Rule 34 is written or is translated;

¹ As set out in equivalent terms in Rule 36 for ISAs and Rule 63 for IPEAs.

(d) (since April 1, 2007) the Office must have in place a quality management system and internal review arrangements in accordance with the common rules of international search; and

(e) (since January 1, 2004) the Office must be appointed both as an International Searching Authority (ISA) and as an International Preliminary Examining Authority (IPEA).

7. The Office must also conclude an agreement with the International Bureau setting out rights and obligations of the parties and formally undertaking to apply and observe all the common rules of international search and preliminary examination, this being taken to mean the PCT Articles and Rules relating to international search and preliminary examination as well as the PCT International Search and Preliminary Examination Guidelines. These agreements all follow a standard format; the main differences lie in the Annexes which indicate the States and languages for which the International Authority agrees to act and the fees and refund policies which apply.

8. The decision to appoint an Office as an International Authority is made by the PCT Assembly, having heard the interested Office seeking appointment and, in principle, having heard the advice of the PCT Committee on Technical Cooperation (CTC). However, as has been set out in document PCT/WG/6/4, in the past, the advice of the CTC has in practice often been regarded as a mere formality.

9. At present, seventeen national or regional Offices are operating as International Authorities and two further Offices have been appointed but not yet begun to act as International Authorities. The existing appointments are all with effect until December 31, 2017. Negotiations for extension of the relevant agreements with the International Bureau are required to begin by July 2016 and the PCT Assembly will need to take a decision on the extension of appointments before they expire, that is, at its September/October 2017 session.

POLICY CONSIDERATIONS

HISTORICAL DISCUSSIONS

10. At the Washington Diplomatic Conference, the minimum required number of examiners, which originally had been proposed to be set at 150, was set at 100, mainly—as it would appear from the records of the Diplomatic Conference—so as to enable one particular Office, which at the time had just over 100 examiners, to fulfill all the conditions for appointment and without any apparent analysis of why this number was appropriate. An alternative proposal to not specify a minimum number of examiners but to simply state an Office would need to have “an adequate number” of examiners was eventually withdrawn in favor of the proposal to set the number at 100 examiners.

11. From the records of the Diplomatic Conference, it can be seen that there had been concerns as to whether the criterion of the number of examiners would be a valid one, since much depended on the number of national applications which such examiners would have to handle, and a proposal was made to instead refer to the number of international applications which an Authority must be able to search in a given year, and to set that number at 1000. In light of those discussions, the decision to eventually include a minimum number of 100 examiners can only be seen as an attempt to quantify the minimum number of examiners which could reasonably be expected to understand the full range of technology for which patent applications may be made, with a sufficient general knowledge of the prior art and classification systems in their areas of expertise to ensure that searches are as efficient, effective and complete as possible. Furthermore, it can only be seen as a *de facto* statement of the bottom of the range of number of examiners in what could be considered a medium-sized Office in 1970, with the assumption that smaller Offices would not have the resources or expertise necessary to

perform international search and preliminary examination to the standard which was considered necessary to avoid invalid patents being granted by designated Offices which largely relied on the international phase reports.

CURRENT POLICY ISSUES

12. Whether or not any objective assessment was carried out at the time, it is clear that technology has moved on since 1970. While it was difficult at that time and still is difficult today to reliably quantify the complexity of an application from the point of view of search and examination, it would appear fair to state that, with the rapid advance of semiconductor, telecommunication, biotechnology and other fields, the average technical complexity of applications has generally increased. Furthermore, it is undoubtedly the case that the volume of prior art which exists and which can reasonably be considered available for search has increased dramatically. Also, significant volumes of technical disclosures are made in a wider range of languages.

13. Meanwhile, expectations as to the competencies of International Authorities have risen. In the global knowledge-based economy, the asset value of company patent portfolios has increased. The number of patent applications filed worldwide totaled 2.35 million in 2012, more than double the 1995 level of 1.05 million. Patent protection is also being sought to a greater degree in markets beyond those where the inventor is a national or resident. At the same time, concerns have been raised that granting of poor quality patents can stifle competition and innovation across entire sectors rather than merely being bilateral issues between competing companies. These developments have resulted in patents no longer being considered as a purely technical matter, but as a cross-cutting policy issue of growing importance. The adverse consequences of granting invalid patents because of inadequate search or examination are therefore more strongly recognized than ever before. On the other hand, electronic systems have reduced what might otherwise have become an impossible burden for examiners to handle effectively. Most importantly, search systems have become increasingly sophisticated and comprehensive. Increasingly, examiners are able to rely on full text searching, associated meta-data, "intelligent" recognition and correlation of units, chemical and mathematical formulae, and contextual information. Searching of documents in languages not understood by the examiner has become more practical, both by bulk translation of database texts and by assisted translation of search terms, rather than relying mainly on limited abstracts and drawings as in the past.

