

INTERNATIONAL PRELIMINARY EXAMINATION OF PCT APPLICATIONS

- As of 1 April 2002, the term for entering the national/regional phase under Chapter I of the PCT has been extended from 20 months to 30 months from the earliest priority date. This change does not have an automatic effect in individual states. Some states may delay extending the term for entering the national/regional phase under Chapter I. Such states were required to declare this by the end of January 2002. One such state is the People's Republic of China where the Chapter I term remains at 20 months.
- In respect of states for which the term for entering the national/regional phase under Chapter I has been extended, the term for entering the national/regional phase under Chapter I is now the same as the term under Chapter II. For these states, there is no longer any need to file a Demand for International Preliminary Examination merely to delay the deadline for entering the national/regional phase.
- As of 3 January 2002, where a Demand for International Preliminary Examination is made naming the European Patent Office as International Preliminary Examining Authority, the European Patent Office will:
 - Unless requested to carry out detailed examination, issue a simplified first opinion corresponding to the search report;
 - Refund 2/3 of the International Preliminary Examination fee if no response is made to the first opinion. The first opinion will then form the International Preliminary Examination Report;
 - If a response is made to the first opinion (or if detailed examination is requested when filing the Demand for International Preliminary Examination or at any other time), issue a more detailed International Preliminary Examination Report.
- The European Patent Office no longer considers matters other than novelty, inventive step and industrial applicability.
- Where a 2/3 refund of the International Preliminary Examination fee is made, there will be no reduction of the substantive examination fee on entering the European regional phase.
- Where a full International Preliminary Examination is carried out by the European Patent Office, a 50% reduction in the substantive examination fee will be given on entry into the European regional phase.
- As of 1 March 2002, the European Patent Office no longer performs International Searches in respect of PCT applications filed by US nationals or residents at the USPTO or International Bureau where the applications include one or more claims relating to business methods or biotechnology, and does not perform International Preliminary Examinations for applications including one or more claims relating to business methods, biotechnology or telecommunications.

Please contact us if you require any further information on PCT and European Patent Applications.

CHANGES TO INTERNATIONAL PRELIMINARY EXAMINATION OF PCT APPLICATIONS

DETAILED DISCUSSION

INTRODUCTION

The Patent Co-operation Treaty (PCT) provides a system by which applicants can file a single application designating over 100 countries and have the application searched and examined while delaying the date for filing national or regional patent applications.

In view of the extension of the period for entering the national/regional phase under Chapter I of the PCT, and the changes to the approach of the European Patent Office in respect of International Search and Preliminary Examination, we consider that it is important for applicants to consider the approach to be adopted in using the PCT system in general and, specifically, in using the European Patent Office to carry out the International Search and International Preliminary Examination of applications where such examination is required.

In this paper, we discuss how we suggest applicants may make the best use both of the PCT system, and of the European Patent Office as the International Search and International Preliminary Examining Authority. We have summarised our recommended procedure for determining whether International Preliminary Examination by the European Patent Office should be requested in a flowchart.

CHANGES TO THE PATENT CO-OPERATION TREATY

Previously, the main advantages of requesting International Preliminary Examination were the extension of the period for entering the national/regional phase in countries where protection is required (typically from 20 months to 30 months from the earliest priority date) and having the benefit of the examination of the application by a Patent Office. The results of this examination may be taken into consideration by some Patent Offices in the national/regional phase.

DEFERRAL OF NATIONAL PHASE ENTRY

As of 1 April 2002, the term for entering the national/regional phase of a PCT application is at least 30 months from the earliest priority date irrespective of whether International Preliminary Examination has been requested. Individual states may, however, delay bringing the new term into effect. Whilst the European Patent Office has already changed the term for entering the national/regional phase in accordance with the new regulations with effect from 2 January 2002, some states, for example those who must amend their national law, or those who rely upon the issuance of an International Preliminary Examination Report as a substitute for national examination, have not extended the national/regional phase entry term. In particular, note that the People's Republic of China has, for the time being, not extended the term. Accordingly, if protection is required in these countries, and it is desired to defer entry into the national/regional phase until after the 20 month date, it is still necessary to file a demand for International Preliminary Examination within 19 months of the earliest priority date.

