

CHANGES TO THE PCT SYSTEM SINCE JANUARY 1ST, 2004

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The PCT ("Patent Cooperation Treaty") makes the steps of obtaining patents in many countries easier through the filing of a single international application written in only one official language and filed before a single office.

On January 1st, 2004, certain changes were made to the PCT system.

A Written Opinion is now being provided with the International Search Report (ISR) established by the International Searching Authority (ISA) under Chapter I of the PCT procedures. The ISR still lists the prior art documents considered the most relevant to the invention as found by the ISA. As before, the ISA assigns a category to each of the documents based on its relevance with respect to the invention claimed in the application. With the recent changes to the PCT system, the ISA now also provides an Opinion explaining the reasons which motivated them to assign such category to each document. Under the old system, the Applicant was entitled to receive such a Written Opinion only after filing a Request for Examination under Chapter II of the PCT regulations along with payment of the applicable regulatory fees. However, entry into Chapter II had another effect, namely to extend by ten (10) months the time limit for proceeding with the national phase entries in the various countries. Now the time limit is unconditionally extended without the need to request examination of the Application unless the Applicant opts to proceed directly with the National Phase entries in certain countries instead of proceeding according to the regional phase alternative for these countries. The Applicant can take advantage of this extended time limit to commercialize the invention, evaluate its commercial potential, seek financing, etc., without any additional costs. In the event that the ISR and the Written Opinion are negative, the Applicant will have more information at his disposal in deciding whether a Request for Examination of the application under Chapter II is

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relevant or not to try overturning the position held by the ISA. This takes on even more importance given that conclusions presented in the International Preliminary Examination Report (IPER) are likely to influence the position that the National Patent Offices will take with regard to patentability of the invention.

In this connection, the IPER is now provided by the International Preliminary Examining Authority (IPEA) at the end of the PCT procedures (30 or 31 months from the filing/priority date of the PCT application, depending on the countries), whether or not the Applicant took advantage of the examination procedures under Chapter II. If no examination takes place, the IPER is simply modeled on the Written Opinion. Otherwise, considerations resulting from the exchanges made between the Applicant and the IPEA with regard to patentability of the invention and other practice requirements are reported in the IPER.

Under the new regulations, all contracting States bound by the PCT are automatically designated, thus eliminating risks of involuntary omissions, contrary to the previous regulations.

With regard to costs, a flat international filing fee now replaces the separate basic and designation fees previously required.

As of July 26th, 2004, CIPO has become both the ISA and the IPEA for international (PCT) applications filed by Canadian Applicants (residents and citizens). Accordingly, all of the PCT procedures are now undertaken by CIPO and no longer by the European Patent Office (EPO).

This administrative change is more advantageous in certain respects for Canadian Applicants. Among others, at a pecuniary level, all regulatory fees required under PCT regulations will be collected by CIPO in Canadian dollars. The exchange rate between Canada and Europe is no longer a factor in the calculation of certain regulatory fees. Moreover, it appears that the fee for the International Preliminary Examination required by CIPO is significantly lower (even lower than half considering the exchange rate with Europe) than when the examination was carried out by the EPO. However, under the old PCT regulations, in cases where the Applicants proceeded under the European Patent Convention (EPC), there was a 75% fee reduction since almost the entire examination of the PCT application was already completed by an EPO Examiner. Now, since the examination is conducted by CIPO, Canadian Applicants can no longer benefit from this fee reduction. However, the higher PCT examination costs will no longer have to be assumed by Applicants who choose not to prosecute the application before the EPO.

International searches previously carried out by the EPO were interesting for Canadian Applicants since the searching methodology of EPO is different from CIPO. The results of international searches were often complementary to the results produced from, for example, preliminary patentability searches made by patent agents before filing an International Application. There was a lower risk of uncertainty of having a relevant document cited by an Examiner during the subsequent national prosecutions. Canadian Applicants no longer have this advantage

However, examination of the PCT applications now carried out by a Canadian Examiner is likely to facilitate prosecution for Canadian Applicants who will no longer have to face formal objections related to requirements specific to European practice, as was the case before. Moreover, Canadian and American practices are similar with regard to the format of patent applications. By contrast, for Applicants proceeding before the EPO after the international phase, a higher level of intervention will probably be necessary to bring the application in line with EPC requirements. However, these interventions will be restricted to the European application. This is a major advantage given that the case law in some countries such as the United States, is to the effect that each intervention may have a negative impact on the level of protection obtained for the invention.

The international examination now being conducted by CIPO instead of EPO may also have repercussions given the position taken by CIPO regarding the patentability of certain kinds of subject-matter in comparison with EPO and other countries, such as the patentability of higher life forms, software and business methods. CIPO has yet to indicate how PCT applications relating to this type of subject-matter will be handled.

More information on the PCT regulations is available on our Group's website at www.robic.ca.



