

Patent Cooperation Treaty (PCT) Working Group

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STRENGTHENING PCT SAFEGUARDS IN CASE OF GENERAL DISRUPTION

Document submitted by the European Patent Office, France, Spain, Switzerland and the United Kingdom

SUMMARY

1. The PCT System provides a set of safeguards protecting applicants' rights, including the restoration of the priority right, the excuse of delays or the extension of time limits under various circumstances. However, the COVID-19 emergency has shown that there is still room for improvement. The European Patent Office (EPO), France, Spain, Switzerland and the United Kingdom propose to update Rule 82*quater*.1 and to introduce a new Rule 82*quater*.3 allowing an Office to extend time limits in the case of extraordinary circumstances for a defined period.

BACKGROUND

2. The COVID-19 emergency was declared a public health emergency of international concern and a pandemic by the World Health Organization (WHO) on March 11, 2020. This health crisis has caused a large majority of countries in the world to declare a state of alarm or emergency, which resulted in restrictions on the movement of persons, as well as on certain services and public life in general, and also severely impacted economic activities, provoking a significant alteration in international trade and work routines.

3. Many PCT Contracting States have been and are still experiencing restrictions leading to disruptions affecting both the public and private life of citizens. The current global pandemic has been qualified as a "natural calamity ... or other like reason" within the meaning of Rule 82*quater*.1 by the International Bureau of WIPO, as set out in the *Interpretative statement and Recommended Patent Cooperation Treaty (PCT) Practice Changes in light of the*

COVID-19 Pandemic (“the Interpretive Statement”) issued on April 9, 2020. While some Offices invoked Rule 80.5(i), which applies in cases where Offices are not open, many other Offices, including the EPO and the International Bureau, remained open for business, including for the filing and processing of PCT applications. In this context, Rule 82*quater*.1 was short of adequately addressing the situation.

LEGAL REMEDIES CURRENTLY AVAILABLE UNDER THE PCT

4. The PCT provides for the excuse of delays or the extension of time limits in the international phase in several circumstances, which can be essentially summarized as follows:
- (a) Delays in meeting the priority period – Rule 26*bis*.3: A special provision provided for the delay in meeting the 12 months priority period. Based on an applicant’s/agent’s request, receiving Offices may excuse such a delay if a statement of reasons is submitted and the failure to meet the time limit (a) was unintentional, or (b) occurred in spite of all due care having been taken by the applicant/agent.
 - (b) Office closed for business – Rule 80.5(i): Extension of periods in cases where the expiration of the period during which any document or fee must reach a national Office or intergovernmental organization falls on a day on which such Office or organization is not open to the public for the purposes of the transaction of official business or on which ordinary mail is not delivered in the locality in which such Office or organization is situated. The extension is automatic and applicants do not have to take any action.
 - (c) Delay or loss in mail – Rule 82.1: Any interested party may offer evidence that he has mailed the document or letter five days prior to the expiration of the time limit. If the mailing of a document or letter is proven to the satisfaction of the national Office or intergovernmental organization, which is the addressee, delay in arrival shall be excused. The burden of proof is on the applicant. The Office must process the request.
 - (d) Delays due to extraordinary circumstances at the applicant’s place of residence - Rule 82*quater*.1: Based on a request and evidence provided, the delay in meeting time limits (including time limits for fee payments, but not in a situation in which an international application had lost its legal effect as a result of having been declared considered withdrawn) may be excused by the Office concerned if the applicant can demonstrate that the area where he is located is affected by *force majeure*. The burden of proof is on the applicant. The Office must process the request.
 - (e) Outage impacting the Office – Rule 82*quater*.2 (since July 1, 2020): If an Office or organization is suffering from an outage of any of the permitted means of filing, it may declare so and notify the public and the International Bureau, including the period of the unavailability. Time limits are extended for applicants having missed them to the subsequent working day where all permitted means of filing are again operational. The extension is automatic, and applicants do not have to take any action.

The practical application of these remedies is illustrated for the ease of understanding in a table provided under paragraph 23 of this document.

SHORTCOMINGS OF LEGAL REMEDIES CURRENTLY AVAILABLE UNDER THE PCT

5. The COVID-19 emergency has uncovered that the current PCT legal framework does not provide for a reasonable, efficient and flexible remedy that can easily be applied by Offices and used by applicants in case of a general disruption at the State where the Office is located while that Office is still open for business. Especially, it is unnecessary to require in such a situation the filing of a request and related evidence supportive of the fact that a time limit was not met. The International Bureau intended to address this shortcoming with its Interpretive Statement (see paragraph 3, above) but such redress demands to be further consolidated in the PCT Regulations.

