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Patent Cooperation Treaty (PCT) Working Group

**Seventh Session
Geneva, June 10 to 13, 2014**

DRAFT SUMMARY BY THE CHAIR

AGENDA ITEM 1: OPENING OF THE SESSION

1. Mr. Francis Gurry, Director General of WIPO, opened the session and welcomed the participants. Mr. Claus Matthes (WIPO) acted as Secretary to the Working Group

AGENDA ITEM 2: ELECTION OF A CHAIR AND TWO VICE-CHAIRS

2. The Working Group unanimously elected Mr. Victor Portelli (Australia) as Chair for the session. There were no nominations for Vice-Chairs.

AGENDA ITEM 3: ADOPTION OF THE AGENDA

3. The Working Group adopted the revised draft agenda as proposed in document PCT/WG/7/1 Rev. 4.

OPENING STATEMENTS

4. The Delegation of Chile informed the Working Group that the National Institute of Industrial Property of Chile would be commencing operations as an International Searching and Preliminary Examining Authority from October 22, 2014.
5. The Delegation of Singapore announced that the Intellectual Property Office of Singapore would be applying to the PCT Assembly in 2014 to become an International Searching and Preliminary Examining Authority.

AGENDA ITEM 4: PCT STATISTICS

6. The Working Group noted a presentation by the International Bureau on the most recent PCT statistics.

AGENDA ITEM 5: PCT ONLINE SERVICES

7. Discussions were based on document PCT/WG/7/2.
8. All delegations which took the floor on the matter were very positive about the development of the PCT online services, stressing the importance of further reducing transmission of paper and of reducing manual data entry and of the associated errors that are produced by manual data transcription. Most delegations agreed that an electronic system such as this would produce an improvement in timeliness of delivery of search copies to the International Searching Authority (ISA), of communications to the International Bureau and of communications to the applicant. However, there remained a number of technical and legal issues which needed to be addressed, as well as many small details that need to be worked out, which might not be the same in every Contracting State.
9. Technical issues to be addressed included the lack of support for languages other than English, a lack of an integrated PDF editor, and difficulties in certain situations with correctly rendering PDF documents.
10. Procedural issues included obtaining timely information on when updates would occur and ensuring appropriate continuity of services, such as the preparation of packages for filing to receiving Offices which accept packages for upload through web servers not compatible with the e-filing standard by which ePCT and PCT-SAFE transmit international applications.
11. Legal issues included security questions, such as when an applicant might be permitted to file an application to a server not directly hosted by the relevant national Office, and appropriate procedures for payment and dispersion of fees to the relevant Offices.
12. The International Bureau invited national Offices to discuss their individual requirements directly with the International Bureau.
13. Items under development on which Offices placed particular importance included the need to allow electronic sending of search copies from the receiving Office (RO) to the ISA, encouraging the use of full text documents, and real time credit card payments for fees to the receiving Office of the International Bureau, which some delegations hoped could be extended to other receiving Offices soon.
14. The Working Group noted the contents of document PCT/WG/7/2.

AGENDA ITEM 6: MEETING OF INTERNATIONAL AUTHORITIES UNDER THE PCT: REPORT ON THE TWENTY-FIRST SESSION

15. The Working Group noted the report of the twenty-first session of the Meeting of International Authorities, based on the Summary by the Chair of that session contained in document PCT/MIA/21/22 and reproduced in the Annex to document PCT/WG/7/3.

AGENDA ITEM 7: FEE REDUCTIONS FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMES), UNIVERSITIES AND NOT-FOR-PROFIT RESEARCH INSTITUTES

AGENDA ITEM 8: ESTIMATING A PCT FEE ELASTICITY

16. Discussions were based on documents PCT/WG/7/6 and 7.

17. All delegations which took the floor welcomed efforts to make the PCT system more accessible to certain types of applicants, such as small and medium-sized enterprises, universities and research institutes, but recognized that, as had been discussed at the previous session, many issues needed to be carefully considered and resolved before new fee reductions for such groups of applicants could be introduced. Notably, it was seen to be of particular importance to find possible ways to introduce such fee reductions in a financially sustainable, income-neutral way for the Organization. In this context, several delegations expressed the view that any new PCT fee reductions for certain types of applicants should be paid for by seeking further efficiencies in the PCT system and should not lead to higher fees for other types of applicants.

18. Several delegations felt that more information was needed to be able to develop a common definition of what constituted a small and medium-sized enterprise for the purposes of PCT fee reductions. One delegation suggested that the information contained in the Annex to document PCT/WG/7/7 should be further enriched and completed to eventually form the basis for detailed information and guidelines for applicants, perhaps to be included in the PCT Applicant's Guide, on the various requirements and criteria for fee reductions applicable under national laws and practices. A representative of a user group suggested that Member States should work towards harmonizing the way in which Member States, under their national laws and practices, calculated existing fee reductions for small and medium-sized enterprises, universities and research institutes, noting that the current divergent requirements and practices made it very difficult for applicants to take advantage of the existing fee reductions, up to a point where applicants were advised against taking advantage of such fee reductions in view of the high risks an application could potentially face if such fee reductions had been granted based on wrong or insufficient information furnished by the applicant.

19. All delegations which took the floor welcomed the study by the Chief Economist on Estimating a PCT Fee Elasticity. One delegation considered that the study could have also looked into the issue of fee elasticity, in particular from the viewpoint of developing countries which charged PCT fees in local currencies which had been the subject of very strong currency fluctuation *vis-à-vis* the Swiss franc, with a view to determining whether the filing behavior of applicants from low and middle-income developing countries showed a different fee elasticity compared to that from applicants from high income countries. Several delegations expressed an interest in further related work by the Chief Economist aimed at the impact of the level of PCT fees on decisions by applicants whether to seek patent protection abroad, rather than, as had been the subject of the present study, on the question of whether to seek such patent protection via the Paris Convention route or the PCT. Several delegations commented on the difficulties in estimating the impact of PCT fee reductions on filing behavior, and noted the relatively low PCT fees in comparison to the overall costs related to international patenting.

