

PCT STRATEGIES - To DEMAND OR NOT TO DEMAND

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Abstract

Continuing changes occurring in the PCT system are driven by the exploding volume of filings. Utilization of electronic distribution of information greatly reduced costs while providing instantaneous availability of the information. Changes in the effect of filing a demand simplifies the decisions an applicant must make while reducing the workload in processing a PCT application. Where an IPER is important to making business decisions regarding entry into the national and regional phase, it is recommended that a demand be filed as early as possible.

PCT strategies - To Demand or Not to Demand

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Continued growth in use of the Patent Cooperation Treaty (PCT) system is indicative of the increasing strategic importance of patents to business. The PCT system provides a single international patent application which has legal effect in the countries which are bound by the treaty and which are designated by the applicant, consolidating and streamlining the patenting procedures and reduces costs, providing applicants with a solid basis for important decision-making. The number of PCT member States and regional members¹ increased to 118. The number of international applications continues to rise dramatically with 114,048 applications filed worldwide in 2002, representing a 9.7% increase compared with 2001. The World Intellectual Property Organization (WIPO) continues to enhance their web site with respect to PCT materials and provides an extensive resource², including general information, filing information, legal texts, the PCT Gazette, PCT News and more. The PCT Legal Texts, including: Treaty, Regulations and Administrative Instructions, are available in English³, French⁴, German, and Spanish⁵ in HTML and PDF formats.

While electronic filing of a PCT application is not fully available⁶ WIPO continues developing the electronic filing software, PCT-SAFE⁷. The first test filing using the PCT-SAFE software took place in November 2002, and is expected to be in a pilot phase early this year, with the PCT-SAFE system being fully operational in December 2003.

The use of the recently updated PCT-Easy software⁸, which enables the submission of a diskette containing the material in the "Request" form, continued to increase with 45,300 or 39.7% of all applications in 2002 being prepared using the PCT-Easy software.

¹ In 2002 seven PCT Contracting States acceded to the European Patent Convention. They are Bulgaria, Czech Republic, Slovakia, Slovenia, Hungary and Romania. Slovenia has closed its national route and it is possible to only apply for a regional patent.

² Access to the various materials can be found at: in English <http://www.wipo.int/pct/en/>; in Arabic <http://www.wipo.int/pct/ar/>; in Chinese <http://www.wipo.int/pct/cn/>; in French <http://www.wipo.int/pct/fr/>; in Russian <http://www.wipo.int/pct/ru/>; and in Spanish <http://www.wipo.int/pct/es/>.

³ Access to this material can be found at http://www.wipo.int/pct/en/access/legal_text.htm.

⁴ Access to this material can be found at http://www.wipo.int/pct/fr/access/legal_text.htm.

⁵ Access to this material can be found at http://www.wipo.int/pct/es/access/legal_text.htm.

⁶ As of January 7, 2002, any PCT receiving Office having the necessary technical systems in place can decide to accept the filing of international applications in electronic form, which would be published in the PCT Gazette. So far, the only receiving Office that has notified the International Bureau is the European Patent Office.

⁷ Information on PCT-SAFE (Secure Application Filed Electronically) can be found at <http://www.wipo.int/pct-safe>.

⁸ Information on PCT-Easy can be found at <http://pcteasy.wipo.int/en/index.html>.

The PCT application process is extremely procedural, with strict requirements for the format of the disclosure and the “Request” form⁹ filed with the disclosure. The previous reduction in the maximum fee for designation all Regional and National patents to 6 designations provides a typical strategy wherein all States (except the US if there was a prior US patent application) are designated. The majority of participating PCT member States and regional members previously required entry into the national phase within 20 months from the earliest priority date, unless a demand was filed within 19 months from the earliest priority date.

Except when accompanied by an amendment of the disclosure, the filing of a demand is purely procedural matter handled by properly completing the “Demand” form⁵ and submitting the necessary fee. By the filing of the “Demand” the time requirement to enter in the national phase was essentially extended until 30 months from the earliest priority date. The filing of a demand also provides an opportunity to amend the description, claims and drawings without having to submit the amendments separately during the national phase. An International Preliminary Examination Report (IPER) is also prepared which while not binding is strongly considered.

