

# WIPO



PCT/CTC/20/2

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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
GENEVA

INTERNATIONAL PATENT COOPERATION UNION  
(PCT UNION)

PCT COMMITTEE FOR TECHNICAL COOPERATION

Twentieth Session

Geneva, September 23 to October 1, 2002

ADVICE TO THE ASSEMBLY OF THE PCT UNION ON THE REQUEST OF THE  
CANADIAN COMMISSIONER OF PATENTS TO BE APPOINTED AS  
INTERNATIONAL SEARCHING AUTHORITY AND AS INTERNATIONAL  
PRELIMINARY EXAMINING AUTHORITY

*Document prepared by the International Bureau*

1. In a letter dated July 5, 2002, the Canadian Commissioner of Patents expressed the wish to be appointed as an International Searching Authority (ISA) and as an International Preliminary Examining Authority (IPEA) under the Patent Cooperation Treaty (PCT). The letter from the Canadian Commissioner of Patents is reproduced as an Annex to this document.<sup>1</sup>
2. Article 16(3)(e) of the PCT provides that “Before the Assembly [of the PCT Union] makes a decision on the appointment of any national Office [as an ISA] ..., the Assembly shall ... seek the advice of the Committee for Technical Cooperation ...” (hereinafter referred to as the PCT/CTC).
3. According to Article 32(3) of the PCT, the provisions of Article 16(3) shall apply, *mutatis mutandis*, in respect of the appointment of an IPEA.

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<sup>1</sup> Working documents for sessions of the Assembly and the Committee for Technical Cooperation are accessible via WIPO’s Web site at <http://www.wipo.int/pct/en/meetings>.

4. The advice given by the PCT/CTC at its twentieth session in respect of the request by the Canadian Commissioner of Patents will be submitted, together with that request and a draft agreement between the Canadian Commissioner of Patents and the International Bureau in respect of the Canadian Commissioner of Patents functioning as an ISA and IPEA, to the Assembly of the PCT Union for consideration at its thirty-first session in September 2002.

5. *The PCT/CTC is invited to give its advice on this matter.*

[Annex follows]

ANNEX

July 5, 2002

Dr. Kamil Idris  
Director General  
World Intellectual Property Organization  
34, chemin des Colombettes  
1211 Geneva 20  
SWITZERLAND

Dear Dr. Idris:

I would like to take this opportunity to inform you that the Canadian Intellectual Property Office (CIPO) has decided to seek approval from the appropriate bodies of the World Intellectual Property Organization for status as an International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA) under the Patent Cooperation Treaty (PCT). I would request that this matter be considered during the annual WIPO Assemblies in September 2002. The anticipated start date for CIPO's new ISA/IPEA services is Summer 2004.

The attached submission has been prepared to support our request for appointment as an ISA and IPEA under Articles 16(3) and 32(3) of the PCT. The submission addresses the technical aspects of our request, the rationale for CIPO status as an ISA/IPEA, and how CIPO meets the minimum human resource and documentation requirements set out under the PCT. It is noted that in respect of the documentation requirements, minimal gaps currently exist. However, these gaps will be corrected before the anticipated start date of Summer 2004. Also attached is the draft agreement which sets out the terms and conditions for CIPO status as an ISA/IPEA.

CIPO's request builds on several rounds of consultations which were held with client groups on the relative merits and benefits of ISA/IPEA status. Informal discussions were also held with members of the international community. These consultations and informal discussions have revealed wide-ranging support for our request. As an ISA/IPEA, CIPO will be able to provide client groups with greater access to the international patent system. ISA/IPEA status would also reinforce CIPO's commitment to continued excellence in the areas of client relations and service delivery.

[...]

I would like to renew my assurances of continued cooperation with WIPO, and look forward to seeing you again this September.

Yours sincerely,

(signed)

David Tobin  
Commissioner of Patents, Registrar of  
Trade-marks and Chief Executive Officer

Enclosures

**Appointment of the Canadian Commissioner of Patents  
as an International Searching Authority (ISA) and  
International Preliminary Examining Authority (IPEA)  
under the Patent Cooperation Treaty**

