

Patent Cooperation Treaty (PCT) Working Group

Fifteenth Session
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FORMAL INTEGRATION OF THE PATENT PROSECUTION HIGHWAY INTO THE PCT: REVISED APPROACH

Document submitted by Japan, the Republic of Korea, the United Kingdom and the United States of America

SUMMARY

1. The present document is directed to the proposal by the sponsoring Offices to amend the PCT Regulations and Administrative Instructions to provide for expedited national phase examination through formal integration of the Patent Prosecution Highway (PPH) into the PCT System, as presented to earlier sessions of this body. This document reflects a revised approach being taken by the co-sponsoring Offices to the best path toward the adoption of a simple and consistent system for integrating the PPH into the PCT.

BACKGROUND

2. As detailed in documents such as the PCT Roadmap, there has been a renewed effort to make more effective use of the PCT in order to, *inter alia*, reduce duplication of work and provide a more accurate, higher quality search and patentability opinion during the international phase. The PPH has shown that work sharing, or work leveraging, has tangible benefits for both Offices and applicants. It is therefore proposed to formally integrate the PPH system into the PCT. Specifically, it is proposed that, at the applicant's option, national and regional Offices would fast track (or make special) national phase applications which are presented with only claims which were indicated as meeting the criteria of PCT Article 33(2) to (4) by the International Searching Authority (ISA) or International Preliminary Examining Authority (IPEA). This would encourage applicants to ensure that their applications meet the requirements of PCT Article 33(2) to (4) in the international phase, and effectively reduce the cost of pursuing patent protection through the PCT by providing the benefits seen today in PPH, e.g. reduced actions per disposal, higher allowance rate, and reduced rate of appeal. In order to further

reduce duplication of effort, it is proposed that national Offices be encouraged to increase leveraging of the work done at the international phase.

3. Under the PPH program, an applicant receiving a favorable written opinion or international preliminary report on patentability (IPRP) from an International Authority would be able to request that a corresponding national phase entry receive expedited examination provided that all claims in the national phase application sufficiently correspond to the claims which received a positive indication in the written opinion or IPRP. The national Office would then leverage the international phase work products to streamline patent examination.

4. Ultimately, participation in the PPH does not require or involve any substantive changes in how participating Offices search and examine applications, but instead acts to provide that participating Offices are presented with better quality applications to process.

5. To date, the PPH has been shown to provide benefits for Offices and applicants alike. Specifically, the PPH has been shown to significantly speed up the examination process for corresponding applications filed in participating countries by encouraging applicants to present applications that successfully address prior search and examination results, and thus allowing examiners to take advantage of those search and examination results. This leveraging of search and examination results is carried out while respecting the national sovereignty of the participating Offices, since a search and examination of the application continues to be performed by each Office according to its national laws, and no deference is given to the patentability determinations reached by other Offices. Some of the proven benefits of the PPH include: accelerated examination, a significantly higher allowance rate, a decreased cost of prosecution resulting from the fact that PPH cases generally have fewer actions prior to allowance, and reduced pendency. The quality of the patents granted under the PPH is not compromised, and may be enhanced by giving the examiner a better starting point for their search and examination. Since every Office participating in the PPH carries out a search and examination according to its national laws, the quality of the granted patents is at least as high as that of the patents granted in those Offices outside of the PPH.

6. Regarding the efficiency benefits to the Offices, the United States Patent and Trademark Office (USPTO) has experienced the following¹:

Allowance Rate:
PPH – 87%
Non-PPH applications – 77%

First Action Allowance Rate:
PPH – 27%
Non-PPH applications – 14%

On average, applications with a granted PPH petition had a first action 7.2 months faster than Non-PPH applications

On average, applications with a granted PPH petition had a terminal disposal 8.2 months faster than Non-PPH applications.

7. Similar data for other PPH participating Offices can be found at:
<https://www.jpo.go.jp/e/toppage/pph-portal/statistics.html>.

8. Currently, all of the International Authorities, except for one, as well as a large number of Offices that do not act as an International Authority have entered into PPH agreements with at least one other national or regional Office. The result is that there is an ever-growing number of

¹ Data for October 2019 – September 2020

bilateral PPH agreements in force worldwide. By formally incorporating the PPH into the PCT System, the need for many of these separate agreements could be eliminated. Further, the requirements for receiving PPH treatment before a given Office can differ from one PPH agreement to another. Adoption of the proposal to formally integrate the PPH into the PCT would, therefore, have the added benefit of standardizing many of these requirements, and thus simplifying the process for applicants.

