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The International Bureau of the World Intellectual Property Organization  
./ (WIPO) presents its compliments and has the honor to transmit herewith  
documents PCT/R/WG/3/1 and 2, prepared for the third session of the *Working  
Group on Reform of the Patent Cooperation Treaty (PCT)*, which will be held in  
Geneva from November 18 to 22, 2002.

The working documents are also available on WIPO's web site (see  
[http://www.wipo.int/pct/en/meetings/reform\\_wg/reform\\_wg3.htm](http://www.wipo.int/pct/en/meetings/reform_wg/reform_wg3.htm)).

October 18, 2002

Enclosures: documents PCT/R/WG/3/1 and 2

# WIPO



PCT/R/WG/3/1

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## WORLD INTELLECTUAL PROPERTY ORGANIZATION

GENEVA

### INTERNATIONAL PATENT COOPERATION UNION (PCT UNION)

### WORKING GROUP ON REFORM OF THE PATENT COOPERATION TREATY (PCT)

#### Third Session

#### Geneva, November 18 to 22, 2002

#### OUTSTANDING PROPOSALS FOR REFORM OF THE PATENT COOPERATION TREATY (PCT)

*Document prepared by the International Bureau*

#### BACKGROUND

1. At its thirty-first (18th extraordinary) session held in Geneva from September 23 to October 1, 2002, the Assembly of the PCT Union unanimously approved recommendations of the Committee on Reform of the PCT ("the Committee") as to the work program in connection with reform of the PCT, including a recommendation that PCT reforms should focus on issues of two kinds: (i) a review of proposals for reform which had already been submitted to the Committee or the Working Group, but not yet considered in detail; and (ii) options for revising the Treaty itself (see document PCT/A/31/10, paragraph 44, referring to document PCT/R/2/9, paragraphs 135, 136, 140(i) and 140(ii)).

2. Options for a possible revision of the Treaty itself are outlined in document PCT/R/WG/3/3. The Annexes to this document contain a list of all outstanding proposals for reform which so far have been submitted to the Committee (including comments on the proposals, if any), indicating whether or not they have already been discussed by the Working Group or the Committee. Annex I contains proposals which would appear not to require a revision of the Treaty itself. Annex II contains proposals which would appear to require a revision of the Treaty. Proposals are not included in the Annexes where, in the opinion of the

International Bureau, they have been superseded by amendments to the Regulations that have already been adopted by the Assembly. While the International Bureau has exercised care in the compilation of the proposals and comments set out in the Annexes, the documents submitted to the Committee and the Working Group are the authoritative source.

*3. The Working Group is invited to discuss the relative priority of the proposals listed in the Annexes to this document, with a view to their possible inclusion in the work program of the Working Group.*

[Annexes follow]

## ANNEXI

## PROPOSALS WHICH MAY NOT REQUIRE REVISION OF THE TREATY

## FILING OF THE INTERNATIONAL APPLICATION

## 1. REDUCE/ELIMINATE FORMALITIES REVIEW

*Proposal by the United States of America (see document PCT/R/1/2, page 5, item 11)*

“The successful implementation of the above concepts and electronic filing/processing will obviate the need for many of the review and handling functions throughout the patent offices of the world. This will be especially true for many of the functions currently performed at the International Bureau.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We agree that the handling of applications by Receiving Offices and the International Bureau should be reviewed to maximise efficiency following on from electronic filing and the other reforms. We propose the following specific points, which fall into the category of this general US proposal: Checks currently performed by both Receiving Office and IB should only be carried out once. Powers of attorneys should not be required unnecessarily. The need for the various notifications concerning the applications (eg Articles 13, 20, 36; rules 17, 24, 47) should be re-evaluated. Electronic information transmissions should become the norm, both between offices and authorities and to the applicant (but this must not prejudice the effective use of the system by persons who do not have access to the necessary equipment). Transfer to the national phases should be handled centrally by the IB.”

*Comments by Japan (see document PCT/R/1/12):* “Japan is in favor of the other US proposals specified in items (1) “reduction/elimination of formalities review or handling of applications,” (13) “electronic international publication,” (14) “electronic transmission of search/examination results,” and (15) “other PCT-consistent changes” of the First Stage of Reform. These changes could streamline the procedures in WIPO -IB, ROs, ISAs/IPEAs, and DOs, as well as benefit PCT users.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI agrees with this proposal.”

*Comments by Canada (see document PCT/R/1/18):* “We should actively seek to reduce any steps associated with formalities review or handling of applications to the extent that such steps become unnecessary as a result of electronic filing/processing.”

*Comments by ASIPI (see document PCT/R/1/19):* “Nevertheless, ASIPI has severe objections in connection with the elimination of formalities or requirements that can be unexplained from the point of view of some important juridical systems of those that are universally accepted, since it can result into a loss of PCT flexibility and into a conflict with institutional objectives of the countries which General Law is inspired on the systems that have been left aside. Likewise, ASIPI looks with apprehension to diminish or deteriorate the participation of National Offices or Professionals in the system, since it can seriously damage culture or development in the matter, in the countries that receive a lower number of patent applications than those that they file in the foreign countries. Also, it considers that is not advisable for the respect of patent rights in general, that the less developed countries subsidize, at the cost of

their participation in the prosecution and protection of industrial property rights to the most developed countries and their inventors. Additionally, and as a consequence of previously named effects, ASIPI looks as inconvenient any delay in order the PCT applications enter into the national phase.”

*Discussion on this matter by the Working Group and/or the Committee* : None .

## 2. RATIONALIZE AND SIMPLIFY THE REQUEST FORM

*Proposal by India (see document PCT/R/1/4, page 2, item 1)*

“Most of the Designated or Elected Offices do not require a specific form to be filed while entering the national phase as Article 22 and Article 39(1) are silent on this issue. However, certain Designated Offices/Elected Offices require submission of a form prescribed by them. The applicants desirous of entering multiple Designated Offices/Elected Offices have to keep a track of the prescribed form or to file the request on a plain paper, as the case may be. Therefore, the existing request form for filing international applications may be modified suitably to bring uniformity in the procedure of filing national phase applications.”

*Discussion on this matter by the Working Group and/or the Committee* : None .

## 3. EXTEND TO TWO MONTHS THE TIME LIMIT FOR FURNISHING OF A TRANSLATION OF THE INTERNATIONAL APPLICATION INTO A LANGUAGE ACCEPTED FOR INTERNATIONAL SEARCH AND INTERNATIONAL PUBLICATION

*Proposal by Turkey (see document PCT/R/1/11, page 2)*

“Translation period of the international applications into one of the official languages of the WIPO should be considered to be at least two months.”

*Discussion on this matter by the Working Group and/or the Committee* : None .

## INTERNATIONAL SEARCH

### 4. SIMPLIFY THE NON-UNITY PROCEDURE BEFORE THE ISA

*Proposal by the European Patent Office (see document PCT/R/1/20, page 3, paragraph 4)*

“The non-unity procedure pursuant to Art. 17(3)(a), Rule 40.2.(c)-(e) and Art. 34(3)(a), Rule 68.3(c)-(e) PCT should be simplified and streamlined by deleting the protest system under said Rules and transferring the settling of such disputes to the national phase. The protest procedure as provided for at present does not fit with the system of the PCT as offering a preliminary (non-binding) procedure which does not provide for any other appeal procedure. The applicant who does not agree with the finding of the Authority would still have all options as provided for under national law (e.g. Rule 112 EPC). In a later step further amendments to the Treaty with respect to non-unity should be considered.”

*Discussion on this matter by the Working Group and/or the Committee* : None .

*Remarks:* See also item 12, below.

5. ELIMINATE INVITATION FOR MISSING SEQUENCE LISTING

*Proposal by the European Patent Office (see document PCT/R/1/20, page 3, paragraph 5)*

“It is proposed in a first step to amend Rule 13ter PCT in order to provide that ISAs and IPEAs are no longer obliged to issue invitations due to missing SL and to search/examine those cases. In a later step amendment of Articles 3(2) and 14(2) PCT should be envisaged in order to provide that the filing date should be the date on which the missing SL are received by the Receiving Office (like missing drawings). An increasing number of applications require SL. If the SL was missing in the application as originally filed, or does not conform to the prescribed standard, it may be filed subsequently, in particular at the invitation of the ISA. In many cases, more than one invitation is necessary to obtain a SL complying with the Standard, or the ISA is obliged to effect the required correction to be able to use the SL. This triggers a considerable additional workload for the ISA, which can be dealt with only by expert staff. Further, it causes a delay in the establishment of the ISR. It also creates difficult problems at the stage of IPE (and during substantive examination in the national phase) since it is usually impossible to verify whether a subsequently filed SL contains subject matter which goes beyond the disclosure in the application as filed.”

*Discussion on this matter by the Working Group and/or the Committee* : None .

6. GIVE APPLICANTS THE CHOICE AMONG THREE ALTERNATIVES: ISR ONLY, SEPARATE ISR AND IPER, OR COMBINED ISR AND IPER

*Proposal by Japan (see document PCT/R/1/12, page 6, paragraph 2)*

“(a) Item (3) of the US proposal on the Second Stage of Reforms suggests giving a legally binding effect to positive results of IPE so that it is adopted by non-Authority Contracting States. Considerations should be given to the following points: (i) Exploitation of ISR and fee reduction. In parallel with the US proposal of utilization of positive IPER, efforts should be made to encourage DOs to fully exploit ISRs and to dispense with national searches that are now conducted in the national phase. To make national searches entirely or partially dispensable would not mean that the DO must prohibit them, but rather that the DO has the discretion to conduct an additional/supplementary national search if considered appropriate. This could lead to reduction of workload in DO which otherwise would have to be undertaken in the national phase. A reduction of fees for additional national searches in favor of applicants must take place regardless of whether the DO conducts additional/supplementary national searches at its discretion. While aware that this kind of arrangement can be made unilaterally by a State which wishes to reduce duplicated workload by exploiting ISR, Japan considers it appropriate to institutionalize such an arrangement on a bilateral or multilateral basis. Under the institutionalized arrangement, Members would commit themselves to (1) exploiting ISR to the maximum extent and making national searches entirely or partially dispensable, (2) reducing national search fees by a predetermined amount according to the general/average usefulness of ISR, and (3) making mutual efforts to improve the quality of ISR and to harmonize search practices/tools so as to upgrade the usefulness of ISR. This kind of arrangement could apply not only between an ISA and a non-ISA that is a DO (“one-way recognition of search results”), but also between ISA Offices when one of them acts as an ISA and the rest act as DOs (“mutual recognition of search results”). An advantage of its institutionalization is that all participants would mutually benefit in terms of workload reduction of the Member patent offices as well as fee reduction on the part of applicants of Member countries. This scheme in the PCT would also form a basis for a Paris -route system

in which a search result obtained by another country for an international application is utilized by other offices for corresponding national applications. (ii) Exploitation of Positive IPER and fee reduction. Japan thinks that US proposal regarding exploitation of positive IPER could lead to the reduction of workload in EOs as well as the reduction of examination fees imposed on the applicant. As opposed to the US suggestion, Japan thinks that, for the purpose of workload/fee reductions, it would be sufficient for the EO to fully exploit the positive results of IPE in subsequent national patent granting procedures in a similar manner to "modified substantive examination (MSE)." Namely, while additional/supplementary national examination could be left to the discretion of the EO, the EO fully exploits the positive results of IPER as a basis of national examination of the international application in the national phase, provided that the patent claims are the same between the international phase and national phases. It would not be necessary to give the positive IPER a "legally binding effect." In addition, although the US suggestion seems to address only non-Authority Contracting States ("one-way recognition of examination results"), a PCT Authority (when it is an EO) would also benefit in terms of workload/fee reduction from the full exploitation of positive examination result made by another PCT Authority ("mutual recognition of examination results"). Again, such an arrangement can be achieved by unilateral action of a state which wishes to utilize positive IPER for the sake of workload reduction. With that in mind, Japan considers it appropriate to institutionalize such an arrangement on a bilateral or multilateral basis for the mutual benefit of all participants. Under the institutionalized arrangement, members would commit themselves to: (1) exploiting positive IPER as a basis of the national patent granting with, if necessary, additional national examination (MSE scheme); (2) reducing national search/examination fees by an amount predetermined according to the general/average usefulness of positive IPER; and (3) making mutual efforts to improve the quality of IPER and to harmonize examination practices so as to upgrade the usefulness of positive IPER. The most controversial point would be to what extent substantive provisions of national patent laws of Members should be harmonized before committing themselves to such an institutionalized arrangement. The answer to this question would depend on how each Member views the balance of benefits between harmonization and reduction of workload/fees. (b) Japan is aware that institutionalized arrangements (for exploitation of ISR and/or positive IPER) can be realized by bilateral or multilateral agreements other than PCT. In fact, there exists an agreement between some States and ISA regarding exploitation of ISR and associated national search fee reduction. Similarly, a bilateral MSE-based scheme of exploiting positive IPER results already exists among some States. Nevertheless, this issue would be worth discussing at the WIPO Committee on Reform of the PCT in order to consider the future scheme of the PCT. This could include the idea that some of the PCT Contracting States conclude a protocol by which its members recognize more the effects of ISR and positive IPER more frequently and promise the reduction of the associated fees. At the very least, discussion on possible multilateral arrangement of exploitation of ISR (not IPER) could be initiated as the first stage of reform. A relevant provision of the PCT Regulations is Rule 16.3 which provides for the refund (reduction) of the ISR fee in the case where an existing ISR of an earlier PCT application can be used for an ISR of a later PCT application. Another relevant provision is Rule 41.1 which provides for the refund (reduction) of the ISR fee in the case where an existing search results other than ISR can be used for the preparation of an ISR. Rule 41.1 more importantly provides for the "obligation to use" the existing search results. These provisions address the exploitation of existing search results for the purpose of conducting IS but not for the purpose of conducting national searches. Based on the similar consideration of reduction of duplicated workload and fees, nevertheless, the same concept could extend to the exploitation of existing search results for the purpose of conducting national searches."

*Discussions on this matter by the Working Group and/or the Committee* :None .

*Remarks:* See the amendments of the Regulations adopted by the PCT Assembly on October 1, 2002 (“enhanced international search and preliminary examination system”).

## INTERNATIONAL PRELIMINARY EXAMINATION

### 7. OBLIGE APPLICANT TO FILE THE DEMAND TOGETHER WITH THE REQUEST

*Proposal by Austria (see document PCT/R/1/16, page 3, item 3)*

“The present situation is the following: 18 months after the priority date every international application will be published. Then the International Preliminary Examination Authority has to wait if the applicant submits a demand for international preliminary examination. If the applicant submits such a demand it takes still some additional time until the examiner receives the file. In the meantime the examiner has probably already established the search report after 16 months from the priority date, time consuming re-examination and re-consideration of all relevant facts have to be made once the demand for international preliminary examination has finally been submitted. Besides that it is practically impossible to establish a second written opinion, even if it would have been highly desirable for the applicant. Therefore the Austrian Patent Office would like the applicant to decide already at the time of filing if he wants an international preliminary examination or not. This would have also the advantage that the receiving office could collect all fees at once and bank fees for the applicant and the authorities would be considerably reduced. Moreover it would no longer be necessary to elect countries and besides that we would no longer need a separate demand form. Especially the last point would considerably reduce the workload for the International Preliminary Examination Authorities (formality check). Moreover the examiner could, as he establishes the search report, already send a first written opinion to the applicant, if necessary. This would give the applicant a much clearer view of the search report and for the examiner it would have the advantage that he could work continuously with a specific application, which would naturally reduce the costs for the International Preliminary Examination Authorities. As a further advantage of such a change the submission of amendments under Articles 19 and 34 could be simplified, because the applicant certainly would no longer file amendments under Article 19 with the International Bureau but with the International Preliminary Examination Authority.”

*Discussions on this matter by the Working Group and/or the Committee* :None .

*Remarks:* See the amendments of the Regulations adopted by the PCT Assembly on October 1, 2002 (“enhanced international search and preliminary examination system”).

### 8. INTRODUCE MORE FLEXIBLE TIME LIMITS FOR FILING OF THE DEMAND

*Proposal by the European Patent Office (see document PCT/R/1/20, page 2, item 3)*

“The time limit for filing a demand under Article 39(1)(a) PCT and the time limit for entering the national/regional phase under Article 22(1) PCT should be linked to the date of dispatch of the ISR, if the relevant basic time limit of 19 or 20(21) months has already expired, so as to allow time for a proper reevaluation of the ISR by the applicant.”

*Discussions on this matter by the Working Group and/or the Committee* : Seed documents PCT/R/1/26 paragraph 70, item (xi); PCT/R/WG/1/9, paragraph 10(k), (l) and (o)(iii); PCT/R/WG/2/12, paragraph 41.

*Remarks*: See the amendments of the Regulations adopted by the PCT Assembly on October 1, 2002 (“enhanced international search and preliminary examinations system”).

9. MAKE COMPETENCY OF IPEA DEPENDENT ON FACT THAT SAME AUTHORITY ACTED AS ISA

*Proposal by Cuba (seed document PCT/R/1/4, page 3, item (d))*

“With the present PCT system, it sometimes happens that the results of the search (in relation to the state-of-the-art) and that of the examination do not match, even though they may have been carried out by the same authority, which means that the predictive value that the former might have is considerably lessened. We feel that, for the process to be efficient and useful to the applicant, the same authority that has carried out the state-of-the-art search should conduct the examination on the basis of these search results. As we mentioned earlier, for the results of the examination to be reliable, it has to be subjected to testing by other authorities, and their opinion has to be obtained.”

*Discussions on this matter by the Working Group and/or the Committee* : None.

*Remarks*: See the amendments of the Regulations adopted by the PCT Assembly on October 1, 2002 (“enhanced international search and preliminary examinations system”).

10. SIMPLIFY THE NON-UNITY PROCEDURE BEFORE THE IPEA

*Proposal by the European Patent Office (seed document PCT/R/1/20, page 3, paragraph 4)*

“The non-unity procedure pursuant to Art. 17(3)(a), Rule 40.2.(c)-(e) and Art. 34(3)(a), Rule 68.3(c)-(e) PCT should be simplified and streamlined by deleting the protest system under said Rules and transferring the settling of such disputes to the national phase. The protest procedure as provided for at present does not fit with the system of the PCT as offering a preliminary (non-binding) procedure which does not provide for any other appeal procedure. The applicant who does not agree with the finding of the Authority would still have all options as provided for under national law (e.g. Rule 112 EPC). In a later step further amendments to the Treaty with respect to non-unity should be considered.”

*Discussions on this matter by the Working Group and/or the Committee* : None.

*Remarks*: See also item 5, above.

NATIONAL PHASE ENTRY

11. INTRODUCE INTERNATIONAL FORMS FOR NATIONAL PHASE ENTRY

*Proposal by Turkey (seed document PCT/R/1/11, page 2)*

“Continued use of the international application forms while entering into the national phase.”

*Discussions on this matter by the Working Group and/or the Committee* :None.

12. MAKE AVAILABLE TO THIRD PARTIES, FROM A CENTRAL SOURCE, "STATUS INFORMATION" ON WHETHER AND WHERE INTERNATIONAL APPLICATIONS HAVE ENTERED THE NATIONAL PHASE

*Proposal by France (see document PCT/R/1/7, page 3, paragraph (b)(ii))*

"(I)ntroducing a "confirmation" procedure whereby third parties would be able to ascertain the list of countries in which the national or regional phase has started; this "confirmation," which would be centralized at the International Bureau of WIPO, would have to be effected, possibly against payment of a fee, by the 29th month at the latest;"

*Discussions on this matter by the Working Group and/or the Committee* :Seed documents PCT/R/WG/1/26, paragraph 69, item (iv).

*Remarks:* See also document SCIT/6/5 and document SCIT/6/7, paragraphs 27 to 32.

CHANGE OF ROLES AND RESPONSIBILITIES OF OFFICES, AUTHORITIES OR THE INTERNATIONAL BUREAU

13. ALLOW RECEIVING OFFICES TO AUTHORIZE THE RECTIFICATION OF OBVIOUS ERRORS IN PARTS OF AN INTERNATIONAL APPLICATION

*Proposal by Israel (see document PCT/R/1/17, page 2, item 5)*

"We also suggest allowing the Receiving Office to authorize the rectification of obvious error in any part of the international application. Such rectification could be subject to reconsideration by the competent Searching Authority."

*Discussions on this matter by the Working Group and/or the Committee* :None.

14. PAYMENTS OF CHAPTER II FEES DIRECTLY WITH RECEIVING OFFICES

*Proposal by India (see document PCT/R/1/14, page 3, item 4)*

"Rule 58.1(c) requires that preliminary examination fees shall be payable directly to the International Preliminary Examining Authority (IPEA). This rule may be modified so as to permit the applicant to pay the preliminary examination fee in the Receiving Office in the currency prescribed by the respective IPEA on the basis of a demand raised by the Receiving Office. In most of the developing countries foreign exchange is not available easily and the applicants are required to submit a declaration from a government authority for obtaining necessary foreign exchange."

*Discussions on this matter by the Working Group and/or the Committee* :None.

## FEES

### 15. ELIMINATE FEE FOR EACH PAGE IN EXCESS OF 30 SHEETS

*Proposal by India (see document PCT/R/1/14, page 3, item 6)*

“As per Rule 15.2(a) the amount of Basic fee changes if the number of pages of the request form + description + claims + drawing + abstract exceeds 30 sheets. Though many countries charge additional fee for extra claims beyond a prescribed number, but no Patent Office charges fees on the basis of number of pages of the description/specification. It will be convenient for the applicants and the Receiving Offices if the basic fee is uniform irrespective of the number of pages.”

*Discussions on this matter by the Working Group and/or the Committee* : None.

### 16. REASSESS FEES

*Proposal by the United States of America (see document PCT/R/1/2, page 5, item 10)*

“Fee reassessment – All PCT fees, including fees payable to the International Bureau, should be reassessed so that the fees are commensurate with services rendered and to reflect streamlined and reduced functions as a result of simplification and electronic processing.”

*Comments by Cuba (see document PCT/R/1/4):* “Bearing in mind that one of the main objectives of the PCT has been the reduction of costs in order to streamline the filing of international applications, we feel that there is a need to readjust the fees if search and preliminary examination are combined, based on the fact that the work of the Searching Authorities would be eased and that the competent authority would be chosen at the very outset, apart from which there would be the added simplicity of electronic procedures, all of which will bring about a reduction in the functions of Searching and Examining Authorities. With regard to the reduction of fees, we propose that, independently of the adjustments, the possibility of a 75% reduction, which some International Searching Authorities offer to applicants from developing countries with a per capita income below USD 3,000 a year, be retained. As for the elimination of fees, we propose the elimination of the designation fee, because, once the possibility of removing the concept of designation has been accepted, there would be no sense in paying a fee for designation as at present. With regard to the adjustment, reduction and elimination of fees in general, we propose that it remain a subject to be considered at all times, on the understanding that it would greatly benefit international applicants who use the system, and indeed a large number of users in developing countries.”