The new (30-month) time limit replacing the previous 20-month time limit for entering the national phase was effective April 1, 2002. The effect of this change is how the time limit for entry into the national phase is calculated, which is dependent on the date of the earliest priority document. Where the 20-month time limit expired before April 1, 2002 and no demand was filed, the time limit for entry into the national phase, even after April 1, 2002, is 21 months¹⁰ from the priority date. Where the 20-month time limit expires on or after April 1, 2002 and where a demand has not been filed, the time limit for entry into the national phase is 30 months¹¹ from the priority date.

As various changes to national laws are required to implement the new time limits not all members have done so yet. A table of the time limits for entering the national or regional phase under PCT Chapters I and II after April 1, 2002, updated on March 28, 2003 is attached as an appendix. It should be noted that the time limits for entering the national or

⁹ Editable versions of the PCT forms are available at <http://www.wipo.int/pct/en/forms/index.htm> and can be accessed with Adobe Acrobat Reader 4.0, although version 5.0 is recommended. Sample completed forms are also provided and updated as changes occur.

¹⁰ For example, an international application with a priority date of July 5, 2000, the 20-month time limit expired on March 5, 2002, which is, before 1 April 2002. Thus the time limit is April 5, 2002, which is, 21 months from the priority date.

¹¹ For example, an international application with a priority date of August 2, 2001, the 20-month time limit expired on April 2, 2003, which is, after April 1, 2002. Thus, the time limit is February 2, 2004, which is, 30 months from the priority date.

regional phase vary from 20 months (unchanged) to up to 42 months¹². However most of the time limits are 30 or 31 months to enter the national or regional phase.

There is no change with respect to an applicant's ability to file a demand. However it may not be necessary to do so. More importantly, where an applicant did not file a demand, they may still be able to enter the national phase within 30/31 months (42 months for Canada) for many of the member States.

Often receiving an IPER is important to making various business decisions regarding entry into the national and regional phase. In order to increase the likelihood that the International Preliminary Examining Authority (IPEA) will be able to provide the IPER within a time frame that will enable you to make your decisions, it is recommended that a demand be filed as early as possible.

Updates on the status states with laws not compatible with the time limit fixed in Article 22(1) can be found in the PCT Newsletter¹³. As of March 24, 2003 all states except for 13 have complied. Those who have yet to comply are: Brazil; Switzerland; Denmark; Finland; Luxembourg; Norway; Sweden; Singapore; United Republic of Tanzania; Uganda; Serbia and Montenegro; South Africa; and Zambia. If the European Patent Office (EPO)¹⁴,¹⁵ and the African Regional Industrial Property Organization (ARIPO)¹⁶ were designated than only Brazil, Norway, Singapore, Serbia and Montenegro, and South Africa¹⁷ have a time requirement for entry that is shorter than 30 months.

In conclusion, the changes occurring in the PCT system continue to be driven by the exploding volume of filings. Utilization of electronic distribution of information greatly reduced costs while providing instantaneous availability of the information¹⁸. Changes in the effect of filing a demand simplifies the decisions an application must make while reducing

¹² The Canadian Patent Office permits extending entry into the national phase from 30 months to 42 months. The time limit for this *late entry* into the national phase is in effect if the applicant pays an additional fee.

¹³ Access to the PCT Newsletter can be found at <http://www.wipo.int/pct/en/newslett/index.htm>.

¹⁴ The EPO includes Switzerland, Denmark, Finland, Luxembourg, and Sweden.

¹⁵ Entry into the European Regional Phase after 31 months can be done upon receipt of the Rule 108 communication from the EPO which sets the exact deadline for late entry. There is a 50% surcharge for late entry under Rule 108. This communication is sent to the inventor/applicant or the appointed representative of the applicant.

¹⁶ The ARIPO includes the United Republic of Tanzania, Uganda, and Zambia.

¹⁷ Entry into the national phase may be made after the time limit of 20-months or 30-months if a demand was filed, by petition and payment of a fee to the South African Patent Office.

¹⁸ A valuable resource for free searching of PCT applications and EPO applications published in the most recent 24 months, which can be displayed in full as a PDF document, and patent applications published in over 50 countries including PCT and EPO applications older than 24 months can be found at <http://ep.espacenet.com/> which is a free service on the internet provided by the European Patent Organization. To access applications older than 24 months, you should select the link "Worldwide - 30 million documents".

the workload in processing a PCT application. Where an IPER is important to making business decisions regarding entry into the national and regional phase, it is recommended that a demand be filed as early as possible.