20. Several delegations supported the suggestion by one delegation to focus the discussions on possible new PCT fee reductions for universities, noting that universities constituted a group of applicants which, unlike small and medium-sized enterprises and research institutes, could be easily defined and in respect of which data was available as to the number of applications filed (about 5 per cent in 2013), which would help define the impact of any new fee reduction for this group of applicants on PCT fee income. Concerns were raised, however, by a number of delegations as to the usefulness of PCT fee reductions for certain large and well-funded universities in developed countries for whom the relatively low PCT fees did not constitute a real hurdle for entry into the international patent system. Concerns were further raised as to the usefulness of PCT fee reductions for universities in developing and least developed countries with very little research and development activity that resulted in patent filings, for which PCT fee reductions would thus have minimal effect. It was also noted that, already today, universities in least developed countries benefitted from the 90 per cent fee reductions available to all applicants from least developed countries.

21. The Working Group noted the contents of documents PCT/WG/7/6 and 7.

22. With regard to possible new fee reductions for small and medium sized enterprises and research institutes, the Working Group agreed that there was no clear way forward. No further work on this issue would thus take place until a Member State would make a concrete proposal.

23. On the issue of possible fee reductions for universities, the Working Group concluded that there was sufficient interest in further exploring possible PCT fee reductions. The Working Group thus requested the Secretariat to work with the Chief Economist with to provide a supplementary study on possible fee reductions for this group of applicants only, for discussion at the next session of the Working Group. That supplementary study should cover issues such as the likely impact of any such fee reduction on PCT fee income, including scenarios under which different levels of fee reductions were offered to universities from developing, least developed and developed countries; and estimates as to whether the filing behavior of universities in developing and least developed countries would show a different fee elasticity compared to that from universities in developed countries.

AGENDA ITEM 9: FEE REDUCTION FOR CERTAIN APPLICANTS FROM CERTAIN COUNTRIES, NOTABLY DEVELOPING AND LEAST DEVELOPED COUNTRIES

24. Discussions were based on document PCT/WG/7/26.

25. Several delegations supported the proposed combination of income and innovation-based factors, noting that it was a good basis for a fair PCT fee reduction framework. One delegation, while generally supporting the proposal, expressed a concern with regard to the proposed threshold of 25,000 US dollars to meet the income based criterion, noting that this was twice the threshold for a country classified by the World Bank as a "high income" country. Another delegation, while also generally supporting the proposal, wondered whether a multilevel system under which Member States would benefit from different levels of fee reductions would not better reflect the different stages of development of countries and suggested to rely on GNI rather than GDP figures for determining whether a country met the income-based criterion. Yet another delegation questioned the relationship between the income-based criterion and the innovation-based criterion and suggested that the income based criterion should be the leading one and have priority.

26. One delegation suggested that, if there was agreement to adopt the proposed new criteria, the Schedule of Fees should further be amended to provide for a regular review of the criteria by Member States every five years.

27. The Delegation of Kenya, speaking on behalf of the African Group, expressed the view that the current proposal would not achieve its original aim, which was to increase the use of the PCT by applicants from developing and least developed countries, as it included as beneficiaries some developed countries, notably 5 countries from the European Union, while at the same time two developing countries would no longer benefit from the fee reductions. While the delegation recognized that some of the developed countries which would benefit from the fee reductions might have suffered from an economic crisis, that crisis had to be considered to be of a temporary nature and did not change the fact that those countries nevertheless had a very high level of innovation and thus filings of patent applications compared to developing and least developed countries. The Delegation suggested that the proposed income and innovation based criteria should be supplemented by other possible criteria, such as the level of innovation as captured by the Global Innovation Index published by WIPO.

28. One delegation expressed the view that the surplus in PCT fee income resulting from recent efficiency gains and improved productivity with regard to the administration of the PCT system by the International Bureau should be used to lower PCT fees, for the benefit of applicants and so as to promote the increased use of the PCT system. The delegation further

suggested to consider the introduction of a scaled and progressive system of fee reductions so that countries could more easily transition from being a country that benefitted from the fee reduction to a country that no longer benefitted from them.

[ALTERNATIVE A:

29. Following informal discussions led by the Chair, the Working Group agreed on the proposed amendments to the Schedule of Fees set out in Annex XX to the present Summary by the Chair and on the proposed Directives for Updating the Lists of States Meeting the Criteria for Reduction of Certain PCT Fees set out in Annex XX to the present Summary by the Chair with a view to their submission to the Assembly for consideration at its next session, in September-October 2014, subject to possible further drafting changes to be made by the Secretariat.

30. As to the entry into force of the amended Schedule of Fees, the Working Group agreed to recommend to the Assembly that the amendments of the Schedule of Fees set out in Annex XX shall enter into force on [July 1, 2015], and be subject to the usual provisions concerning the amount payable where the amount of a fee has changed (Rule 15.4 with regard to the international filing fee: payable is the amount applicable on the date of receipt of the international application by the receiving Office; Rule 45*bis*.2(c) with regard to the supplementary search handling fee: payable is the amount applicable on the date on which the supplementary search handling fee is paid; and Rule 57.3(d) with regard to the handling fee under Chapter II: payable is the amount applicable on the date on which the handling fee is paid). Consequently, the Working Group agreed to recommend to the Assembly that the reductions should apply as follows:

(a) In the case of reductions to the international filing fee, the new reductions should apply to any international application received by the receiving Office on or after July 1, 2015. The old reductions should continue to apply to any international application received before that date, irrespective of what international filing date might later be given to such application (Rule 15.4).

(b) In the case of reductions to the handling fee and the supplementary search handling fee, the new reductions should apply to any international application in respect of which the fee was paid on or after July 1, 2015, irrespective of when the request for supplementary international search or the demand for international preliminary examination, respectively, was submitted (Rules 45*bis*.2(c) and 57.3(d)).

[END OF ALTERNATIVE A]

[ALTERNATIVE B:

31. Following informal discussions, the Chair concluded that there was no agreement in the Working Group on moving forward with the proposed new criteria for determining the eligibility for reduction in certain PCT fees. The Chair invited the Secretariat to continue to work with Member States on the issue with a view to presenting a revised proposal to a future session of the Working Group.