*Comments by the Republic of Korea (see document PCT/R/1/5):* “Korea fully supports the idea of the fee reassessment for the cost reduction effect to the PCT applicants, which is properly considered on the basis of the streamlined and simplified PCT procedures.”

*Comments by Australia (see document PCT/R/1/8):* “We also agree that a review of the PCT fee structure is necessary. We consider PCT fees should be set at a level broadly commensurate with the cost of the service being provided. We doubt that this is currently the case. In this regard, we particularly note that the recently introduced fee for filing the sequence listing part of a specification on a CD seems quite out of proportion to the likely costs associated with handling/processing the CD.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We agree that fees should continue to be reassessed to avoid surpluses in the PCT Union budget.”

*Comments by Denmark (see document PCT/R/1/10):* “While proposal 10 would be a logical consequence of an implementation of the proposals, proposal 12 seems a bit out of context, since this proposal is directed to the industrialised countries in order to respond to the developing countries’ request for further assistance. However, we agree in principle.”

*Comments by Japan (see document PCT/R/1/12):* “Japan fully agrees to item (10) of the US proposal on the First Stage of Reform. All PCT fees, including fees payable to the WIPO should be reassessed so as to be commensurate with services rendered and to reflect streamlined and reduced functions as a result of simplification and electronic processing. This would largely benefit the PCT users.” -IB,

*Comments by FICPI (see document PCT/R/1/15):* “FICPI agrees with this proposal.”

*Comments by Canada (see document PCT/R/1/18):* “We support this proposal.”

*Comments by the EPO (see document PCT/R/1/20):* “Fees should reflect streamlined and reduced functions (result of simplification and electronic processing) (Stage 1/10). In principle supported, provided, fees for ISR/IPER remain under the competence of the Authorities.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “General comments on patent costs. As far as the issue of reduction of costs for applicants is concerned, an important source of unnecessary costs is being neglected in the present discussions and on the PLT: the retention by governmental authorities of sometimes incorrectly denominated ‘office’s surpluses’, which issue was already subject of a resolution by FICPI condemning this practice. We must stress the importance to deal with this issue also within the context of the PCT in a manner as to prevent authorities from continuing this practice. In the first part of the PLT, as approved at the Diplomatic Conference of May - June 2000, a strong motion was placed against the maintenance of the freedom of countries to legislate upon the appointment of a local agent, because this was deemed to be a source of unnecessary costs for applicants. A provision was approved to the effect that applicants shall be entitled to perform several acts before the local offices, without the mediation of a local agent. We consider this motion to be entirely inconsistent with certain countries’ procedure, such as the USA and even Brazil, to retain part of the revenues of patent offices for purposes, which have no connection with the original intention for which the official fees were paid. Letting offices fully to administer their revenues will allow an improvement in the quality of services and/or a reduction in the official fees, the latter being allegedly the reason for several provisions approved in the first part of the PLT. Besides, although outside the scope of the current discussions, it is worthwhile mentioning that the destination of part of a patent office’s revenues for other purposes clearly result in that “Procedures concerning the acquisition or maintenance of intellectual property rights” ... become “unnecessarily” ... “costly”, indirect circumvention to TRIPS’ Art. 62 (4) combined with Art. 41(2).”

*Discussion on this matter by the Working Group and/or the Committee:* None.

## GENERAL PROPOSALS

### 17. REGIONALIZE CURRENT INTERNATIONAL SEARCH AND PRELIMINARY EXAMINING AUTHORITIES

*Proposal by the United States of America (see document PCT/R/1/2, page 6, item 1)*

“Regionalization of current search/examination authorities – In recent years, the PCT has seen growth in the number of searching and examining authorities. However, greater efficiencies and enhanced quality could be realized by consolidating these authorities. The criteria for Authorities should migrate from the current quantitative criteria to criteria that are based upon the potential for widespread acceptance of the work product of the authority. This will be important as we migrate to a PCT system in which examination results may be binding on PCT Contracting States.”

*Comments by Cuba (see document PCT/R/1/4):* “In order to achieve better -quality results, there would be substantial advantages in regionalizing the Searching and Preliminary Examining authorities. On the strength of this opinion, we propose the creation of a Latin American and Caribbean Patent Office, which would acquire the status of International Authority.”

*Comments by Australia (see document PCT/R/1/8):* “The proposal of the US (PCT/A/29/3, page 10) suggests that greater efficiencies and enhanced quality can be realised by consolidating authorities and that the overriding criteria should be widespread acceptance of the work product. Australia does not agree that consolidation is the panacea for mutual recognition. As indicated previously we also do not believe that current notions of recognition or acceptance of work are a sound basis for moving to a rationalisation of Authorities, if that is considered desirable. It is the experience of the Australian Office that no International Searching Authority produces 100% reliable search reports 100% of the time – and no one should expect that to be possible. Further, it is readily observable that these search reports from some large ISA’s almost always only cited documents published in that country – leaving it open for inferences to be drawn concerning the extent of the Minimum Documentation that has been searched. Also, we understand that perhaps not all ISA’s/IPEA’s have distributed the PCT Guidelines for Search, and for Examination, to their examiners. Nevertheless, currently it would seem that small, and many medium, IPO’s by and large recognise these search results of the range of Searching Authorities. (For example, national phase examination in Australia does not entail a repeat search unless the examiner believes, on a case-by case basis, that the ISR is inadequate or erroneous; and no fee is charged for any search then done.) The principal issue appears, therefore, to be the lack of recognition by some of the larger IPO’s of the work produced by other ISA’s. In our view this lack of recognition or acceptance of work is, to a large extent, currently based on factors other than the qualifications and competence of the Authority. This is particularly the case with searching, where asserted differences in national law may conveniently be asserted as a reason to not rely on search results from other ISA’s – irrespective of whether there is any significant practical effect on the scope of the monopoly rights granted. We believe that the criteria for assessing the value of an Authorities work should be the quality of that work and the competence of the Authority, and not arbitrary notions of acceptability. Not to do so will leave all searching and examination expertise in the realm of a small number of large Authorities which, while being of no particular concern in the regions normally served by those Authorities, will disadvantage applicants in many other language and regional groups. It is Australia’s view that rather than

having one authority, or a small number of authorities, the interests of applicants are best served by having a range of authorities working in true competition with each other. That is, competing upon the basis of issues such as quality, price, user-friendliness, etc. In such an environment, users would be able to choose an Authority which best meets its needs, and Authorities generally would be better motivated to provide more efficient and user-friendly services. Where concerns are raised as to the qualifications or quality of a particular Authority, it would be far better in our view that that they be explored on a rational basis and, where appropriate, to provide assistance to that Authority to bring it to a standard acceptable to others. This may, for example, involve recognition that within a development period certain fields of technology are not within the competence of a particular authority. In any event, we believe that competent searching and examination resources should be utilised wherever they are found – and this is more than feasible in the current environment of electronic communications. Australia would suggest that it is necessary (either as a precursor, or in conjunction with discussions of this nature) to gain a better understanding of the processes and expertise within the Authorities – and to improve or develop areas where needed. This could be achieved by extending the benchmarking efforts that are currently progressing between the Trilaterals, and between other IPO's on a bilateral basis. It is perhaps something that could be progressed under the auspices of the Meeting of International Authorities."

*Comments by the United Kingdom (see document PCT/R/1/9):* "We do not recognise any need for regionalization of search or examination authorities. Rather the system must concentrate on ensuring quality while making the best use of the available resources of national and regional patent offices."

*Comments by Japan (see document PCT/R/1/12):* "Item (1) of the US proposal on the Second Stage of Reform proposes the "regionalization of current Search/Examination Authorities," and suggests that greater efficiency and enhanced quality could be realized by "consolidating" the growing number of ISAs/IPEAs. When considering recent rapid developments in networking and database technologies, however, Japan considers "consolidation" of PCT Authorities would not necessarily lead to greater efficiency and enhanced quality. If the PCT Authorities are connected with each other by information network and are able to easily access to each other's databases, and if they come to have common search tools and common search/examination strategies, then greater efficiency and enhanced quality could be achieved by effectively exploiting resources of other Authorities. In this sense, "virtual consolidation" based on a decentralized operation would be more important than "physical consolidation" based on a centralized operation. Regarding the criteria for being qualified as Authorities, Japan agrees to the US suggestion that we migrate from the current quantitative criterion to a qualitative one. However, the new criteria should be based upon the potential for "usefulness" rather than the current status of "widespread acceptance" of the work product of the proposed Authority. Also, the new criteria should take into consideration contribution by a new Authority to worldwide workload sharing among PCT Authorities. If new Authorities were to be capable in this regard, the existing Authorities as well as PCT users would benefit tremendously."

*Comments by Canada (see document PCT/R/1/18):* "We oppose this proposal. We do not consider regionalization to be a necessary ingredient for greater efficiency and enhanced quality. Such benefits can equally be attained by cooperation between offices enabled by information technology. Any office that can provide a quality international search or examination should be permitted to do so, particularly because it is desirable to have as much local patent office expertise as possible to provide better support to the local innovative

community (including through supporting local patent agents who in turn support the local innovative community).”

*Comments by the EPO (see document PCT/R/1/20):* “It should be stressed from the outset that the EPO considers any proposal aimed at mutual recognition of search and examination (stage 2/1,3) results as premature in the absence of substantive patent law harmonisation and adoption of effective quality control standards in the International Authorities. These are considered pre-requisites by the EPO to any discussion of mutual recognition of search and examination results and are by no means the only factors to be considered. For that reason there can be no question of serious discussion at present of this proposal.”

*Discussions on this matter by the Working Group and/or the Committee:* None.

#### 18. ALLOW FOR ELECTRONIC TRANSMISSION OF SEARCH/EXAMINATION RESULTS

*Proposal by the United States Of America (see document PCT/R/1/2, page 6, item 14)*

“Electronic transmission of search/examination results – The successful implementation of WIPONET, electronic filing and electronic processing will facilitate collaboration in and sharing of search and examination results throughout the world. Developing countries will be important beneficiaries of these advances, especially with regard to the proposal in the second stage of reform in which determinations from certain authorities will bind Contracting States.”

*Comments by Cuba (see document PCT/R/1/4):* “With regard to the transmittal of the international preliminary examination to national Offices, use should be made of the Internet, which would make it possible to obtain the examination findings by the appointed time. Electronic communications: we propose that the possibility be considered of using communication by electronic mail for certain formalities or confirmations which at present are sent by ordinary mail, occasionally involving delays that are liable to lessen the chance of responding in accordance with the time limits imposed by the Treaty. A somewhat different matter is that of Internet use, as the present situation is that our countries are suffering from limitations in that area, so that the e-mail route could be used as an alternative, and indeed already has been used on occasion and has proved efficient. One example of such use would be for the transfer of fees.”

*Comments by the Republic of Korea (see document PCT/R/1/5):* “With the successful implementation of the WIPO e-NET project and electronic filing and processing system, we could foresee more efficient PCT procedures and have no objection to this proposal.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We agree that electronic publication and transmission of search and examination reports is highly desirable provided that the traditional service does not suffer as long as there is any Contracting State which is incapable of fully receiving the benefits of the electronics system. Following publication, all matter on files should be open to public inspection unless there are overwhelming reasons to keep it confidential. In particular Article 38 should be deleted so that third parties can see the results of any international preliminary examination without having to wait for the application to enter the national or regional phase.”

*Comments by Denmark (see document PCT/R/1/10):* “We agree that electronic filing/processing is an important part of the future. Whether it can create the advantages stated by the USPTO is yet to be seen. The electronic filing and processing alone cannot

obviate the need for many of the review and handling functions throughout the patent offices of the world, but it could be a step in the direction of a more up-to-date system.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI agrees with this proposal.”

*Comments by Canada (see document PCT/R/1/18):* “We agree with this proposal.”

*Comments by the EPO (see document PCT/R/1/20):* “Supported.”

*Discussions on this matter by the Working Group and/or the Committee* : None.

#### 19. CREATE LATIN AMERICAN AND CARIBBEAN PATENT OFFICE AND GIVE STATUS OF ISA/IPEA

*Proposal by Cuba (see document PCT/R/1/4, page 3, item (d))*

“In order to achieve better quality results, there would be substantial advantages in regionalizing the Searching and Preliminary Examining authorities. On the strength of this opinion, we propose the creation of a Latin American and Caribbean Patent Office, which would acquire the status of International Authority.”

*Discussions on this matter by the Working Group and/or the Committee* : None.

#### 20. REENERGIZE TECHNICAL ASSISTANCE

*Proposal by the United States of America (see document PCT/R/1/2, Annex, page 5, item (12))*

“Reenergize technical assistance under PCT Articles 51 and 56 – While much technical assistance has been successfully undertaken and is ongoing, developing country Contracting States continue, in many contexts, to request further assistance. Efforts should be made to further particularize and respond to these needs under the auspices of PCT Articles 51 and 56.”

*Comments by Cuba (see document PCT/R/1/4):* “By virtue of the provisions of Articles 51 and 56 of the Treaty, it would be useful to give some thought to the possibility of affording technical assistance or engaging in an exchange of experience with users of the PCT system from other countries, with the view to learning and comparing experiences and thereby achieving better and more effective exploitation of the PCT system.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We agree that there is a need to ensure that the programs under these Articles deliver their intended results effectively and with value for money. However, only Article 51 is relevant to technical assistance to developing countries. Article 56 concerns ensuring consistent quality between ISAs and IPEAs. As noted above, we believe that this provision should be strengthened to ensure that international searches and examinations are recognized as being of the same high quality.”

*Comments by Denmark (see document PCT/R/1/10):* “While proposal 10 would be a logical consequence of an implementation of the proposals, proposal 12 seems a bit out of context, since this proposal is directed to the industrialized countries in order to respond to the developing countries’ request for further assistance. However, we agree in principle.”

*Comments by Japan (see document PCT/R/1/12):* “Japan supports item (12) of the US proposal on the First Stage of Reform, because it could contribute to promoting much wider use of the PCT system by applicants in developing countries as well as to developing their patent systems.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI agrees with this proposal.”

*Comments by Canada (see document PCT/R/1/18):* “We agree that it would be useful to review how best to provide technical assistance to developing countries in respect of the PCT.”

*Comments by the EPO (see document PCT/R/1/20):* “Supported”.

*Discussions on this matter by the Working Group and/or the Committee* : See document PCT/R/1/26, paragraphs 184 to 198.

[Annex II follows]

## ANNEX II

## PROPOSALS WHICH MAY REQUIRE REVISION OF THE TREATY

## FILING OF THE INTERNATIONAL APPLICATION

## 1. ELIMINATE THE CONCEPT OF DESIGNATIONS

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 3, item (1))*

“Elimination of the concept of designations – The entire concept of designations could be deleted from the treaty. This issue is encountered, in the first instance, in Article 4(1)(ii). The result would be that the filing of an international application would automatically constitute the filing of an international application for all PCT States. The elimination of the need for designations would obviously result in the elimination of designation fees, currently provided for in Article 4(2). As the International Bureau migrates to an electronic environment, it is likely that its reliance on this current stream of revenue to accommodate processing and handling functions will be reduced. As noted in item (10), below, the fee structure of the PCT system should be reassessed so that it is commensurate with services rendered. The continued need for communication to designated offices, under Article 20, could also be assessed. While it is arguable that PCT Rule 4.9 could be amended to provide for presumptive designations of all Contracting States, a more direct approach is warranted in the interests of real simplification and the rationalization of the PCT fee structure. Further, while the elimination of the designation fee mentioned in Article 4(2) could be accomplished by prescribing a designation fee of 0 Swiss francs, it would be preferable to restructure the treaty to completely eliminate the need for designations and fees therefor.”

*Comments by Cuba (see document PCT/R/1/4):* “In recent years the PCT has made certain changes to the designation concept; in principle the applicant could designate everyone of the Contracting States, and paid fees for 11 of them; later, designation fees were paid for ten and still later for just eight States, while the latest amendment, which came into force in January 2001, proposed the payment of designation fees for six Contracting States. All of this was to the applicant’s advantage. Consequently, bearing in mind the technological progress made in relation to the filing of an international application, which substantially lessens procedural costs, it seems that the time has come to eliminate the payment of designation fees entirely. What is more, applicants would then have the possibility of not naming the States in which they are seeking legal protection at the time of filing the international application, but rather of deciding at the end of the international procedure, according to their business interests, whether or not to enter the national phase in the individual member States.”

*Comments by the Republic of Korea (see document PCT/R/1/5):* “The elimination of the concept of designation will conceivably result in the elimination of the designation fee. Korea recognizes that this proposal would improve the applicants’ convenience in conformity with the rationale behind this PCT reform proposal by simplifying the PCT application procedure and the PCT fee structure. However, it should be emphasized that the establishment of the PCT electronic filings system is a prerequisite for the elimination of the concept of designation because without the PCT electronic filings system, the workload of each Designation Office (DO) would be overwhelming. It is expected that the total number of PCT applications would reach about 100,000 this year. If the concept of designation is discarded, every DO would keep track of and store every document related to the PCT applications in their own offices

for a considerable period. Today, most of DOs do not have the capacity to accommodate and process the DO -related documents for about 100,000 PCT applications per year. Therefore, it is necessary for WIPO as well as all DOs to prepare for the electronic processing of their functions before the elimination of the concept of designation.”

*Comments by Australia (see document PCT/R/1/8):* “Australia supports removal of both the concepts of designations and of elections. In relation to designations our experience is that a very high number of applicants now designate all states and with the likely reduction of designation fees this will only increase. Hence the system of designations has become an unnecessary burden and the treaty should be revised to make international applications automatically effective for all PCT States. We are also aware of a small but significant error rate in the completion of designation forms. For example, Australia sees a significant number of national phase problems each year where the applicant has confused the country code for Australia (AU) and for Austria (AT). We understand that there are several other pairs of country codes that lead to incorrect designations being indicated. We recognise that the automatic designation of all eligible states may, to some extent, be seen as creating unnecessary uncertainty for third parties in countries where national phase entries are slow. However, Australia is already in a situation where only about 25% of designations proceed to the national phase and our experience is that there has been little adverse impact, particularly as the community has become better informed about the patents system and its legal implications. Given in any event the likely increase in applicants designating all states and the prospect for substantial simplification of the PCT to the benefit of all users, we believe the balance favours removing the concept of designations from the PCT. Nevertheless the potential issues for third parties suggests that the 30 month period for national phase entry provided by Article 391(a) should not be extended. Australian notes that the provisions in Article 31(4) and elsewhere in relation to elections perhaps arose in the original drafting in the hope that eventually there would be an examination that would become binding. Whether or not this becomes a reality, we do not believe that elections currently serve any real purpose. Indeed, they merely add unnecessary complexity and administrative overheads. Hence Australia proposes the removal of the concept of elections on the same basis as for designations, that is, that demands be made automatically effective in all applicable States. To the extent that this may be seen to increase the workload of the International Bureau under Article 36 we would point out that the developments that are likely to occur with the introduction of WIPO NET and IPDL’s will radically change the environment for the exchange of information between the IB and the Contracting States.

*Comments by the United Kingdom (see document PCT/R/1/9):* “We can accept this change, which will simplify the application procedure, because the designations no longer serve their intended purpose of giving a good guide to where a patent will be sought – the maximum designation fee means that a large proportion of applications simply designate all states.”

*Comments by Denmark (see document PCT/R/1/10):* “Since most of the PCT applications designate all countries due to the fact that the applicant now only pay for six designations, we agree to the remarks stated by USPTO and in favour of the proposal. How this would influence the fees should be discussed more thoroughly.”

*Comments by Japan (see document PCT/R/1/12):* “Item (1) of the US proposal on the First Stage of Reform to eliminate the concept of designation could be understood as an attempt to promote worldwide use of the PCT system, because it would result in the filing of an international application automatically constituting the filing of an international application to all PCT Contracting States. Japan supports this direction in general, but the method of

implementing this proposal would require careful deliberation. If automatic designation of all States is introduced, the workload of communication under Article 20 would largely increase on the part of IB as well as DOs, when considering the fact that most of the applications do not designate all States at present. This might be mitigated to some extent by the introduction of electronic means, which would justify to do away with designation fees as suggested by the US. However, workload would still take place to manage unnecessary electronic data which otherwise would not be communicated. An idea to minimize the workload would be to require the applicant to select States to which they wish to make national entry. This would be no more than a slight change from the present scheme of “all designations,” “confirmation” and “withdrawal” under Rule 4.9(b) and (c). Another idea would be to prescribe in the Regulation that communications under Article 20 be done not by the IB, but by applicants, who can determine the States in which they wish to enter into the national phase. This notion is already expressed to some extent in the first sentence of Article 22(1) under which applicants themselves could furnish a copy of the application to a DO before the Article 20 communication. In this case, the zero designation fee would be justified although the needs of applicants on the benefit of zero fee vis-à-vis the burden of communication by applicants should be examined.”

*Comments by Switzerland (see document PCT/R/1/13):* “Switzerland generally welcomes proposals aimed at eliminating the concept of designation. Care should however be taken to avoid the risk of such changes being matched by a considerable increase in the number of paper documents to be communicated to national offices by the International Bureau.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI agrees with the proposal for elimination of the concept of designations. FICPI notes that currently the maximum filing fee is encountered when six countries are designated. This number has decreased from ten which was the minimum number when PCT was first introduced. Most international applications proceed with a designation of all possible countries. There does not appear to be any difficulty or disadvantage associated with eliminating the concept of designations. Assuming that designations are eliminated, then FICPI considers there should be some mechanism for the early publication of the countries in which national applications have proceeded following the 30/31 month period. Third parties need to know at an early date that applications are proceeding in particular countries and there should be some mechanism to provide publication of this information within about two months at the latest from the 30/31 month date for national phase entry. Preferably, this information should be made available on an easily accessible database in an electronic form.”

*Comments by Israel (see document PCT/R/1/17):* “Israel supports the US proposal on elimination of the concept of designations. Our experiences show that 98% of the applicants in Israel designate all states and therefore the system of designations which has become an additional burden should be revised.”

*Comments by Canada (see document PCT/R/1/18):* “We support the elimination of the concept of designations including the elimination of designation fees. Supported: The need for designation is a source of errors on the applicant’s side which implies additional administrative work in Receiving Offices and purported Designated Offices which are asked to review to negative decisions of the Receiving Office concerning their missing designation. Moreover, the maximum amount of designation fees to be paid for patent protection in all PCT contracting states already has been steadily reduced in the past 10 years.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Our associations welcome and generally support the elimination of the concept of designations.”

