



Patent Cooperation Treaty (PCT)

Enhancing the value of international search and examination

Informal Discussion Paper

PP02/09

Introduction

This Federation represents the opinions of a substantial number of major innovative, research based, companies in the United Kingdom on intellectual property matters. The member companies have a great deal of global experience in filing and prosecuting patent applications, using the PCT, the European and other regional systems and the national systems of industrialised and many other states.

In the earlier part of 2008, the International Bureau of WIPO¹ (the IB) initiated a debate, first with the international searching and examining authorities under the PCT and then with the member states, about improving the functioning of the PCT (see document PCT/WG/1/3 - referred to hereinafter as the "WIPO document"). The IB was concerned that the PCT was not achieving its full potential and tended to be disregarded, in favour of other bilateral and multilateral work-sharing arrangements, by national offices in their efforts to cope with increasing application rates and workloads.

The Federation welcomes this initiative. We attach great importance to the PCT and are anxious that it should function as effectively as possible. Search and examination work done during the international phase should be of distinctively high quality. International search and examination should be held in high regard and given full recognition by national and regional authorities. A PCT system that works effectively should make a major contribution in reducing workloads and backlogs in national and regional offices. We are particularly anxious that these backlogs should be reduced and that there should be no repetition or duplication of work.

Moreover, we consider that a properly functioning PCT where the international phase work is recognised by users and national or regional authorities to be of high quality should provide major advantages for applicants, going beyond the mere extension of the time limits within which decisions concerning the prosecution of an application have to be made. An effective PCT should significantly reduce the bureaucratic complexity, work involved and costs for those intending to file patent applications for the same invention in several or many national or regional jurisdictions. It should enable applicants to properly assess the potential of their inventions, with a full knowledge of the relevant prior art, before committing themselves to the time and costs involved in proceeding with applications in a

¹ World Intellectual Property Organization,



number of different jurisdictions. The potential for managing the costs of a portfolio of applications at the international level in an informed way in accordance with the potential value of the invention should be considerably enhanced. Significant improvements in the quality and efficiency of the present international system would enable research based industry to reduce its overall patent costs substantially, so that presently wasted resources could be used more effectively, e.g., in research and development.

The following discussion makes suggestions for possible improvements in both the international search and the international examination. Some of these improvements, particularly those concerning examination, are probably only possible in the longer term. Nevertheless, we consider that if it were the objective to introduce such improvements, even if some of them are for the longer term, this would greatly benefit the patent system world wide.

International Search

It hardly needs to be said that we consider that the international search under the PCT should be of the highest quality achievable. Applicants should have confidence that their patents, wherever they are granted, have a very high presumption of validity when applied for through the PCT. The cornerstone of a valid grant should be a high quality international search. If the international search is recognised as being of high quality, then there should be no need for each national and regional administration subsequently to repeat the search, save by way of "top-up" to cover documents not available at the time of the original search.

All international searching authorities should therefore be staffed and organised, with access to all appropriate data bases, to carry out timely searches of high quality that are acceptable to applicants and to national and regional patent offices worldwide. Institutions unable to meet this requirement should not have international authority status. The scopes of searches carried out by international authorities should be extensive enough to meet the needs of all national patent systems, however widely or narrowly the prior art might be construed in those systems. Towards this end, international authorities and national offices should reach agreement, as a matter of urgency, on the matters raised in paragraphs 22 - 27 of the WIPO document.

Moreover, while we note and approve the emphasis in the WIPO document on internal quality management, we would like to see the issue of transparent quality monitoring of the work done by international authorities seriously addressed. The issue should, we suggest, be examined by an inter-authority or inter-office working party. It might be that eventually an independent monitoring committee could review samples of each authority's work.

