

## **Towards a worldwide system**

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In my presentation today I will try to summarize several facts, and to predict what is the likely future of the international system.

<b>Paris Convention</b>	<b>1883</b>
<b>PCT</b>	<b>1970</b>
<b>TRIPS</b>	<b>1995</b>
<b>LPT</b>	<b>2000</b>
<b>SPLT</b>	<b>?</b>

The Paris Convention, adopted in 1883, built the main cornerstone of today's international system, including the principle of national treatment for foreign applicants and 12-month priority right for foreign filings based on a first national application.

The PCT offers streamlined procedures, by virtue of a binding common set of formal requirements and a single international publication for filing applications effect in many countries.

The PCT also provides for substantive, but non-binding, international search and international

preliminary examination. Although the results of those procedures are not given full recognition or exploitation by national and regional patent offices, the PCT probably offers the best framework from which a truly international patent system can evolve in cooperation with national and regional systems and in conjunction with the other initiatives such as that for greater harmonization of patent laws.

The TRIPS Agreement, which was concluded as part of the Marrakech Agreement Establishing the WTO, came into force on January 1, 1995. The link between the intellectual property system and global trade has been brought into sharp focus by the TRIPS Agreement. The TRIPS Agreement is binding on all Members of WTO, most of which are also Member States of WIPO. The modernization of intellectual property systems has become policy priorities in many developing countries and least developed countries owing to their obligations to implement provisions of the TRIPS Agreement (a transitional period for developing countries expired on January 1, 2000 and that for the least developed countries will expire on January 1, 2006).

Some fifteen years ago, WIPO elaborated a first draft, with an international view, aimed to harmonize on a worldwide basis the various patent systems, concerning both the formal issues as well as the

substantial aspects; after several meetings held in Geneva, a final text was accepted by the Standing Committee on the Law of Patent (SCP) in 1991. A diplomatic Conference was then convened, but unfortunately, did not reach any agreement on the above mentioned text.

Discussions were resumed some years later, always organized by WIPO, but limited to formal and procedural issues for those patent systems; a new text was therefore adopted by the SCP which was, as already mentioned, limited to the filing formalities of patent applications. Such new text was finally adopted by a Diplomatic Conference, leading to the signature of the Patent Law Treaty (PLT), on June 2, 2000.

The PLT achieves a major goal of international simplification by incorporating the requirements for PCT applications into national and regional laws. Thus, under the PLT, the requirements and procedures for national and regional patent applications, and those for PCT applications, will be harmonized. This will eventually lead to standardized formal requirements and streamlined procedures for all patent applications world-wide. For example, the PLT offers the following advantages:

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- **Use of standardized forms**
- **Possibility to introduce electronic filing of patent applications**
- **Exceptions from mandatory representation**
- **Possibility to obtain a filing date, even if the main part of the application (description) is filed in a foreign language**

By the date until which it was open for signature (that is, June 1, 2001) 54 countries and European Patent Organisation have signed the Treaty. The PLT will enter into force after 10 countries deposit their instruments of ratification. So far the ratification documents have been deposited by four countries namely, Moldova, Slovenia, Slovak Republic and Kyrgyz Republic.

The processing of separate national and regional applications for the same invention in a number of patent offices obviously results in duplication of work.

Statistics show a constant and sizeable increase in the workload of the patent system, with increases in both the number of users and the number of applications.

**PCT applications**

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<b>1985</b>	<b>7 000</b>
<b>2000</b>	<b>90 000</b>
<b>2001</b>	<b>104 000</b>
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<b>US</b>	<b>38,5% (40 000 applications)</b>
<b>Germany</b>	<b>13,1%</b>
<b>Japan</b>	<b>11,4%</b>
	<b>63%</b>
<b>10 countries</b>	<b>86%</b>
<b>105</b>	<b>14%</b>

Looking at the PCT statistics, one can observe the rapid increase of international applications in the last twenty years.

In 1985 the number of PCT filings was around 7 000. In 2001, it was nearly 104 000.

Another fact is that the origin of PCT filings is concentrated in a very small number of countries. On top is the US, with 38,5%, 40 000 applications, followed by Germany with 13,1% and Japan 11,4%.

These three countries alone represent 63% of the total, while 10 countries represent 86%, with the remaining 105 countries filing only 14%.

Doubts are being raised about whether national and regional patent offices sustain their current level of activity, much or less increase their capacities. ICC regrets that company desiring patent protection in a number of countries on an invention finds that the prior art search and substantive patentability examination will be repeated a number of times on the same invention.