The modified time limit (i.e. at least 30 months from the priority date) applies, so far as a particular designated Office is concerned, to any PCT applications for which the 20-month time limit expired on or after the date on which the modified time limit took effect in that designated office. So for all countries which amended their local laws by 1 April 2002, the new time limit applies at least to all PCT applications having an earliest priority date on or after 1 August 2000.

In Europe, as of 2 January 2002, the deadline for entering the regional phase under Chapter I and Chapter II is 31 months from the earliest priority date. It applies to all PCT applications having an earliest priority date on or after 2 April 2000.

ADVANTAGE OF AN INTERNATIONAL PRELIMINARY EXAMINATION REPORT

The other advantage of requesting International Preliminary Examination is that the applicant will receive a non-binding opinion on the novelty, inventiveness and industrial applicability of the claimed invention. A positive International Preliminary Examination Report can be of particular advantage in many countries. In particular, where the European Patent Office has carried out the International Preliminary Examination Report, and where this raises no objections, it is likely that any European application based on the PCT application will proceed to allowance without any Substantive Examination Report being issued by the European Patent Office. Other countries also rely on the contents of the International Preliminary Examination Report.

CHANGES TO EUROPEAN PATENT OFFICE PRACTICE

Many applicants previously used the European Patent Office to carry out the International Search and International Preliminary Examination of their PCT applications, even if these applications were not filed at the European Patent Office.

In view of the changes to the PCT and to the European Patent Office practice, it is appropriate to consider whether the European Patent Office should be used for search and examination of PCT applications. In some circumstances where the European Patent Office has been used, it may no longer be appropriate, or possible, to do so. In other cases, where applicants have not traditionally used the European Patent Office, it may now be appropriate to do so.

THE REASON FOR THE CHANGES

The European Patent Office has traditionally carried out the International Search and the International Preliminary Examination of PCT applications originating from many different countries, and in all technical fields. These searches and examinations have acquired a reputation for high quality and value for money (not least because if the European Patent Office issues a positive International Preliminary Examination Report, then it is very likely that they will grant the patent after the application has entered the regional phase in Europe). Prior to implementation of the changes, the European Patent Office acted as International Searching Authority for 60% of PCT applications, and as International Examining Authority for about 58% of applications. This led to the European Patent Office being significantly overburdened, to the extent that conventional European applications (i.e. ones which are not obtained through the PCT route) were suffering severe delays.

The European Patent Office therefore decided to change their practice in respect of International Search and International Preliminary Examination to seek to reduce these delays. In particular, the Office has limited the number of cases with which they have to deal by:

- (1) refusing to search US originating applications which include one or more claims in certain technical fields;
- (2) refusing to carry out International Preliminary Examination in respect of US originating applications which include one or more claims in certain technical fields; and,
- (3) offering a reduced level International Preliminary Examination in respect of other applications.

SHOULD THE EUROPEAN PATENT OFFICE CARRY OUT THE INTERNATIONAL SEARCH?

All PCT applications must be searched by one of the International Searching Authorities.

The European Patent Office may be designated as the International Searching Authority for PCT applications filed in many different countries, not just Europe. However, the European Patent Office will only act as International Preliminary Examining Authority in respect of PCT applications for which it has carried out the International Search.

The European Patent Office carry out a high quality search, which can help an applicant determine whether to proceed with their application, and can also be a good way to identify prior art that should be submitted to national Patent Offices in respect of any national applications. This is especially useful for US applications where there is a requirement to inform the Office of relevant prior art.

A further advantage of having the International Search carried out by the European Patent Office is that there will be no search fee due on subsequent entry into the European regional phase.

LIMITATIONS IN THE TECHNICAL FIELDS FOR WHICH THE EUROPEAN PATENT OFFICE CARRIES OUT INTERNATIONAL SEARCHES AND PRELIMINARY EXAMINATION FOR US ORIGINATING APPLICATIONS

The European Patent Office has stopped performing International Search and Preliminary Examination in certain technical fields. The change only applies to patent applications filed by a national or resident of the United States of America. Furthermore, it only applies if the international patent application was filed at the United States Patent and Trademark Office, or the WIPO International Bureau, as Receiving Office.

For such PCT applications filed on or after 1 March 2002, the European Patent Office will not perform an International Search if the patent application includes one or more claims which relate to the fields of biotechnology or business methods.