A matter not referred to in the WIPO document is search strategy. We consider that the proper analysis of the claims in an application and the subsequent determination of the search strategy by the search examiner is the key to a quality search. We appreciate that subject fields searched are listed in the search report,

The IP Federation is the operating name of the Trade Marks, Patents and Designs Federation
Registered Office 5th floor, 63-66 Hatton Garden, London EC1N 8LE

Email: admin@ipfederation.com | Tel: 0207 2423923 | Fax: 0207 2423924 | Web: www.ipfederation.com

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but the analysis that leads to the choice of these fields should be recorded. We consider that the search examiner should discuss the strategy to be adopted with a peer group, e.g., a 3 person division (which might be international - as discussed for international examination below), before commencing the search. The analysis and strategy should be provided in, or together with, the international search report, so that it will be available to national and regional offices, applicants and third parties.

Notwithstanding the need for each search authority to do its best to improve the quality of its output, it must be recognised that all offices have strengths and weaknesses, particularly as regards searching data bases of documents in foreign languages. Thus we appreciate the work already done in the PCT framework to develop the new rule 45bis concerned with supplementary search, which entered into force on 1 January 2009. It is crucial that the new rule should work effectively. It is therefore important that a sufficient number of, if not all, search authorities should be prepared under rule 45bis9 to carry out supplementary searches - in particular to cover a wide spread of western and Asian languages, including Chinese and Japanese, and to complete them well within 30 months from the priority date. It will be important to applicants that supplementary search results should be available to them before they undertake the procedures and expense of entering the various national or regional systems and, where relevant art is found, in time to avoid further costly development work on what was thought to be something new.

There will be a learning phase as rule 45bis comes into use and our members expect to contribute to this. However, it does not appear that rule 45bis as presently formulated provides for the coordination or organisation of the search between the search authorities that will be involved.

We consider that the international search should be coordinated by the ISA specifically responsible for the particular application. After completing its own search, the specified ISA would refer the case to other ISA's or agencies in accordance with the applicant's wishes. Supplementary searches would usually be in respect of only a limited selection of fields and/or languages, using the particular strengths of the other authorities/agencies to be involved. In order to cover fields or languages in which no expert ISA is willing to undertake supplementary searches, accredited independent search contractors and/or national patent offices could be involved. These contractors or national offices would be on a list maintained by WIPO as being particularly competent in given subject matter, languages, etc. As part of their agreements with WIPO, they would accept some form of external quality monitoring. The agreements would cover the question of cost - perhaps fixed price, or an hourly rate for limited range searches. We do not anticipate that there would be any shortage of private contractors, or of national patent offices wishing to maintain particular expertise, interested in being on the list. It might even be possible, eventually, for a private contractor to coordinate the international search, subject of course to meeting the necessary quality standards.

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When a full and effective search is performed as a matter of course in the international phase, there should be no need for the further searching of international applications, or search fees, when the applications enter the national or regional phase, save as “top-up” to cover documents not available at the time of the international search.

As mentioned below, we consider that the written opinion on patentability under rule 43bis serves a useful purpose (and should be better when search quality improves as discussed above), but should be referred to as a preliminary opinion.

International Examination

The WIPO document indicates that requests for preliminary examination are falling markedly now that the time for entry to the national/regional phase under chapter I has been extended to 30 months. This is not surprising. In the experience of our members, international preliminary examination reports are often of indifferent quality (more so in recent times), are frequently ignored by examining patent offices and have the potential to complicate, on mistaken grounds, the subsequent prosecution of the application in the national or regional phase. They add little to the written opinions under rule 43bis that accompany the search reports.

This does not mean that we consider that the chapter II procedure should be abolished – far from it. We agree that the various questions posed in the WIPO document, paragraphs 28 – 49 should be actively addressed. As a longer term aim, the quality and value of the chapter II examination should be substantially improved.

We consider that an improved chapter II procedure should be maintained as an optional procedure for those applicants that wish to have a thorough, unified, examination performed in the international phase. Applicants should be required to designate, when requesting chapter II procedure, those states for which the international examination will apply.