This multiplicity of efforts inevitably increases the cost of obtaining patents, and sometimes produces patents of differing scope from country to country and this is confusing for third parties.

Moreover, it is commonly known that there is a lack of exploitation by national and regional offices of the work carried out during the international phase of PCT.

Mutual recognition of work carried out by other offices would be a kind of solution, but first the harmonization process has to be concluded.

The need for patent law harmonization going beyond formalities led WIPO's Standing Committee on the Law of Patents (SCP) to decide to initiate work on harmonization of substantive patent law.

During the Diplomatic Conference relating to the PLT a considerable number of delegations and representatives have expressed their wish to further

harmonization of substantive requirements of patent law after the conclusion of the PLT.

WIPO initiated again new discussions, in early 2001, aimed to the substantive issues related to the patents, mainly based on those issues of the 1991 text which were not included in the PLT.

In November 2000, the SPC, as its fourth session, agreed that first draft provision for future legal instrument should focus initially on issues of direct relevance to the grant patent, in particular,

**the definition of prior art**

**novelty**

**inventive step/non-obviousness**

**industrial applicability/utility**

**the drafting and interpretation of claims**

**the requirement of sufficient disclosure of the invention.**

So far, three sessions have been held devoted to the future SPLT : in May and in November 2001 and in May 2002. The next session is scheduled to take place on November 18 - 22, 2002.

In May 2001, the SCP, at its fifth session, considered a first draft of the Substantive Patent Law Treaty (SPLT), with Regulation and Practice

Guidelines. The draft covered the six issues mentioned above and the SCP also discussed the interface between the draft SPLT and the PLT and the PCT, and whether the scope of the draft SPLT should be limited to patentability and validity requirements, excluding issues related to the infringement of patents.

### **The Treaty**

#### **The Regulations - for the users of the Treaty**

#### **The Guidelines - for the Patent Offices**

Three texts have to be considered during the discussions: The Treaty as such, the Regulations giving more details or precisising of the articles of the Treaty, which are mainly intended for the users of the Treaty, and the Guidelines which are more intended for the Patent Offices in charge of Applying said Treaty.

Now, I would like to present you the some articles considered by the SCP during the seventh session held in May this year

The definition of prior art

The definition of prior art is of fundamental importance for the determination of patentability,

since novelty and inventive step are examined on the basis of existing art.

**Article 8, paragraph (1) sounds:**

**Article 8 - The definition of prior art**

**1. The prior art with respect to claimed invention shall consist of all information, which has been made available to the public anywhere in the world in any form, before the relevant claim date**

The SCP also discussed the disclosure of information over the Internet and its impact on patentability. The SCP agreed that in the first instance, it was necessary to establish general principle concerning prior art that would also cover disclosure of information over the Internet. The Committee would then consider the need to establish special provisions specific to Internet disclosure.

On the last session of the SCP the delegation of the United States of America wished to include the concept of „loss of rights“ in the definition of prior art. In its view, a patent should not be granted to an invention which had been protected as a trade secret for a long period. The majority of delegations were against such inclusion.

Paragraph 2 of this same Article sounds:

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2. If the filing date or, where applicable, the priority date, of an application ("earlier application") filed in, or with effect for, a Contracting Party is earlier than the claim date of particular claim contained in another application ("later application") filed in, or with effect for, the same Contracting Party, the earlier application shall for the purpose of determining the novelty of an invention claimed in the later application, form part of the prior art with respect to the claimed invention, provided that the earlier application or the patent granted thereon is published subsequently.

The earlier application referred to in this paragraph form part of the prior art for the purpose of the determination of novelty, but not of inventive step. On the last session of the Committee the delegation of the USA was of the opinion that prior art effect of earlier applications should apply when assessing both novelty and non-obviousness, since more than one patentee might hold patents which were not distinct. This issue had been discussed at some length at the

previous session of the Committee and a strong majority had expressed the wish to limit the provision to novelty.

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The next issue raised on the last session referred to the term „filed in - with effect for” in relation to international applications under the PCT, and, in particular, to an international application which was filed in a country that was not designated. So, the terms „filed in” and „with effect for” should be further clarified. One of the proposals is that only PCT applications that had entered the national phase would be covered.

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### **Grace period**

The next issue is directly connected with the prior art and refers to information not affecting patentability that is a grace period.