Furthermore, for such PCT applications for which the demand was filed on or after 1 March 2002, the European Patent Office will not perform an International Preliminary Examination if the patent application includes one or more claims which relate to the fields of biotechnology, business methods, or telecommunications.

Biotechnology is defined as inventions in the following classes of the International Patent Classification: C 12 M, C 12 N, C 12 P, C 12 Q, C 07 K, G 01 N 33/50, A 61 K 39, A 61 K 48, or A 01 H. The European Patent Office considers that these classes correspond to the following US classes: 424, 435, 436, 514, 530, 536, 800, and 930.

Business methods are defined as inventions in class G 06 F 17/60 of the International Patent Classification. The EPO considers that this class corresponds to US class 705.

Telecommunications are defined as inventions in class H 04 of the International Patent Classification. The European Patent Office considers that this class corresponds to US classes 370, 375, 379, 380, 381 and 455.

The European Patent Office now refuses to carry out the International Search or International Preliminary Examination where the application includes even only one claim in one of the excluded technical fields, even if the application includes other claims not in these fields.

Many issues of the implementation of this rule remain unclear, though they may be resolved by the time you file your next application, so do contact us for advice first. They include:

- When the EPO has refused to carry out an International Search or International Preliminary Examination, will this change the fees which the applicant has to pay when the application enters the European regional phase?
- If the applicant disagrees with the European Patent Office about which technical field a certain claim lies in (and therefore whether the European Patent Office should carry out the International Search and/or the International Preliminary Examination), will the applicant have a right of appeal?
- In cases when the application contains some claims in the excluded fields and other claims which are not in the excluded fields, can the applicant ensure that the European Patent Office carries out the International Preliminary Examination by amending the application by deleting the claims in the excluded fields? If so, by when must this be done? Note that PCT applications cannot be amended before the International Search is carried out, so no amendments can be made to ensure that the European Patent Office performs the International Search.

If it is desired to have the European Patent Office carry out the International Search or International Preliminary Examination in respect of a PCT application including claims that would preclude this if all applicants were US nationals or residents, it may be possible to file the PCT application through a different Receiving Office, for example through the European or UK Patent Office. This is possible where one of the applicants for at least one designated country, is entitled to file a PCT application at the alternative office. For example, by including a European as a joint applicant in respect of one state, the PCT application can be filed at the European Patent Office. In such cases, we are prepared to name one of our attorneys as applicant for a PCT contracting state of low commercial importance (such as Madagascar or Equatorial Guinea). As the application would then include a UK national and resident applicant, the application could be filed with the European or UK Patent Office as the Receiving Office. In such cases, we are confident that the European Patent Office would hold that the PCT application was not covered by the new regulation. If the country for which our attorney is named as applicant turns out to be commercially important, we will assign that designation back to the original applicant, but we recommend that this is not done before the International Preliminary Examination is carried out.

THE NEW EUROPEAN PATENT OFFICE PRACTICE FOR INTERNATIONAL PRELIMINARY EXAMINATION

As of 3 January 2002, the European Patent Office has modified the International Preliminary Examination that they carry out.

For cases where an applicant only files a request for International Preliminary Examination, the Office issues a first Opinion corresponding to the Search Report. For example, if the Search Report were to identify a document as being X Category against Claim 1, and two documents as being Y Category against the remaining claims, the opinion would state that Claim 1 lacks novelty and that the remaining claims lack inventive step. If the Search Report identified no relevant prior art, the Opinion would indicate that there was no objection to the novelty or inventiveness of the claimed invention.

If the applicant makes no response to this Opinion within the term set by the Office, the applicant will be refunded 2/3 of the International Preliminary Examination fee, and the International Preliminary Examination Report will issue based on the Opinion. Thus, if the Search Report cites any X- or Y-category documents, a negative International Preliminary Examination Report will issue.

However, if the applicant proposes any amendments to the application, or files arguments to the objections raised in the Opinion, these will be taken into consideration by the European Patent Office prior to issuance of the International Preliminary Examination Report. In this case, there will be no refund of any part of the International Preliminary Examination fee.

When requesting International Preliminary Examination by the European Patent Office, the applicant may request detailed International Preliminary Examination of their application, in which case a more detailed Opinion will be produced as a first Written Opinion by the European Patent Office to which a response may be filed prior to issuance of the International Preliminary Examination Report. This is a similar procedure to that previously carried out by the European Patent Office for International Preliminary Examination.