[END OF ALTERNATIVE B]

AGENDA ITEM 10: COORDINATION OF TECHNICAL ASSISTANCE UNDER THE PCT

32. Discussions were based on document PCT/WG/7/14.

33. In introducing document PCT/WG/7/14, the Secretariat provided an oral update to the Working Group of the discussions on the External Review of WIPO Technical Assistance in the Area of Cooperation for Development ("the External Review"; document CDIP/8/INF/1) and

related documents at the thirteenth session of the Committee for Development and Intellectual Property (CDIP). Referring to the Summary by the Chair of that session, the Secretariat noted that the CDIP had not been able to reach an agreement on how to proceed with regard to the External Review and decided to consider the issue at its next session.

34. The Delegation of Australia delivered a presentation on the Regional Patent Examination Training (RPET) program provided by IP Australia. The program offered competency-based patent examination training to examiners in developing countries based on PCT search and examination standards. Training under the program was delivered mostly online by trainers at IP Australia who monitored and assessed trainees on the job until the trainee had reached competency, taking up to two years. The pilot launched in 2013 had involved eight trainees from five IP Offices with financial support provided by the ASEAN-Australia-New Zealand Trade Agreement Economic Cooperation Work Program and WIPO. The program was being expanded this year to include 15 trainees with two further participating Offices from the ASEAN region.

35. Several delegations welcomed the report by the International Bureau on the technical assistance projects and stated that the information in the document showed that PCT-related technical assistance programs formed an essential element of broader WIPO technical assistance activities to extend and enhance the PCT system. These delegations expressed the view that specific PCT-related technical assistance should not be separated from other technical assistance provided by WIPO in order to consider and deliver technical assistance in an efficient manner and avoid duplication and overlapping of programs. Discussions in the Working Group on how to proceed with regard to the technical assistance related parts of the PCT Roadmap recommendations should therefore continue to await the outcome of discussions of the External Review and related documents in the CDIP, as had been agreed at the fifth session of the Working Group.

36. Several other delegations expressed the view that the Working Group should begin discussions on technical assistance under the PCT Roadmap recommendations. These delegations believed that the Working Group had a narrow focus to discuss PCT-specific technical assistance to enable developing countries to benefit from the PCT system, whereas the remit of technical assistance discussions in the CDIP was broader. PCT-specific technical assistance could therefore be considered separately from the broader issues in the CDIP. These delegations also pointed to the lack of progress of discussions of the External Review in the CDIP which could lead to indefinite postponement of the Working Group examining the issue of how PCT-related technical assistance could be improved to enhance capacity-building in developing countries, such as through long term training of patent examiners.

37. In relation to the issue of training of patent examiners, the Secretariat reminded the Working Group that, as had been reported in the Summary by the Chair of the twenty-first Meeting of International Authorities (see paragraphs 55 to 59 of the Summary by the Chair, reproduced in the Annex to document PCT/WG/7/3), the Meeting of International Authorities had recommended that the International Bureau should prepare proposals for better coordination of examiner training between national Offices, taking into account questions of effective long-term planning, sharing of experiences in delivering effective training, and matching needs for examiner training with Offices able to supply the relevant needs. The International Bureau intended to present such proposals to next year's sessions of the Meeting of International Authorities and subsequently to the next session of the Working Group. Thus, work on specific technical assistance related issues, such as, in this case, training for examiners from developing and least developed countries, would continue to be carried forward, independently of and in addition to the ongoing discussions in the CDIP on the issue of the External Review.

38. The Working Group noted the contents of document PCT/WG/7/14.

AGENDA ITEM 11: APPOINTMENT OF INTERNATIONAL AUTHORITIES

39. Discussions were based on document PCT/WG/7/4.

40. The Delegation of Hungary, speaking on behalf of the Visegrad Group of countries (Czech Republic, Hungary, Poland and Slovakia), informed the Working Group that the Visegrad Group of countries was working towards the establishment of a new PCT International Authority, noting that the presence of a PCT Authority in Central and Eastern Europe would offer to users an efficient option for obtaining patent protection internationally.

41. All delegations which took the floor agreed with the need to improve the procedures for appointment of an Office as an International Authority, notably with a view to ensuring that the Committee for Technical Cooperation (PCT/CTC) meet as a true expert body well in advance of the PCT Assembly deciding on the appointment.

42. Views expressed by delegations differed, however, with regard to some of the proposed detailed procedures for appointment set out in paragraph 27 of document PCT/WG/7/4.

43. All delegations which took the floor supported the proposal that an Office seeking appointment should be strongly recommended to obtain the assistance of one or more existing International Authorities to help in the assessment of the extent to which it meets the criteria, prior to making the application, as set out in paragraph 27(a) of document PCT/WG/7/4.

44. While all delegations which took the floor generally agreed with the need for a timely submission of an application for appointment so as to give sufficient time for the relevant bodies to consider the application in detail, views differed as to the exact lead time required. Those delegations which supported the proposal that any application for appointment should be included on the agenda of Meeting of International Authorities (PCT/MIA) (see paragraph 46, below) supported the proposal that any application for appointment should be required to be made in the year before it was to be considered by the PCT Assembly, as set out in paragraph 27(b) of document PCT/WG/7/4. Those delegations which did not support the proposal that any application for appointment should be included on the agenda of the PCT/MIA expressed the view that submission of an application for appointment by March/April in the same year as it was to be considered by the PCT Assembly would give sufficient time for the PCT/CTC to consider the application in detail.

45. All delegations which took the floor supported the proposal that any application for appointment should be made on the understanding that the Office seeking appointment must meet all substantive criteria for appointment at the time of the appointment by the Assembly and had to be prepared to start operation as an International Authority as soon as reasonably possible following appointment, at the latest around 18 months following the appointment, as set out in paragraph 27(c) of document PCT/WG/7/4. It was noted, however, that paragraph 24 of document PCT/WG/7/4 suggested that there might be an exception to that general requirement (with regard to the requirement that a quality management system had to be in place at the time of appointment) and that further clarification of that issue might be required.