INTEGRATION OF THE PPH INTO THE PCT

9. At the fifth session of the PCT Working Group, held in Geneva from May 29 to June 1, 2012, the United Kingdom and the United States of America presented a joint proposal entitled "PCT 20/20", containing 12 proposals for further improvement of the PCT System (document PCT/WG/5/18). The joint PCT 20/20 proposal included a specific proposal for "Formal Integration of the Patent Prosecution Highway into the PCT, Fast Track of National Phase Applications, Improve Reuse of PCT Work at the National Phase."

10. Taking into account the discussions and the comments received during the fifth session of the Working Group, the United Kingdom and the United States of America prepared revised versions of the original proposals, which were presented at the twentieth session of the Meeting of International Authorities under the Patent Cooperation Treaty (MIA), the sixth session of the PCT Working Group, and the twenty-first session of the MIA. The revised and expanded proposals included specific proposals to amend the PCT Regulations to include new Rules 52*bis* and 78*bis*, which specifically provide for PPH treatment of applications entering the national phase under certain conditions.

11. With regard to the specific discussions at the MIA, the Authorities expressed general support for the proposal and indicated a particular interest and hope for fast progress in the PCT Working Group on the formal integration of the PPH into the PCT System. Regarding the discussions at the sixth session of the Working Group, while some concerns were raised, the Report from the Working Group indicates that the majority of the delegations which took the floor indicated a level of support for the proposal, and indicated a willingness to consider proposals directed to overcoming the stated concerns or, in the alternative, indicated that they would take advantage of the proposed notice of incompatibility. However, two delegations indicated outright opposition to the proposal for several reasons, including national sovereignty concerns.

12. Subsequent to the discussions at the twentieth and twenty-first sessions of the MIA and the sixth session of the PCT Working Group, the USPTO and United Kingdom Intellectual Property Office (UKIPO) presented a further revised proposal to the seventh session of the PCT Working Group (PCT/WG/7/21). The further revised proposal took into account the concerns and suggestions made by the Member States and other International Authorities, and met with support by many of the delegations that took the floor at the Working Group meeting. Unfortunately, several delegations still opposed the proposal for the reasons they had given previously, and consensus could not be reached.

13. A further revised proposal was submitted for consideration by the PCT Member States to the fourteenth session of the PCT Working Group (document PCT/WG/14/10). The majority of delegations that took the floor at the meeting expressed support for the revised proposal. A few delegations, while expressing general support, indicated further modifications that could be made to the proposal to make it acceptable to their Offices. These comments centered largely on the area of increased flexibilities for the designated and elected Offices. Several delegations also expressed a specific preference for the "opt-in" option.

14. The sponsors of this paper continue to hold the position that worldwide use of the PPH should be further advanced by formally incorporating it into the PCT legal framework. With that in mind, we undertook a further revision of our proposed changes to the Rules and

Administrative Instructions which took into account the comments and suggested additional flexibilities made at the last session of this Working Group. The revised proposal included all of the proposed flexibilities that were desired by the Member States. However, in reviewing the resulting proposal, we came to the opinion that the proposal would result in a system that could be unduly confusing to applicants. As revised, the resulting system would suffer from a lack of consistency for applicants regarding not only where it is available, but more confusingly, which combination of the many optional requirements are applicable in which Office.

15. In view of the many positive comments made at the last session of the Working Group, we believe there is great interest in the system from the Offices. We also believe that a future PCT-PPH system should be simple and consistent in order for it to be effective. We would therefore like to invite the Member States to work with us to explore how the PPH might be integrated into the PCT in such a way as to attract a consensus of support.

16. As part of these efforts to reach consensus, we believe it would be useful to hold an information sharing workshop at a future in-person session of the Working Group. The workshop would allow Offices of all sizes, as well as applicants, to share their views and experiences of the PPH. The benefits, and best practices to maximize benefits for applicants and Offices alike, could be considered, and Member States with concerns could discuss them with Offices which have implemented the PPH.

17. *The Working Group is invited:*

(i) to note the contents of this document; and

(ii) to invite the Secretariat to work with interested parties to prepare an information sharing workshop on the Patent Prosecution Highway to be held at a future session of the Working Group.

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