14. Against this background, it appears particularly important to identify what is really expected of an International Authority, to set criteria for such Authorities to meet which properly reflect those expectations and to ensure that the criteria are met not only at the time of initial appointment, but on an ongoing basis. However, an objective assessment of the true minimum requirements is difficult and might change again over time as expectations of users (applicants, Offices, third parties, governments and civil society interests), complexity of technology, permitted means of describing and claiming inventions, and IT systems for assisting search and examination develop.

15. In the view of the International Bureau, the main underlying policy requirement ought to be that an Office which is appointed as an International Authority is both capable of and willing to conduct international search and preliminary examination in a timely fashion and to a high quality standard sufficient that designated Offices feel confident to exploit that work and to commence their national examination on the basis of that work, with the minimum of additional work necessary to ensure that the particular requirements of their national laws are met. Most importantly, an international search should be at least as extensive and high quality as any national search and this should be reflected not only in terms of the resources that are available to the Office as a whole but in terms of the resources which are being made available by the Office for its PCT work as an International Authority.

PROCEDURES FOR APPOINTMENT

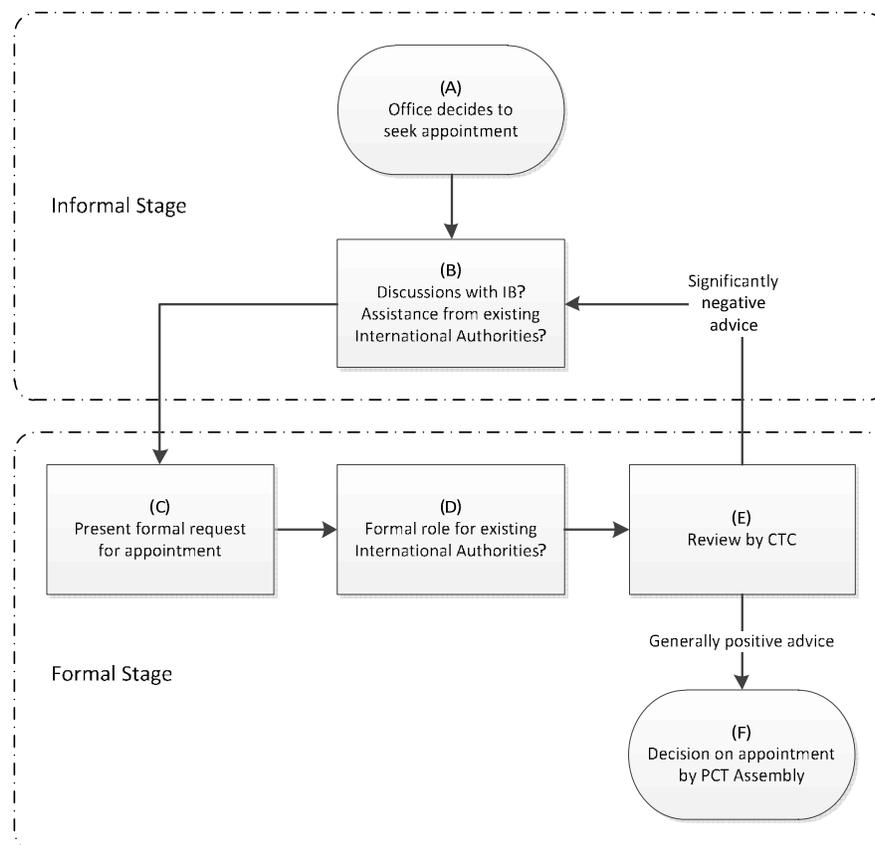
16. In the view of the International Bureau, the procedures for appointment would greatly benefit from the inclusion of a proper expert review of the application of an Office prior to a decision being taken by the Assembly. A minimum change would be that the CTC, entrusted by the Treaty to give its advice to the Assembly on any application for appointment, should always meet as a true expert body, well in advance of the PCT Assembly. To ensure that the process leading up to the decision by the PCT Assembly is in fact useful and efficient, the following matters should be considered.