**Background**

1. The global knowledge-based economy of the 21<sup>st</sup> century depends on innovation, and the investments that countries make in promoting the creativity and talents of its people. Intellectual property, a fundamental pillar of the knowledge economy, has grown in importance and awareness in recent years. It is a fundamental lever of public policy, and plays a pivotal role in stimulating economic growth and enhancing social welfare on a global scale.
2. The administration of the intellectual property system, and the timely grant of intellectual property rights, supports and encourages innovation and creative spirit. The Canadian Intellectual Property Office (CIPO), under the direction of the Chief Executive Officer, Commissioner of Patents and Registrar of Trade-marks, is responsible for the administration of the various intellectual property statutes governing patents, trade-marks, copyrights, industrial designs, and integrated circuit topographies. CIPO was established as a Special Operating Agency (SOA) within the Department of Industry in 1994, after operating in various forms since 1869.
3. As an SOA, CIPO has greater flexibility than Canadian government departments in the management of human and financial resources. CIPO operates on a revolving fund and is completely funded by the fees it charges for the delivery of products and services. This flexibility has permitted CIPO to focus on service delivery and quality, taking into consideration evolving client needs (both domestically and abroad) and a competitive labour market.
4. Intellectual property offices around the world have faced increased demand for products and services. Patent applications have risen at unprecedented rates worldwide, leading to growing workloads for national offices, including CIPO. In 2001, CIPO received some 40,000 patent applications, an increase of almost 50% from the 27,000 received only five years earlier. As evidenced by the frequency and significance of discussions relating to workload amongst national offices and in international fora, many of these offices are experiencing difficulty in maintaining acceptable service levels under the weight of growing inventories.
5. The tremendous development of the patent system has been mirrored by the extraordinary success of the Patent Cooperation Treaty (PCT). Canadian applicants, like most patent applicants worldwide, have embraced the PCT system. In 2001, the Canadian receiving Office experienced a 16% increase to 2,000 PCT international applications filed. This compares to the 14% growth in applications processed by the International Bureau of WIPO over the same period. The result is not surprising given that Canadian applicants, as an entity, have consistently placed among the 10 most prolific users of the PCT system. Additionally, PCT applications entering the national phase now constitute more than two thirds of all patent applications filed in Canada.

6. The success of the system, however, has come at a price. Many PCT International Authorities are experiencing challenges in responding to the accelerated increase in patent filings. While Authorities have attempted to continue to comply with the PCT mandated time limits for the provision of search and examination reports, the focus on PCT-related work has created challenges in the fulfilment of their national or regional responsibilities.

#### **CIPO as an ISA/IPEA**

7. In the context of its mission to help accelerate Canadian economic development, CIPO established its vision:

“To be a leading intellectual property office recognized for excellence in our products and services and for strengthening Canada’s innovative capacity, through ongoing quality improvement, continuous development of our employees and adherence to our values.”

8. In order to fulfill its mandate, in light of key economic drivers such as increasing demand for international and domestic intellectual property services, and global harmonization efforts to effectively and efficiently respond to this demand, CIPO established five strategic priorities. Two of these five strategic priorities are to:
  - deliver high quality, timely and cost effective products and services that meet clients’ needs; and
  - position CIPO to thrive in a changing domestic and global environment with a modern and responsive intellectual property framework.
9. As part of its strategy for moving forward on these priorities, CIPO has undertaken to seek approval to join the community of national and regional offices which currently function as International Searching Authorities (ISAs) and International Preliminary Examining Authorities (IPEAs) under the PCT. As an ISA/IPEA, CIPO will:
  - facilitate the prosecution of PCT international applications for Canadian applicants, enabling them to be more productive and competitive in the knowledge-based economy;
  - enhance its international reputation as a mid-sized IP office by assuming a portion of the international workload burden;
  - reinforce its commitment to continued excellence in the areas of client relations and service delivery; and
  - strengthen the quality of Canadian search and examination through increased exposure to the PCT system and access to additional search tools.

## **Pursuit of Excellence in Service Delivery**

10. In an effort to improve services to our clients, CIPO conducted an in-depth quality assessment in Fall 2000 using the Baldrige Criteria for Performance Excellence. This assessment led to a series of organizational priorities for service improvement. Building on the knowledge, experience, and feedback from the Baldrige quality assessment, CIPO now approaches service improvement from a broader quality management perspective. In this context, CIPO has now initiated the development of a Client Relationship Management (CRM) framework that strengthens client relationships and improves service delivery by ensuring that our service levels and products are in tune with client requirements.
11. CIPO's focus on client relations has been recognized at the international level by WIPO and officials from developing countries. Under the framework of WIPO's technical cooperation program, CIPO has offered, in partnership with WIPO, a specialized course on Client Relations and Quality Management in the Delivery of Patent Services. Through this specialized course, CIPO has been able to share with other countries its knowledge and practical experience in delivering quality products and services.
12. The patent profession in Canada represents one of CIPO's primary stakeholders. CIPO has regular dealings with the profession through quarterly formal meetings, comments submitted through the CIPO Web site, and frequent informal communications. The agent profession, represented in Canada by a number of professional associations, including the Intellectual Property Institute of Canada (IPIC), has continued to develop and expand in parallel with growth in the patent system. There are currently 521 registered patent agents in Canada, and 146 registered Canadian firms. The high level of expertise of the Canadian patent profession and their commitment to the patent system is demonstrated through their regular participation in international discussions and their nomination to positions of importance within international associations, such as the International Federation of Industrial Property Attorneys (FICPI).
13. CIPO actively participates in international discussions and plays a leadership role at the international level. CIPO continues to advance the views of mid-sized offices in respect of patent modernization and harmonization by playing an active role in WIPO bodies such as the Standing Committee for the Law of Patents and the Committee and Working Group for the Reform of the PCT.
14. While CIPO strives to positively contribute to international negotiations, it is also cognizant of the need to continually modernize its national legislation and office practices to reduce administrative burdens, to provide applicants with improved services, and to comply with changing international standards. CIPO is currently consulting with Canadian users in respect of an IP Improvement Bill which will streamline and facilitate the processing of applications for intellectual property rights. The IP Improvement Bill will also contain amendments which will make the Canadian patent legislation compliant with obligations under the PLT. Furthermore, enhancements will be made to the Patent Rules in order to facilitate the filing and