46. Views expressed by delegations differed as to the proposal that any application for appointment should be included on the agenda of the PCT/MIA. Several delegations supported the proposal set out in paragraph 27(d) of document PCT/WG/7/4 that this should be the case, notably with a view to allowing International Authorities to discuss the application and to provide advance advice on the application to the PCT/CTC. It was noted, however, that the role of the PCT/MIA should expressly be limited to give *technical* advice to the PCT/CTC only. Other delegations, however, expressed the view that the involvement of the PCT/MIA appeared superfluous, as all International Authorities were also members of the PCT/CTC. Furthermore, since not all Contracting States were represented in the PCT/MIA, it did not appear appropriate to delegate to that meeting the role of conducting a mandatory pre-assessment of an application.

47. All delegations which took the floor fully supported the procedures set out in paragraphs 27(e) and (f) of document PCT/WG/7/4 with regard to the role of the PCT/CTC and the PCT Assembly, except that those delegations arguing against the involvement of the PCT/MIA suggested the deletion of the reference to the advice given by that body as set out in the first sentence of paragraph 27(e).

[DRAFT CONCLUSION IN THE EVENT OF AGREEMENT]

48. Following informal discussions led by the Chair, the Working Group agreed to recommend to the PCT Assembly to adopt the following Understanding:

[TEXT TO BE ADDED]

49. The Working Group further agreed to recommend to the PCT Assembly to adopt the following decisions concerning entry into force and transitional arrangements in respect of the proposed Understanding:

[TEXT TO BE ADDED]

[END OF DRAFT CONCLUSION IN THE EVENT OF AGREEMENT]

50. With regard to the substantive criteria for appointment, all delegations which took the floor agreed with the assessment set out in document PCT/WG/7/4 that it was premature at this stage to present any concrete proposals for changes to the current criteria. Several delegations expressed preliminary views with regard to some of the issues related to possible new substantive criteria set out in document PCT/WG/7/4. Several delegations expressed the view that there might not be the need to establish new criteria and that proper "enforcement" of the existing criteria might be sufficient.

51. There was broad agreement in the Working Group that there was a need for further thorough discussions among Member States about the issues at stake, including, in particular, what appropriate quality requirements an Office should be required to meet to act effectively as an Authority and how these could be better expressed in the criteria for appointment. The Working Group noted that the PCT/MIA had referred this issue to its Quality Subgroup for further consideration and agreed to await the outcome of the discussions in that Subgroup and in the PCT/MIA before further considering the issue at its next session in 2015.

AGENDA ITEM 12: GENERAL DISCUSSION OF PCT 20/20 PROPOSALS

52. Discussions were based on document PCT/WG/7/20.

53. Delegations expressed their views with regard to individual proposals addressed in document PCT/WG/7/20 which were not the subject of more specific proposals submitted to this session.

54. Several delegations supported the proposal for mandatory recordation of search strategies, noting that such recordation and sharing of search strategies would contribute to improving the quality of searches and to an increased confidence in PCT work products. Pending further discussions on the issue, notably in the PCT/MIA Quality Subgroup, several delegations encouraged International Authorities which so far did not do so to make their search strategies, in whatever format they might be, available to designated Offices via PATENTSCOPE. Some delegations expressed concerns as to the additional work load for examiners; other delegations suggested that this small amount of extra work by one International Authority should be offset against the benefit to many designated Offices during national phase procedures.

55. The Delegation of the European Patent Office updated the Working Group on the most recent developments in the collaborative search and examination pilot project. A detailed internal assessment had confirmed the need to carry out a third pilot to provide a solid basis for any future decision as to whether to implement a collaborative search and examination system, with a focus on gathering user feedback, further refining methodology and concept of the system, and carrying out a detailed cost/benefit analysis, including use of examiner capacities and cost of the service. One delegation expressed the hope that such a third pilot would produce sufficient data on new prior art found in the national phase and on the number of office actions by Offices which had contributed to the collaborative search and examination report.

56. Several delegations commented on the proposal to require a mandatory response to any negative comments contained in PCT work products, noting that such mandatory response, while perhaps useful when entering the national phase before the same Office which had established the PCT work product, might overburden applicants and be of no use where the applicant intended to make amendments to the application upon national phase entry.

57. Several delegations expressed the view that the PCT should not regulate the issue of fees charged by national Offices upon national phase entry, while one representative of users of the system welcomed and fully supported this proposal.

58. The Working Group noted the contents of document PCT/WG/7/20.

AGENDA ITEM 13: FORMAL INTEGRATION OF THE PATENT PROSECUTION HIGHWAY INTO THE PCT

59. Discussions were based on document PCT/WG/7/21.

60. The Delegation of Japan delivered a presentation on the Patent Prosecution Highway (PPH). The merits of PPH included offering high speed prosecution by reducing pendency times before the Office of second filing, reducing costs with fewer Office actions, and enabling high quality of patents. Thirty-two Offices were participating in the PPH as of January 2014, and about 50,000 PPH requests had been filed worldwide since the first PPH agreement came into effect in 2006. A Global PPH pilot framework had begun on January 6, 2014 involving 17 countries/regions, which provided simplified requirements to the benefit of applicants.

61. The Delegation of the United Kingdom informed the Working Group about the PCT-UK Fast Track service in operation since 2010. In this service, a request for accelerated processing can be made on the basis of a positive written opinion or international preliminary report on patentability, with a full substantive examination being performed for all applications. Six per cent of national phase entries at the UK Intellectual Property Office made use of the PCT-UK Fast Track Service.

62. Several delegations supported the proposals and agreed with all the points in paragraph 26 of the document. Delegations in favor of the proposals reported high user satisfaction with the streamlined processing offered through bilateral PPH agreements involving their patent Offices. These delegations welcomed the possibility for any designated Office providing expedited processing to suspend the service in the event of high workload, although initial concerns about a high influx of PPH requests impacting on the workload of Offices had not materialized in existing bilateral agreements. In terms of the alternative wording proposed in paragraphs (b) of proposed Rules 52*bis*.1 and 78*bis*.1, some of these delegations preferred an "opt-out" notification of incompatibility in line with other provisions in the PCT, while others believed that an "opt-in" provision was preferable to provide greater flexibility to Offices in their implementation. Organizations representing users of the PCT system also expressed their general support for the proposal.

