



November 12, 2012

Hon. David J. Kappos  
Under Secretary of Commerce for Intellectual Property  
and Director of the U.S. Patent and Trademark Office  
600 Dulany Street  
P.O. Box 1450  
Alexandria, VA 22313-1450

**Re: Comments on USPTO PCT 20/20 Proposal**

Dear Under Secretary Kappos:

Intellectual Property Owners Association (IPO) appreciates the opportunity to provide comments to the U.S. Patent and Trademark Office (USPTO) regarding the Patent Cooperation Treaty (PCT) 20/20 Proposal.

IPO is a trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes more than 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members.

IPO applauds the USPTO's ongoing efforts to improve intellectual property protection in the U.S. and internationally. The comments below address each of the proposals for improving the PCT system found in the document titled "PCT 20/20" from the PCT Working Group Fifth Session (PCT/WG/5/18).

**(A) SELF SERVICE CHANGES (92BIS/PRIORITY CLAIMS) -Applicants could make corrections to bibliographic data and priority claims that would be effective immediately, providing instant feedback of the approval to the applicant.**

IPO believes that this proposal would be very helpful and that the two conceptual improvements being addressed by the proposal should be independently developed and applied.

The first improvement is the ability to receive immediate feedback on submissions. The ability to make online corrections under Rule 92bis was originally suggested by WIPO as a way to enhance the ePCT system. (See attached). We agree that this idea should be extended to priority claim corrections and wherever else possible for all submissions.

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The second improvement is the ability for applicants to “self-certify” submissions. This concept was introduced in the U.S. via the Patent Prosecution Highway (PPH) system. Under the PPH, an applicant can make certain changes without any approval or review, so long as the applicant provides “self-certification.” We believe this concept should be embraced both in the USPTO system, as well as the PCT system. We believe it is up to the applicant to submit accurate information to the patent offices and therefore urge the patent offices to accept such submissions without second-guessing the applicant’s certification.

Moreover, the more self-service changes are automatically accepted during the international phase, the less need be done via each individual country’s patent office during the national phase. We urge that international submissions, such as powers of attorney, assignments, and any other permissible submission, should be automatically accepted by the national states upon entry.

**(B) LIMITED CHAPTER I CLAIM AMENDMENTS - Permitting limited claim amendments, such as correcting misnumbered claims, prior to drawing up of the search report would be helpful to both the ISA and applicant.**

IPO believes this procedure would be very helpful as long as time limits are set for such corrections so as not to cause any delays in the issuance of an International Search Authority’s Written Opinion (ISR/WO).

We also think that further consideration should be given to the possibility of amending claims at any time during Chapter I. For example, even after receiving an ISR/WO, the applicant must file Article 34 amendments and enter into Chapter II just to make a global amendment to the claims, effective in all national states. It would be more helpful if the applicant could simply make these amendments for the record in Chapter I. This would create a uniform set of claims upon entry into the national phase without requiring applicants to file preliminary amendments individually in each national state.

**(C) SIMPLIFY WITHDRAWAL OF IA’S – Requirements for withdrawing PCT applications, such as obtaining signatures from all applicants, would be eased in at least certain situations.**

IPO welcomes the proposed simplifications. We also note that WIPO has suggested such improvements as part of the ePCT system. (*See attached.*)

**(D) STANDARDIZING FEE REDUCTIONS FOR NATIONAL STAGE APPLICATIONS - National and regional Offices would offer a national stage fee reduction for all national phase applications which contain only claims which were indicated as meeting the criteria of PCT Article 33 (2)–(4).**

IPO believes this is an excellent suggestion. Applicants currently benefit from the PPH’s faster prosecution, reduced number of actions, and higher allowance rates. These same benefits accrue to the patent offices involved in the PPH, leading to reduced office costs

overall. Accordingly, we urge the patent offices involved in the PPH to reduce their patent fees to account for such savings.

Section K of the PTO 20/20 proposal indicates formal integration of the PPH into PCT. We urge that the USPTO address fee reduction consistently under these two sections.

Additionally, while this paper addresses PCT, the same logic for fee reduction would apply to the Paris PPH which has the same service reductions during prosecution. We urge the USPTO to take the lead in offering such reductions for all PPH cases.