*Comments by Spain (see document PCT/R/1/22):* “The text of the proposal leads us to conclude that it is putting forward a system where “the filing of an international application would automatically constitute the filing of an international application for all of the States belonging to the PCT.” In the current PCT system, the priority period is extended, and the date of entry into the national stage is delayed, consequently, in those countries expressly designated in the international application. The applicant obtains advantages from this procedure, at the same time as the National Offices designated know that the invention is going to be protected in their territories. This extension of the deadline established in Article 4 of the Paris Union Convention is linked to the express designation of those PCT Member States in which protection is sought. Now then, the elimination of the designations brings with it the legal consequence of upsetting the present balance by extending the period of priority established in Article 4 of the Paris Union Convention in a generalized manner and without being subject to any other condition. Within the PCT system, the applicant obtains the advantage of deferring entry into the national stage up to 20 or 30 months. This proposal puts into doubt the equilibrium between applicants and recipients of the patents system, which is ensured in Article 4 of the Paris Union Convention establishing that the priority period for patents of invention is twelve months. This means that a significant legal insecurity for industry will be created within the very heart of the Treaty. Thus, States, on not being designated, are not aware of whether the invention is going to be patented in them until such time as the said period has expired. This involves an excessively lengthy waiting time, during which decisions cannot be made and market strategies cannot be planned on a national level. Finally, the applicant would also have the possibility of abandoning the national procedure in those countries not of interest to him, whereby the concept of designation would continue to exist implicitly, although not in the early stages of the process. If the designation were to occur on entry into the national stage, the applicant would have obtained sleeper rights in the countries not chosen in the end throughout all of that time, without having made any payment whatsoever and without having made an express request, in detriment to the rights of the passive users of the system in those countries. This appears to exceed the scope of the right established at the present time for a PCT international patent application, as the application grants a right which will be complete in each designated country once the granting or refusal of the application is determined. In the present PCT system, the express payment of only 6 designations already brings about automatically the designation of 111 countries in the system, a circumstance which already provides a great facility to applicants. For the reasons set out above, the adoption of this reform proposal is considered to be detrimental to the PCT system. Maintain the designations system, in order not to upset the present equilibrium between the interest of the applicant and the interest of the competitive industry. Through this system, and within a reasonable period of time, the necessary information is made available for the industry to plan its decisions and its business strategy.

*Discussions on this matter by the Working Group and/or the Committee:* See document PCT/R/1/26, paragraph 69.

*Remarks:* See the amendments of the Regulations adopted by the PCT Assembly on October 1, 2002 (“concept and operation of the designations system”).

2. ELIMINATE ALL NATIONALITY AND RESIDENCY REQUIREMENTS

*Proposal by the United States of America (see document PCT/R/1/2, Annex, page 3, item (2))*

“Elimination of all residency and nationality requirements – These requirements are first encountered in Articles 9(1) and 10. The result would be that international applications could be filed by anyone, regardless of residence and nationality, and that the filing of international applications in any receiving office by any applicant would be permitted. This change would, obviously, greatly benefit patent applicants from non-Contracting States, especially those from developing and least developed countries, the priorities of which countries may necessarily not be focused on intellectual property matters. It may be warranted to build a preference for the use of a given receiving office that also, ultimately, searches/examines a given application. It may be that a degree of flexibility on this issue could be achieved by amending PCT Rule 19. However, it is preferable to completely remove residence and nationality requirements as an issue. It is not an issue in national filings systems and, in light of the success of the PCT, it should no longer be an issue in the PCT. It should be recognized that this proposal may have the effect of reducing the incentive for non-PCT member states to join the PCT. At the same time, this proposal may have the opposite effect, i.e., by exposing residents and nationals of non-PCT countries to the PCT system, the likelihood that those countries would join the PCT may be increased.”

*Comments by the Republic of Korea (see document PCT/R/1/5):* “The objective of this proposal may be understood that residency and nationality are obstacles in expanding the base for the PCT system. This proposal surely removes the barrier for applicants in non-contracting states not to use the PCT system for the acquisition of foreign protection for their inventions. However, the requirements of residency and nationality are to insure the smooth processing of PCT applications, facilitating the prompt and accurate flow of communications between the applicants and Receiving Offices (ROs). It is conceivable that this proposal would impede the efficient processing of PCT applications because of the extended time required for formality examination by ROs.”

*Comments by Australia (see document PCT/R/1/8):* “Australia conditionally agrees with the proposal of the US (PCT/A/29/3 page 5) that all nationality and residency requirements should be removed. In general there does not appear to be any benefit to users worldwide in maintaining the current restrictions and they should have the option to choose whichever RO, ISA, IPEA they wish so long as they can meet the requirements of that Office or Authority in relation to language, electronic means, etc. This will not only benefit nationals of non-PCT States. Other applicants will also find the option useful, selecting the Office or Authority that is most convenient and offer the service most appropriate to their needs. Australia’s concern however is that this can only be possible in an environment of genuine mutual recognition of search and examination work. For example at present there are a number of disadvantages in using particular ISA’s that are not related to the quality of their service or the fee charged – but to the fact that their search reports are not recognised in the national phase by certain IPO’s, and particularly by some large IPO’s. Hence there are artificial cost considerations outside the PCT which impact on the choice of ISA. We see this lack of recognition to be quite anomalous and a situation which appears detrimental to all users of the system – particularly those who either are forced to pay for unwanted additional searches in the national phase or, to avoid that, to use an ISA which is less suitable for its needs. It would also appear detrimental ultimately to those IPO’s who suffer from high workloads and significant backlogs, and it is perhaps in this environment that the principles of mutual recognition can be applied at an early stage, given that national law should not be an issue.”

Overcoming barriers to mutual recognition is discussed below under the heading “Rationalisation of current ISA’s and IPEA’s”.

*Comments by the United Kingdom (see document PCT/R/1/9):* “We oppose. To open the system to applications from anyone, regardless of residence or nationality, will only reduce the incentive for new states to join the Unions since it allows nationals of a non-member the benefit of easier application in Contracting States without any reciprocal benefit for nationals and residents of Contracting States. If more flexibility is needed, it may be possible to relax the rules on where an application may be filed by those who are a national or resident of a Contracting State, without expanding the eligibility to make an application. The possible effects on workload of particular Receiving Offices, ISAs and IPEAs, and any detrimental effect that this may have on existing users of those offices, should be considered and weighed against any benefits before making such a change. This must also remain subject to Article 27(8), allowing states to apply restrictions, deemed necessary for the preservation of national security, on the right of its own nationals or residents to file international applications.”

*Comments by Japan (see document PCT/R/1/12):* “Item (2) of the US proposal on the First Stage of Reform to eliminate all residency and nationality requirements could be also interpreted as aiming at promoting worldwide use of the PCT system. The US proposal enables nationals/residents of non-Contracting States to use the PCT system. Although Japan agrees with promoting worldwide usage of the PCT system, the US proposal would introduce inequality into the PCT system in that nationals/residents of Contracting States could not enjoy the benefits of the PCT in non-Contracting States because they could not file an international application designating the non-Contracting States. Also, it might be a disincentive for the non-Contracting States to join the PCT, while one could argue that it could be an incentive in a long run for non-contracting party to join the PCT because it will raise PCT-awareness and understanding of advantages of PCT. Therefore, Japan could not support this particular US proposal unless it brings about positive effects that prevail over disadvantages. It is unclear whether item (2) of the US proposal suggests not changing the current competency rule of ROs, which stipulate that nationals/residents of a Contracting State are permitted to file international applications only to pre-determined competent ROs. Japan thinks that a change of the existing competency rule might create unpredictable international shifts of workload among ROs. Another plausible problem would be “RO-shopping” by which an applicant chooses a RO which resides in the latest time zone in order to gain an advantage in terms of establishing a filing date.”

*Comments by Switzerland (see document PCT/R/1/13):* “Switzerland supports the proposal to open the PCT system to persons domiciled in countries that are not party to the PCT and to the nationals of those countries, even if the effect of the proposal might be to lessen the attractiveness of PCT to non-member countries. However, the provisions determining the competent receiving Office (Article 10 and Rule 19) should remain unchanged, in order to deter applicants from trying to secure a more favorable filing date through their choice of receiving Office, which is more probable in the case of the electronic filing of applications. Moreover, the competence of the ISA and IPEA should not be called into question.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI does not agree with the proposal to eliminate all residency and nationality requirements. FICPI considers that this proposal would discourage existing non-member countries from joining PCT thereby excluding the possibility of applications from existing member countries of filing in those countries using the PCT route. FICPI also considers that removal of all residency and nationality requirements may have the unwanted effect of concentration of the I.P. profession in countries

with well established I.P. practices to the detriment of the I.P. profession in countries without I.P. practices or with only small I.P. practices. Applicants need local I.P. professionals in their home country and PCT should not act to weaken or remove that professional base. FICPI considers, however, that members of existing contracting states should not be required to file in their home country in the first instance, and should have the possibility of filing in any contracting state, subject to there being mutual reciprocity between the countries concerned.”

*Comments by Israel (see document PCT/R/1/17):* “If all residency and nationality requirements are to be eliminated, then we suggest that at least the data of nationality and residence will be included in the international publication (front page).”

*Comments by Canada (see document PCT/R/1/18):* “We oppose this proposal, first because it would remove an important incentive for non -contracting parties to join the PCT and second because it could have a negative effect on the viability of smaller offices of function as receiving office, ISA or IPEA.”

*Comments by the EPO (see document PCT/R/1/20):* “Not supported.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Our associations welcome and generally support the elimination of all residency and nationality requirements.”

*Comments by Spain (see document PCT/R/1/22):* “The goal pursued with the modification of these requirements can be achieved by application of Article 9, paragraph 2 of the PCT, which empowers the Assembly to allow the filing of international applications by residents or citizens of any country which is a party to the Paris Union Convention and is not a party to the Treaty. This provision means that it is not necessary to amend Article 9 paragraph 1 or Article 10. Maintain the present terms of the residency and nationality requirements. In this regard it is very important to preserve the incentive of the accession of new States to the PCT and thus reinforce its growing importance in the world context. This expansion of the number of beneficiaries of the PCT should be made following the principles of national sovereignty and legal security, achieving the accession of the largest possible number of members in order to thus ensure an equitable power of decision and the specific weight to each State and not by means of the elimination of the residency and nationality requirements. In addition, for the good of the system and gate of the Paris Union Convention.”

*Discussions on this matter by the Working Group and/or the Committee* : See document PCT/R/1/26, paragraphs 76 to 108

### 3. CONFORM PCT FILING DATE REQUIREMENTS TO PLT

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 4, item (3))*

“Conform filing date requirements to those in the PLT –The filing date requirements of the PCT are contained in Article 11. Conformation to the PLT would require the deletion of paragraph (1)(i) and conforming changes to paragraphs (1)(ii) and (1)(iii) of PCT Article 11. These changes would eliminate residency and nationality requirements, ease filing date language requirements, ease the “indication” requirement, ease the requirement to name the applicant, eliminate the designation requirement and eliminate the claim requirement.”

*Comments by Australia (see document PCT/R/1/8):* “Many applicants find the current PCT environment overly rigid and unfriendly. Australia agrees that the PCT should not impose filing requirements that are more onerous than the PLT and preferably should be more favourable in the sense permitted by Article 2(1) of that treaty. This will involve a review of the PCT in light of all relevant provisions of the PLT, and also the identification of all possible means of simplifying procedures – including those that may arise with the introduction of electronic filing and WIPONET. We do not believe progress in this regard need be delayed in any way by the ratification situation with the PLT.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We agree that the PCT should be consistent with the PLT, including the deletion of the requirements of Rule 4(5) which require indications of the state of nationality and residence of the applicant (an application can be afforded a filing date without this information, but it should be supplied before the application proceeds further).”

*Comments by Denmark (see document PCT/R/1/10):* “The USPTO’s first stage of the suggested reform contains considerations regarding the question of bringing the PCT in line with the PLT. We agree in principle that this work is essential in order to unite the two conventions.”

*Comments by Japan (see document PCT/R/1/12):* “Japan considers it important to give the PCT conformity with the PLT for the convenience and user-friendliness of PCT users. In this regard, Japan agrees to US proposals items (3) (“conform filing date requirements to those in the PLT”), and (4) (“conform ‘missing part’-type requirements to PLT procedures”) of the First Stage of Reform. However, the timing of the reforms should be examined in relation to the status of ratification/accession to the PLT by the PCT Contracting States. In this regard the proposed PLT-consistent changes of PCT might have to be examined in a separate track.”

*Comments by Switzerland (see document PCT/R/1/13):* “Switzerland is generally in favor of the proposal to align filing date requirements with those of the PLT. However, the deletion of paragraph (1)(i) would be at variance with the provisions determining the competent receiving Office, and would carry the risk of manipulation of the filing date.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI agrees entirely with this proposal.”

*Comments by Israel (see document PCT/R/1/17):* “We fully support the proposal of the US to bring PCT into conformation with PLT.”

*Comments by Canada (see document PCT/R/1/18):* “We support this proposal, even with respect to elimination of residency and nationality requirements (but we would make non-compliance with residency and nationality requirements an Article 14 defect).”

*Comments by the EPO (see document PCT/R/1/20):* “In principle supported: However, any change in order to ‘simplify’ should not enable applicants to file more obscure and being out of any proportion applications which cannot be reasonably searched and examined.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Our associations welcome and generally support the proposal to conform filing date requirements to those in the PLT.”

*Comments by Spain (see document PCT/R/1/22):* “The proposal put forward in document PCT/R/1/2 does not refer merely to formal requirements, as are established in the Treaty on Patent Law, but rather is a substantive change. Thus, it is not restricted to an accommodation

to the PLT, but rather involves a profound change in the PCT system overall. The proposal mixes, on the one hand, substantive requirements, by determining who can file an application in the framework of the PCT, and on the other, strictly formal requirements for filing. In this regard, if the residency or nationality requirements are eliminated, the concept of Receiving Office of the international application will disappear, and with it, one of the core elements of the system. According to this proposal, any Office may be a Receiving Office, which involves an unnecessary complication for, and a substantial alteration of the PCT system, which is not justified by the reasons of simplicity adduced. In view of the foregoing, the residency or nationality requirements should be maintained if serious dysfunctions are not to be created in the successful PCT system. Insofar as point (1)(ii) under Article 11 of the PCT, referring to the date of filing and the effects of the international application (the international application is written in the language provided for) and (iii), (on the elements) the Receiving Office must be provided the name and the address of the applicant in that Office's language."

*Discussions on this matter by the Working Group and/or the Committee*: Seed documents PCT/R/1/26, paragraph 72; PCT/R/WG/1/9, paragraph 21; PCT/R/2/9, paragraphs 89 and 90.

*Remarks*: With regard to the language related filing date requirements, the proposal may have been superseded by the fact that the PCT Assembly has noted that no change was needed to the Regulations having regard to the language-related filing date requirements of the PLT, recognizing that the PCT procedure was already, in practice, consistent with those requirements (as explained in document PCT/R/2/3, paragraphs 3 to 10).

#### 4. CONFORM PCT MISSING PART - TYPE REQUIREMENT TO PLT

*Proposal by the United States of America (seed document PCT/R/1/2, Annex, page 4, item (4))*

"Conform "missing part" type requirements to PLT procedures – In the PCT, the relevant procedures are found in Articles 11(2) and 14. Those procedures should be replaced with the improved procedures developed in the PLT, found in PLT Article 5, paragraphs 4 through 7."

*Comments by the Republic of Korea (seed document PCT/R/1/5)*: "The major issue of this proposal is to conform the PCT provisions of the filing date requirements and the "missing part" type requirements to those of the PLT. Korea understands that the conformation to the PLT would streamline the PCT filing procedures from the viewpoint of the PCT users. Therefore, Korea agrees with this proposal in principle in terms of improving users' convenience by converging the national practice and international practice for the acquisition of foreign protection of an invention."

*Comments by the United Kingdom (seed document PCT/R/1/9)*: "We agree that the PCT should be consistent with the PLT, including the deletion of the requirements of rule 4(5) which require indications of the state of nationality and residence of the applicant (an application can be afforded a filing date without this information, but it should be supplied before the application proceeds further)."

*Comments by Denmark (seed document PCT/R/1/10)*: "The USPTO's first stage of the suggested reform contains considerations regarding the question of bringing the PCT in line with the PLT. We agree in principle that this work is essential in order to unite the two conventions."

*Comments by Japan (see document PCT/R/1/12):* “Japan considers it important to give the PCT conformity with the PLT for the convenience and user -friendliness of PCT users. In this regard, Japan agrees to US proposals items (3) (“conform filing date requirements to those in the PLT”), and (4) (“conform “missing part” -type requirements to PLT procedures”) of the First Stage of Reform. However, the timing of the reforms should be examined in relation to the status of ratification/accession to the PLT by the PCT Contracting States. In this regard the proposed PLT -consistent changes of PCT might have to be examined in a separate track.”

*Comments by Switzerland (see document PCT/R/1/13):* “Switzerland supports these proposals.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI agrees entirely with this proposal.”

*Comments by Israel (see document PCT/R/1/17):* “We fully support the proposal of the US to bring PCT into conformation with PLT.”

*Comments by Canada (see document PCT/R/1/18):* “We support this proposal.”

*Comments by the EPO (see document PCT/R/1/20):* “In principle supported: However, any change in order to “simplify” should not enable applicants to file more obscure and being out of any proportion applications which cannot be reasonably searched and examined.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Our associations welcome and generally support the proposal to conform “missing part” -type requirements to PLT procedures.

*Comments by Spain (see document PCT/R/1/22):* “The proposal put forward in document PCT/R/1/2 does not refer merely to formal requirements, as are established in the Treaty on Patent Law, but rather is a substantive change. Thus, it is not restricted to an accommodation to the PLT, but rather involves a profound change in the PCT system overall. The proposal mixes, on the one hand, substantive requirements, by determining who can file an application in the framework of the PCT, and on the other, strictly formal requirements for filing. In this regard, if the residency or nationality requirements are eliminated, the concept of Receiving Office of the international application will disappear, and with it, one of the core elements of the system. According to this proposal, any Office may be a Receiving Office, which involves an unnecessary complication for, and a substantial alteration of the PCT system, which is not justified by the reasons of simplicity adduced. In view of the foregoing, the residency or nationality requirements should be maintained if serious dysfunctions are not to be created in the successful PCT system. Insofar as point (1)(ii) under Article 11 of the PCT, referring to the date of filing and the effects of the international application (the international application is written in the language provided for) and (iii), (other elements) the Receiving Office must be provided the name and the address of the applicant in that Office’s language. These considerations apply to the other related questions, such as, for example, the accommodation to the PLT of those requirements called “omitted parts”.

*Discussions on this matter by the Working Group and/or the Committee* : Seed documents PCT/R/1/26, paragraph 73; PCT/R/WG/1/9, paragraphs 25 to 27

5. ELIMINATEDISTINCTION BETWEEN NATIONAL /INTERNATIONAL APPLICATION

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 6, item (2))*

“Elimination of distinction between national and international applications – The distinctions between national and international applications should be eliminated except, e.g., for the appropriate indication that a given application is also being filed as a PCT application. The intention here is to focus not only on the application, itself, but also on the ability of a given Office to avoid the processing of essentially duplicate applications. If a national application is filed first, as is the case with the vast majority of applications filed in the United States, the filing of a PCT application could be effected merely by indicating in/on the national filing that the application is also to be considered an international application for the purposes of the PCT. In the case where a national application is first filed, the reverse could be true.”

*Comments by Cuba (see document PCT/R/1/4):* “We therefore consider it essential that substantive examination of the international application at the national offices of the Contracting States be retained, in order to preserve the principle of the independence of patents enshrined in Article 4 *bis* of the Paris Convention for the Protection of Industrial Property; this is an established principle in our national legislation, the violation of which would have the effect of calling into question the precepts of the fundamental industrial property convention from which the PCT itself is derived.”

*Comments by Australia (see document PCT/R/1/8):* “The issue referred to at PCT/A/29/3 page 10 in relation to co-pending national and international applications appears to arise not so much as a deficiency in the PCT but because of the peculiarities of the US patent system. If that issue cannot be resolved as a matter of national law Australia would not object to a remedy in the PCT so long as it did not add complexity for users elsewhere. However Australia would not support the retention of Article 64(4) in a revised treaty. The effect of any reservations that are made under this provision is to discriminate against foreign PCT applicants and to add complexity and cost if those applicants wish to seek parity with nationals of the State concerned.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We are not aware that there is any demand for this type of arrangement. PCT applications made at the same time as identical national applications are relatively unusual in the UK. More common is for a later PCT application to claim priority from a national application (thereby potentially benefiting from an extra year of protection) and to abandon the national application, relying instead on a UK designation in the PCT application. It may be that Contracting States which are also Authorities deal with parallel applications more frequently and useful benefits could be gained from reduced duplication of work between the national and international applications. Minor benefits can be seen for the applicant only having to submit a single application which can be treated as both types. However, it does not seem desirable to encourage duplicate applications where by both the national and international routes are followed.”

*Comments by Japan (see document PCT/R/1/12):* “Item (2) of the US proposal on the Second Stage of Reform to eliminate distinctions between national and international applications could be also interpreted as aiming at promoting worldwide use of the PCT system. It is understood that, according to the US proposal, a subsequent PCT international application can be effected merely by indicating, at any time, that the first national application should be considered an international application. Japan supports this US proposal. To implement this

notion, considerations would be needed regarding (i) common formalities between national applications and international applications, based perhaps, on PLT -conformity, (ii) how to give status of "regular filing" to the "second application" under PCT Treaty provisions, and so on."

*Comments by Switzerland (see document PCT/R/1/13):* "Switzerland welcomes the proposals for the restructuring of the procedures under PCT Chapters I and II. It cannot however subscribe to the considerations on the convergence of the international and national stages, as they seem to be still too vague, and to presuppose substantial harmonization of patent law."

*Comments by Canada (see document PCT/R/1/18):* "We don't see a need for PCT changes in this area. Although applicants may for various reasons choose to file first a national application and then later an international application, there doesn't appear to be anything inherent in the current PCT that would lead applicants to seek the processing of essentially duplicated national and international applications. It appears to us that any difficulties in this area could be handled through changes in national laws or practices. We do, however, support as much aligning as possible of international and national regimes including the creation of standardized request forms that can be used for filing both international and national applications."

*Comments by the EPO (see document PCT/R/1/20):* "Much more detail on the practicalities and modalities of this proposal and its interrelation with the other proposals would have to be forthcoming; in particular consideration would have to be given to substantive harmonisation and quality control standards in the PCT Authorities, unless the proposal were confined strictly to harmonising the formal requirements between national and international applications, in which case the practical benefit to applicants would only be modest. Any linkage between this proposal and mutual recognition of search and examination results could not be supported."