The concept of availability is still more crucial in Europe where the grace period (enabling the inventor to disclose his or her invention, such a disclosure nor being, in certain circumstances, a ground for destroying its novelty) is not known, it being reminded that there is such a grace period system in many countries (Canada, Japan USA among others). Such a problem could be solved with the SPLT. This grace period should not be an incentive to disclose, but

should be considered as a safety measure for the inventor who, through negligence or necessity, discloses the invention before filing a patent application covering it.

There was a great diversity among the positions: some Delegation were strongly in favor of a grace period (USA, Germany), others would be in favor of such a grace period provided very clear limits are envisaged (France), others linked this issue to first to file system (Austria, Finland, Sweden), others confirmed that the issue was still debated in their countries where the opinion was divided (UK), others were reserved (Netherlands, Belgium, Switzerland). Finally, no Delegation was clearly opposed to the principle of a grace period. The opposition came from non-governmental organizations, such as CIPA, and EPI, and mainly from UNICE which declared that is was strongly opposed to the introduction of a grace period, even though the USA waive the first to invent system in favor of the first to file system. During the last session of the Committee no strong suggestion was expressed that no grace period at all should be included. Many delegations indicated that the inclusion of a provision on third parties' rights was critical, while a few delegations were opposed to such a provision since it related to infringement. There seemed to be a feeling that the grace period

should be limited in scope and constitute a safety net for applicants only, although one delegation (the USA) wished to extend the scope to include public experimental use. As far as duration was concerned, some delegations favored a period of six months while others preferred twelve months.

**Novelty.**

Article 12, paragraph 2, sounds:

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**Article 12, paragraph 2 - Novelty.**

**2. A claimed invention shall be novel.**

**It shall be considered novel if**

**it does not form a part of the prior art**

**(as prescribed in the Regulations).**

On the last session there was one proposal only, namely, the Delegation of Sweden suggested that the relevant provisions should be contained in the Treaty instead of prescribed in the Regulations as proposed.

**Article 12, paragraph 3 - Inventive step/non-obviousness**

**3. A claimed invention shall involve an inventive step.**

**It shall be considered to involve an inventive step (be non-obvious) if, having the differences and similarities, between the claimed invention as whole and the prior art as defined in Article 8 (1), the invention would not have been obvious to a person skilled in the art at the claim date.**

The terms, „having the differences and similarities between the claimed invention as whole and the prior art“, point to the steps, which are usually applied in practice, when assessing the requirement, but also make it clear, that the invention, as a whole, must be inventive.

The limitation of the prior art, to the definition contained in draft Article 8 (1), excluded the prior art effect of earlier application, with respect to inventive step, in conformity with the opinion of the majority of the SCP.

**Article 12, paragraph 4 - Industrial applicability/utility**

4. A claimed invention shall be industrially applicable (useful). It shall be considered industrially applicable (useful) if, it

- can be made or used for exploitation in any field of commercial activity
- can be made or used in any kind of industry
- has a specific, substantial and credible utility.

The second and the third possibility reflects the standard contained in many national and regional legislation, concerning industrial applicability and utility, respectively.

The first possibility attempts to take into consideration the essence of both requirements, including real practices, and reflects a more global approach, whereby an invention would have to be able made or use in any field of commercial activity. This possibility is intended to cover both industrial applicability and utility, since it contains the aspect of making or using the invention in any field of commercial activity and the aspect of exploitation, which implies a certain utility of the invention.

On the last session of the SPC:

- The delegation of Spain, welcomed paragraph concerning the requirement for industrial

applicability in respect of, in particular, inventions in the field of biotechnology.

- The Delegation of the USA saw no reason to limit patentability, in such a manner, the criterion should be, that the invention has utility, and, that an „industrial applicability“ standard, could stifle, the development of new areas of innovation, such as software, biotechnology, or other newly developing areas that could not be foreseen now.

- The Delegation of Russia expressed a preference for the first alternative without the word „commercial“. There was a long discussion and the views of delegations were also divided concerning the three possibilities placed in paragraph 4.

In conclusion, in view of the importance of the issue involved, two alternative provisions would need to be included in the next draft.

## **Article 11 - The drafting and interpretation of claims**

### **1. The claims shall define the subject matter for which protection is sought.**

The requirement under this paragraph is a subjective one, since it is the applicant who determines what he

regards as his invention and what the subject matter, for which he seeks for patent protection, is.

During the last session

- The Delegation of Russia expressed the view that the wording of this paragraph was not appropriate. In particular, it was not clear, what obligation this paragraph places on Contracting Parties, for example, in respect of ground for revocation.
- The Delegation of the USA suggested the word, „subject matter for which protection is sought“, be replaced by the words, „subject matter which the applicant regards as his invention“.
- Some delegation supported the wording as proposed.