63. The Delegation of Kenya, speaking on behalf of the African Group, expressed the view that the proposal was premature since it presupposed that all patent Offices had the same

capability and expertise to undertake examination, that all patent examiners could evaluate international preliminary reports on patentability from International Authorities, that patent examiners could identify gaps inherent in these reports to undertake further examination to address these gaps, and that designated Offices could suggest amendments to the reports that could be taken on board. In order to meet these conditions, the capabilities and expertise of patent Offices needed to be of a similar level, which was not the case. In order to fulfill these conditions, cooperation could take place through the Committee for Technical Assistance under Article 51, which needed to be brought into operation. Furthermore, expedited national processing in the proposal would require Offices to give preferential treatment to foreign applicants and would impact on flexibilities in national patent systems.

64. The Delegation of Brazil reiterated and expanded on concerns which had been raised during the sixth session of the PCT Working-Group and the twenty-first session of the Meeting of International Authorities, regarding possible negative effects on the quality of national processing of PCT applications due to accelerated search and examination, the advisability of introducing an arrangement into the PCT which had been negotiated outside the PCT and was in force on a limited basis and membership, and the legal basis for introducing such an arrangement.

65. The Delegation pointed out that participation in the PPH was actually very restricted, with only two Offices accounting for 85 per cent of the requests as Offices of First Filing (using national products). The same two Offices also accounted for 45 per cent of the requests as Offices of Second Filing (using national products). Applicants from these countries would be the main beneficiaries of the system and it was necessary to take this into account when considering the advantages from the perspective of other participating countries. Furthermore, the question of quality of work of International Authorities needed to be taken into account when considering offering fast track arrangements based on their work products. The proposed provisions included an "opt-out" provision, but this was not satisfactory as it implied a sense of obligation to join the system in the future. Workload considerations would also argue in favor of ensuring the necessary flexibility for countries to determine if and with whom they would engage in a PPH program. The proposal also did not take due account of a number of Recommendations of the Development Agenda, most notably Recommendations 15¹ and 17².

66. The Delegation further considered that the proposals were *ultra vires*. Citing various provisions of the 1969 Vienna Convention on the Law of Treaties, the Delegation considered that the integration of the PPH into the PCT amounted to a major change in the Treaty and in the national phase procedures of designated Offices under the national phase of a PCT application. There were no articles in the Treaty which provided a basis for PPH arrangements. Article 58(1) provided the basis for making Rules. Such Rules could be made "(i) concerning matters in respect of which this Treaty expressly refers to the Regulations or expressly provides that they are or shall be prescribed, (ii) concerning any administrative requirements, matters, or procedures, or (iii) concerning any details useful in the implementation of the provisions of this Treaty." Option (i) clearly did not apply; option (ii) was not intended to encroach on the national Offices' autonomy to determine the order of examination of patent applications in the national phase; option (iii) was not relevant because the incorporation of PPH into the PCT could not be

¹ Recommendation 15: "Norm-setting activities shall be inclusive and member-driven; take into account different levels of development; take into consideration a balance between costs and benefits; be a participatory process, which takes into consideration the interests and priorities of all WIPO Member States and the viewpoints of other stakeholders, including accredited inter-governmental organizations (IGOs) and NGOs; and be in line with the principle of neutrality of the WIPO Secretariat."

² Recommendation 17: "In its activities, including norm-setting, WIPO should take into account the flexibilities in international intellectual property agreements, especially those which are of interest to developing countries and LDCs."

put on the level of "administrative matters or useful details" since it would amount to a major modification in the way which the Treaty operated.

67. The Delegation of India highlighted that the TRIPS Agreement provided flexibilities in patent law and believed that the proposals could lead to harmonization of substantive laws through encouraging the reuse of work without undertaking further examination in the national phase. By interfering with examination under national patent laws, the proposals therefore went beyond the objective of the PCT.

68. The Delegation of Egypt, speaking on behalf of the Development Agenda Group, indicated that the proposal had the merit of stimulating discussion and sharing of experiences of PPH programs in national Offices. These experiences were relatively incipient in discussions on an international instrument, which needed to take into account the positions of all Member States and the technical resources and legal provisions of patent Offices in developing countries, irrespective of whether these Offices were International Searching and Preliminary Examining Authorities. These discussions should also be guided by the Development Agenda Recommendations, especially Recommendation 15. The Development Agenda Group supported the view that the incorporation of the PPH into the PCT would require the convening of a Diplomatic Conference as provided by Article 60.

69. Several other delegations supported the positions expressed by the Delegations of Kenya, Brazil, India and Egypt. One non-governmental organization also expressed views in support of the paper submitted by the Delegation of Brazil.

70. In response to the comments expressed by delegations, the Delegation of the United States of America acknowledged that the proposal could not meet with consensus at this session. The Delegation disagreed with the view that the proposals were *ultra vires* and believed that the proposals fell within the desired aims outlined in the preamble to the PCT. In addition, Article 23(2) allowed an applicant to make an express request to a designated Office to process and examine an international application at any time. Furthermore, in response to the comments in paragraphs 18 and 19 of the paper presented by the Delegation of Brazil, the Delegation of United States of America pointed to improvements to the PCT such as incorporation by reference and restoration of the right of priority that had been added to the Regulations without any explicit mention in the Treaty itself. Finally, the Delegation suggested that Offices that needed to weigh up the costs and benefits of the PPH more closely before agreeing to the proposal should become involved by trialing a limited term bilateral pilot to see the effect of the PPH on its Office and applicants.