6. Under current Rule 82 *quater*.1, PCT applicants are required to file a request for excuse of delays and are thus confronted with additional costs and increased administrative burden, such as attorney costs, time and resources to prepare the requests. In the worst case, they may even face a loss of rights if they are unaware of that remedy and fail to file a request for excuse of delays. PCT Offices must also process such requests on an individual basis. This effort is time and resource consuming, and represents an unnecessary burden for Offices as the requests will always be allowable in the event of a pandemic/epidemic.

PROPOSAL

7. With a view to further strengthen the set of safeguards currently available under the PCT, it is proposed to provide a solid, efficient, transparent, reliable and flexible new legal basis to extend PCT time limits in case of a general disruption. The extension applies to actions performed by either applicants or third parties involved with the application (e.g. submission of third-party observations); hence the proposal uses the term ‘parties’. This safeguard would be of a similar nature to what is already provided in many national or regional legislations. To a large extent, the success of the PCT System comes from the fact that, over time, it could be progressively adapted to best fit the needs of its users. The co-sponsors of this proposal believe that the PCT membership should respond to the experiences made during the COVID-19 emergency and seize the opportunity to develop the PCT further by providing the most adequate remedies in support of its users. The aim is thus to complement the existing legal framework and to offer a response to the future challenges Offices may be facing during a time of emergency. The proposal does not call into question the set of safeguards currently available under the PCT.

8. This proposal was submitted by the EPO, France, Switzerland and the United Kingdom to the thirteenth session of the Working Group in October 2020 (document PCT/WG/13/10). In the meantime, Spain has joined the group of co-sponsors. Following the feedback received at that session (see the Summary by the Chair of the session, document PCT/WG/13/14), at the twenty-eighth session of the Meeting of International Authorities (see the Summary by the Chair of the session, document PCT/MIA/28/9), and bilaterally from several Offices, the original proposal (document PCT/WG/13/10) has been further modified, as explained below.

PROPOSED CHANGES TO RULE 82 *QUATER*

Rule 82 *quater*.1

9. It is suggested to include the term “epidemic” as a situation of *force majeure* under Rule 82 *quater*.1(a). The COVID-19 emergency has shown that an epidemic should be a justified ground to excuse delays in meeting time limits. Therefore, it ought to be explicitly specified in the list of *force majeure* circumstances. According to the World Health Organization, an epidemic is the “occurrence in a community or region of cases of an illness, specific health-related behavior, or other health-related events clearly in excess of normal expectancy”. A pandemic, being a worldwide spread epidemic, falls under the definition of epidemic.

10. That Rule should also reflect the International Bureau’s Interpretative Statement of April 9, 2020 by including a new paragraph (d) giving the possibility for an Office to waive the requirement to submit evidence, subject to the interested party submitting a statement that the failure to meet the time limit was due to the reason for which the Office waived the said requirement. This condition would align this paragraph with the proposed modifications of Rule 5 of the Hague Agreement that has been agreed to be submitted to the Assembly of the Hague Union for adoption (see documents H/LD/WG/9/3 Rev., H/LD/WG/9/6, and paragraphs 14 and 15 of document H/LD/WG/9/7), which are also reflected in the proposed modifications of Rule 5 of the Madrid Agreement (see document MM/LD/WG/18/2 Rev.).

Rule 82*quater*.3

11. It is proposed to introduce a new Rule 82*quater*.3 to give the possibility to extend time limits in case of a general disruption in the State where an Office is located due to, for instance, an epidemic, causing restrictions on the movement of persons, as well as on certain services and public life in general. If such a general disruption affects the operations at the Office thereby interfering with the ability of parties to perform actions before that Office, the Office could then decide to invoke Rule 82*quater*.3. In that context, the location of an Office refers to a State in which an Office has (a) filing office(s). If an Office has several filing offices and only one or several but not all of them meet the requirements described above, it would be left to the discretion of that Office to invoke Rule 82*quater*.3 according to the circumstances.