Any International Preliminary Examination Report issued by the European Patent Office, will in general be limited to matters of novelty, inventiveness and industrial applicability, and will not address formal requirements, or the clarity and conciseness of the claims.

Where a detailed International Examination is carried out, it is possible to obtain 50% reduction in the Substantive Examination fee payable to the European Patent Office on entry into the Regional Phase in Europe. This reduction is no longer available where a partial (2/3) refund of the International Preliminary Examination fee is made. The fee for International Preliminary Examination plus 50% of the European Substantive Examination fee is slightly greater than the International Preliminary Examination fee with 2/3 refund plus the full European Substantive Examination fee.

SHOULD THE EUROPEAN PATENT OFFICE BE USED FOR INTERNATIONAL PRELIMINARY EXAMINATION?

As already noted, the European Patent Office can only carry out the International Preliminary Examination of an application for which they have carried out the International Search.

We recommend that as soon as a Search Report is issued by the European Patent Office in respect of a PCT application, a decision is made as to whether International Preliminary Examination should be requested. If the applicant requires protection in countries where the deadline for entering the national/regional phase under Chapter I is not extended to 30 months from the priority date (China, for example), and where the applicant is not in a position to enter the national/regional phase in those countries, International Preliminary Examination should be requested. Further, if the applicant wishes to obtain protection in countries that rely on the International Preliminary Examination Report for the national/regional phase examination, it may also be appropriate to request International Preliminary Examination. In other circumstances, where traditionally the request for International Preliminary Examination has been made merely to defer the deadline for entering the national/regional phase, it would appear unnecessary to file a request for International Preliminary Examination.

Where the Search Report has not cited any documents as being relevant to the novelty or inventiveness of the application, a positive International Preliminary Examination Report may be obtained cheaply by requesting International Preliminary Examination from the European Patent Office, and not responding to the first Opinion.

In other cases, especially where potentially relevant documents are cited in the International Search Report, and where detailed International Preliminary Examination is desired, for example to establish the likelihood of obtaining patent protection, or where an International Preliminary Examination Report is used as the basis of the national examination, we consider that it would be advantageous when making the Demand for International Preliminary Examination to request detailed examination rather than receiving an Opinion based on the initial search. The Examiner should then issue a full, detailed Written Opinion and give an opportunity to make amendments prior to issuance of the International Preliminary Examination Report.

We would also recommend, if appropriate, e.g. if the inventors' comments on the prior art are available, at the same time as requesting International Preliminary Examination, filing amendments to the claims and/or arguments in support of the claims to overcome the prior art objections expected to be raised by the Office. If these amendments and arguments do not overcome the Examiner's objection, the Examiner should issue a Written Opinion giving a further opportunity to make amendments prior to the issuance of the International Preliminary Examination Report. This will give the maximum chance of obtaining a positive International Preliminary Examination Report, which may be of advantage in further national/regional phase applications.