71. There was no consensus in the Working Group to take this proposal forward at this stage.

AGENDA ITEM 14: TRANSMITTAL BY THE RECEIVING OFFICE OF EARLIER SEARCH AND/OR CLASSIFICATION RESULTS TO THE INTERNATIONAL SEARCHING AUTHORITY

72. Discussions were based on document PCT/WG/7/27.

73. All delegations which took the floor expressed sympathy with the principles of the proposal. However, a number of delegations expressed concerns with a variety of technical and legal details, as well as a need to further assess the effects on IT systems and workload for receiving Offices. Some delegations suggested that the proposal could be improved by also allowing for transmission of search strategies together with the international search reports.

74. One major issue was the extent to which national laws permitted the exchange of the information concerned, which would in most cases come from the files of unpublished national applications. Related to this issue was the question of how this proposal for an Office-driven mechanism would relate to the applicant driven mechanism for providing search results currently provided for in PCT Rule 4.12.

75. In response to queries by delegations, it was confirmed that: (i) the proposal envisaged the possibility of receiving Offices sharing information which they held concerning searches which had been performed by other Offices, to the extent to which the laws or agreements concerning the holding of that information permitted it; and (ii) the proposal envisaged search reports being transmitted in the language in which they had been established, without translation.

76. The Working Group invited the European Patent Office and the Delegation of the Republic of Korea to continue discussions with interested parties, with the aim of bringing a refined proposal to the next session of the Working Group.

AGENDA ITEM 15: NON-PATENT LITERATURE UNDER THE PCT MINIMUM DOCUMENTATION

77. Discussions were based on document PCT/WG/7/28.

78. All delegations which took the floor expressed interest in the proposals. One delegation noted that the matter might usefully be referred to the existing PCT minimum documentation task force for detailed expert consideration.

79. Some delegations expressed concern that publishers might not be willing to make their collections available in a specific format merely for the convenience of patent Offices and it might not be desirable to exclude useful collections from the PCT minimum documentation solely because they were not available in a particular format. Furthermore, one delegation of a State whose Office acted as an ISA noted that it preferred to make its non-patent literature searches using commercial providers since this relieved it of the burden of making sure that the relevant databases were up to date and searchable with the most modern and effective tools for the particular subject matter.

80. Nevertheless, delegations agreed that access to important bodies of non-patent literature for patent searching was a matter of vital importance to all Offices and delegations noted that this subject had a particular relevance to Recommendation 8 of the Development Agenda.

81. One delegation observed that a consistent approach by Offices to citing non-patent literature was also of great importance to ensuring effective access to the information.

82. The Working Group invited the Delegation of India to continue discussions with interested parties, with the aim of bringing a refined proposal to the next session of the Working Group.

AGENDA ITEM 16: THIRD PARTY OBSERVATIONS

83. Discussions were based on document PCT/WG/7/11.

84. All delegations which took the floor considered that the service had shown itself to be useful and that it would be acceptable to make at least some extension to the permitted length of the brief explanations of relevance. Delegations expressed approval of further intended developments concerning improved access to information, delivery of lists of documents and machine translation. Some delegations expressed concerns about the possible future extension of observations to include comments beyond novelty and inventive step, whereas others hoped that such an extension could be made quickly. One delegation noted the need for effective information for designated Offices in cases of early national phase entry.

85. The Delegation of the European Patent Office reported that it had analyzed the cases where examination had begun on international applications for which a third party observation had been made. Around one third of observations included citations which the examiner had cited, which was considered to be a very positive result. Over 20 per cent had included citations

from sources which would not have been readily available to an examiner as part of a normal search, such as dissertations.

86. Delegations invited the International Bureau to continue to monitor the system, including analysis of effect in the national phase. One delegation requested information broken down by ISA to assist in quality processes. One issue noted for particular attention was the preponderance of observations submitted in the twenty-eighth month from priority, which left little opportunity for consideration by the applicant or by the examiner in any international preliminary examination. Consideration of incentives or penalties to encourage earlier submission was suggested.

87. Representatives of users also welcomed the system and requested information on the timeliness of delivery of observations and applicant responses, as well as the extent of use of the observations by different designated and elected Offices. This might affect the extent to which third parties would wish to use the system.

88. The Working Group approved the recommendations in paragraphs 24 to 26 of document PCT/WG/7/11. The limit for brief explanations of relevance would be increased to 5,000 characters.

AGENDA ITEM 17: ESEARCH COPY

89. Discussions were based on document PCT/WG/7/8.

90. All delegations which took the floor emphasized the importance of this project, noted the opportunities for efficiency and consistency which were offered and hoped that live use would be possible soon. Delegations emphasized the need to ensure that transmissions of documents were timely and that the system was properly linked with effective tracking of search fee payments and transfers of fees from the RO to the ISA.

91. The Working Group noted the status report and proposed way forward in document PCT/WG/7/8.

AGENDA ITEM 18: NATIONAL PHASE ENTRY USING EPCT

92. Discussions were based on document PCT/WG/7/12.

93. A number of delegations expressed interest in the concept of national phase entry using ePCT, noting the potential benefits for applicants and Offices in a simple process which could reduce delays and errors. A number of legal and technical issues needed to be addressed, including how the date of submission of the documents and data would be determined, potential for confusion from different time limits for different designated Offices and reliably ensuring that all individual national requirements were identified and properly described.

94. Fee payments were a major potential issue. In most cases, national phase entry would not be complete until payment had been received by the designated Office. This could be overlooked or else there could be difficulties in matching payments to documents and data, especially if the system was not able to allocate a national application number immediately on submission of the documents and data. A centralized payment mechanism might assist in this, but would itself require careful legal and procedural scrutiny by some Contracting States before it could be accepted.

95. The other major issue concerned the role of the local agent. In the view of a number of delegations, it would be essential to appoint a local agent, who would have an extensive role in ensuring that the national phase entry was conducted correctly. Mechanisms would be necessary to ensure that this agent could be indicated in advance and would be able to reject the role if necessary, for example because of a conflict of interest.

96. User groups provided an extensive list of issues to be addressed, including matters of universal relevance and others which would be specific to certain designated States.

97. The Working Group agreed that the International Bureau should continue to develop this concept in consultation with all interested parties, taking into account the comments made.

