

**CA/96/09**

Orig.: en

Munich, 05.06.2009

SUBJECT: The future of the PCT  
SUBMITTED BY: President of the European Patent Office  
ADDRESSEES: Administrative Council (for opinion)

---

SUMMARY

This document sets out that work on improving the PCT system should continue following recent discussions on the WIPO roadmap proposals. It identifies areas of work where a common position should be sought.

---

## TABLE OF CONTENTS

<b>Subject</b>	<b>Page</b>
I. STRATEGIC/OPERATIONAL	1
II. RECOMMENDATION	1
III. MAJORITY NEEDED	1
IV. CONTEXT	1
V. ARGUMENTS	2
VI. FINANCIAL IMPLICATIONS	8
VII. LEGAL BASIS	8
VIII. DOCUMENTS CITED	8

---

**I. STRATEGIC/OPERATIONAL**

1. Strategic

**II. RECOMMENDATION**

2. The Administrative Council is requested to give its opinion on the areas of work identified in this document and on the proposed way forward.

**III. MAJORITY NEEDED**

3. N/A

**IV. CONTEXT**

4. Over the recent years patent offices worldwide have started to realise that isolated measures on a national or regional level are no longer the answer to addressing the ever growing workload and backlogs, that are due to a raising number of filings and an increased complexity of applications. Calls for enhanced work-sharing and avoidance of duplication of work have become louder, in particular from Trilateral offices. These have led to several initiatives on a bilateral basis (e.g. PPH) and intensified cooperation between the world's largest patent offices, the "IP5" process.

5. Within the framework of all discussions on work-sharing that have taken place the Office has continuously been stressing that an important tool for work-sharing already exists: the PCT. The advantage of the PCT is that it has a harmonised legal framework, established procedures and a central secretariat in place, and covers over 140 states worldwide. It is widely used by applicants; over 163.000 PCT applications were filed in 2008. The PCT already deals with important aspects of work-sharing like timeliness and quality. For reasons of efficiency resources should therefore rather be spent on improving the PCT system and incorporating work-sharing initiatives into the PCT than on looking for alternatives to the PCT.

6. Consequently the Office has strongly welcomed the initiative taken by the Director General of WIPO to launch discussions on the future of the PCT and his proposal to develop a roadmap with concrete proposals to further enhance the efficiency of

the system. The Office has so far actively engaged in the discussions, and supported the General Principles and Milestones as laid down in document PCT/WG/2/3, Annex I.

7. Unfortunately the PCT Working Group (WG) during its meeting of 4 - 8 May 2009 could not agree on submitting the roadmap to the PCT Assembly in 2009. There was however agreement to continue working on improvement of the PCT system, taking the roadmap into consideration (PCT/WG/2/13).
8. The meeting agreed that the PCT system can and should function more effectively, within the existing legal framework of the Treaty provisions,
  - to deliver results which meet the needs of applicants, Offices and third parties in all Contracting States;
  - without limiting the freedom of Contracting states to prescribe, interpret and apply substantive conditions of patentability and without seeking substantive patent law harmonisation or harmonisation of national search and examination procedures.

## **V. ARGUMENTS**

### Next steps

9. The report of the WG meeting will be submitted to the PCT Assembly for consideration. This means that WIPO may currently not be in a position to take further initiatives on implementation of the roadmap proposals.
10. The Office believes that it would be unfortunate if the momentum were lost and, as progress within the PCT WG or Meeting of International Authorities (MIA) may be delayed, that efforts should in parallel be made to try and agree on principles and milestones amongst the European international authorities and the Trilateral and IP5 partners. Further international authorities who have supported the roadmap and could be included in the process are those of Australia and Canada. Many of the milestones can be implemented directly by the international authorities without any need for rule changes. Any agreement that can be reached prior to the next PCT MIA and WG meetings would greatly facilitate the discussion in these bodies.