12. Under the proposed changes in Rule 82*quater*.1(d), interested parties would need to draft a request which requires a case-by-case assessment by Offices and, even if the requirement of evidence can be waived, a statement would need to be submitted as well. However, the all-encompassing nature of a general disruption implies limitations in the interaction between applicants, agents and the Office concerned. As indicated above, such a general disruption negatively impacts the operations of the Office, which would therefore in turn affect all parties dealing with that Office. Requiring parties to individually request an extension of time limits under such exceptional circumstances would thus not only be disproportionate but this would also have no purpose since requests for an excuse of a time limit would in any event be always granted. Hence, the main practical advantage of proposed new Rule 82*quater*.3 is that parties would not be required to file requests or submit evidence.

13. Proposed new Rule 82*quater*.3 gives an Office the possibility to extend the time limits in which a party must complete an act before that Office. The introduction of a legal basis in the PCT to extend time limits, including those for paying fees, would provide greater legal certainty and predictability. The relief would only be applicable to time limits expiring during the period of extension. It would be proportionate as it is left to the discretion of each Office to declare a period of general disruption, depending on the actual situation in the State where that Office is located as explained in paragraph 11, above.

14. The proposed new rule does not fall under Article 48(1), which refers to interruptions in the mail service or unavoidable loss or delay in the mail. Since Article 48(2) refers to excuses of delays in meeting time limits under national law with effect for the designated or elected State concerned, it is not applicable either. Rather, the proposal would allow Offices to extend time limits during the international phase. However, proposed Rule 82*quater*.3 would follow the general logic of Rule 82*quater* and be applicable to time limits set in the Regulations. Other time limits set in the Treaty itself, for instance, are thus not covered by the proposed extension. Designated Offices may make use of their national provisions and extend such time limits with exclusive effect for their State (cf. Article 48(2) in conjunction with Rule 82*bis*.2).

15. In terms of transparency, proposed new Rule 82*quater*.3 mirrors the notification approach of Rule 82*quater*.2 as adopted by the PCT Assembly in 2019 which entered into force on July 1, 2020. A notification under Rule 82*quater*.3 should include information on the exact period of maximum two months during which the extension of time limits applies ("period of extension"). Time limits fixed in the Regulations could be extended up to the first day following the end of the period of extension. The 2-month maximum duration corresponds to a period commonly used under the PCT (e.g. restoration of priority rights or incorporation by reference). The date of (actual) commencement of a general disruption could be a date earlier than the date of notification.

16. If the general disruption is still ongoing before the end of the period of extension, the Office concerned would have the possibility to decide on a further extension of time limits for another maximum period of two months. For a prolongation of the period of extension of time limits, the same conditions as for a first notification apply, namely the Office concerned would have to publish the period of extension and notify the International Bureau accordingly. Further

details regarding the implementation of the proposed new rule could be specified in secondary instruments following the example of Section 111 of the Administrative Instructions and paragraphs 30B and 30C of the Receiving Office Guidelines in the case of Rule 82 *quater*.2. The prolongation of the period of extension would eventually be limited in time by the fact that it does not affect the time limit for entry into the national phases. Besides, upon entry into the national phase, the extension ceases to have any effect before the designated Office concerned.

17. To illustrate the mechanism of the proposed new safeguard under Rule 82 *quater*.3, especially with respect to the application of the extension of time limits and the renewal of the periods of extension, the following example is hereby presented:

An applicant intends to file a demand for international preliminary examination and pay the relevant fees and must do so by June 10, 2021. The applicant is required to pay to the EPO as International Preliminary Examining Authority (IPEA) the amount of 1,830 euros for the preliminary examination fee and 185 euros for the handling fee. The latter fee would be forwarded to the International Bureau. The international application was filed on May 10, 2020 with October 1, 2019 as the earliest priority date.

The following course of events happens:

- May 5, 2021 - The Office notifies the International Bureau on the application of the rule due to the start of a pandemic that is heavily impacting its operations, with retroactive effect from May 1, 2021 (the commencement date of the general disruption as declared by the Government at the Office's location). The International Bureau publishes promptly this information on its website. The applicant is relieved as the staff is staying home, and the company and mail service is fully disrupted.
- June 10, 2021 - The original deadline for the applicant to submit the demand and pay the relevant fees. Thanks to the notification, the deadline is now extended until 1 July 2021, which is the end date of the period of extension.
- July 2, 2021 - New deadline for the applicant to submit the demand and pay the fees.

If the Office decides to establish an additional period of extension under Rule 82 *quater*.3(b), it may do so by notifying the International Bureau prior to July 1, 2021. In such case, here is the following course of events:

- July 2, 2021 - Commencement date of the second period of extension.
- September 2, 2021 - End date of the second period of extension.
- September 3, 2021 - New deadline for the applicant to submit the demand and pay the fees.