*Discussions on this matter by the Working Group and/or the Committee:* None

## 6. ALLOW FOR DIVISIONAL APPLICATIONS TO BE FILED UNDER THE PCT

*Proposal by the Netherlands (see document PCT/R/1/3, page 3)*

"In recent years the possibility of introducing under the Treaty the concept of divisional applications has been discussed in ad hoc working groups. At the time it was felt that one of the obstacles would be the manner in which the international filing date is determined under PCT Article 11(3). The first stage of the proposed PCT Reform offers an excellent opportunity to have another look at the question of divisional applications under the Treaty. The possibility of filing an international divisional application may also offer relief to International Searching Authorities when trying to meet the time limit for international search in case of non-unity of invention."

*Comments by Australia (see document PCT/R/1/8):* "As noted by the Netherlands, the PCT does not provide for the filing of divisional applications. Australia would support discussion on this issue - in that the PCT does provide a mechanism for filing an application in many countries. However, there are questions about whether the whole PCT process is appropriate for such cases. For example, if the subject matter was searched in the parent application, what would be the purpose of doing a search in the divisional application? Also, since the time for national phase entry will be considerably after the parent, there may be national

considerations regarding third party interests and the delays in dealing with the application. However, these issues might be addressed by having a streamlined approach for divisional applications, whereby the International Search was optional and national phase entry was required at a much earlier date. Another issue is that a divisional application will have a priority date flowing from the parent application. Thus it would be quite likely that the 30-month time limit for national phase entry will have expired before the divisional application was filed – with obvious difficulties with the international processing of the application. Thus the timing provisions of the PCT would need to be completely revised to accommodate divisional applications. Finally there are significant differences in how divisional applications are treated in the national phase. Consequently we believe this issue is also dependant on progress towards substantive law harmonisation.”

*Comments by Canada (see document PCT/R/1/18):* “We support giving consideration to whether it would be feasible to provide for the filing of international and divisional applications.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “We also support the proposal made by The Netherlands as to allowing the applicant to divide his application during the international stage, at least when the IPEA expresses its view that the application lacks unity of invention.”

*Discussion on this matter by the Working Group and/or the Committee:* None

#### 7. DO NOT ALLOW FOR THE CLOSURE OF THE “NATIONAL ROUTE”

*Comment by FICPI (see document PCT/R/1/15, page 6, item (16))*

“FICPI also proposes that it should be possible for international applications to proceed nationally in all member states, or through a relevant Regional Patent Treaty where such exists, at the option of applicants. The present requirement for filing in a number of European countries, including Belgium, France and Italy, only via European applications has particular disadvantages for many applicants. This problem could be addressed by deletion of Art. 45(2) PCT.”

*Discussion on this matter by the Working Group and/or the Committee:* None

### INTERNATIONAL SEARCH

#### 8. ALLOW FOR MULTIPLE INTERNATIONAL SEARCHES AND INTERNATIONAL PRELIMINARY EXAMINATIONS

*Proposal by the United States of America (see document PCT/R/1/2, Annex, page 4, item (5))*

“Availability of multiple searches and examinations – Article 15, et seq., and Article 31, et seq., and associated rules should be amended to accommodate searches and examinations from multiple authorities upon the request of an applicant. The availability of such an option would not alter the procedures relating to a first or primary search and its publication along with the publication of the international application. The results of subsequent searches could also be subject to publication. As the products of searching and examining authorities converge, i.e., as offices adopt common search tools and common search and examination strategies, these options may become unnecessary. Nevertheless, current PCT applicants are

interested in the availability of these options and we should be responsive to their needs. The International Bureau's previous proposal for super searches carried out by a "Super International Searching Authority" could also be consulted in restructuring these provisions. In fact, several options for supplementing the current searches could be considered: (1) the above-mentioned supplemental search; (2) a super-search or a collection and compilation of separate search reports; and (3) a super-search where all participating authorities sign-off on the result. The timing of these options, within or beyond current constraints, would have to be considered."

*Comments by Cuba (see document PCT/R/1/4):* "It is essential to retain the principle of the international search prior to the date of international publication, so that applicants are promptly informed of the position of their applications in relation to the state of the art. It would also be an advantage to have a single authority conducting these searches and also the international preliminary examination, and thereby to lessen the discrepancies that tend to occur nowadays between reports issued by different authorities. The aim of this proposal is to ensure that, once the applicant is informed of a single search and examination finding, he has the option of rectifying the finding of the earlier authority and requesting it to carry out a new search and examination."

*Comments by the Republic of Korea (see document PCT/R/1/5):* "The international search and preliminary examination are basically preliminary and non-binding to those designated countries. In this regard, there is no reason to prohibit the PCT applicants from choosing more than one International Search Authority and International Preliminary Examination Authority for the purpose of multiple searches and examinations. Furthermore, these multiple searches and examinations would be beneficial for the PCT applicants in deciding whether or not to enter into the national stage of particular designated countries and regions. However, Korea notes that multiple searches and examinations may result in further delay of entering into a national stage."

*Comments by Australia (see document PCT/R/1/8):* "As to the suggestion of the US (PCT/A/29/3 page 6) for multiple searches and examination we believe that some applicants may find this option of benefit and Australia is prepared to give the proposal further consideration."

*Comments by the United Kingdom (see document PCT/R/1/9):* "We oppose this since it encourages unnecessary duplication of work. The system must assume that all International Search Authorities provide the same high quality of search. The IB should be able to ensure that Authorities meet the required standards. If an applicant wants further searches he is free to commission them privately from any organisation which provides such a service (this could include ISAs), but this should not be part of the PCT system. If multiple searches or "super-searches" were to become available, we are concerned that patents with only one search done might be seen as "second-class", forcing applicants into paying for further searches which should not be needed. If multiple searches are nevertheless to become available, then it is essential that at least one must be completed within the current time limits, before publication of the application. Changes should not be allowed to delay publication or to increase the number of applications which fail to include a search report on publication. If different examinations produce different results, it would be uncertain which was definitive. This would cause particular difficulties in the second stage if the results of the different examinations were both supposed to be binding on Contracting States."

*Comments by Japan (see document PCT/R/1/12):* “(a) Despite the efforts being made by the PCT Authorities, it is unrealistic to expect that they can conduct 100% perfect searches and examinations. PCT applicants are, therefore, interested in the availability of multiple searches and examinations from multiple authorities for higher quality and more comprehensive searches and examinations. As suggested in item (5) of the US proposal on the First Stage of Reform, we should be responsive to the needs of PCT users. However, Japan thinks that the appropriateness of multiple searches and examinations should be very carefully examined from the following perspectives. (i) Firstly, how searches and examinations are different among ISAs/IPEAs should be examined. The Concurrent Search Project conducted by the Trilateral Offices of the European Patent Office, the Japan Patent Office, and the US Patent and Trademark Office revealed that there is 90% agreement in judgements of patentability (i.e. novelty and inventive step). Namely, the Trilateral Offices made the same patentability judgement for 90% of the total claims in question. On the other hand, the Project also revealed only 4% agreement in the cited prior art documents. Namely, three offices cited the same documents in 4% of all cited documents. The results illustrate that, while patentability judgement is similar among the Trilateral Offices, prior art search is considerably different among them, perhaps, due to differences in search tools, etc. If we were to consider the availability of multiple searches/examinations, therefore, we should first concentrate on multiple searches rather than multiple examinations because these searches would have higher priority for PCT users. In addition, multiple examinations would need much more complicated arrangements than multiple searches, unless search and examination are combined as mentioned above. Moreover, we should evaluate how seriously the multiple searches are necessary. Although applicants would enjoy multiple searches for the purpose of more accurate drafting of amendments to claims in order to avoid prior arts as much as possible, we should consider the fact that, because the Trilateral Offices already have a quite good agreement ratio in patentability judgement, it is highly likely that the applicants would receive the same judgements in any case. (ii) Secondly, we should consider the possible increase in workload. To have multiple searches and examinations from multiple Authorities requires a great deal of search/examination resources on the part of the Authorities. Therefore, whether and to what extent the increased workload resulted from introduction of multiple searches/examinations could be absorbed by the capacity of the Authorities under the existing or improved PCT scheme should be carefully examined. (iii) Thirdly, we should consider the nature of public duty is expected of ISAs under the existing PCT scheme. While Article 16(2) provides for the possibility of a single ISA, the current situation recognizes the existence of several ISAs each of which is required by Article 16(3) to meet the minimum requirements in order to be capable of its duties as an ISA. This means that each ISA is expected to adequately conduct International Searches. The primary focus, therefore, should be on upgrading the capacity of ISAs so that they are able to prepare as adequate as possible ISR, if the current quality of ISR is to be improved. In addition, to give special preference (i.e. multiple searches) only to PCT applications would bring about imbalance with other types of applications such as domestic and Paris-route foreign applications to which patent is granted subject to search made by only one Patent Office. An international search by one ISA should be sufficient for PCT applications as well. Multiple searches, on the other hand, seem beyond the sphere of public service expected of ISAs. These needs might be better satisfied by private-sector search services. (iv) Lastly, without institutionalized multiple searches/examinations, PCT applicants would be able to obtain de facto multiple searches/examinations, for instance, by obtaining one ISR/IPER from one ISA/IPEA and seeking an additional national search/examination from either a DO/EO in the national phase or from the patent office of the original country in the processing of the original application. Those additional national searches/examinations could be obtained at the same time as the

ISR/IPER if the applicants so wish. This means that the need for multiple searches/examinations, if any, could be handled even under the current regime. One idea to evaluate the strength and extent of the needs would be to study how frequently such usage is made. (b) Even if the system of multiple searches were to be introduced, we should consider how such a system can be implemented. Possible options for multiple searches would be the following three. All three options do not consider the possibility of multiple searches being conducted by a single ISA for several times, because it is too redundant and such a need, if any, should be dealt with by the subsequent IPER and national examination. Rather, multiple searches, if introduced, should be conducted by different ISAs. (i) Additional/supplemental searches subsequently made by another ISA (i.e. multiple searches made by different ISAs in a time-series manner). When a positive ISR is made by the first ISA, the applicant seeks an additional ISR from another ISA to make sure that there is no prior art. Where a negative ISR is made, the applicant might withdraw the application or might seek another ISR by making an amendment to the claim. In the latter, the second searcher would be unable to use the results of the first search. This would result in a pure increase in workload. In addition, it takes far longer time to complete the all ISRs, comparing to the present. (ii) Collection and compilation of separate search reports (i.e. multiple searches made at the same time by different ISAs): The workload would be less than option (i) if all ISAs can search for the same claim (because of no different amendments) which enables them to share their workload in terms of the scope of the search. Also, the time necessary to complete the entire IS process would be far shorter than option (i). (iii) A "Supersearch" conducted by a "Super-International Searching Authority": It would take a long time to establish such a physically consolidated "Super-International Searching Authority." Also, as pointed out above, centralized operation would not necessarily be efficient. If "Super-International Searching Authority" means ISAs which are virtually consolidated by networking technology, it would amount to no more than options (i) and (ii). (c) Multiple searches as suggested here can be realized without revising the Treaty provisions, particularly in option (i) or (ii). According to Article 16(2), each Receiving Office (RO) shall specify the competent ISA for searching of international applications filed therein in accordance with the applicable "agreement" referred to in Article 16(3)(b). It would, therefore, be sufficient for ISAs and the WIPO-IB to conclude such an "agreement" enabling multiple searches, and for the RO to specify the additional ISA that conduct the multiple searches. On the other hand, Rule 35.2, providing for cases where several ISAs are competent, might have to be reviewed. Where international applications are filed in a language other than those accepted by the ISA that conduct additional multiple searches, the applicants should be required to submit their translation. This can be dealt with by slightly modifying Rule 12.3(a)."

*Comments by Switzerland (see document PCT/R/1/13):* "The proposal to give the applicant the option of asking to have searches and examination done by various authorities seems problematic. First, far from simplifying existing procedures, it would complicate them. Secondly, there is reason to fear that the existence of such an option might induce applicants to file not just one but several reports on the examination of the application to receiving Offices, with a view to making the national procedure easier. The quality of a search or examination does not improve through duplication, however."

*Comments by FICPI (see document PCT/R/1/15):* "FICPI endorses this proposal. FICPI is of the view that the applicants should initially receive a first or primary search report from the searching authority within 18 months of earliest priority, as currently occurs, and the searching authority be the existing searching authority for the home country of the applicant. The applicants should then have the possibility of requesting within a further period of say 2 months, supplemental top -up type searches (i.e. not a complete re-search of already

searched material) through one or more researching authorities nominated by the applicant. FICPI is of the view that appropriate fees for searches by each of the subsequent searching authorities be levied. FICPI is also of the view that requests for subsequent searching be completed and published well before the expiry of the present chapter II period of 30 months. FICPI is therefore of the view that if supplemental searches are requested that when national applications are processed in those countries there is a reduction in the search fee component in the filing fee in those countries to take account of the fact that searching has already been conducted in those countries. FICPI notes that some researching authorities have a greater capacity for accurate search results in selected areas of technology. FICPI therefore encourages the retention of all existing search authorities. FICPI endorses the proposal for a compilation and publication of separate search reports if the applicant elects any subsequent searching to the first or primary searching.”

*Comments by Austria (see document PCT/R/1/16):* “The Austrian Patent Office is very much in favour of the concept of multiple searches. However we would deem it necessary that all requests for searches must be filed at the time of filing the international application and that all search reports must be published with the international application. We understand that this system would only be efficient if the applicant could choose any International Searching Authority he likes for additional searches. However, for the first search the applicant would be bound to the competent International Searching Authority or to one of the competent International Searching Authorities. This measure would certainly improve the quality of international searches.”

*Comments by Canada (see document PCT/R/1/18):* “We support the idea of providing applicants with the option of multiple searches to provide applicants with as much information as possible, particularly given that there are currently often significant differences in the results of searches carried out by different offices. Consideration could be given to providing applicants with options, subject to correspondingly different fees, such as 1) simultaneous multiple searches requested at time of filing or 2) one basic search and, following that search, allowing the applicant to request one or more supplemental searches. However, although some flexibility could be given to the applicant, we consider it important that at least one search report be included in the application as published (at eighteen months from the priority date). Any additional search reports should be either included in the published application (if completed in time) or be publicly available on WIPONET. We do not see a need to provide for the possibility of multiple examinations. Multiple examinations could create workload problems and they could also create confusion if they are contradictory.”

*Comments by the EPO (see document PCT/R/1/20):* “Experience of bilateral projects not very promising so far. However, in any case, such step would bring an increase of workload. Therefore, discussions should be postponed until the workload problem has been solved.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “If this proposal is accepted, we would favor a collection and compilation of separate search reports to be performed simultaneously by different authorities. This solution would seem to prevent delays, and preclude the need of substantial changes in the manner in which each International Searching Authority (ISA) operates. However, we forecast difficulties for the authority in charge of compiling the different search reports due to redundancies and different languages and we are unaware as to how the International Preliminary Examining Authority (IPEA) in charge of examining an application will deal with documents in several different languages, and thus if effectiveness in examination will actually reflect the improvement in the search result. We

suggest further studying the feasibility of the multiple search proposal, and to determine if the actual degree of improvement that this proposal will bring to international examination is enough to justify the increased complexity.”

*Comments by Spain (see document PCT/R/1/22):* “1. This proposal does not simplify the work but rather, on the contrary, complicates it unnecessarily. The procedure would undergo delay, in detriment to the applicant. In addition, the capacity of the Search and Examination Administration to prepare the international search and preliminary international examination report is also put in doubt. This is so, on account of including in the Treaty itself the possibility of repeating a job already performed by other Administration that comply with all of the quality assurances required in Articles 16 and 32 of the PCT. The proposal contradicts the principle of economy of means, cost -saving and simplification of processing. For these reasons, we understand that the proposal contributes no advantage whatsoever with respect to the present system and what it does do, is to complicate it unnecessarily. 2. In the second paragraph reference is made to a Global International Search Administration. This would involve excessive centralization. It goes against the division of work among the Offices, which is a fundamental element of efficiency of an international system such as the PCT which, we must keep in mind, does not replace the national granting procedures. Also, the dissemination of the technological information, which is a vital objective for technological development, would be affected by the excessive centralization. Finally, the physical proximity of the applicants and inventors to the Administrations has been shown to date to be a crucial factor for the success of the system, among other reasons, on account of the important linguistic element. An excessive centralization would give rise in the long term to poor service provided to users due to problems of an increased workload, lack of specialised personnel or lack of production.”

*Discussion on this matter by the Working Group and/or the Committee:* See document PCT/R/1/26, paragraphs 109 to 146.

## 9. COMBINE INTERNATIONAL SEARCH AND INTERNATIONAL PRELIMINARY EXAMINATION

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 5, item (9))*

“Combination of search and examination – These separation of search and examination has built-in inefficiencies that should be eliminated. Authority should be able to structure processing to minimize the inefficiencies inherent in separate searches and examinations. While Rule 69.1 addresses this issue, the procedures under this rule have limitations. The concept of combining search and examination would also build upon the concept of eliminating the distinctions in Chapter I (search only) and Chapter II (examination) of the PCT, as outlined in items (6) through (8), above. The resultant restructuring could take a number of different forms in which various reports could be delivered to applicants within various time frames. As the current uniformity of search and examination reports from various authorities is important to users, this uniformity should be maintained in a combined report.”

*Comments by Cuba (see document PCT/R/1/4):* “With the present PCT system, it sometimes happens that the results of the search (in relation to the state-of-the-art) and that of the examination do not match, even though they may have been carried out by the same authority, which means that the predictive value that the former might have is considerably lessened. We feel that, for the process to be efficient and useful to the applicant, the same authority that has carried out the state-of-the-art search should conduct the examination on the basis of the

search results. As we mentioned earlier, for the results of the examination to be reliable, it has to be subjected to testing by other authorities, and their opinion has to be obtained.”

*Comments by Australia (see document PCT/R/1/8):* “Australia agrees that there is significant benefit to be gained from combining the international search and examination, both for the Authorities involved and the PCT Applicant. Not the least would be the opportunity to significantly simplify the treaty by combining Chapters I and II. We do not however believe that Preliminary Examinations should become mandatory – at least in the environment where it is non-binding or in the absence of an agreement on the “non-binding” use of IPEA’s in national phase examination. Hence Australia proposes that the applicant be required to indicate on the Request whether International Preliminary Examination is required. Effectively this would remove the notion of Demands and we would propose that the period now provided by Articles 22 and 39 be 30 months in either case. That is, that national phase entry would be at 30 months whether or not Preliminary Examination is requested. This will be of benefit to the many applicants who currently choose Preliminary Examination only to obtain the extended period. It would also favour those who currently inadvertently miss the time for filing a Demand, which becomes a major problem for the applicant if the IPEA does not inform them of the late filing until after the consequential 20 month period for national phase entry has expired. It is noted that Articles 22 and 39 both allow national law to prescribe longer periods and we believe this is still the most appropriate mechanism for those states wishing to extend the period for national phase entry. In many Contracting States there will be public interest concerns about further extensions mandated by the PCT, whether or not on a fee for deferral basis, and, as already indicated, we believe that the current situation probably reflects an adequate balance between the applicant and third party interests. This appears to be supported by the fact that, despite the option being provided in the Articles, most Contracting States have not extended the time available for national phase entry in their national law. In supporting a combined or closely sequential search and examination Australia also supports the concept that the applicant should be provided at an early stage with indications as to whether the invention is considered to be novel and to involve an inventive step. Hence we do not favour an option for delay in initiating the International Search or in completion of the Search Report. The Preliminary Examination Report could however be issued at any time up to 28 months from the priority date as currently provided by Rule 69, giving the applicants considerable time to respond to the issues raised and propose amendments before national phase entry.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We agree that this proposal could improve efficiency since it reduces duplication of work. However, we do not believe that for the moment international preliminary examinations should be compulsory. Furthermore, there seems little point in delaying issue of an examination report which has been drawn up simply because the normal time for issue under the present system had not been reached. It may be better to allow applicants to decide whether to select this option (eg by electing the application as soon as it is filed). This would give the efficiency gains for those applications without wasting time examining applications which do not get elected. Most importantly this type of change should not be introduced in any way which would mean that an international search report would not be available in time for the publication of the application 18 months after the priority date. The availability of the search report with the application is of vital importance to third parties, whom must be able to assess the strength of any patent application which has been published, as well as to applicants wishing to know whether to continue with their application.”

*Comments by Denmark (see document PCT/R/1/10):* “In regard to the proposal on a “Super International Searching Authority”, we cannot support the proposal, since such an authority implies further centralisation of the patents system. Also, the proposal would inevitably create an increased workload on the ISA/IPEA, which we do not find desirable.”