AGENDA ITEM 19: DELAYS AND FORCE MAJEURE FOR ELECTRONIC COMMUNICATIONS

98. Discussions were based on document PCT/WG/7/24.

99. All delegations which took the floor agreed that proper protection against failure of electronic communication systems was important. However, the proposed amendment to Rule 80.5 was considered too prescriptive and it was felt that the matter was better left to the discretion of individual national Offices. Some delegations supported the proposed amendment to Rule 82*quater*, but others felt it lacked clarity, or else did not offer a distinct benefit over the provisions of the existing Rule.

100. Representatives of users expressed the hope that arrangements could be found which offered adequate protection for applicants who failed to meet deadlines as a result of technical problems which were beyond their control, and that clarity could be provided both in the Rules and in provision of timely information on whether technical problems existed and alternative communication routes which could be used in the event of failure of the main systems.

101. The Working Group noted that the International Bureau would continue to seek legal and technical means to minimize risks to applicants from possible failure of IT systems.

102. The International Bureau invited Contracting States to provide information on national laws or processes which offered protection for users against the failure of electronic communication systems, which might provide a basis for more appropriate action to address the issues at hand.

AGENDA ITEM 20: TIME ZONES USED FOR ELECTRONIC SUBMISSIONS

103. Discussions were based on document PCT/WG/7/25.

104. All delegations which took the floor considered that it was not appropriate at this stage to change the existing arrangements, where dates were allocated based on the time at the headquarters of the relevant Office. While the proposals could be seen as equalizing benefits for applicants from different States, the existing arrangements were clear and consistent with national practices. The time limits which applied for filing to each Office were well understood and broadly corresponded with the working days in the relevant States. Some doubt was expressed at whether the proposals would be consistent with Article 11. It was suggested that any proposals concerning dates should be independent of the medium involved (paper or electronic). One delegation believed that the large number of international applications transferred under Rule 19.4 from the receiving Office of the United States of America to that of the International Bureau did not, in general, reflect usage of the Office in order to gain a time zone advantage. In any case, as had been noted in the working document, it was desirable to encourage applicants to file international applications and submit other documents before the last possible moment.

105. One representative of users indicated that some users saw merit in the option where the alternative time zone was used specifically by the International Bureau. Another noted that any such proposals should not prejudice existing arrangements where applicants from western States of the United States of America were able to secure filing dates after midnight in the time

zone used by the headquarters of the United States Patent and Trademark Office by depositing paper documents with express mail services.

106. The Working Group noted that there was no support for the proposals set out in document PCT/WG/7/25.

AGENDA ITEM 21: PCT SEQUENCE LISTING STANDARD

107. Discussions were based on document PCT/WG/7/9.

108. The European Patent Office, in its role as leader of the relevant Task Force, reported that the draft WIPO standard ST.26 had been informally agreed at the recent session of the Committee on WIPO Standards, but that no decisions had been taken because the agenda for the session had not been adopted. It was hoped that the agreement would be formalized soon. The Task Force would now make a technical assessment of the requirements for transitional arrangements by the end of the year with a view to presenting a report to the Committee in its 2015 session.

109. The Working Group noted the contents of document PCT/WG/7/9.

AGENDA ITEM 22: REVISION OF WIPO STANDARD ST.14

110. Discussions were based on document PCT/WG/7/5.

111. One delegation reiterated its opposition to the abolition of category "X", commenting that the listed advantages of that proposal would soon no longer apply and only the disadvantages would remain. Another delegation noted the lack of consensus on the matter, but recalled its preference that if categories "N" and "I" were adopted then "X" should be phased out following a short transitional period.

112. The Working Group noted the contents of document PCT/WG/7/5.

AGENDA ITEM 23: COLOR DRAWINGS IN INTERNATIONAL APPLICATIONS

113. Discussions were based on document PCT/WG/7/10.

114. All delegations which took the floor recognized the importance of allowing color drawings in international applications. It was observed that the timing of the changes should take into account the need to ensure that color drawings could be included in databases for searching as well as the systems for processing the international applications themselves.

115. In response to concerns that the approach could be confusing, given that Rule 11.13 would continue to state that drawings needed to be in black and white, the International Bureau pointed out that, because it would require a change to the national laws of almost all Contracting States, it would not be possible to bring any change to that Rule into effect for many years. The proposed approach on the other hand could be implemented much faster. Furthermore, while there was indeed some potential for confusion, the approach did not create inconsistencies in the processing requirements defined in the Regulations: Rule 11 set out the strictest formalities criteria that designated Offices were allowed to apply. However, for the purposes of international phase processing, receiving Offices were required by Rule 26.3 only to check the international application for compliance with Rule 11 to the extent necessary for the purpose of reasonably uniform international publication. Once international publication in color was possible, receiving Offices should not make objections, even though it would remain open to designated Offices to do so if their national law so provided.

116. The Working Group approved the way forward as set out in paragraphs 19 to 28 of document PCT/WG/7/10.

AGENDA ITEM 24: OPTIONS OR CONSEQUENCES WHEN INVITING THE APPLICANT TO SELECT A COMPETENT INTERNATIONAL SEARCHING AUTHORITY AFTER THE CHOSEN INTERNATIONAL SEARCHING AUTHORITY DECLARES ITSELF NON-COMPETENT

117. Discussions were based on document PCT/WG/7/22.

118. The Working Group approved the proposed modifications to the Receiving Office Guidelines set out in the Annex to document PCT/WG/7/22.

AGENDA ITEM 25: TREATMENT OF A SEQUENCE LISTING SUBMITTED IN AN INTERNATIONAL APPLICATION ON THE INTERNATIONAL FILING DATE

119. Discussions were based on document PCT/WG/7/23.

120. The Working Group agreed that the objectives of the proposals in document PCT/WG/7/23 could be validly achieved by modification of the Receiving Office Guidelines and supported the principle of the proposals, subject to the comments below. A revised proposal could be the subject of consultations by way of a PCT Circular.

121. In relation to concerns that this proposal might be seen to reintroduce "mixed mode" filings, it was emphasized that the basis for submitting electronic sequence listings together with otherwise paper international applications had been abolished with effect from July 1, 2009, and this was not affected.