The above example also points out that an unnecessary prolongation of time limits would not be in the interest of the applicants in view of the consequential delays. As per Rule 69.1(a), the IPEA starts the international preliminary examination when it is in possession of the demand and when the fees are paid. Besides, the time limit to establish the international preliminary examination report is set at six months from the start of the examination. If the applicant submits the demand and pays the fees by the deadline (September 3, 2021), the time limit to establish the report would be extended until March 3, 2022, just before the 30-month time limit for entry into the national phases (April 1, 2022). The experience gained by the EPO and several of its Member States such as France, Spain and the United Kingdom confirms that there is no apparent misuse of similar safeguards applicable under their respective regional and national laws. Furthermore, international applications entering the various national phases will

no longer benefit from the extension as far as the proceedings in the respective national phases are concerned. This puts a clear end to the effect of any subsequent extension of time limits.

18. Offices will benefit from the flexibility under the proposed mechanism, as each Office could timely prepare for the application of a general extension of time limits, including possible consideration of its impact on finances, IT tools as well as operations and workflows. A notification under Rule 82 *quater*.3 would also serve as evidence that could be presented by an applicant located in the same State but requesting an excuse of a delay under Rule 82 *quater*.1 with another Office. Besides, the proposed new rule would apply independently of whether a comparable extension of time limits is also available under the applicable national law (as defined in Article 2(x)). That said, in case an Office applies a comparable extension of time limits under the applicable national law, such Office could adopt the same practice for both the national and PCT proceedings, thereby offering equal treatment to users and effectively streamlining its operations.

19. There is no overlap between Rule 82 *quater*.1 and the proposed new rule as an Office could apply one or the other, but not both at the same time. In other words, Rule 82 *quater*.1 does not apply before a particular Office if that Office has notified under Rule 82 *quater*.3 that all time limits are extended. After the period referred to in the notification under Rule 82 *quater*.3 has lapsed, Rule 82 *quater*.1 is again applicable before that Office.

20. The proposed wording of Rule 82 *quater*.3(c) diverges slightly from the current wording of Rules 82 *quater*.1(c) and 82 *quater*.2(b) in order to make clear that there should be no disrupting impact on designated Offices in cases where, on the one hand, the national processing began, but on the other hand, not all acts under Article 22 or 39 have yet been performed by the applicant. If the above proposal is supported, it is suggested to make corresponding amendments to Rules 82 *quater*.1(c) and 82 *quater*.2(b) for the sake of consistency.

PROPOSED UNDERSTANDING OF THE PCT ASSEMBLY

21. It is further suggested that the PCT Assembly adopts an Understanding concerning the extension of time limits due to general disruption in a State in which the Office or organization is located. Such an Understanding would cover the timeframe prior to the entry into force of the proposed new Rule 82 *quater*.3 and provide legal certainty and predictability for parties whose PCT time limits have been extended by Offices in application of a more favorable national law as defined in Article 2(x). It would also provide clear guidance and transparency for designated Offices dealing with such files later in the national phase procedure.

22. A draft text for such an Understanding is proposed as follows:

“Understanding of the PCT Assembly

In adopting the modifications of Rule 82 *quater*.1 and new Rule 82 *quater*.3, the PCT Assembly agreed that, prior to the entry into force of modified Rule 82 *quater*.1 and new Rule 82 *quater*.3, neither Rule 82 *quater*.1 nor any other provisions of the PCT prevented an Office from extending time limits fixed under the Regulations in situations of force majeure as defined in Rule 82 *quater*.1, where the national law as defined in Article 2(x) that is applicable by the Office concerned provided for such a relief. The PCT Assembly also agreed that, with the adoption of new Rule 82 *quater*.3, a new legal basis will become available in the Regulations and should thus be applied, when applicable, as from its date of entry into force.”