## Areas of work

11. As far as the EPO is concerned, it is either already meeting the Milestones laid down in the draft roadmap or it can support them. The Office will nevertheless have to take a position on certain issues in order to be able to fully commit to the process, in particular on:

- the timing of the international search
- allowing the filing of third party observations
- enhancing the Chapter II procedure
- collaborative international search and preliminary examination
- creating incentives for applicants in order to encourage them to get the application "in order" in the international phase
- expanding "Raising the Bar" proposals to the PCT
- parallel processing
- PCT and PPH

### *Timing of the international search*

12. Whereas this is not an issue immediately addressed in the roadmap, amending Rule 42 PCT is nevertheless under discussion in the international forums. The Office believes that a review of the Rule 42 PCT time limit would have benefits, in particular from an examiner resource point of view. The objective should be that the ISR is established in time for the international publication at 18 months rather than within the strict time limits currently set. If the application is a first filing, the ISR should continue to be established within the priority year.
13. Concrete proposals on the timing of the international search have in the meantime been made by the JPO and KIPO. The JPO is strongly advocating to extend the time limit for international search until after international publication, so as to have

the opportunity to include "secret prior art" in the ISR and to allow third party observations to be taken into account (PCT/WG/2/8). Such extension would eliminate the need to perform a "top-up" search. KIPO has proposed to introduce a "Three Track System" into the PCT, allowing for accelerated, normal or deferred treatment of PCT applications (PCT/WG/2/11).

14. The Office has so far not supported the JPO proposal as it believes no proper top-up search can be performed before 24 months from the priority date. Delaying all international searches until such time would have serious logistical consequences and would seriously affect the timing of subsequent proceedings (Chapter II, SIS). Also, the interest of third parties who are interested in an early ISR have to be taken into consideration. It is questionable whether third parties will be inclined to file observations at such early stage and prior to having seen the ISR.

The KIPO proposal does however have merits. The accelerated treatment is in particular foreseen for first filings, and would involve establishing an ISR within three months from receipt of the search copy. In view of the low rate of first filings at the EPO such procedure could be implemented without major difficulties.

15. Deferred treatment would be of benefit to those applicants who are eager to have a top-up search for colliding prior art conducted by the ISA. As a late ISR would have consequences for subsequent proceedings in the international phase, applicants who opt for a delayed search could e.g. be denied the right to request SIS and be obliged to accept an IPER established after the time limit for national phase entry.
16. In the WIPO roadmap it is proposed to offer a "top-up" search in Chapter II proceedings. The Office believes that this is a service that could be offered without major additional effort. Under a "Three Track System" a top-up search in Chapter II would only need to be offered where the applicant has opted for accelerated or normal treatment.

*Allowing the filing of third party observations*

17. The proposal to introduce a system for the filing of third party observations in the international phase has met with general support amongst the Trilateral offices and in the MIA. These observations are not only to be taken into account in the

international phase but should also be made available to designated Offices (DOs). Such system may be of particular benefit to third parties who do not have the financial resources to file oppositions before the DOs. The implementation will however require further study, in particular with respect to the means of communicating the observations, language issues and avoiding abuse.

*Enhancing the Chapter II procedure*

18. Currently where the EPO has been ISA the Written Opinion by the ISA (WO-ISA) is considered to be the first WO in Chapter II proceedings before the EPO as IPEA. If the applicant files amendments and/or arguments disputing the finding in the WO-ISA, he will normally not receive a further WO prior to the issue of a (negative) IPER. The draft roadmap proposes to introduce an obligation for IPEAs to issue such WO in these circumstances.
19. The Office believes that the main reasons why it objected to such obligation in the past is no longer valid. Before the adoption of the uniform time limit for national phase entry and the introduction of the WO-ISA, most applicants were filing a Chapter II demand only to "buy time" and/or were interested only in the content of the first WO of the IPEA (that is now the WO-ISA). A sharp drop in Chapter II demands has occurred since, and a Chapter II demand is currently filed only in about 10 % of applications in which the EPO was ISA.
20. The Chapter II procedure is therefore now only used by applicants who have a real interest in obtaining a high quality IPER and are ready to pay the price for it. It would be fair to offer a proper service to these applicants, in particular if they make an effort to get the application "in order" in the international phase.
21. A change of policy will mean a shift of priorities as more examiner resources will be needed at an early stage of proceedings. An agreement to the proposal should therefore be dependent on the above mentioned suggestions to relax the deadline for establishing the ISR.
22. Any proposal to extend the time limit for national phase entry where the applicant has filed a Chapter II demand should be rejected, as this could bring us back to the situation where applicants file a demand only to gain more time. The establishment of an IPER after the 30-month time limit could however be an option, e.g. where the applicant has also requested SIS.