122. Delegations noted that it may be desirable to explicitly indicate that it was not necessary to make a correction where it was clear that there was no problem, such as if a text format sequence listing had been provided for the purposes of international search, having been submitted together with a statement of identity with a sequence listing in PDF format, as well as that it would be possible for the applicant to request that *ex officio* corrections made in error be annulled.

123. One delegation observed that if, despite the modifications to the Receiving Office Guidelines, an international application reached the national phase without a correction having been made to specify that a sequence listing formed part of the international application, the results would be dictated by national law.

AGENDA ITEM 26: CLARIFYING THE PROCEDURE REGARDING THE INCORPORATION BY REFERENCE OF MISSING PARTS

124. Discussions were based on document PCT/WG/7/19.

125. Delegations which took the floor acknowledged that the legal provisions regarding incorporation by reference of missing parts needed to be clarified, but expressed divergent views on how this should be achieved. The compromise suggested in paragraph 16 of the document, however, received little support. Any clarification therefore appeared to require some members of the Working Group to make significant concessions.

126. On the question of whether an international application could claim the priority of an earlier application with the same filing date as the international application, the Working Group agreed to discuss the matter at its next session with a view to providing an opinion on the matter for consideration by the Paris Union Assembly as the competent decision-making body.

127. The Working Group requested the International Bureau to continue to work with interested Offices on the incorporation by reference of missing parts and present a document for the next session of the Working Group. It further requested the International Bureau to prepare a working document on the issue of same day priority claims for consideration by the Working Group at its next session.

AGENDA ITEM 27: RIGHT TO PRACTICE BEFORE THE RECEIVING OFFICE OF THE INTERNATIONAL BUREAU

128. Discussions were based on document PCT/WG/7/13.

129. While understanding the rationale of the proposal, all delegations which took the floor expressed concerns about its effects. As drafted, the proposal could be taken to allow any person to represent any other person, irrespective of qualification, nationality or residence. Even if this were limited to appropriately qualified practitioners, delegations considered that it would eliminate important safeguards, whereby an applicant or Office unhappy with the quality of representation could have recourse to procedures in his national Office. An agent from a State other than that of the applicant might also not be aware of national legal requirements, including restrictions on foreign filing.

130. One delegation suggested that the best approach to the problem would be education of users, but that it might be appropriate to permit a person invalidly appointed as agent before the receiving Office of the International Bureau to act as agent solely to the extent required to pass the role of agent on cleanly to a person competent to act as an agent for the particular applicant.

131. Representatives of users expressed the view that an agent in the country of residence or nationality of the applicant was important to ensure that a lack of knowledge of local laws did not result in loss of rights in the applicant's home market.

132. The Working Group noted that there was no support for the proposals set out in document PCT/WG/7/13.

AGENDA ITEM 28: GENERAL POWER OF ATTORNEY

133. Discussions were based on document PCT/WG/7/16.

134. The Working Group approved the proposals set out in the Annex to document PCT/WG/7/16 with a view to their submission to the Assembly for consideration at its next session, in September–October 2014, subject to possible further drafting changes to be made by the Secretariat, including a possible clarification to Rule 90.5(d) to the effect that there would be no need to submit a copy of the general power of attorney if the Office already had it in its possession.

AGENDA ITEM 29: OMISSION OF CERTAIN INFORMATION FROM PUBLIC ACCESS

135. Discussions were based on document PCT/WG/7/18.

136. All delegations which took the floor expressed support in principle for a mechanism to allow for certain personal or sensitive information to be omitted from publication and withheld from public access. However, delegations considered that the proposed threshold that such information would prejudice the personal or economic interests of any natural person or legal entity was too low; requirements to withhold access to information under national law were more stringent, such as the need to establish that the information had been unintentionally submitted, was not material to determining patentability, would cause irreparable harm, or that the legitimate interest of the natural person or legal entity concerned outweighed the public interest in disclosure of the information. One delegation suggested defining the types of information that could be omitted from publication or withheld from public access in the Administrative Instructions.

137. The Working Group agreed that International Bureau should consider the proposals further, taking into account the comments made by delegations.

AGENDA ITEM 30: DECLARATIONS OR OTHER EVIDENCE RECEIVED IN THE CONTEXT OF A REQUEST FOR RESTORATION OF THE RIGHT OF PRIORITY

138. Discussions were based on document PCT/WG/7/17.

139. Several delegations supported the proposals. However, one delegation expressed the concern that the proposals could result in sensitive personal information that had been furnished to the International Bureau by the receiving Office being published by a designated Office without the consent of the applicant. This delegation therefore proposed that receiving Offices should retain the right not to furnish personal sensitive information to the International Bureau; such information could be defined in the Administrative Instructions. Designated Offices could nevertheless request this information from the applicant if needed.

140. The Working Group agreed that International Bureau should consider the proposals further, taking into account the comments made by delegations.

AGENDA ITEM 31: MISCELLANEOUS PROPOSED AMENDMENTS TO THE PCT REGULATIONS

141. Discussions were based on document PCT/WG/7/15.

142. One delegation, while having no objection to the proposal to amend Rule 49ter.2(b)(i), suggested that all time limits in this Rule could be extended to two months, in line with the majority of general time periods set out in the Patent Law Treaty. While agreeing that this might in general be desirable, the International Bureau indicated that it would prefer to continue with the proposal in its current form, since it would not require changes to the laws of Contracting States and could therefore be brought into effect quickly, noting that States were always permitted to offer more favorable time periods if their national laws so permitted.

143. The Working Group approved the proposed amendments to the Regulations as set out in the Annex to document PCT/WG/7/15 with a view to their submission to the Assembly for consideration at its next session in September-October 2014.

AGENDA ITEM 32: OTHER MATTERS

144.

145. [TO BE ADDED]

AGENDA ITEM 33: SUMMARY BY THE CHAIR

146.

147. [TO BE ADDED]

AGENDA ITEM 34: CLOSING OF THE SESSION

148.

[Annexes follow]

[The Annex or Annexes will be added depending on the outcome of discussions in the final segment of the meeting]