STAGES AND TIMING

17. The following diagram shows a possible normal process for seeking appointment.

18. Stages C (presenting the request), E (review by CTC) and F (decision by the Assembly) appear to be obligatory under the Treaty. The main issues to be further considered would appear to be:

- (a) timing of the different actions; and
- (b) the extent to which review or assistance by existing International Authorities should be offered, recommended or required prior to or as part of the formal processes (stages B and D).



19. Ideally, the CTC ought to meet as a true expert body at least three months in advance of the PCT Assembly. This would allow time for preparation of formal documents for the Assembly taking into account the advice of the CTC, with the possibility of correcting any minor defects prior to the submission of the request of the Offices seeking appointment to the PCT Assembly. The PCT Assembly would then be able to appoint a new Authority with confidence in cases where the CTC, following a true expert review, gave generally positive advice. Assuming that appointments would be made at the regular sessions of the PCT Assembly in September/October of a given year, this would imply that the CTC should be convened around June at the latest and could normally be linked with sessions of the PCT Working Group to minimize costs.

20. The timing of presenting a formal request for appointment would depend on whether any additional stages of scrutiny should be required. To go straight to the CTC, the deadline for making an application would need to be in March of the relevant year in order to meet the timelines for convening the CTC and translating and publishing the relevant documents in time to permit appropriate scrutiny in advance of the meeting.

21. The International Authorities are *ex officio* members of the CTC and thus able to give their advice in that body. However, to avoid the process of review being a purely paper exercise, it would be useful if International Authorities were able to play a role in advance of the session of the CTC in order to make the discussions more effective. It is thus recommended that the International Authorities should take on two functions in this respect:

(a) The candidate Authority should be strongly encouraged to seek the assistance of one or more existing Authorities prior to submitting a formal application to help assess the extent to which the Office meets the requirements and to assist in presenting the outcome of the assessment clearly, effectively and with an additional degree of objectivity. (See also the comments on “Development of national Offices” in paragraphs 44 and 45, below).

(b) The existing Authorities should be required to collectively provide a review of the formal application in advance of the CTC to assist the Contracting States in performing their assessment at the CTC. In practice, this would be done at the Meeting of International Authorities in February or March and would require the formal application to be submitted before the end of the previous year.

“PROVISIONAL” APPOINTMENTS

22. Most appointments of International Authorities in recent years have been “provisional” in the sense that the Office seeking appointment acknowledged that, at the time of appointment, it did not yet meet one or more of the criteria, such as access to the complete PCT minimum documentation, but stated that it will not begin operation until the relevant defects had been fully addressed.

23. In the view of the International Bureau, in general, this approach should be discouraged. Ideally, an Office should meet all criteria at the time of appointment and be prepared to start operation as soon as reasonably possible afterwards – around 12 to 18 months might seem a reasonable maximum necessary to prepare IT systems and similar changes where investment in developments could not be justified prior to the appointment being confirmed.

24. One exception to that general requirement might be in the matter of quality management systems, where it would make no sense for the system to be active prior to beginning operation. In this case, the requirement should be that the system should be fully planned and, preferably, that similar systems are already operational in respect of national search and examination work to demonstrate the appropriate experience.

CONTENT OF APPLICATION

25. Applications which have been submitted in recent years have dealt with different criteria in different levels of detail. In general, matters of quality management systems, minimum documentation and background issues of IT systems have been described at greater length than details of examiner training, experience and breadth and depth of technical expertise. While this may be appropriate and expected, the International Bureau would welcome comments on the matters which Member States would like to see in an application to assist effective scrutiny of the criteria.

NEGATIVE COMMENTS

26. The Treaty reserves the role of deciding on whether or not to appoint an Office as International Authority to the PCT Assembly. Theoretically, the Assembly can appoint an Office to become an International Authority which has received a highly negative opinion from the CTC, or refuse to appoint an Office which has received an entirely positive opinion. However, in practical terms, this will rarely be the case. It is expected that an Office whose application has received a highly negative opinion from the CTC will itself decide to withdraw or suspend its application without going to the Assembly, and that the Assembly will be happy to accept a statement from an Office that minor issues have been dealt with between the time of the CTC and the Assembly. In the view of the International Bureau it would thus not appear necessary to make specific proposals to regulate the procedure in such cases.