*Comments by Japan (see document PCT/R/1/12):* “(a) As indicated in item (9) of US proposal on the First Stage of Reform, the separation of search and examination has inefficiencies such as duplicated reading by different examiners at different times. In order to minimize such inefficiency, the ISAs/IPEAs should be able to carry out search and examination together to the maximum possible extent. (b) The mandatory ISR under Article 15(1) is a fundamental service to be provided to PCT users as well as to designated countries. The demand-based non-mandatory nature of IPER under Article 31(1) is another fundamental right of PCT users to choose. This nature also largely contributes to reducing the workload of IPEA. If we were to eliminate inefficiency while maintaining the set two Treaty-based systems, as opposed to item (7) of the US proposal on the First Stage of Reform, the following two ideas would be worth examining. (c) The first idea to eliminate the above mentioned inefficiency is to give applicants choice among three alternatives; namely, ISR only, separate ISR and IPER, or combined ISR and IPER. This idea could be realized through the following scheme. (i) The mandatory nature of ISR under Article 15(1) is not changed. By introducing a system of “request for initiating International Search,” however, the applicant is given the opportunity to express his wish as to when the International Search is to be initiated. If the applicant requests initiation of International Search (IS), for instance, within 19 months from the priority date, the ISR is to be prepared within a certain period from the request. If no request is made for the IS before 19 months, the ISR is prepared within 28 months from the priority date, i.e. in advance of an extended national entry. (ii) The demand-based non-mandatory nature of IPER under Article 31(1) is also maintained. However, the period for demand of IPER is to be limited to 19 months from the priority date. The applicant is allowed to choose between a combined ISR and IPER and a separate ISR and IPER. When the applicant desires a combined ISR/IPER, he is simply required to demand the IPER alone, within the 19 months. A combined ISR/IPER is prepared if the ISR has not yet been prepared. If the ISR has already been prepared, on the other hand, an IPER alone is to be prepared separately. When the applicant desires to have a separate ISR and IPER, he could first request the initiation of IS as mentioned in item (i) above, and demand IPER afterwards, or otherwise could specify to that effect in the request/demand. In order to realize this scheme, we would have to introduce the concept of “request for initiating International Search,” by which the IS is initiated and ISR is prepared in a subsequent period, to the PCT Regulations. Also, the deadline under Rule 42.1 for preparation of ISR would have to be extended accordingly (for instance, 28 months from the priority date), particularly in case where no ISR request is made within 19 months. Consequently, an ISR could be prepared after the International Publication. However, no change would be required in Treaty Articles because the simultaneous disclosure of ISR and International Publication is not mandatory in the PCT as permitted under Rule 48.2(g). A new Rule to limit the time period for the demand of IPER as mentioned above (for example, 19 months) should be introduced. Rule 69.1(b) already addresses the question of combination of ISR and IPER. It would, however, provide further basis for the combination of ISR and IPER when it operates together with the concept of “request,” the extension of the ISR preparation deadline, and the limited period for demand of IPER. (d) Another more radical but rational idea would be to give applicants only two alternatives: one for having ISR only, and another for having a combined ISR and IPER. This can be done in the following two ways. (i) One is by simply eliminating the option of separate ISR and IPER from the first idea mentioned in item (c) above; this can be done by

stipulating that an applicant who has requested an ISR and has received the ISR is no longer allowed to demand the IPEA. One could argue against this idea, in that it deprives of the applicant the right to demand IPEA. (ii) These conditions are largely different from the scheme, which extends the deadline for preparation to, for instance, 28 months from the priority date. On the other hand, the time limit for demanding IPEA is made, for example, 19 months from the priority date. The above-mentioned concept of a “request for initiating International Search” would not be introduced. There would be only two choices between a demand for IPEA and a non-demand for IPEA. First, if the applicant demands the IPEA within 19 months, a combined ISR and IPEA is automatically prepared. Second, if the applicant has not demanded the IPEA within 19 months, the ISR alone is to be prepared after the expiration of the 19-month period but before 28 months from the priority date. Unlike the scheme shown in item (i) above, this would not deprive the applicant of the right to demand IPEA. For both of items (i) and (ii) above, one could argue that it could eliminate the right of applicants to have ISR and IPEA separately. Concerning this “eliminating the chance for amendment” argument, however, Japan can point out that although the Treaty distinguishes the “Article 19(1) amendment” from the “Article 34(2)(b) amendment,” the former can be considered to be included in the latter in its scope. (e) In the meantime, if we were to eliminate the inefficiencies associated with separate ISR and IPEA by means of a mandatory combination of ISR and IPEA for all international applications, we would need to revise provisions of PCT such as Article 31(1) so that a combined ISR and IPEA is prepared for all international applications in a mandatory fashion. In that case, there would be two problems to be examined. First, the Treaty revision might create the complication as discussed in item III.2. below. Second, International Authorities would have to cope with an increase in workload. While the demand for IPEA would vary among IPEAs, the demand-based non-mandatory nature of IPEA contributes to reducing associated workload. If the mandatory combination of ISA and IPEA for all international applications is introduced, every IPEA will face an increased number of IPEAs which otherwise would not have been demanded. This increase in workload of IPEA might be mitigated by improved efficiency resulting from merger of international-phase search/examination with national-phase examination if both are conducted by the same Authority, as discussed in item II.1.(3) below. However, the extent of mitigation would be less in an IPEA whose national patent law employs the system of request for national examination because such IPEA must prepare IPEA for international applications for which national examination would not have been demanded. Another consideration is that the increase in IPEA workload could be also justified by possible exploitation of positive IPEAs as discussed in item II.3.(2) below. If a positive result of IPEA made by an IPEA could be fully exploited by other EOs so as to make dispensable entire or parts of national examination of those EOs, and if the applicant could enjoy the benefit of resultant fee reduction in those EOs, the total benefits could surpass the increased burden of the IPEA. (f) In the cases described in the above items (c), (d) and (e), fee reductions should be considered for a combined ISR and IPEA as opposed to separate ISR and IPEA, reflecting expected improvements in efficiency.

*Comments by Switzerland (see document PCT/R/1/13):* “In the framework of the restructuring of the procedures under PCT Chapters I and II according to proposals 6 and 7, the combination of search and examination could be supported. Care should be taken to ensure that the search finding is published by the 30-month time limit, however, in order to allow a third party to assess the patentability of the invention.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI notes that problems would exist where multiple searches have been requested. In FICPI’s response to proposals 6–8 it is noted that FICPI proposes that examinations should occur only upon formal request by an

applicant. In this event, any examination report should be based on the prior art located in the first search report and not on any subsequently requested searching unless the subsequent search report is available at the time of the examination. It is however, expected that the results of any subsequent searching will not be available until some later date.”

*Comments by Austria (see document PCT/R/1/16):* “Establishing the international search and preliminary examination reports at the same time. The present situation is the following: 18 months after the priority date every international application will be published. Then the International Preliminary Examination Authority has to wait if the applicant submits a demand for international preliminary examination. If the applicant submits such a demand it takes still some additional time until the examiner receives the file. In the meantime the examiner has probably already established the search report after 16 months from the priority date, time consuming re-examination and re-consideration of all relevant facts have to be made once the demand for international preliminary examination has finally been submitted. Besides that it is practically impossible to establish a second written opinion, even if it would have been highly desirable for the applicant. Therefore the Austrian Patent Office would like the applicant to decide already at the time of filing if he wants an international preliminary examination or not. This would have also the advantage that the receiving office could collect all fees at once and bank fees for the applicant and the authorities would be considerably reduced. Moreover it would no longer be necessary to elect countries and besides that we would no longer need a separate demand form. Especially the last point would considerably reduce the workload for the International Preliminary Examination Authorities (formality check). Moreover the examiner could, as he establishes the search report, already send a first written opinion to the applicant, if necessary. This would give the applicant a much clearer view of the search report and for the examiner it would have the advantage that he could work continuously with a specific application, which would naturally reduce the costs for the International Preliminary Examination Authorities. As a further advantage of such a change the submission of amendments under Articles 19 and 34 could be simplified, because the applicant certainly would no longer file amendments under Article 19 with the International Bureau but with the International Preliminary Examination Authority.”

*Comments by Canada (see document PCT/R/1/18):* “We support the concept of permitting search and examination to be combined where possible. However, as noted above, we consider it important that at least one search report be included in the application as published (at eighteen months from the priority date), and this will necessarily impose some constraints on the extent to which search and examination can be combined.”

*Comments by the EPO (see document PCT/R/1/20):* “The proposal seeks to institutionalise the current practice in most examining offices whereby search and examination are carried out by the same examiner and at the same time (already indicated in present Rule 69.1(b) PCT). It is proposed to simplify the Treaty accordingly, e.g. abolish the distinction between Chapter I and II completely, by deleting Art. 22 PCT and the requirement for filing a “separate” demand (Art. 31 PCT). As a result, all international applications would as a rule include the international preliminary examination to be performed by the specified Authority which carries out the search. Both the international search and the preliminary examination should be subject to the payment of a combined search and examination fee. This possibility to merge search and examination (“BEST PCT”) will lead to the elimination of built-in inefficiencies of the current separation of Chapter I and II which as a result would contribute to improvements in the workload situation. It would also be advantageous for applicants who would have immediately an initial examination report based on a full search.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Our associations welcome and generally support the elimination of the combination of search and examination.”

*Comments by Spain (see document PCT/R/1/22):* “The combined search and examination procedure increases efficiency and would speed up the procedure in the international stage by reducing the lapse of time between search and examination. In addition, it is congruent with relevant international instruments in the field of patents on a regional level such as the European Patent Convention, in which the combined search and examination procedure has been adopted within the granting procedure of European patents. Thus, the proposal could be of interest, but on the condition that the applicant is allowed to choose either the combined search and examination procedure or solely a search. The reason for this stems from the fact that the fees will undergo a substantial increase in order to meet the costs both of the international search as well as of the examination. In the case of small and medium -size companies, this could involve excessively high fees which could discourage them from using the PCT system. If the procedure is optional, all of the possible interests affected, of all kinds of applicants, are taken into account. This is a measure that will not prejudice those applicants who prefer the combined search and examination option. [Spain proposes:] Optional Nature of the Preliminary International Examination. Introduction of the applicant’s possibility to choose between the combined preliminary international examination and international search, or solely the international search. The optional nature of the preliminary examination offers small and medium -size companies, particularly those companies using the patents system, a more flexible, less -costly and better instrument, appropriate to their needs and strategies. The optionality could be considered within the framework of the PCT itself with a specific fee that would be added to the basic fee.

*Discussions on this matter by the Working Group and/or the Committee* : None .

*Remarks:* The amendments of the PCT Regulations adopted by the PCT Assembly on October 1, 2002 (“enhanced international search and examination system”) do not provide for a “full merger” of Chapters I and II (see also item 15, below).

## 10. ELIMINATE UNITY OF INVENTION PROCEDURE

*Proposal by the European Patent Office (see document PCT/R/1/20, page 4, paragraph 10) and India (see document PCT/R/1/14, page 3, item 7)*

“Another step would require the amendment of Articles 17(3)(a) and 34(3) PCT. Only one invention would have to be searched or examined (the first main invention). No additional fees would be requested, nor would there be any protest. Correspondingly, the regional/national phase could be streamlined: no extra search fees for the non -searched inventions should be requested; instead, the filing of (a) divisional application(s) (in the international or the national phase) would be required. This measure would further simplify the international phase by underlining its preliminary character.” (European Patent Office)

“Patent Cooperation Treaty is a facilitating Treaty and is concerned with procedural matters whereas in Rule 13 substantive requirement is prescribed which is to be followed by respective Designated Offices/Elected Offices, which carry out substantive examination of the application for patent. Therefore, Rule 13 needs to be deleted.” (India)

*Discussions on this matter by the Working Group and/or the Committee* : None .

*Remarks:* The proposal made by India is to delete Rule 13; however, it appears that the proposal would require revision of the Treaty itself (Article 17(3)) (see also item 18, below)

11. MAKE OPTIMAL USE OF THE AVAILABLE ISAs (CREATE "VIRTUAL ISA")

*Proposal by the Netherlands (see document PCT/R/1/3, page 2)*

"Item (5) of the US - proposal as presented in an Annex to document PCT/A/29/3 might be looked at in a broader context. When the ISA's were to carry out an international search together, the difference in language capabilities between the various ISA's would allow a full-text search in documents for which, at present, all ISA's would under PCT Rule 34 have to rely to some extent on any availability of abstracts in the English language. The concept of a single International Searching Authority, already present in PCT Article 16, could be clarified along these lines."

*Discussions on this matter by the Working Group and/or the Committee* : None .

INTERNATIONAL PUBLICATION/TRANSLATION

12. ALLOW DESIGNATED OFFICES TO REQUIRE TRANSLATION OF THE INTERNATIONAL APPLICATION AFTER INTERNATIONAL PUBLICATION (IRRESPECTIVE OF NATIONAL PHASE ENTRY)

*Proposal by Spain (see document PCT/R/1/22, page 6, item 4)*

"The delay in the publication of applications in the national language brings about a situation in which third parties are unaware of the content of an invention in their own language for a lengthy period of time. For this reason, the following proposal should be included in the Treaty: "Each Member Country shall have the power to establish that the applicant, in order to be entitled to maintain a designation, must deposit in the National Office a translation of the application into the language of the country, within a period of three months following the publication of the PCT Patent application."

*Discussions on this matter by the Working Group and/or the Committee* : None .

INTERNATIONAL PRELIMINARY EXAMINATION

13. ALLOW FOR MULTIPLE INTERNATIONAL SEARCHES AND INTERNATIONAL PRELIMINARY EXAMINATIONS

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 4, item (5))*

See item 8, above.

14. ELIMINATE THE CONCEPT OF DEMANDS

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 4, item (7))*

"Elimination of the concept of demands - Like the designation requirement, the demand requirement in Article 31 should be deleted. As a result, all international applications would automatically be subject to international preliminary examination, with the time frames of

the current treaty. This should be pursued only if we can assure those applicants who would have foregone what is now Chapter II processing that they will not incur additional costs in these restructured proceedings. See item (10) on fee reassessments, below. Some merger of the international and national phases of processing could also occur, where, upon request of the applicant, the international application would go directly into substantive examination in the office of the International Preliminary Examining Authority. As with the issue of designations, it is arguable whether PCT Rule 53, et seq., could be amended to provide for presumptive demands. Nevertheless, a more direct approach is warranted in the interests of real simplification.”

*Comments by Cuba (see document PCT/R/1/4):* “Having removed the designation of States for the filing of the international application, it would be advisable to replace the entry into the national phase at 20 months with a 30-month period, and to convert the international procedure into a single stage which would culminate in the international preliminary examination, thereby providing the applicant with the option of moving into the national phase before or at 30 months, depending on his interests, even where no designations were made on the filing of the international application. The existence of a single-stage international procedure, which we feel should be considered, would make it possible to dispense with the demand for international preliminary examination, with the result that the preliminary examination of the international application could take place automatically, with a corresponding reduction in the examination fee.”

*Comments by the Republic of Korea (see document PCT/R/1/5):* “The concept of demand is based upon the artificial division of the international phase of the PCT system. International search in Chapter I is a required procedure that all PCT applicants should go through without exception, while international preliminary examination in Chapter II is an optional procedure that PCT applicants may not choose to go through. These selection rates for international preliminary examination differ from country to country. For example, only 30% of Korean PCT applicants choose international preliminary examination, while about 80% of U.S. PCT applicants undergo the Chapter II procedure of the PCT international phase. Korea believes that the considerable number of PCT applicants in developing countries do want to enter the national phase only after Chapter I of the PCT system (international search). Making the Chapter II procedure compulsory may impose a material burden upon PCT applicants because they have to pay more fees for preliminary examination than they do not want to take advantage of. Therefore, Korea emphasizes that PCT reform must underscore the benefit and desire of the applicants more than the simplification of the PCT system.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We do not support a compulsory International Preliminary Examination at this stage. The fact that 20% of applications do not demand Chapter II international preliminary examination demonstrates that there is a significant body of users who do not wish to incur the cost of this service. Even if the costs of the system are reduced so that an application with compulsory International Preliminary Examination costs no more than the present cost of an application without this examination, it would be cheaper still if no IPE were performed. A compulsory examination may however be desirable under the second stage if examinations were to become binding on the Contracting States.”

*Comments by Denmark (see document PCT/R/1/10):* “When it comes to the accommodation of further deferral of national phase entry, it is our opinion that the suggested possibility of deferrals at six-month intervals from the 30th month would diminish the legal certainty.”

*Comments by Japan (see document PCT/R/1/12):* “(a) As suggested in US proposal item (7) of the First Stage of Reform, a merger between international -phase processing (i.e. preparation of ISRs/IPERs) and national -phase processing (i.e. national examination) would contribute to reducing inefficiency arising from the separation of preparation of ISRs/IPERs and national examination. This inefficiency is of the same nature as mentioned in item (2) above. (b) Item (7) of the US proposal also suggested that this merger be achieved by eliminating the concept of demands. However, Japan is not in favor of the elimination of this concept as suggested in item (7) because the demand -based non -mandatory nature of IPER under Article 31(1) is a fundamental right of PCT users to choose, and largely contributes to reducing the workload of IPEA. In fact, quite a few of applicants usually exercise this right not to demand the IPER. Japan believes that a merger of international -phase and national -phase proceedings could be achieved without eliminating the concept of demands. (c) This merger could be carried out in the following manner: When an international application enters the national phase of an EO that is an IPEA, the applicant may request that national substantive examination be conducted together with the IPE. Because the IPEA examiner is also the EO examiner, he would conduct, to the maximum possible extent, both the national examination and the IPE at the same time. However, the subject of national examination is different from the subject of IPE. The subject of the IPE is international application in the international phase, while the subject of the national examination is international application in national phase. An amendment under Article 34(2)(b) for the international phase can, therefore, be made (to the international application in the international phase), separately from an amendment under Article 41 for the national phase as well as from subsequent amendments under national law (to the international application in the national phase). Although this might result in different patent claims between IPE and national examination in some cases, the examiners would for the most part gain the benefit of efficiency. (d) The same kind of merger could be also done, upon request of the applicant, between the ISR and national examination when the DO is the ISA. For greater feasibility, the deadline for preparing ISR should be extended, for example, to 28 months from the priority dates so that more applications can be subject to the merged process. In this case too, the subject of national examination is different from the subject of ISR. An amendment under Article 19 for the international phase can, therefore, be made (to the international application in the international phase), separately from an amendment under Article 28 for national phase as well as from subsequent amendments under national law (to the international application in the national phase). Although this might result in different patent claims between ISR and the national examination in some cases, the examiners would gain the benefit of efficiency in most of the cases. (e) There is no Treaty provision that restricts the merger of ISR/IPER and national examination. New rules at the Regulation level introducing the requests for mergers would be needed. A fee reduction for merged cases could be considered in the light of the reduced workload, which could be also preferable to facilitate usage of the new system.”

*Comments by Switzerland (see document PCT/R/1/13):* “At present the vast majority of international applications undergo international preliminary examination. However, the experience of the European Patent Office indicates that a considerable number of demands for international preliminary examination under PCT Article 31 are filed solely with a view to gaining additional time for reflection. Consequently two solutions for the restructuring of the procedures under PCT Chapters I and II should be considered in the first stage of the reform of the PCT: (a) The 20 -month time limit under Article 22 could be adapted to the time limit under Article 39. The user of the PCT system would then be free to embark on international preliminary examination on the strength of the international search, or to waive it. In both cases the entry into the national stage would occur within the 30 -month period. That solution

would have the advantage of reducing the burden on International Preliminary Examining Authorities (IPEAs). A large percentage of applicants may be expected to decide against having international preliminary examination. In view of the fact that the reports drawn up by IPEAs (and by International Searching Authorities (ISAs)) often serve as a basis for countries that do not themselves have a sufficient search or examination capability, there should nevertheless be close cooperation between the authorities (ISAs and IPEAs) and countries that do not have the requisite infrastructure. Convergence between PCT Chapters I and II would still not be complete, but it would be possible to streamline procedures. (b) A possible alternative – which moreover has been proposed by the United States of America – would consist in deleting Article 22, and also the related articles and procedures, in parallel with the abolition of the obligation under Article 31 to file a demand for international preliminary examination. All international applications would therefore be subjected automatically to international preliminary examination after the international search. That solution would have the advantage of making the procedures under PCT Chapters I and II converge more simply and effectively, but the lessening of the burden on ISAs and IPEAs would then probably be less significant. It would be necessary in any event to ensure that such changes do not cause a general increase in costs for users of the PCT system. With regard to the proposals for the reform of the PCT contained in the Annex to document PCT/A/29/3, Switzerland welcomes the efforts to simplify the procedures for the international filing of patent applications. In view of the fact that the first phase of the reform of the PCT has been rightly confined to the proposals whose objectives would be the same as those identified under the title of “First Stage of Reform” in the Annex to document PCT/A/29/3 (see document PCT/R/1/2), Switzerland is content to comment on the corresponding passages of the latter, confining itself to the most important aspects. Indeed, the proposals under the heading: “Second Stage of Reform” presuppose a substantial harmonization of patent law.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI notes that many applicants proceed by filing a Demand for International Preliminary Examination for the sole purpose of extending the due date for National Phase entry. FICPI is of the view that however, that the International Examination Report is generally not acted upon, nor relied upon by the national offices when national applications are examined. Opinions expressed in relation to inventive step, industrial applicability, and multiple inventions are also generally ignored by applicants. This is because each of the national offices has different laws and requirements concerning each of these items. Where there may be a valid objection in one country, it may not present a problem in another country. Accordingly, FICPI believes that further enhancement of the PCT can be achieved by completely avoiding the issuance of a mandatory International Preliminary Examination Report. FICPI is of the view that only Novelty indications, at the International Search Report stage have any real meaning for applicants. FICPI recognises, however, that some applicants may require International Preliminary Examination Reports. Additionally, it is observed that some national patent offices, especially in developing countries, which do not themselves provide for substantive examination of applications, rely on the results of the International Preliminary Examination procedure under the PCT as evidence of the patentability of inventions. In that event, FICPI believes that there should be an option for applicants to request International Preliminary Examinations subject to the payment of an appropriate fee. The requirement for compulsory International Preliminary Examinations should be abolished. If an applicant proceeds in a country that relies on an International Preliminary Examination Report, then that country may then require payment of a fee for the International Preliminary report issued from an International Preliminary examination authority. FICPI does not see that the publication of the International Preliminary Examination Report to be of any substantial benefit to third parties and

accordingly considers that the proposal to abolishment of compulsory International Preliminary Examination not to be a disadvantage to third parties. FICPI reiterates the comments made in proposal 6, that proposal 7 should not act to delay issuance of International Search Reports, and that the International Search Reports should issue in the same time period that currently exists.”

*Comments by Canada (see document PCT/R/1/18):* “We don’t agree that all international applications should automatically be subject to international preliminary examination. The applicants should have the choice as to whether to have an international preliminary examination (at least as long as PCT results are non-binding) and should only have to pay a fee for examination if it is requested. The primary benefit of an international preliminary examination is for the applicants so they should have the right to choose. Key information for third parties is provided by search reports. In the national phase, offices that rely on international preliminary examinations should be able to request the applicant to have an international preliminary examination carried out at that time. It appears to us that an applicant should be given the choice to request an international examination in the request form at the time of filing or at a later stage. Different fees could be charged depending on when the request for examination is made, for example, a lesser fee might be charged if the request for examination is, at the time of filing, requested of an IPEA that is also selected as the ISA to take into account the efficiencies for the office of being able to carry out a combined search and examination.”

*Comments by the EPO (see document PCT/R/1/20):* “Demand requirement under Art. 31 should be deleted provided that applicants would not incur additional costs (Stage 1/7). Supported.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Our associations welcome and generally support the elimination of the concept of demands.”

*Discussions on this matter by the Working Group and/or the Committee:* None.

*Remarks:* A similar proposal (to amend the Regulation only) was discussed in the context of the proposed amendments of the Regulation related to the “enhanced international search and preliminary examinations system.”

#### 15. COMBINE INTERNATIONAL SEARCH AND INTERNATIONAL PRELIMINARY EXAMINATION

*Proposal by the United States of America (see document PCT/R/1/2, Annex, page 4, item (5))*

See item 9, above.

#### 16. REVIEW CONFIDENTIAL NATURE OF THE IPEA

*Proposal by the Netherlands (see document PCT/R/1/3, page 2)*

“The views with relation to the confidential character of an international patent examination procedure have changed considerably since 1970. Nowadays, once a patent application has been published promptly after the expiration of 18 months from the priority date, it has become accepted practice to allow third parties access to the complete file, including the front file. NL suggests that PCT Article 38 reflect this change in attitude. The Treaty might also open up the possibility for third parties to draw the attention of the International Preliminary

Examining Authority to relevant facts and disclosures, thereby enabling the Authority to take these matters into account during the international phase of the international application.”

*Discussions on this matter by the Working Group and/or the Committee* :None .

17. ALLOW FOR THE FILING OF THE DEMAND TOGETHER WITH THE REQUEST

*Proposal by the European Patent Office (see document PCT/R/1/20, page 2, item 2)*

“Consideration could also be given to changing the existing requirement that a demand be filed separately from the request.”