prosecution of large applications in electronic format, and to provide further safeguards to applicants in exceptional circumstances where there is potential for the loss of rights, while protecting the complementary rights of third parties.

## Human Resources

15. In response to the increased demand for IP rights, CIPO has taken advantage of its flexibility as an SOA to hire additional examiners. CIPO has established a strong examination corps composed of three technology-specific divisions, a section dedicated to the classification of patent documents, and a Patent Appeal Board, whose duties include the review of patent prosecution and the resolution of conflicts between applicants (under Canada's former first-to-invent patent system).
16. There are currently 165 full-time patent examiners employed by CIPO, all of whom have the sufficient technical qualifications to carry out international searches and examinations. A large number of examiners are able to perform work in both English and French, and many examiners have a good knowledge of additional foreign languages. In respect of academic qualifications, all patent examiners must possess the minimum requirements of a degree in engineering, an honours degree in chemistry or physics, or a masters degree or higher in biochemistry or molecular biology from a recognized educational institution. In addition, there are 35 examiners who possess a doctorate degree, with the majority of these highly qualified personnel examining in the emerging field of biotechnology.
17. While CIPO's patent examination staff has grown extensively in recent years, the continued influx of patent applications and CIPO's ongoing commitment to maintaining and improving service levels has necessitated the aggressive recruitment of additional staff. CIPO plans to hire some 50 new examiners in 2002. A total of 375 examiners is expected by 2006.
18. One of the limitations placed on an organization's ability to hire new recruits is its capacity to provide proper training without incurring a substantial loss of production. CIPO's current training regime for patent examiners consists of a two-year apprenticeship augmented by formal training in a variety of patent law and examination subjects, such as the *Canadian Patent Act and Rules*, jurisprudence, advanced patent prosecution and patentable subject matter. In an effort to alleviate the dependency on senior, productive examiners, CIPO is currently reviewing its training program, evaluating alternative training tools, and exchanging best practice information with other patent offices. This will strengthen the quality of search and examination and enable CIPO to recruit additional examiners while minimizing impact on production.
19. Training efforts are not restricted to the education of new examiners. Experienced examiners are encouraged to keep abreast of technology developments in their field of specialty, by reviewing technical periodicals, attending conferences, and taking part in industrial tours of Canadian companies.

## Information Technology

20. In the mid-1980s, CIPO began efforts to modernize its patent office by developing information technology solutions to the patent process in Canada, in order to improve access to its wealth of patent data and to achieve greater efficiency gains in the delivery of patent products and services. These early efforts led to the deployment in 1997 of TechSource, CIPO's automated system for patents. This automated system incorporates the entire process of patent administration from filing to grant, including search and examination functions. While some efficiency gains have been realized in the search and examination functions, the greatest productivity increases were achieved in patent operations. The capability of simultaneous access to a single document by a multiplicity of users has allowed CIPO to process a greater number of applications, correspondence and fee payments, without a corresponding increase in support staff.
21. The core of the TechSource system consists of the major integration of Commercial Off-The-Shelf products; Image Plus, to handle the scanning and image management related to patent applications; INQUIRE/Text to handle textual searching requirements; and QMF to provide interactive data query capabilities. These products operate in an IBM mainframe environment with a Line of Business (LOB) system. The LOB system is a mainframe CICS and DB2 application which handles patent application tracking, financial, and client management elements of the patent process. Bridging exists between the different applications to produce an integrated system.
22. All patent applications received in paper form are immediately scanned into the TechSource system while the images of applications entering the national phase under the PCT are loaded directly from the Espace World CDs/DVDs. The title, abstract, description, and claims of the application are converted to text using Optical Character Recognition (OCR). The text from the abstract and claims is verified for quality when the image is converted to text using OCR. The text of the description remains in unedited form. Once the patent application is scanned into the system and various quality control mechanisms have been undertaken, the paper file is destroyed and all patent processing is conducted using the TechSource system.
23. The bibliographic information and associated images of patent documents are available internally through CIPO's internal INQUIRE/Text system, or externally through the Canadian Patent Database (CPD) which is accessible from the CIPO Web site. In 2001, over 650,000 searches were conducted on the CPD.
24. CIPO patent examiners are equipped with Pentium workstations which have a CD-ROM drive and Internet access through a T1 high-speed connection. This permits access to the TechSource system, and provides patent examiners with the necessary facilities to conduct their search and examination functions.
25. Major enhancements to the TechSource system are being investigated to take advantage of advances in information technology, and to reflect changes in office practice, procedures and rules. One of the more significant changes which CIPO is presently assessing is the adoption of XML for at least the front end filing and entry processes, and for data export processes. CIPO's search engines will be replaced with a single web-based application, giving users combined functionality of the previous search engines, as well as added search functions. The data model, in particular the