### *Collaborative International Search and Preliminary Examination*

23. The roadmap proposes to start a pilot whereby examiners from different authorities in different regions and with different language specialities work together on one application, with the objective to establish a single common high-quality international search report and written opinion.
24. The Office is very interested in participating in such pilot with a view to increasing mutual understanding between examiners from different offices, and to investigate to what extent the establishment of a common report is feasible and whether efficiency and quality gains can be made. The format of the pilot could be that an initial ISR and WO-ISA is drawn up by an examiner in the selected ISA, who then forwards the application with his draft reports to peer examiners in other participating ISAs. The other offices would only receive the file after international publication. In view of the delay in the roadmap discussions as a result of the PCT WG meeting, the Office is prepared to take the initiative to launch discussions on such pilot project, and believes the optimal framework for such initiative is the IP5.

### *Creating incentives for applicants*

25. It should not be forgotten that the above suggestions also have benefits for proceedings before the EPO as DO. If work performed in the international phase does not need to be repeated in the European phase this will involve efficiency gains and free resources. Thus if the applicant filed a high quality application that is ready for grant, or has met all objections made in international phase before the IPEA, rewards upon European phase entry should be contemplated. Incentives could take the form of accelerated processing and/or fee refunds where the application can proceed to grant without further examiner involvement.

### *Expanding "Raising the Bar" proposals to the PCT*

26. The Office believes that the "Raising the Bar" process should not be limited to European applications and that international applications should as far as possible be included in the initiative. It has therefore taken the following steps:
  - announcing its intention to start using the enabling clauses of Nrs 9.34 and 9.35 of the PCT Guidelines (informal clarification before search, PCT/MIA/16/11)

- proposing an amendment to Rules 46.5 and 66.8 PCT (identification of the basis for amendments in the application as filed, PCT/WG/2/9)

27. These initiatives will contribute to meeting the aims in the roadmap as they contribute to increasing the quality and usefulness of international reports. The proposal to amend Rules 46.5 and 66.8 PCT was supported by the PCT MIA and the PCT WG, and will be submitted to the PCT Assembly in September 2009 for approval.
28. The obligation to file of a substantive reply to the WO-ISA as a condition for receiving a further WO in Chapter II proceedings is already covered by the roadmap (see Nr 13 above).

*JP proposal for parallel processing*

29. The JPO has proposed to include the encouragement of parallel processing of international and national applications in the roadmap (PCT/WG/2/8). This would lead to efficiency gains as a first action in PCT proceedings could be issued at the same time as a first action in national proceedings. Thus incentives should be created for applicants to enter the national phase before the office acting as ISA early. The US has welcomed this proposal. The Office however believes that the proposal would send out the wrong political signal as PCT reports would only become a "by-product" of a national office action. Moreover, applicants already have the possibility to enter the national phase early under the present PCT provisions but usually have little interest to do so.

*PCT and PPH*

30. The Office believes that PCT applications should only be included in PPH agreements if preferential treatment before the designated Office is based on the findings of the ISA/IPEA. It does not believe preferential treatment on the basis of findings of the office of first filing without attributing value to the ISR/IPRP ("PCT-Bridge Applications") as suggested by JP and US is an avenue that should be pursued. Such proposal implies that the international report has lesser standing than a national report, which is not compatible with the objective of the roadmap to bring the quality of PCT search and examination reports up to national standards.

### Proposed way forward

The Office envisages to launch discussions along the roadmap agenda and related issues with the European, Trilateral and IP5 and further like-minded partners with a view to come to a common position on

- the timing of the international search
- avoiding duplication of work, in the first place by agreeing that an office acting as ISA does not repeat a search as DO
- the introduction of a system for filing third-party observations
- encouraging offices to review notifications of incompatibility
- enhancing the Chapter II procedure
- extending to the PCT the RTB approach to encourage the filing of applications of a higher quality and to enhance cooperation between applicants and examiners
- launching a pilot on collaborative international search

### **VI. FINANCIAL IMPLICATIONS**

31. N/A

### **VII. LEGAL BASIS**

32. N/A

### **VIII. DOCUMENTS CITED**

33. PCT/WG/2/3, PCT/WG/2/8, PCT/WG/2/9, PCT/WG/2/11, PCT/WG/2/13, PCT/MIA/16/11