*Discussions on this matter by the Working Group and/or the Committee* :None .

*Remarks:* See the amendments of the Regulations adopted by the PCT Assembly on October 1, 2002 (“enhanced international search and preliminary examination system”).

18. ELIMINATE UNITY OF INVENTION PROCEDURE

*Proposal by the European Patent Office (see document PCT/R/1/20, page 4, paragraph 10) and India (see document PCT/R/1/14, page 3, item 7)*

See item 10, above.

*Discussions on this matter by the Working Group and/or the Committee* :None .

NATIONAL PHASE ENTRY

19. ACCOMMODATE FURTHER DEFERRAL OF NATIONAL PHASE ENTRY

*Proposal by the United States of America (see document PCT/R/1/2, Annex, page 5, item (8))*

“Accommodate further deferral of national stage entry – Article 39 provides for national stage entry at 30 months. The built-in deferral of national stage entry of the PCT, limited to 30 months, is often the primary objective of users of the PCT system. The desire of many applicants to further defer national stage entry should be accommodated. The treaty could be amended to provide for the possibility of deferrals at six-month intervals from the 30<sup>th</sup> month, for the payment of a deferral fee of, e.g., \$500 or more for each six-month deferral. The deferral fees would be distributed among Contracting States. The ability to further defer national stage entry would constitute substantial savings to PCT applicants. At the same time, however, the concerns of third parties must be kept in mind to avoid the creation of “submarine” applications/patents. These concerns should be minimized by publication and access to search/examination results and, perhaps, by initially limiting this proposal to a single six-month deferral.”

*Comments by Cuba (see document PCT/R/1/4):* “It should be realized that it is not sensible to have an international application going into the national phase within a six-month grace period following the 30 months; that would have the effect of undesirably prolonging the period of uncertainty regarding entry into the country in question.”

*Comments by the Republic of Korea (see document PCT/R/1/5):* “PCT Article 39 provides for national stage entry at 30 months. It is true that many PCT users appreciate the built-in deferral of national stage entry of the PCT up to 30 months. In this regard, further deferral at the six-month interval of national stage entry may accommodate the desire of many applicants. However, the possible further deferral also raises an equity issue among intellectual property owners worldwide. Korea notes that it is desirable to develop the IP system in the direction of encouraging the use of intellectual properties for better economic growth of a society. At the same time, an IP legal system needs to maintain the fine balance between the private interest of IP owners and the public interest of economic development. In this regard, Korea’s concern is that further deferral of national stage entry may tilt the balance toward the private interest of IP owners, inducing the creation of submarine patents. Therefore, the issue of this further deferral needs to be carefully evaluated.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We strongly oppose this proposal, which is open to anti-competitive abuse. Even now it can be more than 2½ years before third parties know whether an application will be pursued in any particular state. We do not think that any further delay can be justified against the rights of third parties. Indeed as in proposal (6) above, it may be desirable to fix the period within which the application must enter the national phase at 30 months instead of allowing longer periods to be set by individual states.”

*Comments by Japan (see document PCT/R/1/12):* “(a) Item (8) of the US proposal on the First Stage of Reform proposes to modify the 30-month deadline for national entry under Article 39(1)(a) and to introduce the possibility of several deferrals at 6-month intervals from the 30th month for the payment of deferral fees. US proposal (4) of the Second Stage of Reform also proposes further relaxed timing requirements for national entry. This could be in response to the specific needs of particular applicants. In addition, the further deferral of national entry would give the applicant more time to consider its appropriateness, and therefore could be a factor towards reducing the number of international applications that enter the national phase. (b) As also indicated in the US proposal, the concerns of third parties to monitor the legal status of the application must be kept in mind to avoid the creation of “submarine” application/patents. Japan, therefore, thinks that further deferral of national entry should be permitted only for a single 6-month deferral in addition to the 30 months provided for under Article 39(1)(a) (In other words, 36 months from the priority date is the final deadline.). If a Contracting State wishes to give applicants further deferral beyond this, it should be dealt with by national law by using Article 39(1)(b) under which any national law may fix a time limit longer than that. (c) If we are to simply extend the deadline under Article 39(1)(a) up to 36 months, it could be done by the Article 47(2) procedure in which the relevant time limit could be modified by a decision of the Contracting States. If we are to introduce the 6-month interval deferral based on a payment, Article 39(1)(a) might have to be revised, which would result in two versions of Acts of the PCT as discussed in III.2. below.”

*Comments by Switzerland (see document PCT/R/1/13):* “The possibility of deferring entry into the national stage longer would have an adverse effect on legal security: during the period of deferment of entry into the national stage, it would not be clear to third parties in what country a demand would be relied upon. The insecurity would be all the greater if the concept of designation were eliminated. The publication of search or examination results, and the possibility of having access to them, would not be sufficient to dispel all fears in that connection.”

*Comments by FICPI (see document PCT/R/1/15):* “FICPI is not in favour of this proposal. FICPI considers that the present period of 30 months provided under Article 39 is operating adequately. FICPI is of the view that there must be a balance between the rights of applicants, and the rights of third parties and notes the “submarine” difficulty. FICPI is of the view that the current period of 30 months strikes the correct balance and has been working adequately. Third parties clearly need to know if a patent applicant intends to proceed in a particular national country, in order to make commercial decisions in relation to competing technology. The extension of 30 months to some longer period is considered inappropriate even though some applicants may wish to extend the period to defer the costs associated with national stage filing. It is FICPI’s view that requests for extension past the 30 month deadline are in general made by applicants without funds and without any real prospect for commercialisation of the invention. Furthermore, considerations should be given to amendment of Art. 39(1)(b) PCT to introduce a maximum possible term within which nationalization of an International application must take place.”

*Comments by Canada (see document PCT/R/1/18):* “We oppose any mandatory extension of the 30 month time period because of the additional uncertainties this would cause for third parties. We do, however, consider it important for all PCT contracting parties to provide relief where the time limit for entering the national phase is missed despite all due care. The PLT Regime that applies in accordance with PLT Articles 3(1)(b)(i) and 12 should be mandatory for all PCT contracting parties even if they are not PLT contracting parties. We agree with FICPI’s suggestion that “considerations should be given to amendment of Article 39(1) to introduce a maximum possible term within which nationalization of an International application must take place”. Twelve months might be an appropriate maximum. If contracting parties are to be allowed to go beyond such a twelve month period (i.e. 42 months from priority date), we consider that they should be required to provide intervening rights to protect the interests of third parties.

*Comments by ASIPI (see document PCT/R/1/19):* “ASIPI looks as inconvenient any delay in order the PCT applications enter into the national phase.”

*Comments by the EPO (see document PCT/R/1/20):* “Further deferral of national stage entry beyond the 30 -months deadline (Art. 39); 6- month intervals against payment of deferral fee? Third parties concern of “submarine” applications to be minimised by publication and access to ISR/IPER (Stage 1/8). Very problematic (third parties interests!).”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Although still subject to further discussion, we disagree with the provision of further substantial deferrals of national stage entry beyond the existing 30 -month time limit, in view of the uncertainty, which would be caused mainly in developing countries, where most of the PCT applications do not enter the national phase. In such cases, nationals would need to wait even longer only to confirm that a national application was not entered into this country. As an alternative to this proposal, we would suggest maintaining the existing 30 -month term for an international application to enter a national phase, however providing for a continued prosecution in the international phase, if desired by the applicant, beyond that term, while also providing for the possibility to withhold substantive examination in the national phases, until a final examination report is issued by the IPEA. This would allow national offices to initiate formal steps which precede substantive examination, such as notifying entry into national phase for the knowledge of interest parties, without further delays. Furthermore, in order to allow third parties to be informed about the entry into the national phase of a certain application without

great delays, we would suggest establishing a time limit for the national office and/or WIPO to make this communication.”

*Comments by Spain (see document PCT/R/1/22):* “In cases where the intention to undergo the preliminary international examination is announced, with the consequent maximum period of thirty months, the proposal provides for the possibility of the applicant’s obtaining, by means of the payment of a fee, successive additional extensions for entry into the national stage. Such a possibility should be rejected, because new extensions for entry into the national stage would aggravate the problems of legal security and would arbitrarily prolong the situation of uncertainty in industry until such time as the applications would enter the national stage, as has already been indicated with respect to the elimination of the maximum period of twenty months. This proposal extends the period granted to active users of the system (applicant s) for maintaining sleep rights in certain countries even longer, without cost or with a very minimum expense, in detriment to the rights of the passive users of the system. “Submarine patents” would inevitably appear.”

*Discussions on this matter by the Working Group and/or the Committee:* See document PCT/R/1/26, paragraphs 147 to 175.

## 20. PROVIDE FURTHER FLEXIBILITIES FOR NATIONAL PHASE PROCESSING

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 7, item (4))*

“Provide further flexibilities in terms of relaxed timing requirements for national stage processing – In light of the fact that this stage of PCT reform will include an early determination of prospects for patentability, it may be appropriate to relax the timing of national stage entry beyond that agreed upon as a result of the first stage of PCT reform, keeping in mind the concerns relating to “submarine” applications/patents and the fact that those concerns should be allayed by publication and access to search/examination results.”

*Comments by the United Kingdom (see document PCT/R/1/9):* “We strongly oppose further relaxation of timing requirements. A single binding examination should result in faster grant, not slower national phase entry.

*Comments by Canada (see document PCT/R/1/18):* “We oppose this proposal because of the additional uncertainties this would cause for third parties.”

*Discussions on this matter by the Working Group and/or the Committee:* None.

## 21. DEFER TIME LIMITS FOR SUBMISSION OF TRANSLATIONS

*Proposal by Japan (see document PCT/R/1/12, page 15, item (5))*

“Japan would like to propose discussion of deferred deadlines for furnishing translation provided in Articles 22(1) and 39(1)(a). Those Articles provide that the translation of international applications shall be furnished no later than at the expiration of 20 months or 30 months, respectively, from the priority date. When a translation is needed, therefore, the applicant must decide on whether to enter the national phase well in advance of the national entry deadlines so as to allow sufficient time for preparing the translation. On the other hand, when a translation is not needed, the applicant can fully enjoy the entire time period before the national entry deadline to decide on whether to enter the national phase. One idea is to

allow applicants to make a deferred submission of translation after the national entry (for example, two months after national entry), while not changing the deadline of national entry. This would be appropriate in that applicants are given an equal length of time for consideration, regardless of the necessity of translation. There is also a need on the part of attorneys to defer the time limit to furnish the translation. This margin of time (e.g., two months) after the national entry could be used to prepare translation when an applicant's decision to enter the national phase is made at the very end of the period for national entry. Even in such a case, an attorney who receives a last-minute request for national entry would have sufficient time to prepare the translation. Resultant higher quality translation could benefit not only applicants and attorneys but also DOs and EOs. In this regard, Articles 22(3) and 39(1)(b) that entitle Members to extend the deadline should be examined to determine whether or not they are flexible enough to accommodate national legislation for such needs. It would be appropriate, for the sake of the applicants, that as many Members as possible take concerted national legislative action to extend the deadline of submission of the translation."

*Discussion on this matter by the Working Group and/or the Committee* : None .

## 22. INTRODUCE A MAXIMUM POSSIBLE TERM FOR THE NATIONAL PHASE

*Comment by FICPI (see document PCT/R/1/15, page 5, item (8))*

"Considerations should be given to an amendment of Article 39(1) to introduce a maximum possible term within which nationalization of an International application must take place".

*Comments by Canada (see document PCT/R/1/18):* "We agree with FICPI's suggestion that "considerations should be given to an amendment of Article 39(1) to introduce a maximum possible term within which nationalization of an International application must take place". Twelve months might be an appropriate maximum. If contracting parties are to be allowed to go beyond such a twelve month period (i.e. 42 months from priority date), we consider that they should be required to provide intervening rights to protect the interests of third parties.

*Discussion on this matter by the Working Group and/or the Committee* : None .

## 23. ALLOW ELECTED OFFICES TO OBTAIN RESULTS OF NATIONAL EXAMINATION IN OTHER ELECTED OFFICES

*Proposal by India (see document PCT/R/1/14, page 2, item (3))*

"Article 42 requires that no elected Office receiving the international preliminary examination report may require that the applicant furnish copies, or information on the contents, of any papers connected with the examination relating to the same international application in any other elected office. Article 42 is required to be modified to enable the Elected Office to call for status, objection taken, if any, relating to patentability, novelty and other details of the corresponding applications involving same or substantially the same invention filed in other Elected Office. This is necessary as the patent offices in developing and least developed countries are not fully equipped with the required facilities for search and examination. Such information from the applicant will help the Patent Offices concerned to deal with the case."

*Discussion on this matter by the Working Group and/or the Committee* : None .

24. ALLOW GROUPING OF RELATED INTERNATIONAL APPLICATIONS WHEN ENTERING NATIONAL PHASE

*Comment by FICPI (see document PCT/R/1/15, page 6, item (16))*

“FICPI also strongly supports there be some mechanism introduced to allow the subject matter of two or more related PCT International applications to be combined so that a single national phase application can proceed in elected countries, thereby avoiding the current practice of requiring a corresponding two or more national entries in an elected country.”

*Discussions on this matter by the Working Group and/or the Committee* : None .

CHANGE OF ROLES AND RESPONSIBILITIES OF OFFICES, AUTHORITIES OR THE INTERNATIONAL BUREAU

25. CHANGE ADDRESSEE (OFFICES/AUTHORITIES/INTERNATIONAL BUREAU) TO WHICH PARTICULAR DOCUMENTS HAVE TO BE SUBMITTED

*Proposal by the Netherlands (see document PCT/R/1/3, page 2)*

“At present not all documents which an applicant might like to submit during the international phase of the international application can, in accordance with the Treaty, be submitted to the receiving Office. For instance, amended claims under PCT Article 19 and later elections under PCT Article 31 are to be filed with the International Bureau, whereas the demand under PCT Article 31 is to be submitted to the competent International Preliminary Examining Authority. Regularly mistakes have been made with relation to such requirements. NL therefore suggests that the Treaty be drafted in such way as to allow the applicant to file all documents required and correspondence needed in the international phase with a single Office. The said Office will then distribute the received data to the competent international authority without loss of filing date.”

*Discussions on this matter by the Working Group and/or the Committee* : None .

GENERAL PROPOSALS

26. ALIGN THE PCT WITH THE TRIPS AGREEMENT

*Proposal by the Netherlands (see document PCT/R/1/3, page 3)*

“The first stage of the proposed PCT Reform offers an excellent opportunity to bring PCT in conformity with the TRIPS Agreement. In connection herewith PCT Article 8 might be clarified.”

*Discussions on this matter by the Working Group and/or the Committee* : None .

27. ADAPT THE COMMITTEE STRUCTURE UNDER THE TREATY (COMMITTEE FOR TECHNICAL COOPERATION) TO REAL NEEDS

*Proposal by the Netherlands (see document PCT/R/1/3, page 4)*

“Because of other developments with relation to technical cooperation in the framework of WIPO, the prescribed existence of the PCT/CTC has become a hindrance rather than the useful asset PCT Article 56 had in mind. The first stage of the proposed PCT Reform offers an excellent opportunity to amend PCT Article 56 and adapt the Working Group structure under the Treaty to existing and future needs.”

*Discussions on this matter by the Working Group and/or the Committee* : None .

28. DELETE ARTICLE 64(4)

*Proposal by Japan (see document PCT/R/1/12, page 15, item (3))*

“(a) By the reservation allowed under Article 64(4), the US maintains the national practice which differentiates the prior art effect of international application filed outside of the US from that of application filed in the US. This is based on the unique case law of the US (so called the “Hilmer Doctrine”) that differentiates between the actual filing date in the USA and the filing date outside US (i.e. the Paris Convention priority date). (b) A non-US Applicant usually files his international application with RO of his home country (i.e. countries other than US), with designating the US. Afterwards, the applicant enters into the national phase in the US. In the US, the prior art effect of his international application takes effect at the time of national entry, not the time of filing of the international application. In case where a US applicant files another application in the US claiming the same invention disclosed in the application of the non-US Applicant, the non-US Applicant cannot defeat the application of the US Applicant, even if the non-US Applicant filed his international application earlier than the US Applicant (i.e. even if the international filing date of the non-US Applicant is earlier than the filing date of the US Applicant). This is obviously disadvantageous for non-US Applicants. (c) Japan thinks that equal treatment should be given to PCT user by deleting Article 64(4). By this deletion, the PCT would prohibit different treatment between international filing and actual national filing, which is already provided for under Article 11(3). This will serve for user-convenience and user-friendliness. (d) As a result of Article 64(4) and US reservation, non-US Applicants are forced to choose between the PCT route and the Paris route national filing to the US, by weighing concerns regarding prior art effect in the PCT route against concerns about costs in the Paris route. Complications arising from this dilemma between these two alternatives are staggering, and should be eliminated. In this sense, the deletion of Article 64(4) would be for the purpose of simplification, and would also be a modest change to the PCT. This has the same objectives as the US proposal of the First Stage of Reform.

*Comments by Canada (see document PCT/R/1/18):* “We support the consideration of eliminating Article 64(4). PCT contracting parties should be required to give the same prior art effect to all international applications that enter the national phase in that contracting party as is given to national applications filed in that contracting party.”

*Discussions on this matter by the Working Group and/or the Committee* : None .

29. COMBINE PLT AND PCT INTO A SINGLE AGREEMENT

*Comment by ABAPI/ABPI (see document PCT/R/1/21, page 3, item (vi))*

“The proposed reform aims at the simplification of the PCT, while it does not address the complexity, which results from the current multiple references contained in the PLT to the PCT, and to possible references to be made in the PCT to the PLT as a result of the reforms. We suggest again discussing the possibility to combine PCT and PLT into a single agreement as suggested by the USA a few years ago.”

*Discussions on this matter by the Working Group and/or the Committee* :None .

ALIGN TREATY ARTICLE 5 WITH REGULATIONS AND/OR PRACTICE

30. PROVIDE LEGAL BASIS IN TREATY FOR PROCEDURE UNDER RULE 19.4

*Proposal by the Netherlands (see document PCT/R/1/3, page 2)*

“At present PCT Article 11(2) and PCT Rule 19.4 cover the same situations, but with a completely different outcome as regards the international filing date accorded. Noting the broad acceptance of the procedure under PCT Rule 19.4, NL suggests to clarify the Treaty accordingly.”

*Discussions on this matter by the Working Group and/or the Committee* :None .

31. PROVIDE FOR BIENNIAL BUDGET IN THE TREATY

*Proposal by the Netherlands (see document PCT/R/1/3, page 3)*

“PCT Articles 53(2)(a)(vi) and 53(10) mention a triennial budget. However, already in 1979 (see document AB/X/32) it was decided to change over to a biennial budget, notwithstanding the wording of the Treaty. The first stage of the proposed PCT Reform offers an excellent opportunity to bring the wording of the Treaty in line with existing and future practice as regards the budget term.”

*Discussions on this matter by the Working Group and/or the Committee* :None .

32. REVIEW THE NEED FOR AN EXECUTIVE COMMITTEE

*Proposal by the Netherlands (see document PCT/R/1/3, page 3)*

“Notwithstanding PCT Article 53(9) the Executive Committee never has been established. Therefore apparently there is no need to maintain the obligation mentioned in the said Article. When the establishment of the Executive Committee were to be presented as an option, there seem to be no need to describe the particulars of such Committee in the Treaty (at present PCT Article 54).”

*Discussions on this matter by the Working Group and/or the Committee* :None .

33. PROVIDE FOR LEGAL BASIS IN TREATY FOR PROCEDURE UNDER RULE 32 (SUCCESSOR STATES)

*Proposal by the Netherlands (see document PCT/R/1/3, page 4)*

“PCT Article 62 does not mention the possibility to become Party to the Treaty as a Successor State, i.e. a State whose territory was, before the independence of that State, part of the territory of a Contracting State which subsequently ceased to exist. NLt herefore suggests that the legal basis of PCT Rule 32 be clarified in the Treaty.”

*Discussion on this matter by the Working Group and/or the Committee* : None .

SCOPE OF THE TREATY

34. POSITIVE EXAMINATION RESULTS IN CERTAIN PCT AUTHORITIES BINDING ON CERTAIN CONTRACTING STATES

*Proposal by the United States Of America (see document PCT/R/1/2, Annex, page 7, item (3))*

“Positive examination results in certain PCT authorities binds Contracting States – This would constitute a departure from the current, non-binding patentability opinions of the PCT and could require, in the first instance, the adoption of positive results from certain authorities in non-authority Contracting States.”

*Comments by Australia (see document PCT/R/1/8):* “The prospect for including binding examination in the PCT is closely tied to the issues of mutual recognition and of substantive law harmonisation. Obviously it is open for States at present to unilaterally or by agreement with one or more other States to provide such effect for the results of Preliminary Examination but this is not the norm and will not be until those fundamental issues are resolved. However, there are a number of States that currently utilise both positive and adverse IPER’s during national phase examination on the basis of avoiding wasteful re-work and, instead, focus on those issues that may be peculiar to their national law. In Australia it is certainly the practice to rely on ISR’s and IPER’s wherever possible and, while this use is discretionary, examiners generally do not depart from those findings except where they are aware of more relevant prior art or where the finding of the IPER is clearly inconsistent with national law. The result has been a reduction in the workload for each case and efficiency gains that have been passed on to users in the form of fee reductions. While Australia has taken this approach unilaterally, we would encourage discussion within the Special Body on how the “non-binding” use of IPER’s in the national phase could be encouraged and formalised. Clearly progress on this issue could be the precursor to the ultimate adoption of “binding” IPER’s and should be considered together with any proposal that may reduce the number of cases on which Preliminary Examination is demanded. Similarly the issue relates to the usability of the IPER and ISR and the competence of the Authorities.

*Comments by the United Kingdom (see document PCT/R/1/9):* “We support the goal of a binding international examination, provided that the necessary degree of substantive patent law harmonisation has been achieved. However, the US proposal implies that results would only be binding from certain Authorities and then only in states which were not themselves Authorities. This proposal could only be acceptable if the result of examination by any examining authority was binding in all designated Contracting States.”