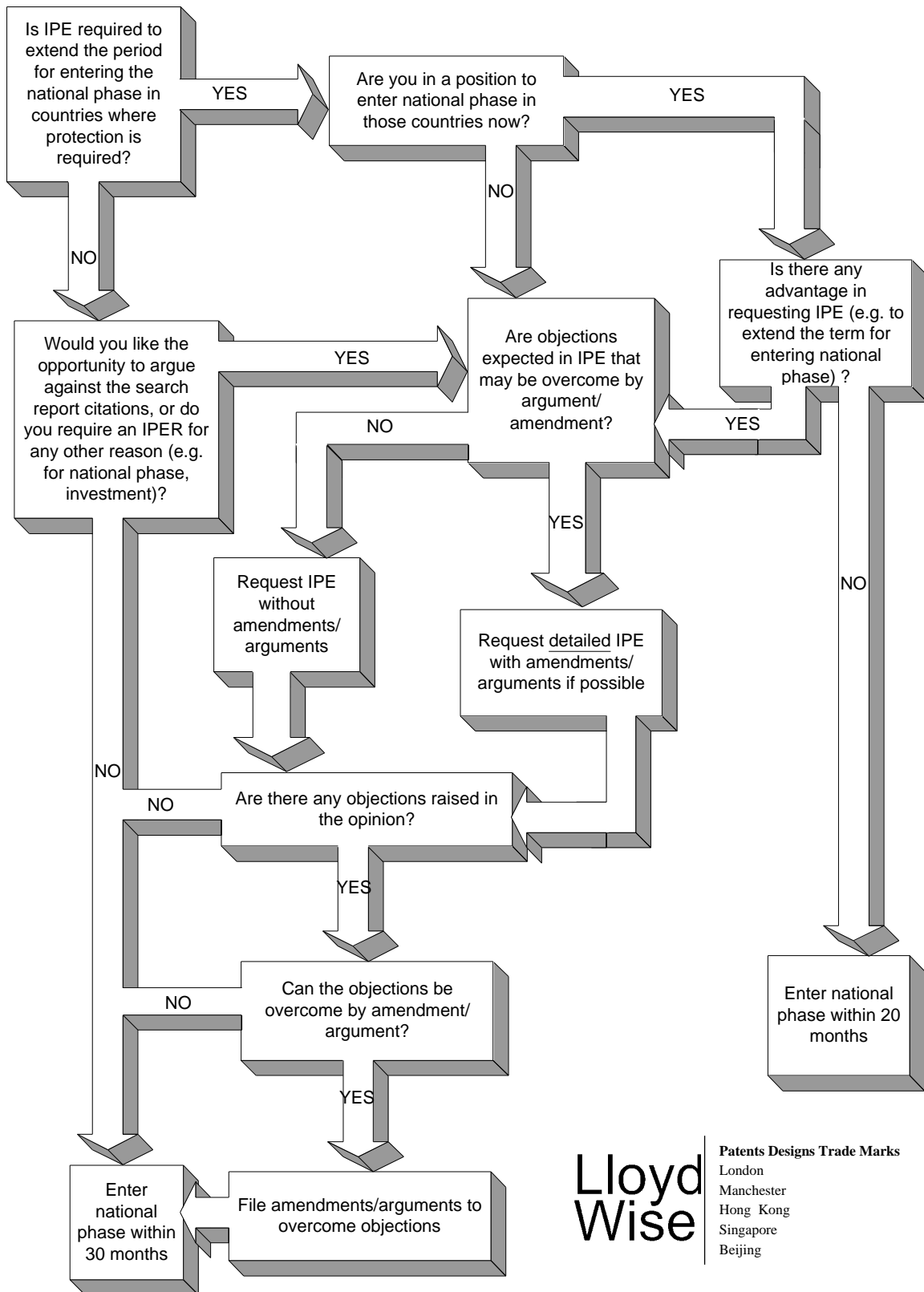
If you request International Preliminary Examination yourself, and wish us to advise on and respond to the Opinion issued by the European Patent Office, we recommend that you send us details of the application papers, search report, citations and comments on the citations at

the same time as requesting International Preliminary Examination so that we have these documents available as soon as the first Opinion is issued which can be sent to us by the European Patent Office directly. Alternatively, if we are to file the request for International Preliminary Examination, it is our recommendation that you contact us prior to the deadline for demanding International Preliminary Examination so that we may advise on how best to address any objections expected to be raised by the European Patent Office. We would then be in a position to file amendments and/or arguments at the same time as filing the Demand for International Preliminary Examination. For this, we would require a sub-authorisation in respect of the Chapter II proceedings.

In all cases where no International Preliminary Examination has been carried out, or where we have not handled the International Preliminary Examination before the European Patent Office, we would recommend that you send us instructions for entering the European Regional Phase in good time before the final date for entry into the Regional Phase. This will give us an opportunity to review the application to try to put this in the best form for European Patent Office practice. In particular, this will give us the opportunity to try to spot and overcome any potential clarity and conciseness objections that may be raised by the European Office, and to try to reduce the number of claims to reduce the number of excess claim fees payable. Where we have been responsible for the International Preliminary Examination Phase, we may have been able to address some of these issues during that Phase.

When instructed to enter the regional phase in Europe, we will need to know if the European Patent Office has carried out detailed International Preliminary Examination so we can determine the correct fees.

RECOMMENDED PROCEDURE FOR DETERMINING WHETHER TO REQUEST INTERNATIONAL EXAMINATION



**Lloyd
Wise**

Patents Designs Trade Marks
London
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