PROPOSAL

27. In view of the considerations set out in paragraphs 16 to 26, above, the International Bureau would like to propose the following procedures for appointment for consideration by the Working Group:

- (a) An Office seeking appointment would be strongly recommended to obtain the assistance of one or more existing International Authorities to help in the assessment of the extent to which it meets the criteria, prior to making the application.
- (b) Any application for appointment of an Office as an International Authority should be made in the year before it was to be considered by the PCT Assembly in September/October (say, by the end of November of the preceding year) so as to allow time for an adequate review by the relevant PCT bodies as set out below.
- (c) Any such application should be made on the understanding that the Office seeking appointment must meet all substantive criteria for appointment at the time of the appointment by the Assembly and is prepared to start operation as an International Authority as soon as reasonably possible following appointment, at the latest around 18 months following the appointment.
- (d) Any such application should be included on the agenda of the next Meeting of International Authorities (PCT/MIA, usually convened around February/March of any given year), with a view to allowing International Authorities to discuss the application and to provide advance advice on the application to the Committee for Technical Cooperation (PCT/CTC).
- (e) Any such application should then be submitted to the PCT/CTC, together with any advice given by the PCT/MIA. The PCT/CTC should meet as a true expert body at least three months in advance of the PCT Assembly, if possible back-to-back with a session of the PCT Working Group (usually convened around May/June of any given year), with a view to giving its expert advice on the application to the PCT Assembly.
- (f) Any such application would then be submitted to the PCT Assembly (usually convened around September/October of any given year), together with any advice given by the PCT/CTC, with a view to deciding on the application.

28. In the case of agreement by the Working Group on the proposed procedures outlined in paragraph 27, above, the Working Group may wish to consider recommending to the PCT Assembly to adopt an Understanding to that effect to implement those procedures with immediate effect.

CRITERIA FOR APPOINTMENT

29. As regards the substantive criteria for appointment of an Office as an International Authority, the International Bureau agrees with the assessment by the Meeting of International Authorities (see paragraph 3(b), above) that it appears premature at this stage to present any concrete proposals for changes to the current criteria. What appears necessary is a thorough discussion among Member States about the issues at stake, including, in particular, what appropriate quality requirements an Office should be required to meet to act effectively as an Authority and how these could be better expressed in the criteria for appointment (as referred to in paragraph 3(b), above, this issue has been referred by the Meeting of International Authorities to its Quality Subgroup for further consideration).

30. To start the discussions among Member States on a possible revision of the criteria for appointment, the International Bureau has the following preliminary observations, recommendations and queries.

NUMBER AND SKILL OF EXAMINERS

31. It is clear that a significant number of examiners is necessary to ensure a sufficient depth of knowledge to permit effective search and examination across a wider range of technical fields. However, the level at which this is set appears essentially arbitrary. The actual number which would be needed would depend greatly on the skills of the individuals concerned and the time and tools which were made available to them, as well as the level of expectations of the completeness and accuracy of the international search and preliminary examination. As noted in paragraphs 12 to 15, above, the challenges, tools and expectations have developed over time.

32. The requirements split into essentially four (interlinked) categories:

(a) the minimum number of examiners;

(b) who should be counted among the relevant examiners and how; some Authorities “contract out” work to skilled persons who are not full time members of staff of the Office; while the International Bureau does not see any problem with this in principle, provided the Office takes appropriate responsibility and measures concerning security and competence of the contractors, it is important that appointments are made in relation to the skills and tools of those who actually carry out the relevant work, rather than (internal) employees (examiners) of the Office who will never be assigned to carry out that work;

(c) the range and depth of skills necessary to perform effective search and examination across all fields of technology given the time and tools available – and how to measure whether the requirements are met; and

(d) the language skills which are required, taking into account the increasing linguistic diversity of major sources of prior art, as well as the tools available for searching them.

33. The International Bureau has not yet been able to form any conclusions and thus to make any recommendation on the absolute number of examiners required, but supports the recommendation of the Meeting of International Authorities that the subject should be discussed by the Meeting’s Quality Subgroup, taking into account the wider quality requirements (see paragraph 3(b), above). The International Bureau would welcome suggestions by the Working Group on this issue, to be fed into the discussions by the Quality Subgroup.

MINIMUM DOCUMENTATION

34. Rules 36.1(ii) and 63.1(ii) require International Authorities to have possession of, or have access to, the PCT minimum documentation, properly arranged for search and examination purposes.

35. In the view of the International Bureau, this would appear to be an essential requirement and should not be fundamentally changed. If additions are required to the minimum documentation, this should be dealt with as a separate exercise.