*Comments by Japan (see document PCT/R/1/12):* “(a) Item (3) of the US proposal on the Second Stage of Reforms suggests giving a legally binding effect to positive results of IPEs that is adopted by non-Authority Contracting States. Considerations should be given to the following points. (i) Exploitation of ISR and fee reduction. In parallel with the US proposal of utilization of positive IPEs, efforts should be made to encourage DOs to fully exploit ISRs and to dispense with national searches that are now conducted in the national phase. To make national searches entirely or partially dispensable would not mean that the DO must prohibit them, but rather that the DO has the discretion to conduct an additional/supplementary national search if considered appropriate. This could lead to reduction of workload in DO which otherwise would have to be undertaken in the national phase. A reduction of fees for additional national searches in favor of applicants must take place regardless of whether the DO conducts additional/supplementary national searches at its discretion. While aware that this kind of arrangement can be made unilaterally by a State which wishes to reduce duplicated workload by exploiting ISR, Japan considers it appropriate to institutionalize such an arrangement on a bilateral or multilateral basis. Under the institutionalized arrangement, Members would commit themselves to (1) exploiting ISR to the maximum extent and making national searches entirely or partially dispensable, (2) reducing national search fees by a predetermined amount according to the general/average usefulness of ISR, and (3) making mutual efforts to improve the quality of ISR and to harmonize search practices/tools so as to upgrade the usefulness of ISR. This kind of arrangement could apply not only between an ISA and a non-ISA that is a DO (“one-way recognition of search results”), but also between ISA Offices when one of them acts as an ISA and the rest act as DOs (“mutual recognition of search results”). An advantage of its institutionalization is that all participants would mutually benefit in terms of workload reduction of the Member patent offices as well as fee reduction on the part of applicants of Member countries. This scheme in the PCT would also form a basis for a Paris-routes system in which a search result obtained by another country for a national application is utilized by other offices for corresponding national applications. (ii) Exploitation of Positive IPEs and fee reduction. Japan thinks that US proposal regarding exploitation of positive IPEs could lead to the reduction of workload in EOs as well as the reduction of examination fees imposed on the applicant. As opposed to the US suggestion, Japan thinks that, for the purpose of workload/fee reductions, it would be sufficient for the EO to fully exploit the positive results of IPEs in subsequent national patent granting procedures in a similar manner to “modified substantive examination (MSE).” Namely, while additional/supplementary national examination could be left to the discretion of the EO, the EO fully exploits the positive results of IPEs as a basis of national examination of the international application in the national phase, provided that the patent claims are the same between the international phase and national phases. It would not be necessary to give the positive IPEs a “legally binding effect.” In addition, although the US suggestion seems to address only non-Authority Contracting States (“one-way recognition of examination results”), a PCT Authority (when it is an EO) would also benefit in terms of workload/fee reduction from the full exploitation of positive examination results made by another PCT Authority (“mutual recognition of examination results”). Again, such an arrangement can be achieved by unilateral action of a state which wishes to utilize positive IPEs for the sake of workload reduction. With that in mind, Japan considers it appropriate to institutionalize such an arrangement on a bilateral or multilateral basis for the mutual benefit of all participants. Under the institutionalized arrangement, members would commit themselves to: (1) exploiting positive IPEs as a basis of the national patent granting with, if necessary, additional national examination (MSE-like scheme); (2) reducing national search/examination fees by an amount predetermined according to the general/average usefulness of positive IPEs; and (3) making mutual efforts to improve the quality of IPEs and to harmonize

examination practices so as to upgrade the usefulness of positive IPER. The most controversial point would be to what extent substantive provisions of national patent laws of Members should be harmonized before committing themselves to such an institutionalized arrangement. The answer to this question would depend on how each Member views the balance of benefits between harmonization and reduction of workload/fees. (b) Japan is aware that institutionalized arrangements (for exploitation of ISR and/or positive IPER) can be realized by bilateral or multilateral agreements other than PCT. In fact, there exists an agreement between some States and ISA regarding exploitation of ISR and associated national search fee reduction. Similarly, a bilateral MSE -based scheme of exploiting positive IPER results already exists among some States. Nevertheless, this issue would be worth discussing at the WIPO Committee on Reform of the PCT in order to consider the future scheme of the PCT. This could include the idea that some of the PCT Contracting States conclude a protocol by which its members recognize more the effects of ISR and positive IPER more frequently and promise the reduction of the associated fees. At the very least, discussion on possible multilateral arrangement of exploitation of ISR (not IPER) could be initiated as the first stage of reform. A relevant provision of the PCT Regulations is Rule 16.3 which provides for the refund (reduction) of the ISR fee in the case where an existing ISR of an earlier PCT application can be used for an ISR of a later PCT application. Another relevant provision is Rule 41.1 which provides for the refund (reduction) of the ISR fee in the case where an existing search results other than ISR can be used for the preparation of an ISR. Rule 41.1 more importantly provides for the "obligation to use" the existing search results. These provisions address the exploitation of existing search results for the purpose of conducting IS but not for the purpose of conducting national searches. Based on the similar consideration of reduction of duplicated workload and fees, nevertheless, the same concept could extend to the exploitation of existing search results for the purpose of conducting national searches."

*Comments by Canada (see document PCT/R/1/18):* "Although this proposal might be worth exploring in a further stage of reform, it is clearly not a suitable issue for consideration in a first stage of reform particularly since significant harmonization of substantive patent law would appear to be necessary to make it workable."

*Comments by ASIPI (see document PCT/R/1/19):* "Also, ASIPI disagrees with the change of PCT system, as to become a first step for an universal patents system, by means of a Patentability Certificate, a Unique Patent System or any other steps for those purposes, since it requires a worldwide political integration or unit which is far from having been achieved yet. If there are countries that for having achieved a higher political integration degree want to grant an extraterritorial effect to substantial decisions adopted abroad or preparatory decisions for them, they can do so but not in a system requiring flexibility to be applied for in countries of different cultural, economical or political development degree. The act of forcing a universal patents system by PCT would make impossible to many countries to join the Treaty itself, due to juridical, political and economical reasons. These circumstances could even cause that underdeveloped and developing countries having ratified it, could be obliged to beleave it aside or to file a formal notice of termination."

*Comments by the EPO (see document PCT/R/1/20):* "It should be stressed from the outset that the EPO considers any proposal aimed at mutual recognition of search and examination (stage 2/1,3) results as premature in the absence of substantive patent law harmonisation and adoption of effective quality control standards in the International Authorities. These are considered pre-requisites by the EPO to any discussion of mutual recognition of search and

examination results and are by no means the only factor to be considered. For that reason there can be no question of serious discussion at present of this proposal.”

*Comments by ABAPI and ABPI (see document PCT/R/1/21):* “Amending the PCT to provide binding effects to a favorable IPEER raises, in our opinion, the following issues, besides the obvious issue of sovereignty: (i) Paris Convention. The proposal is contrary to the spirit of Article 4bis(1) of the Paris Convention as far as patents applied for in the various countries of the Union shall be independent of patents obtained for the same invention in other countries. (ii) Lack of reciprocity. As long as only a few offices will perform the international examination, national offices such as the Brazilian INPI will face the obligation to accept the result of an examination performed, e.g., by the EPO or the USPTO. However, since the opposite will not be true, the proposal will be conducive to an unbalanced system, in which national offices will be simply required to accept examination originating from the appointed offices. (iii) Concentration. Obviously, the suggested alteration will cause a concentration of examination activities in the trilateral offices, from which most of the PCT applications originate. An additional concentration can occur, because applicants from other countries may choose to file a first application in one of the IPEAs, instead of filing in his own country, since an opinion issued by his national office will not have the same binding effect. This concentration will lead to a decrease in the activities in national offices as is the case with the trilateral offices. (iv) Negative influence of an unfavorable opinion. It seems reasonable to expect that if a national office becomes obliged to accept a favorable opinion issued by an IPEA, it will also become more difficult to convince a national examiner to diverge from an unfavorable opinion issued by the IPEA. Giving binding effects to a favorable opinion brings the implicit concept that the national offices are to accept that an examiner of an IPEA is someone with such a degree of expertise, that his opinions shall not be questioned. However, once this concept is accepted, it applies either to a favorable or to an unfavorable opinion. Thus an applicant receiving an unfavorable opinion from an international examiner can be faced with severe difficulties to overcome this opinion in national stages. There is a risk that the situation will be polarized, and that an applicant will either obtain patents in all territories of interest or in none of them. (v) Variable quality of international examination. Unfortunately, one issue that cannot be disregarded in this discussion resides in that the quality of examination being presently performed by examiners in the international PCT phase is far from uniform. Members of our association have experienced some poor results in international examinations, either in view of incomplete searches or because of poor grounds on technical opinions. Presently, a poor international report can be overcome in each national phase without an unbearable effort, but with the new proposals it may become more difficult to correct this situation, as reported in the previous paragraph. Besides, we subscribe to the comments made by the United Kingdom (PCT/R/1/9 of April 9, 2001) in the sense that we must ensure a [standing] high quality and timely service for users of the PCT system. We believe this goal should be sought immediately, even before any possible alteration to be brought by the reform. (vi) Incompleteness of search results. At least in the near future it seems to be unthinkable to provide each of the IPEAs with a complete collection or database of patent applications from all Contracting States of the PCT, not to speak about non-patent documents. Thus, an opinion issued by an IPEA is condemned to be detrimental to prior art available at a certain national office, which consideration can be vital to determine the appropriate scope of a patent, and which can thus be subject to be declared null at any time when the patent needs to be enforced. (vii) The issue of the genetic resources, traditional knowledge and folklore. Still in connection with the previous item, traditional knowledge and folklore is often not available in written form, and information on the rich genetic resources of countries such as Brazil is often also related to traditional knowledge or registered only in

native language. Allowing the present IPEA to issue binding decisions to all contracting states as to novelty and inventive step will prevent local authorities from stopping the issuance of patents e.g. those of a plant, which is well known to a certain ethnic group. The well known Ayahuasca Patent Case (U.S. Plant Patent No. 5,751, the "DaVine Patent", issued June 17, 1986) is a good example. (viii) Lack of uniformity in examination. It is also evident for those filing internationally, that not only the substantive patentability requirements vary from country to country, even among the trilateral offices, but also the manner in which the same concepts – such as inventive step – are interpreted and applied differently. While the lack of harmonization as to the substantive law can be overcome in great extent by the conclusion of the substantive part of the PLT, the lack of uniformity as to interpretation is more difficult to eliminate. Subjective concepts such as inventiveness can be influenced by culture or philosophical considerations. If all offices are to accept a favorable opinion issued by any of the IPEAs, a tendency may be created among applicants to seek examination by that one office which shows to be the most lenient, causing a still stronger concentration and the issuance of patents with questionable validity. (ix) Disincentive to non-contracting countries. Countries, which are still considering joining the PCT, such as most of the Latin American countries, will probably be discouraged by the proposal of a binding international opinion. This concern was expressed in a PCT seminar in Buenos Aires (Seminario Regional sobre el Tratado de Cooperación en Materia de Patentes, OMPI/OEPM/INPI, Buenos Aires, 1998)."

*Discussions on this matter by the Working Group and/or the Committee* : None .

[End of Annex II and of document]

# WIPO



PCT/R/WG/3/2

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## WORLD INTELLECTUAL PROPERTY ORGANIZATION

GENEVA

### INTERNATIONAL PATENT COOPERATION UNION (PCT UNION)

### WORKING GROUP ON REF ORMOF THE PATENT COOPERATION TREATY ( PCT)

#### Third Session

#### Geneva, November 18 to 22, 2002

RESTORATION OF THE RIGHT OF PRIORITY;  
CORRECTION AND ADDITION OF PRIORITY CLAIMS

*Document prepared by the International Bureau*

#### BACKGROUND

1. At its first and second sessions, the Working Group considered proposals for amendment of the Regulations under the PCT<sup>1</sup> relating, as recommended by the Committee, to changes necessary or desirable to bring the requirements under the PCT in line with the letter and spirit of the Patent Law Treaty (PLT) (see the report of the first session of the Committee, document PCT/R/26, paragraphs 72 to 74).
2. There was wide agreement at the first session of the Working Group on the general approach to be taken (see document PCT/R/WG/1/9, paragraph 21). Among the matters agreed was that (see paragraph 21(v)):

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<sup>1</sup> References in this document to “Articles” and “Rules” are to those of the Patent Cooperation Treaty (PCT) and the Regulations under the PCT (“the Regulations”), or to such provisions as proposed to be amended or added, as the case may be (the current texts are available on WIPO’s Website at [http://www.wipo.int/pct/en/access/legal\\_text.htm](http://www.wipo.int/pct/en/access/legal_text.htm)). Reference to “national laws,” “national applications,” “the national phase,” etc., include reference to regional laws, regional applications, the regional phase, etc. Reference to “PLT Articles” and “PLT Rules” are to those of the Patent Law Treaty (PLT) and the Regulations under the PLT (see document PT/DC/47 on WIPO’s Website at [http://www.wipo.int/eng/document/pt\\_dc/index.htm](http://www.wipo.int/eng/document/pt_dc/index.htm)).

“priority should be given by the Working Group to those matters which would result in the greatest and most immediate practical benefits for users, having regard also to the degree of complexity involved and to workload implications for Offices and Authorities; for example, priority might be given to the following:

– provisions for restoration of the priority right in certain circumstances;

....”

3. The proposals prepared by the International Bureau for consideration at the first session of the Working Group included provisions for restoration of the right of priority similar to those in the PLT (see document PCT/R/WG/1/5, Annex III). The Working Group’s discussions are outlined in document PCT/R/WG/1/9, paragraphs 22 and 23:

“22. Discussions were based on document PCT/R/WG/1/5, and in particular on proposed new Rule 26 *bis*.3, contained in Annex III to that document, which would provide for restoration of the priority right for up to two months beyond the usual 12-month priority period. The comments and concerns expressed by various delegations included the following:

(i) there was general agreement with the idea of providing for a means of restoration of priority rights, consistently with corresponding provisions of the PLT, during the international phase of the PCT procedure;

(ii) noting that the administration of those provisions in the national phase would be a matter for ROs [receiving Offices], the importance of a single standard, or at least consistent practice, among the various ROs was emphasized by several delegations;

(iii) delegations differed in their views as to the appropriate criterion which should apply in the context of the PCT (under Rule 26 *bis*.3(a)(iii)) in cases where the applicant failed to file the international application within the 12-month priority period, noting that the PLT provided for Contracting Parties to choose between two criteria:

- most delegations favored adopting the more liberal criterion of “unintentional” failure in the context of the PCT;
- certain delegations favored adopting the more restrictive criterion of “due care”;
- certain delegations favored giving ROs a choice as to which of the two criteria to apply, as would be the case for Contracting Parties to the PLT;

(iv) it was recognized by the Working Group that provision for restoration of the priority right in the international phase implied that the RO’s decision would need to have effect for the purposes of the national phase;

(v) most delegations believed that the RO’s decisions should be binding on DOs [designated Offices] (as under proposed Rule 26 *bis*.3(f)), but certain delegations believed that the RO’s decisions should be subject to review by DOs in at least some

circumstances, although there was no agreement as to what circumstances should be relevant in this context;

(vi) it was pointed out that, if the PCT were to require that one particular criterion be applied by all IROs, it would be possible for an Office to have one criterion in its capacity as a PCT RO and the other criterion in its capacity as a national Office processing national applications or as a DO processing international applications entering the national phase;

(vii) it was recognized that priority dates had two related but distinct effects:

- “procedural” in the sense that certain important time limits under the PCT were calculated by reference to the priority date;
- “substantive” in the sense that it was at the priority date that it would be determined whether the inventions satisfied the requirements of novelty and inventive step (non-obviousness);

(viii) the recognition in the national phase of an RO’s decision to restore the priority right was more particularly related to the procedural effect; the procedural effect was the dominant consideration in, for example, PCT Article 2(xi) and Rule 26bis.2(a);

(ix) the fact that a considerable number of countries’ national laws did not presently provide for restoration of priority rights, at least according to PLT criteria, suggested that transitional reservations would need to be allowed for if restoration provisions were to be introduced under the PCT.

“23. It was agreed that the International Bureau should prepare a revised proposal which would:

- (i) provide for restoration of the priority right by the RO based on the “unintentional” criterion, but identifying alternatives in the related comments or explanation;
- (ii) make it clear that it was the procedural effect of the priority right, rather than the substantive effect, that should be recognized for the purposes of the national phase.”

4. Revised proposals relating to the reinstatement of priority and to the correction and addition of priority claims were prepared by the International Bureau for consideration by the Working Group at its second session (see document PCT/R/WG/2/3). The Working Group’s discussions are outlined in document PCT/R/WG/2/12, paragraphs 54 to 56:

“54. Although the contents of document PCT/R/WG/2/3 could not, in the time available, be discussed in detail, there was general support for proposed new Rule 26bis.3 relating to restoration of priority claims. Revised proposals should take into account the following considerations:

- (i) the substantive validity of a priority claim in terms of the Paris Convention would remain a matter of national law;

(ii) national law could make provisions concerning the prior rights of third parties and the right of third parties to intervene;

(iii) the need for information concerning the fact that a priority claim had been restored to be communicated to designated Offices, for example, by the inclusion of indications on the front page of the published application (PCT pamphlet);

(iv) considerations should be given to reducing or eliminating the ability of a designated Office to review a decision of the receiving Office to restore or refuse to restore a priority claim (see Rule 26 bis.3(h)).

“55. [...] Proposed amended Rules 26 bis.1 and 26 bis.2 and new Rule 80.8, relating to the correction and addition of priority claims, should similarly also proceed.

“56. It was agreed that revised proposals should preferably be submitted to the second session of the Committee, although it was recognized that the time available may not permit the necessary revision of the proposals.”

5. Revised proposals relating to the reinstatement of priority and to the correction and addition of priority claims were prepared by the International Bureau for consideration by the Committee at its second session (see document PCT/R/2/5). The Committee's discussions are outlined in document PCT/R/2/9, paragraphs 111 to 125:

“111. Discussion was based on the proposals by the International Bureau set out in document PCT/R/2/5.

[...]

#### *Restoration of Priority Claims*

“117. The Delegation of Canada, supported by the Delegations of Australia and the United States of America, stated that, while it supported in principle the concept of providing relief where the 12-month priority period was not complied with, it was concerned that the restoration of a priority claim as proposed in Rule 26 bis.3 could be considered to be a matter of substance. Noting that the PLT and the PCT operated in different contexts, the Delegation suggested that such relief might, instead, be provided by amendment of Rules 4.10 and 26 bis.1.

“118. The Delegation of Japan stated that, although it supported the proposed restoration of priority claims in principle, it was concerned that, in some cases, such restoration could leave insufficient time for the transmittal of the record copy and translation within 13 months as required by Rule 22.1. The Delegation of Kenya also referred to the need to avoid problems of meeting time limits that might arise where a priority claim was restored.

“119. The Delegation of Austria, supported by the Delegations of Spain, Germany, Ireland, France, Sweden, Portugal, Denmark, the Netherlands and Greece and the Representative of the EPO, suggested that the criterion for restoration under proposed new Rule 26 bis.3(a)(iii) should be changed from “unintentional” to “due care.” The Delegation of the United Kingdom emphasized a preference for retaining a single criterion; otherwise, there was a possibility that applicants who had admitted the 12-

month priority period might shop around for receiving Offices with the most liberal criterion. The suggested change was opposed by the Delegation of Australia, supported by the Delegations of the United States of America and Canada, on the ground that the “unintentional” criterion was broader and therefore more applicant -friendly.

“120. The Committee agreed that the words “or the International Bureau, as the case may be,” in proposed new Rule 26 *bis*.3(e) were unnecessary.

“121. The Delegation of the United Kingdom and the Representative of the EPO suggested, in connection with proposed Rule 26 *bis*.3(g), that express provisions should be made, where the receiving Office refused a request for restoration of priority claim, for a designated Office to review that decision, noting that Articles 24 and 25 would not appear to be applicable in such a case. The Committee agreed that the revised proposal should contain such a provision. The Delegation of the United Kingdom also questioned whether the review by a designated Office should be based on its own criterion or that used by the receiving Office.

“122. In response to a comment by the Delegation of China, the International Bureau explained that the transitional reservations provided for in proposed Rule 26 *bis*.3(h) were intended to apply only to the provisions of Rule 26 *bis*.3 and not to Rules 26 *bis*.1 and 26 *bis*.2, since the latter provisions were already in force and were not subject to reservations. So as to clarify the matter, the Committee agreed that the words “this Rule” should be replaced by “paragraphs (a) to (g).”

“123. Having regard to the number of outstanding issues connected with the proposed provisions relating to restoration of priority claims, and noting that the proposal had not been extensively considered by the Working Group, the Committee felt that they were not yet ripe to proceed to the Assembly.

#### *Correction and Addition of Priority Claims*

“124. The proposed amendments of Rules 26 *bis*.1, 26 *bis*.2 and 80.8 set out in Annex II to document PCT/R/2/5 could not, in the time available, be discussed by the Committee.

#### *Further Consideration*

“125. The Committee agreed to recommend to the Assembly that the proposed amendments of Rules 4.10, 26 *bis*.3 and 48.2 set out in Annex II to document PCT/R/2/5 should be revised by the International Bureau, taking into account the comments and concerns expressed at the Committee’s session, and submitted to the Working Group, together with the proposed amendments of Rules 26 *bis*.1, 26 *bis*.2 and 80.8, for discussion at its next session.”

6. Article 13 and Rule 14 of the PLT are reproduced for ease of reference in Annex I. Revised proposals for amendment of the PCT Regulation to provide for the restoration of right of priority (see Rule 48 as proposed to be amended and proposed new Rule 26 *bis*.3) and proposals relating to the possibility for the applicant to correct or add priority claims (see Rules 26 *bis*.1 and 26 *bis*.2 as proposed to be amended and proposed new Rule 80.8) are contained in Annex II.

## RESTORATION OF THE RIGHT OF PRIORITY

*Procedural and substantive aspects of priority rights*

7. Although PLT Article 13(2) refers to the restoration of the *right of priority*, it was previously proposed to provide, in the context of the PCT procedure, for the receiving Office to be able to restore the *priority claim* (see paragraph 8 and proposed Rule 26bis.3 in document PCT/R/2/5). Upon further review, it is not any longer proposed to deviate from the terminology used in the context of the PLT, noting that, as regards substantive aspects of right of priority, both PLT and PCT expressly refer to the Paris Convention (see PLT Article 15 and PCT Article 8(2)(a) and that any deviation from the PLT -language may lead to confusion and possible misinterpretations.

8. PCT Article 8(2)(a) expressly provides that “the conditions for, and the effect of,” any priority claim declared in an international application are matters for Article 4 of the Paris Convention. Thus, the substantive aspects of priority claims, in terms of the validity and substantive effects of the right of priority concerned, are left for designated Offices to determine in the national phase. On the other hand, a priority claim has a procedural significance in the international phase which in some senses carries over into the national phase. For example, a number of time limits under the PCT are computed by reference to the priority date, and the priority date is taken into account in the carrying out of the international search and international preliminary examination.

9. It therefore appears to be necessary to ensure that, while a designated Office would always be free to *determine the validity of a right of priority* for the purposes of the national phase in terms of compliance with the Paris Convention, it should be strictly limited in its freedom during the national phase to *review a decision by the receiving Office to restore a right of priority* where the international application which claims priority of an earlier application was not filed within the priority period. In other words, while each designated Office would be free to determine, in the national phase, that the international application cannot validly claim the priority of an earlier application, for example, because the earlier application is not a “first filing” for the subject concerned within the meaning of Article 4C(2) of the Paris Convention, that Office should not be able to do so only because the international application has an international filing date which is later than the date on which the priority period expired where the right of priority had been restored in a decision by the receiving Office during the international phase.