The chapter II examination should be upgraded to be equivalent in status to a full national or regional examination. The present qualification of the chapter II examination as “preliminary” should be omitted (though “preliminary” could be used to describe the chapter I written opinion on patentability). The international examination should thoroughly cover not only substantive patentability requirements but also other important matters such as clarity and support, and important formal matters. A clear set of examination guidelines covering all issues to be dealt with in the international phase should be developed and examiners in all authorities should work consistently to these guidelines. There would be a need for quality monitoring procedures.

A final opinion that an application meets patentability requirements should be accepted by national or regional offices with only a minimum of further work, e.g., to take account of top-up searches and to check that particular peculiarities of the local or regional law have been taken into account. We also consider that a final

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opinion that an application does not meet patentability requirements should mean the end of the application, save that it might enter the national or regional phase as provisionally refused, but subject to immediate appeal before the patent office concerned.

To these ends, there must be full opportunity for dialogue between the examiner and applicant, with adequate time for the application to be amended to take account of this dialogue before a final opinion is issued. Allowing for the possibility of 3^d party intervention should be considered. To ensure a robust, high quality, examination, a three person examining team, similar to the examining division used in the EPO, should be in charge of the case and should be responsible for the final opinion. It could even be envisaged that such a team might be “trilateral”, consisting of examiners in different authorities, preferably in different global regions, using modern communication links.

We suggest that the time limit for entry to the national phase (currently 30 months under PCT Article 39) should be significantly increased (as is possible under PCT Article 47) e.g., to 48 months.

The possibility of such a long period before an application enters the national or regional phase will give rise to concerns in some circles about submarine, delayed patents. However, it can be noted that the application will have been published 18 months from the application date and the search reports and written opinion will have been published, so that much information about the application will be available. If a substantially full examination is conducted in the international phase, it will be important that the application should proceed to grant (or office appeal, if the opinion is that the application should be refused) in the national or regional phase with a minimum of delay. This should lead to grant within 4½ - 5 years from the priority date, a period which is fairly normal in examining systems.

If the applicant makes little attempt to cooperate with the examination process and merely uses the system to buy time, it is likely that the opinion will be in favour of refusal, with the subsequent complication of immediate appeal and no opportunity for further amendment in the national or regional phase.

In both search and examination, examiners in international authorities should receive at least as much credit for work on international applications as they would for national or regional work of the same character. Moreover, it should be axiomatic that national and regional offices accept their own work as international authorities as fully meeting their national or regional requirements, with no further search (save top-up) or examination.

Finally, it is emphasised again that an improved chapter II procedure will depend on quality. The examination must meet fully the requirements of both applicants and the national or regional patent offices. This in turn will call for robust and transparent quality monitoring procedures.

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Incentives

The advantages to applicants in an improved system, as discussed in the WIPO document and above, should be incentives in themselves to make full use of the PCT. Moreover, there should be major reductions in the search and examination fees of all examining patent offices for applications that have undergone the PCT procedures. There will be the benefits of simplified “fast track” national and regional phase procedures - the searched and examined international applications should be virtually ready for grant in all designated states.

Summary

General

International search and examination should be of high quality and comprehensive.

Transparent quality monitoring procedures should be in place

International Search

The international search should be of sufficient quality to be accepted by national and regional offices without further search, save “top-up”.

Supplementary searches should be performed where the applicant so requests, well within 30 months from the priority date. All ISAs should be prepared to perform supplementary searches. Also private contractors and national offices should be able to do so, subject to appropriate quality assurances. All searching should be coordinated by the specified ISA.

Search strategy should be recorded and the search examiner should discuss the appropriate strategy with a peer group.

International Examination

The chapter II procedure should remain optional. Applicants should designate those states for which it will apply.

The international examination should be a full examination, not a preliminary one, with adequate dialogue between the applicant and examiner. Adequate time should be allowed, e.g., up to 48 months from priority. The final opinion should be considered by a three person division, which might have an international constitution.

National or regional offices should accept the opinion, subject to a check on top up searches and national peculiarities. If the applicant seeks national phase entry despite an opinion recommending refusal, there should be an immediate appeal within the patent office concerned.

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The IP Federation (formerly TMPDF), represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below.

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