SCENARIOS OF DISRUPTIONS AND EFFECTS

23. The following table illustrates the practical application of the current remedies available under the PCT, including proposed modifications to Rule 82 *quater*.1 and new Rule 82 *quater*.3 (highlighted in bold respectively):

Scenarios	Legal Provision	Request & Evidence	Notification to the International Bureau
Delays in meeting the priority period	Rule 26 <i>bis</i> .3	Yes	No Offices send the requests and decisions to IB
The Office is completely closed for official business	Rule 80.5(i)	No	No Offices inform IB of the closed days
Mail disruption in the locality of the Office, which is still open for business	Rule 82	Yes	No Offices inform IB of the application of the Rule and send the decisions to IB
General disruption in the locality where the interested party resides, has his place of business or is staying (proposed new Rule 82<i>quater</i>.1(d))	Rule 82 <i>quater</i> .1	Yes: request Yes / No: evidence (Offices may waive the need of evidence, but statement needed)	No Offices send the decisions to IB
Outage of any of the permitted means of filing applications at the Office, but the Office is not closed for business	Rule 82 <i>quater</i> .2	No	Yes Offices inform IB of the application of the Rule and send the decisions to IB
General disruption in the State where the Office is located, but the Office is not closed for business (proposed Rule 82<i>quater</i>.3)	Rule 82<i>quater</i>.3	No	Yes

Table 1: Scenarios of Disruptions and Effects

24. The Working Group is invited to comment on the proposals in this document.

[Annex follows]

DRAFT 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.

Rule 82^{quater}

Excuse of Delay in Meeting Time Limits [and Extension of Time Limits](#)

82^{quater}.1 *Excuse of Delay in Meeting Time Limits*

(a) Any interested party may offer evidence that a time limit fixed in the Regulations for performing an action before the receiving Office, the International Searching Authority, the Authority specified for supplementary search, the International Preliminary Examining Authority or the International Bureau was not met due to war, revolution, civil disorder, strike, natural calamity, [epidemic](#), a general unavailability of electronic communications services or other like reason in the locality where the interested party resides, has his place of business or is staying, and that the relevant action was taken as soon as reasonably possible.

(b) [No change] Any such evidence shall be addressed to the Office, Authority or the International Bureau, as the case may be, not later than six months after the expiration of the time limit applicable in the given case. If such circumstances are proven to the satisfaction of the addressee, delay in meeting the time limit shall be excused.

(c) [No change] The excuse of a delay need not be taken into account by any designated or elected Office before which the applicant, at the time the decision to excuse the delay is taken, has already performed the acts referred to in Article 22 or Article 39.

[\(d\) The need for evidence may be waived by the Office, Authority or the International Bureau under the conditions set and published by that Office, Authority or the International Bureau, as the case may be. In such case, the interested party must submit a statement that the failure to meet the time limit was due to the reason for which the Office, Authority or the International Bureau waived the requirement concerning the submission of evidence. The Office or Authority shall notify the International Bureau accordingly.](#)

82^{quater}.2 *Unavailability of Electronic Means of Communication at the Office*

(a) [No change] Any national Office or intergovernmental organization may provide that, where a time limit fixed in the Regulations for performing an action before that Office or organization is not met due to the unavailability of any of the permitted electronic means of communication at that Office or organization, delay in meeting that time limit shall be excused, provided that the respective action was performed on the next working day on which the said electronic means of communication were available. The Office or organization concerned shall publish information on any such unavailability including the period of the unavailability, and notify the International Bureau accordingly.

(b) [No change] The excuse of a delay in meeting a time limit under paragraph (a) need not be taken into account by any designated or elected Office before which the applicant, at the time the information referred to in paragraph (a) is published, has already performed the acts referred to in Article 22 or Article 39.

82quater.3 Extension of Time Limits due to General Disruption

(a) Any receiving Office, International Searching Authority, Authority specified for supplementary search, International Preliminary Examining Authority or the International Bureau may establish a period of extension such that time limits fixed in the Regulations within which a party has to perform an action before that Office, Authority or International Bureau may be extended when the State in which it is located is experiencing a general disruption caused by an event listed in Rule 82quater.1(a) which affects the operations at the said Office, Authority or International Bureau thereby interfering with the ability of parties to perform actions before that Office, Authority or International Bureau within the time limits fixed in the Regulations. The Office, Authority or the International Bureau shall publish the commencement and the end date of any such period of extension. The period of extension shall not be longer than two months from the date of commencement. The Office or Authority shall notify the International Bureau accordingly.

(b) After establishing a period of extension under paragraph (a), the Office, Authority or the International Bureau concerned may establish additional periods of extension, if necessary under the circumstances. In that case, paragraph (a) applies *mutatis mutandis*.

(c) The extension of a time limit under paragraph (a) or (b) need not be taken into account by any designated or elected Office if, at the time the information referred to in paragraph (a) or (b) is published, national processing before that Office has started.

[End of Annex and of document]