10. Accordingly, proposed Rule 26 bis.3(j)(i) and (ii) would, in general, oblige designated Offices to give due effect to a decision by the receiving Office to restore the right of priority and would restrict the circumstances in which a designated Office could decide to review such a decision, namely, to cases where there is a “reasonable doubt” on the part of the designated Office. If national law gives third parties the right to intervene, it would be open to a third party to persuade the designated Office that such a reasonable doubt existed.

11. Where the receiving Office has refused a request for restoration of right of priority, proposed Rule 26bis.3(i) provides that each designated Office may review that decision by the receiving Office and restore the right of priority, as far as the effects in the State of that designated Office are concerned, if it finds that the refusal was the result of an error or omission on the part of the receiving Office. In accordance with Article 27(4), where the national law applied by the designated Office provides for requirements for the restoration of right of priority that are more favorable than those under proposed Rule 26bis.3(i), that

designated Office may apply those more favorable requirements, instead of those under proposed Rule 26bis.3(i), except where the applicant insists that the requirements under that proposed Rule be applied to the international application concerned.

*Criterion for restoration of right of priority (unintentionality or due care)*

12. PLT Article 13(2)(iv) leaves it at the option of each PLT Contracting State to decide whether the Office requires the failure to file the subsequent application within the priority period to have been “unintentional” or that it “occurred in spite of due care required by the circumstances having been taken”. At the first and second session of the Working Group and at the second session of the Committee, there was no agreement whether, in the context of the PCT, restoration of the right of priority should be based on the more liberal requirement that the failure was “unintentional” (as favored by most delegations), on the more strict criterion of “due care” (as favored by certain delegations), or whether receiving Offices should be given a choice as to which of the two criteria to apply, as would be the case for Contracting Parties to the PLT (as favored by certain other delegations).

13. Certain delegations pointed out that, if the PCT were to require that one particular criterion be applied by all receiving Offices, it would be possible for an Office to have to apply one criterion in its capacity as a PCT receiving Office processing international applications filed with it, and the other criterion in its capacity as a national Office processing national applications or as a designated Office processing international applications entering the national phase. On the other hand, the importance of providing a single standard, or at least of ensuring consistent practice, among receiving Offices was emphasized by several delegations.

14. Upon further review, it is now proposed to base the decision by the receiving Office on a request for restoration of the right of priority on either of the two criteria (“due care” or “unintentional”) and to leave the choice to the applicant, who could either submit a request for a decision by the receiving Office based on the “due care” criterion (together with the payment of a relatively low fee for the benefit of the receiving Office) or a request for a decision by the receiving Office based on the “unintentional” criterion (together with the payment of a relatively high fee for the benefit of the receiving Office).

15. While such an approach would not avoid the fact that the same Office may, in its different capacities (as a receiving Office, designated Office or national Office), apply different criteria when deciding on a request for restoration of the right of priority, it would ensure that all Offices would at least gain experience in applying both criteria. Furthermore, it would avoid a situation where an applicant could “shop” around for the receiving Office with the most liberal criterion. The Working Group may wish to consider whether it would be preferable, so as to ensure consistent practice among all receiving Offices, to provide guidance to receiving Offices on how to apply the criteria of “due care” and “unintentionality”, for example, by way of inclusion of corresponding provisions in the Administrative Instructions or the Receiving Office Guidelines, or whether this matter should be left to the national law and practice of each receiving Office.

*Prior rights of third parties and the right of third parties to intervene*

16. It does not seem necessary or appropriate to attempt to regulate under the PCT itself the rights of third parties affected by the restoration of a right of priority. Rather, any recognition of the rights of such third parties, including any prior user right and any right to request a

designated Office to review a decision of the receiving Office to restore a right of priority, should be left to the applicable national law in the designated States. In the event that it were thought desirable to make that position clear in the Regulations, consideration would also need to be given to the rights of third parties whom might be affected in other ways under the PCT procedure, for example, by the correction or addition of a priority claim under Rule 26*bis*.

#### *Transitional reservation*

17. A transitional reservation provision has been included as proposed Rule 26 *bis*.3(k), recognizing that time may be needed for the national law applicable by certain designated Offices to be brought into line with the provisions of proposed Rule 26 *bis*.3(a) to (j).

#### CORRECTION AND ADDITION OF PRIORITY CLAIMS <sup>2</sup>

18. It is proposed to amend Rule 26 *bis*.1(a) and to add a new Rule 80.8(b) so as to extend the period available to the applicant for the correction or addition of a priority claim prior to international publication of the international application where the applicant mistakenly makes a priority claim which is more than 12 months preceding the international filing date (see document PCT/R/WG/1/4, paragraph 4, and document PCT/R/WG/1/9, paragraphs 32 and 33). Since, under proposed new Rule 80.8(b), a priority claim which does not comply with Rule 4.10(a)(i) (that is, a priority claim related to an earlier application which has a filing date not falling within the period of 12 months preceding the international filing date) would not be taken into account for the purposes of computing the 16-month time limit under Rule 26*bis*.1, the applicant would always have 16 months from the corrected priority date to submit a request for correction. The previous "four month from the international filing date" minimum time limit seems to be no longer needed and is thus proposed to be deleted.

19. *The Committee is invited to consider the proposals contained in Annex II.*

[Annexes follow]

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<sup>2</sup> Note that the proposals relating to the possibility for the applicant to correct or add priority claims (see Annex II, Rules 26 *bis*.1 and 26 *bis*.2 as proposed to be amended and proposed new Rule 80.8) are as presented to the second session of the Committee and have not been further revised.

ANNEXI

ARTICLE 13 AND RULE 14 OF THE PATENT LAW TREATY (PLT)

*Article 13*

*Correction or Addition of Priority Claim; Restoration of Priority Right*

(1) [*Correction or Addition of Priority Claim*] Except where otherwise prescribed in the Regulations, a Contracting Party shall provide for the correction or addition of a priority claim with respect to an application (“the subsequent application”), if:

- (i) a request to that effect is made to the Office in accordance with the requirements prescribed in the Regulations;
- (ii) the request is filed within the time limit prescribed in the Regulations; and
- (iii) the filing date of the subsequent application is not later than the date of the expiration of the priority period calculated from the filing date of the earliest application whose priority is claimed.

(2) [*Delayed Filing of the Subsequent Application*] Taking into consideration Article 15, a Contracting Party shall provide that, where an application (“the subsequent application”) which claims or could have claimed the priority of an earlier application has a filing date which is later than the date on which the priority period expired, but within the time limit prescribed in the Regulations, the Office shall restore the right of priority, if:

- (i) a request to that effect is made to the Office in accordance with the requirements prescribed in the Regulations;
- (ii) the request is filed within the time limit prescribed in the Regulations;
- (iii) the request states the reasons for the failure to comply with the priority period; and
- (iv) the Office finds that the failure to file the subsequent application within the priority period occurred in spite of due care required by the circumstances having been taken or, at the option of the Contracting Party, was unintentional.

(3) [*Failure to File a Copy of Earlier Application*] A Contracting Party shall provide that, where a copy of an earlier application required under Article 6(5) is not filed with the Office within the time limit prescribed in the Regulations pursuant to Article 6, the Office shall restore the right of priority, if:

- (i) a request to that effect is made to the Office in accordance with the requirements prescribed in the Regulations;
- (ii) the request is filed within the time limit for filing the copy of the earlier application prescribed in the Regulations pursuant to Article 6(5);

(iii) the Office finds that herequestforthe copy to be provided had been filed with the Office with which the earlier application was filed, within the time limit prescribed in the Regulations; and

(iv) a copy of the earlier application is filed within the time limit prescribed in the Regulations.

(4) [Fees] A Contracting Party may require that a fee be paid in respect of a request under paragraphs (1) to (3).

(5) [Evidence] A Contracting Party may require that a declaration or other evidence in support of the reasons referred to in paragraph (2)(iii) be filed with the Office within a time limit fixed by the Office.

(6) [Opportunity to Make Observations in Case of Intended Refusal] A request under paragraphs (1) to (3) may not be refused, totally or in part, without the requesting party being given the opportunity to make observations on the intended refusal within a reasonable time limit.

#### *Rule 14*

##### *Details Concerning Correction or Addition of Priority Claim and Restoration of Priority Right Under Article 13*

(1) [Exception Under Article 13(1)] No Contracting Party shall be obliged to provide for the correction or addition of a priority claim under Article 13(1), where the request referred to in Article 13(1)(i) is received after the applicant has made a request for early publication or for expedited or accelerated processing, unless that request for early publication or for expedited or accelerated processing is withdrawn before the technical preparations for publication of the application have been completed.

(2) [Requirements Under Article 13(1)(i)] A Contracting Party may require that a request referred to in Article 13(1)(i) be signed by the applicant.

(3) [Time Limit Under Article 13(1)(ii)] The time limit referred to in Article 13(1)(ii) shall be not less than the time limit applicable under the Patent Cooperation Treaty to an international application for the submission of a priority claim after the filing of an international application.

(4) [Time Limits Under Article 13(2)] (a) The time limit referred to in Article 13(2), introductory part, shall expire not less than two months from the date on which the priority period expired.

(b) The time limit referred to in Article 13(2)(ii) shall be the time limit applied under subparagraph (a), or the time that any technical preparations for publication of the subsequent application have been completed, whichever expires earlier.

(5) [Requirements Under Article 13(2)(i)] A Contracting Party may require that a request referred to in Article 13(2)(i):

(i) be signed by the applicant; and

(ii) be accompanied, where the application did not claim the priority of the earlier application, by the priority claim.

(6) [*Requirements Under Article 13(3)*] (a) A Contracting Party may require that a request referred to in Article 13(3)(i):

(i) be signed by the applicant; and

(ii) indicate the Office to which the request for a copy of the earlier application had been made and the date of that request.

(b) A Contracting Party may require that:

(i) a declaration or other evidence in support of the request referred to in Article 13(3) be filed with the Office within a time limit fixed by the Office;

(ii) the copy of the earlier application referred to in Article 13(3)(iv) be filed with the Office within a time limit which shall be not less than one month from the date on which the applicant is provided with that copy by the Office with which the earlier application was filed.

(7) [*Time Limit Under Article 13(3)(iii)*] The time limit referred to in Article 13(3)(iii) shall expire two months before the expiration of the time limit prescribed in Rule 4(1).

[Annex II follows]

## ANNEXII

PROPOSED AMENDMENTS OF THE PCT REGULATIONS: <sup>1</sup>RESTORATION OF THE RIGHT OF PRIORITY;  
CORRECTION AND ADDITION OF PRIORITY CLAIMS

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<sup>1</sup> Proposed additions and deletions are indicated, respectively, by underlining and striking through the text concerned. Certain provisions that are not proposed to be amended may be included for ease of reference.

## Rule 4

### The Request (Contents)

4.1 to 4.9 [No change]

#### 4.10 *Priority Claim*

(a) Any declaration referred to in Article 8(1) (“priority claim”) may claim the priority of one or more earlier applications filed either in or for any country party to the Paris Convention for the Protection of Industrial Property or in or for any Member of the World Trade Organization that is not party to that Convention. Any priority claim shall, subject to Rule 26bis.1, be made in the request; it shall consist of a statement to the effect that the priority of an earlier application is claimed and shall indicate:

(i) the date on which the earlier application was filed, that date being subject to Rule 26bis.3, a date falling within the period of 12 months preceding the international filing date;

[COMMENT: It is proposed to amend item (i) of paragraph (a) so as to clarify that, where the applicant is submitting a request for restoration of the right of priority, the date on which the earlier application was filed as indicated in the request does not have to be a date falling within the period of 12 months preceding the international filing date.]

(ii) to (v) [No change]

(b) to (d) [No change]

4.11 to 4.18 [No change]

**Rule 26 bis**

**Correction or Addition of Priority Claim ; Restoration of Right of Priority**

*26 bis.1 Correction or Addition of Priority Claim*

(a) The applicant may correct or add a priority claim by a notice submitted to the receiving Office or the International Bureau within a time limit of 16 months from the priority date or, where the correction or addition would cause a change in the priority date, 16 months from the priority date as so changed, whichever 16-month period expires first ~~provided that such a notice may be submitted until the expiration of four months from the international filing date~~. The correction of a priority claim may include the addition of any indication referred to in Rule 4.10.

[EXAMPLE: An international application with an international filing date of 4 June 2002 claims the priority of an earlier application, (erroneously) indicating that the earlier application was filed on 5 February 2001; the correct priority date should have been 5 February 2002.

*Presents situation* : According to present Rule 26 bis.1(a), the applicable time limit for submitting a correction would be four months from the international filing date, that is, 4 October 2002.

*Situation under the Rules as proposed to be amended* : According to Rule 26 bis.1(a) as proposed to be amended and proposed new Rule 80.8(b), the applicable time limit for submitting a correction would be 16 months from the corrected priority date, that is, 5 June 2003.]

(b) [No change]

[Rule 26bis.1, continued]

(c) ~~[Deleted] Where the correction or addition of a priority claim causes a change in the priority date, any time limit which is computed from the previously applicable priority date and which has not already expired shall be computed from the priority date as so changed.~~

[COMMENT: The content of current Rule 26 bis.1(c) is proposed to be moved to proposed new Rule 80.8(a) (see below) so as to deal with all matters relating to time limits computed from the priority date in one place.]

26bis.2 ~~Invitation to Correct~~ Defects in Priority Claims

[COMMENT: Consequential on the proposed deletion of the reference to “invitation” in paragraph (b).]

(a) Where the receiving Office or, if the receiving Office fails to do so, the International Bureau, finds that:

(i) a priority claim does not comply with the requirement of Rule 4.10(a)(i) and a request for restoration of the right of priority under Rule 26bis.3 has not been filed; or

(ii) a priority claim does not comply with the other requirements of Rule 4.10; or

[Rule 26bis.2(a), continued]

(iii) ~~that~~ any indication in a priority claim is not the same as the corresponding indication appearing in the priority document ~~;~~

the receiving Office or the International Bureau, as the case may be, shall invite the applicant to correct the priority claim.

[COMMENT: There appears to be no need for an invitation to correct a priority claim where a request for restoration of that right of priority has been filed by the applicant, showing that the applicant, while being aware of the fact that the filing date of the earlier application as indicated in the request does not fall within the 12 months preceding the international filing date, has no intention to correct that priority date but rather wishes to have the right of priority restored under Rule 26 bis.3, below.]

(b) If, ~~in response to an invitation under paragraph (a),~~ the applicant does not, before the expiration of the time limit under Rule 26bis.1(a), submit a notice correcting the priority claim so as to comply with the requirements of Rule 4.10, or does not, where applicable, before the expiration of the time limit under Rule 26bis.3(b), submit a request for restoration of the right of priority, that priority claim shall, for the purposes of the procedure under the Treaty, be considered not to have been made and the receiving Office or the International Bureau, as the case may be, shall so declare and shall inform the applicant accordingly, provided that a priority claim shall not be considered not to have been made only because the indication of the number of the earlier application referred to in Rule 4.10(a)(ii) is missing or because an indication in the priority claim is not the same as the corresponding indication appearing in the priority document.

*[Rule 26bis.2(b), continued]*

[COMMENT: Paragraph (b) is proposed to be amended so as to clarify that a priority claim cannot be considered not to have been made under this paragraph where the applicant has filed a request for restoration of right of priority. Rather, the decision by the receiving Office on whether or not to consider the priority claim not to have been made is governed by proposed new Rule 26bis.3, below (that is, the decision to restore the right of priority or to refuse the request for restoration). In this context, it is also proposed to delete the words, “, in response to an invitation under paragraph (a),” which appear to be superfluous; whether or not the notice of correction or the request for restoration is received as a result of an invitation would seem irrelevant.]

(c) [No change]

26bis.3 Restoration of Right of Priority

(a) The receiving Office shall, subject to paragraphs (b) to (f), restore the right of  
priority where the international application which claims or could have claimed the priority of  
an earlier application has an international filing date which is later than the date on which the  
priority period referred to in paragraph (f) expired but is within two months from that date if  
the receiving Office finds that the failure to comply with the priority period:

(i) in the case referred to in paragraph (b)(i), occurred in spite of due care  
required by the circumstances having been taken; or

(ii) in the case referred to in paragraph (b)(ii), was unintentional.

*[Rule 26bis.3, continued]*

(b) Restorations shall be made on the request of the applicants submitted to the receiving Office within a time limit of two months from the date on which the priority period referred to in paragraph (f) expired, stating the reasons for the failure to comply with that priority period and indicating whether that failure:

(i) occurred in spite of due care required by the circumstances having been taken;

or

(ii) was unintentional.

(c) The request referred to in paragraph (b) shall be subjected to the payment to the receiving Office, for its own benefit, of a fee:

(i) in the case referred to in paragraph (b)(i), equal to [XXX];

(ii) in the case referred to in paragraph (b)(ii), equal to [YYY].

(d) The receiving Office:

(i) may require that a declaration or other evidence in support of the statement of reasons referred to in paragraph (b) be filed within a time limit which shall be reasonable under the circumstances;

*[Rule 26bis.3(d), continued]*

(ii) shall not refuse, totally or in part, a request under paragraph (b) for restoration of the right of priority without giving the applicant the opportunity to make observations on the intended refusal within a time limit which shall be reasonable under the circumstances.

(e) Where the international application did not claim the priority of the earlier application, the request referred to in paragraph (b) shall be accompanied by a notice adding the priority claims so as to comply with the requirements of Rule 4.10.

(f) The priority period referred to in paragraphs (a) and (b) shall be 12 months calculated from the priority date that would apply if the right of priority were restored.

(g) Where the receiving Office refuses a request for restoration of the right of priority under paragraph (b), the priority claim shall, for the purposes of the procedure under the Treaty, be considered not to have been made and the receiving Office shall so declare and shall inform the applicant accordingly.

(h) Where the receiving Office has refused a request under paragraph (b) for restoration of the right of priority, or where such a request is pending at the time of the completion of the technical preparations for international publication, the International Bureau shall, upon request made by the applicant and received by the International Bureau prior to the completion of the technical preparations for international publication, and subject to the payment of a special fee whose amount shall be fixed in the Administrative Instructions, publish, together with the international application, information concerning that request for

*[Rule 26bis.3(h), continued]*

restoration. A copy of the request under this paragraph shall be included in the  
communication under Article 20 where a copy of the pamphlet is not used for that  
communication or where the international application is not published by virtue of  
Article 64(3).

(i) Where the receiving Office has refused a request under paragraph (b) for restoration  
of the right of priority, each designated Office may, on the request of the applicant, review the  
decision by the receiving Office and, if it finds that the refusal was the result of an error or  
omission on the part of the receiving Office, shall, as far as effects in the State of the  
designated Office are concerned, restore the right of priority, provided that a copy of the  
international application (unless the communication provided for in Article 20 has already  
taken place) and the appropriate translation (as prescribed) have been furnished and the  
national fee (if any) has been paid within the time limit applicable under Article 22 or 39(1),  
as the case may be, that would apply if the right of priority were restored. The designated  
Office may require that a request for review shall be presented to it within the time limit  
applicable under Article 22 or 39(1), as the case may be, and be subject to the payment of a  
fee for its own benefit.

(j) Where the receiving Office has restored a right of priority under paragraph (a):

*[Rule 26bis.3(j), continued]*

(i) no designated Offices shall review the decision of the receiving Office unless it has reasonable doubts that a requirement under this Rule was not complied with, in which case it shall notify the applicant accordingly, indicating the reasons for those doubts and giving the applicant an opportunity to make observations within a reasonable time limit;

(ii) no designated States shall disregard the right of priority only because the international application has an international filing date which is later than the date on which the priority period referred to in paragraph (f) expired, unless a requirement under this Rule was not complied with.

(k) If, on [ date of adoption of these modifications by the PCT Assembly ], any provision of paragraphs (a) to (j) is not compatible with the national law applied by the designated Office, that provision shall not apply in respect of that Office for as long as it continues not to become compatible with that law, provided that the said Office informs the International Bureau accordingly by [ three months from the date of adoption of these modifications by the PCT Assembly ]. The information received shall be promptly published by the International Bureau in the Gazette.

**Rule48**

**InternationalPublication**

48.1 [Nochange]

48.2 *Contents*

(a) Thepamphletshallconta in:

(i) to(ix) [Nochange]

(x) anydeclarationreferredtoinRule4.17(v),andanycorrectionthereofunder Rule 26*ter*.1,whichwasreceivedbytheInternationalBureaubeforetheexpirationofthetime limitunderRule26 *ter*.1;

(xi) indicationsconcerninganyrightofprioritywhichhasbeenrestoredunder Rule 26*bis*.3(a).

[COMMENT:Thisitemhasbeenincludedfollowingagreementatthesecondsessionofthe WorkingGroupasto“theneedforinformationconcerningthefactthatapriorityclaimhad beenrestoredtobecomunicatedtodesignatedOffices,forexample,bytheinclusionof indicationsonthefrontpageofthepublishedapplication(PCTpamphlet)”(seedocument PCT/R/WG/2/12,paragraph54(iv)).]

(b)to(i) [Nochange]

48.3to48.6 [Nochange]

**Rule 80**

**Computation of Time Limits**

80.1 to 80.7 [No change]

80.8 *Time limits Computed From the Priority Date*

(a) Where a change in the priority date is caused by:

(i) the correction or addition of a priority claim under Rule 26 *bis.1*; or

(ii) the restoration of a right of priority under Rule 26 *bis.3*;

any time limit which is computed from the previously applicable priority date and which has not already expired shall be computed from the priority date as so changed.

[COMMENT: See comment on Rule 26 *bis.1(c)*, above. It is proposed to move the content of current Rule 26 *bis.1(c)* to proposed new Rule 80.8(a) so as to deal with all matters relating to time limits computed from the priority date, including a restored priority claim, in one place.]

(b) For the purposes of computing time limits, if a priority claim does not comply with Rule 4.10(a)(i) because the date on which the earlier application was filed was not a date falling within the 12 months preceding the international filing date, that priority claim shall not, subject to paragraph (a)(ii), be taken into account for the purposes of determining the priority date.

*[Rule80.8,continued]*

[COMMENT:SeetheCommentonRule26 *bis*.1(a),above.Itappearsnecessarytomake thisprovision“ subjecttoparagraph (a)(ii)”soastoensurethatapriorityclaimwhichdoes notcomplywithRule 4.10(a)(i)that,ifthedateonwhichtheearlierapplicationwasfiledisa datefallingwithinthe12 monthsprecedingtheinternationalfilingdate,iti stakeninto accountwherethatrightofpriorityisrestoredunderproposednewRule26 *bis*.3(a).]

[EndofAnnexIIandofdocument]