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**2. The claims, both individually and in their totality, shall be clear and concise.**

On the last session decided that this wording should further be discussed by Working Group on Multiple Invention Disclosures and Complex Application.

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**3.**

**a) Each claim should be fully supported, by the description and the drawings**

**b) The claimed invention, shall be supported, by the disclosure of the application as filed, in a manner, allowing a person skilled in the art, to recognize**

from such disclosure, that the applicant was, as of filing date, in possession of the claimed invention.

There was general agreement in principle on these provisions as proposed. However, the International Bureau should review the text, taking into account the application, in respect of which a deposit of microorganisms had been made.

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4.

a) The wording of the claims shall provide the primary basis for their interpretation.

The description and the drawings

as amended and corrected, if applicable,

and the general knowledge of a person skilled in the art,

of the filing date,

shall form the secondary basis for the interpretation of the claims.

b) For the purpose of determining the scope of protection, conferred by the patent, due account shall be taken of elements which are equivalent to the elements expressed in the claims.

This paragraph reflects the decision taken by the sixth session of the SCP to include equivalents in the draft SPLT. The background for this decision was

the fact, that, if certain contracting Parties, were to apply the doctrine of equivalents, while others would not, applicants would be forced to draft their claims in a different manner. On the last session there was general support for the paragraph in principle, although one Delegation considered that it would be unduly inhibit a court in making a decision based of the facts of the case. It was agreed that the International Bureau should review the text to clarify the meaning of the terms "primary basis" and "secondary basis".

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**Article 10 - sufficient disclosure of the invention**

**1. The application shall disclose the claimed invention in a manner sufficiently clear and complete for the invention to be carried out by person skilled in the art.**

**The disclosure of the claimed invention shall be considered sufficiently clear and complete if it provides information which is sufficient to allow the invention to be made and used by a person skilled in the art of the filing date, without undue experimentation, as prescribed in the Regulations.**

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(2) For the purposes of assessing sufficiency of disclosure under paragraph (1), the disclosure on the filing date contained in the description, claims and drawings, as amended and corrected in accordance with Article 7, shall be taken into account.

There was broad agreement on the principal of this Article. Some comments were made on the use, and necessity for clarification of, the expression "undue experimentation".

The following articles of the draft treaty were also examined:

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**Contents of application**

**Contents of claims**

**Unity of invention**

**Scope of claims**

**Amendments or corrections of application**

It should be noted that no decision were taken by the SPC on any part of the draft SPLT. It was considered far too early in the procedure to "adopt" any text.

**a maximum harmonization level - a reciprocal recognition of patent rights between two countries or two regions**

**minimal harmonization provisions - to which all contracting parties will likely agree**

As a result of the debates, it seemed appropriate to further clarify the general philosophy of the SPLT - Is it realistic to implement a treaty seeking to achieve a reciprocal recognition of patent rights between two countries or two regions, in order to remedy the increase of the work-load in the patent offices? In this case, the SPLT would establish a maximum harmonization level with which contracting parties will be required to comply.

Alternatively, would it seem more reasonable to implement a treaty containing minimal harmonization provisions to which all contracting parties will likely agree, while retaining some discretion with respect to certain patentability questions.

- Do the SPLT provisions apply solely to pending patent application, i.e. the filing and examination stages prior to the issuance of the patent, or to the contrary, are some of the SPLT provisions also applicable after the patent issues? The concept of unity of invention constitutes a typical illustration

of the preissuance criteria, whereas the doctrine of equivalents, if embodied in the treaty, could equally apply during the prosecution phase and after the date of issuance.

SPLT deliberation should focus on matters that might provide quick solutions to problems of backlogs and eventually to adopt and implement harmonization in some areas where agreement is easily reached rather than attempting to come to an agreement in all areas including those where positions are too distant and could risk delaying the process of harmonization.

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**A world patent = An utopian patent**

An attitude of world business to this matter is absolutely clear - a single patent application which is processed centrally to grant of a global patent applying to all countries and which could be litigated before a central court, in other words world patent.

The representative of the ICC during the conference on the international patent system held this year in Geneva said:

„ICC agrees with the many who say that will not happen for very many years. Before such a system could be established, a multitude of countries would have to agree to cede sovereignty to at least one

central organization and agree a harmonized system for obtaining, maintaining and litigating the world patent. ICC will continue to support efforts to achieve this but clearly the advent of the world patent is far in the future".

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