36. However, in this context, it needs to be clear that the individual examiners conducting the international search and preliminary examination work should have full access to and the necessary skills to use the search tools relevant to their field of technology effectively, rather than the tools merely being available to the International Authority as a whole but not necessarily used by every examiner in every case. Arguably, this is already required by virtue of the quality management system requirements in paragraphs 21.12 and 21.13 of the PCT International Search and Preliminary Examination Guidelines. However, it may be desirable to express the point more explicitly as part of the requirements specified in the Rule itself.

QUALITY MANAGEMENT SYSTEMS

37. As with regard to the PCT minimum documentation, in the view of the International Bureau, Rules 36.1(iv) and 63.1(iv)—setting out the requirement to have in place a quality management system and internal review arrangements—are essential and should not be fundamentally changed. If the existing requirements are considered insufficient, this should be addressed by modifying Chapter 21 of the PCT International Search and Preliminary Examination Guidelines as a separate exercise.

38. The only matter in this area which the International Bureau would propose a change is with regard to the procedure of assessing whether an Office seeking appointment has an appropriate quality management system in place at the time of the appointment – see paragraph 24, above.

APPOINTMENT AS BOTH ISA AND IPEA

39. In view of Rule 43*b*is requiring the ISA to produce a written opinion which is equivalent to a written opinion of the IPEA and may be used in place of such, Rules 36.1(v) and 63.1(v), requiring simultaneous appointment as ISA and IPEA, are almost essential. In the view of the International Bureau, this requirement should thus not be changed.

POSSIBLE NEW CRITERIA

40. The International Bureau would welcome suggestions for entirely new criteria which would more directly demonstrate the ability of an Office to perform the tasks of international search and preliminary examination effectively. Such suggestions might be fed into the discussions proposed by the Quality Subgroup of the Meeting of International Authorities (see paragraph 3(b), above).

41. Ideally, this might take the form of a demonstrated quality of national search and examination. Similarly, reappointment would ideally be subject to demonstrating an appropriate quality of international search and preliminary examination over the preceding years. However, in the absence of agreed measures of quality of search and examination reports, this seems difficult to achieve.

TRANSITIONAL MATTERS

42. If new criteria were agreed which were not met by an existing International Authority, in the view of the International Bureau, there should be no consideration of a “grandfather clause” whereby such an Authority was exempted from meeting the new requirements indefinitely,

noting that this would defeat the objective of setting the criteria for appointment in a manner designed to test the presumed ability of an Office to deliver international reports according to the necessary level of quality.

43. On the other hand, it would be necessary to ensure continuity. There will always be a significant delay in the ability of an Office offering skilled professional services such as patent examination to respond to major changes in demand. Against that background, it would seem appropriate to include transitional provisions, allowing Offices to adapt to any new criteria, whether by improving facilities, recruiting additional examiners, joining forces with other Offices in a regional Authority or preparing to give up the status as an International Authority. Thus, depending on the nature of any changes, it would appear appropriate that any new criteria should be applied to existing Authorities only either progressively, or else after a suitably long period of time, depending on the requirement at issue. Should new criteria be agreed upon in time for the reappointment process to take place in 2017, such transitional provisions would need to be taken into account in that reappointment process to take place in 2017.

DEVELOPMENT OF NATIONAL OFFICES

44. Any discussion around the question of what criteria an Office must meet in order to be appointed as an International Authority will inevitably raise questions about technical assistance towards allowing national Offices to search and examine national patent applications effectively, irrespective of any concrete ambitions which an Office may have to seek appointment as an International Authority. In this context, there clearly is scope for improvement in the coordination and delivery of training by established Offices (including, but not limited to those which act as International Authorities). It may also be possible to extend existing national and international programs aimed at access to technological information to ensure that national patent examiners have affordable access to effective search facilities.

45. The International Bureau thus wishes to invite Member States with “established” Offices (whether International Authorities or not) to consider how technical assistance activities around examiner training and access to search systems might be improved and the extent to which those Offices could assist in this, both individually and collectively.

46. *The Working Group is invited:*

(i) to comment on the possible measures to improve the procedures for appointment of an Office as International Searching and Preliminary Examining Authority under the PCT set out in the present document, and to consider the proposal set out in paragraph 27 of the present document;

(ii) to comment on the observations and recommendations and to respond to the queries related to the possible revision of the criteria for appointment as set out in paragraphs 29 to 43 of the present document;

(iii) to comment on how technical assistance activities around examiner training and access to search systems might be improved, and the extent to which those Offices could assist in this, both individually and collectively, as set out in paragraphs 44 and 45 of the present document.

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