client data, will be significantly modified and enhanced. Existing proprietary formats and applications will be replaced with more “open” systems. Information technology solutions are also being considered to expand remote access to the TechSource system for employees working at home.

### **Electronic Commerce**

26. The Canadian Government has committed to provide all of its key services on-line by 2004 and CIPO has met 90% of its Government On-Line (GOL) commitments. The electronic filing of patent applications is available through a secure SSL server, however, the uptake has not been as widespread as expected. It is anticipated that the electronic filings will increase once the international standard for the electronic filing of patent applications is widely adopted and reliable software is made available to users and offices.
27. The greatest increase in the use of CIPO’s suite of e-services has been experienced in e-correspondence, a service which allows an applicant to perform on-line transactions such as national phase entry and the payment of fees. This service experienced a growth of 200% in 2001, with the largest increases occurring in the payment of maintenance fees.

### **Patent Documentation**

28. Canadian laid-open applications and patents from 1920-to date are available electronically on the TechSource system. Text searches of the bibliographic elements may be conducted. Documents from 1978-to date have the added functionality of text searches of the abstracts, claims and description.
29. CIPO has established a collection of 25 million patent documents from more than 25 countries, dating back to 1824. These documents are stored on paper, microfiche, or DVD/CD-ROM. CIPO also subscribes to a collection of 169 periodicals and has access to almost the complete set of non-patent literature referred to in PCT Rule 34.1 (b)(iii) through the Canadian Interlibrary Loan Network.
30. In addition, CIPO has access to numerous commercial databases on patents and technical literature through Questel-Orbit, Delphion, STN, DIALOG, and other databases which are freely available over the Internet, such as Esp@cenet.
31. The proliferation of on-line patent databases and the advances in Internet technology have led CIPO to eliminate paper documents and microfiche where electronic alternatives are available. Given the rapid developments in information technology, it is no longer efficient for offices to accumulate individual libraries of foreign patent documents. Advances in data transfer capabilities will increasingly result in the mutual exchange of patent documents through electronic means.
32. CIPO has recently gained access to the Trilateral Network (TriNet), a virtual private network which connects the USPTO, the EPO, and JPO. Access to this secure network will provide CIPO with greater and faster access to data and information. CIPO is working with the USPTO to gain secure access to their WEST system through the TriNet connection, and would like to see this project expanded to include the other patent offices linked through this network.

33. Regarding the PCT minimum documentation, as elaborated in Rule 34, CIPO has a limited number of documents which are not presently accessible by Canadian patent examiners. CIPO has entered into discussions with several foreign patent offices in order to obtain the missing documentation, preferably in electronic form or through a virtual private network such as the TriNet. CIPO is confident of having complete access to the PCT minimum documentation by the date upon which the Agreement between the Canadian Commissioner of Patents and the International Bureau at WIPO enters into force.

### **Conclusion**

34. CIPO has demonstrated that it meets the requirements to function as an ISA/IPEA under the PCT on the basis of the following attributes:
- a highly qualified, competent and growing corps of patent examiners in all disciplines, possessing bilingual, sometimes multilingual capabilities;
  - a modern and efficient automated patent processing system, supported by a forward-thinking and comprehensive IT infrastructure;
  - a vast collection of patent documents and on-line resources which will permit CIPO to meet the minimum documentation requirements;
  - an organizational commitment to the pursuit of excellence in client relations and service delivery; and
  - an examination capacity to manage the anticipated international workload and which may, eventually, be in a position to offer its services to applicants filing through other receiving Offices.

[End of Annex and of document]