PCT Contracting States and Two-Letter Codes as of January 2003

AE United Arab Emirates	GD Grenada	MZ Mozambique (AP) ²¹
AG Antigua and Barbuda	GE Georgia	NE Niger (OA) ^{20,21}
AL Albania ¹⁹	GH Ghana (AP) ²¹	NL Netherlands (EP) ^{20,21}
AM Armenia (EA) ²¹	GM Gambia (AP) ²¹	NO Norway
AT Austria (EP) ²¹	GN Guinea (OA) ^{20,21}	NZ New Zealand
AU Australia	GQ Equatorial Guinea (OA) ^{20,21}	OM Oman
AZ Azerbaijan (EA) ²¹	GR Greece (EP) ^{20,21}	PH Philippines
BA Bosnia and Herzegovina	GW Guinea-Bissau (OA) ^{20,21}	PL Poland
BB Barbados	HR Croatia	PT Portugal (EP) ²¹
BE Belgium (EP) ^{20,21}	HU Hungary	RO Romania ¹⁹
BF Burkina Faso (OA) ^{20,21}	ID Indonesia	RU Russian Federation (EA) ²¹
BG Bulgaria (EP) ²¹	IE Ireland (EP) ^{20,21}	SC Seychelles
BJ Benin (OA) ^{20,21}	IL Israel	SD Sudan (AP) ²¹
BR Brazil	IN India	SE Sweden (EP) ²¹
BY Belarus (EA) ²¹	IS Iceland	SG Singapore
BZ Belize	IT Italy (EP) ^{20,21}	SI Slovenia (EP) ²¹
CA Canada	JP Japan	SK Slovakia (EP) ²¹
CF Central African Republic (OA) ^{20,21}	KE Kenya (AP) ²¹	SL Sierra Leone (AP) ²¹
CG Congo (OA) ^{20,21}	KG Kyrgyzstan (EA) ²¹	SN Senegal (OA) ^{20,21}
CH Switzerland & LI Liechtenstein (EP) ²¹	KP Democratic People's Republic of Korea	SZ Swaziland (AP) ^{20,21}
CI Côte d'Ivoire (OA) ^{20,21}	KR Republic of Korea	TD Chad (OA) ^{20,21}
CM Cameroon (OA) ^{20,21}	KZ Kazakhstan (EA) ²¹	TG Togo (OA) ^{20,21}
CN China	LC Saint Lucia	TJ Tajikistan (EA) ²¹
CO Colombia	LK Sri Lanka	TM Turkmenistan (EA) ²¹
CR Costa Rica	LR Liberia	TN Tunisia
CU Cuba	LS Lesotho (AP) ²¹	TR Turkey (EP) ²¹
CY Cyprus (EP) ^{20,21}	LT Lithuania ¹⁹	TT Trinidad and Tobago
CZ Czech Republic (EP) ²¹	LU Luxembourg (EP) ²¹	TZ United Republic of Tanzania (AP) ²¹
DE Germany (EP) ²¹	LV Latvia ¹⁹	UA Ukraine
DK Denmark (EP) ²¹	MA Morocco	UG Uganda (AP) ²¹
DM Dominica	MC Monaco (EP) ^{20,21}	US United States of America
DZ Algeria	MD Republic of Moldova (EA) ²¹	UZ Uzbekistan
EC Ecuador	MG Madagascar	VC Saint Vincent and the Grenadines
EE Estonia (EP) ²¹	MK The former Yugoslav Republic of Macedonia ¹¹	VN Viet Nam
ES Spain (EP) ²¹	ML Mali (OA) ^{20,21}	YU Yugoslavia
FI Finland (EP) ²¹	MN Mongolia	ZA South Africa
FR France (EP) ²⁰	MR Mauritania (OA) ^{20,21}	ZM Zambia (AP) ²¹
GA Gabon (OA) ^{20,21}	MW Malawi (AP) ²¹	ZW Zimbabwe (AP) ²¹
GB United Kingdom (EP) ²¹	MX Mexico	

¹⁹ Extension of European patent possible.

²⁰ May only be designated for a regional patent (the "national route" via the PCT has been closed).

²¹ Where a State can be designated for a regional patent, the two-letter code for the regional patent concerned is indicated in parentheses (AP = ARIPO patent, EA = Eurasian patent, EP = European patent, OA = OAPI patent).