Currently, the USPTO does offer some fee reductions under 37 CFR §1.496. However, they are limited to the special case where the ISA originated in the U.S. (ISA/US). We recommend that the USPTO lead by example and extend Rule 1.496 to make such fee reductions available to all applicants, regardless of the ISA chosen by the applicant in the international phase. Likewise, we believe fee reductions should be made regardless of whether the national application has entered the USPTO via the national phase route under § 371 or via the by-pass route under §120, as long as the claims selected have met the criteria of PCT Article 33 (2)-(4).

Implementing fee reductions as described above, however, should not prevent an applicant from filing and fully paying for a continuation/divisional application for claims that have not met the criteria and that the applicant still wishes to pursue.

**(E) INTERNATIONAL SMALL/MICRO ENTITY FEE (OR DISCOUNT) - A small entity fee would permit small businesses and independent inventors in all countries to obtain worldwide patent protection at lower cost through use of the PCT system.**

While an international small or micro entity discount might encourage greater use of the PCT by small/micro entities, we believe it must be addressed with caution. In connection with the introduction of the micro entity discount in the U.S., we have already seen some “pushback” on the part of IPO corporate members who are concerned that they will be forced to subsidize fee reductions given to small and micro entities. Such “pushback” might also occur internationally upon introduction of this proposal in PCT. Accordingly, we urge the USPTO to first analyze the costs involved in the proposal and provide assurances that such discounts will not significantly impact large entity filers.

Moreover, emerging and developing countries may latch onto the same proposal requesting reductions in national fees for their applicants as well, based upon the same theory. IPO urges additional and careful review of this proposal before moving forward on this proposal.

- (F) INTEGRATE NATIONAL/INTERNATIONAL PHASES, USE A NATIONAL FIRST ACTION ON THE MERITS FOR PCT SEARCH REPORT, REQUIRE RESPONSE TO NEGATIVE COMMENTS AT THE NATIONAL PHASE – Under this proposal, a search report and written opinion prepared by an ISA would constitute both the PCT report and a national Office action for that office. Additionally, national/regional offices would be encouraged to require, at the time of national phase entry, a complete response to any outstanding negative indications made of the ISA/IPEA.**

This proposal relates to the situation presented when the patent office performing the international search and preparing the written opinion is the same as the patent office performing the national examination. IPO believes that the basis for this proposal is that a patent office should search the same invention only once and should do a high-quality job the first time.

If a patent office acting as the International Searching Authority performs a search and prepares a written opinion, that same office should be able to rely upon the search and written opinion upon entry of the application into the national phase in that office's country. Alternatively, if a patent office has completed a national search and examination on an application, the office, acting as the International Searching Authority, should be able to rely on that national search when it subsequently encounters that same invention in a PCT application. (Additional searching might still be necessary to address broader PCT search requirements.)

IPO believes that patent offices should seek to avoid duplicative searching and examination in the same office. Nothing should preclude the ability of a patent office, however, to do "top-up" searches for prior art that was not published at the time of the first search. Nor should an examiner be precluded from reviewing a previous search and identifying a pertinent, yet omitted reference.

Moreover, to the extent that the same work product produced during the international phase will be used in the national phase in the same patent office, IPO believes that it is not unreasonable to ask applicants to respond to the international search report and written opinion prior to entry into the national phase of that same country.

IPO understands that this proposal would not require one patent office to accept automatically the work of another patent office acting as the International Searching Authority. When an applicant brings an application with a search report and written opinion from a different patent office, subsequent patent offices should utilize the international work product to the extent possible. Differences in quality, language proficiencies, or otherwise, may warrant additional searching.

**(G) MANDATORY RECORDATION OF SEARCH STRATEGY – To provide confidence in the quality of PCT searches, examiners would record their search strategy and make such information available to other offices.**

Sharing search strategy has been one of the foundation projects of the IP5 and is a project that IPO strongly supports. PPH has shown that the more a second examiner understands the work of a first examiner, the more he can rely upon such work product. We believe that if the search strategy is provided along with a search report, a second examiner will have more confidence and a better understanding of the work done by the first examiner. The examiner can then determine whether he agrees with such strategy, in which case he may accept the results. Should the examiner disagree, he will conduct his own search along a different strategy approach. We believe this will improve the quality of the cumulative results from the various patent offices on the family of patents being examined.

We recommend, however, that a uniform format be introduced for posting such search strategies so that examiners can easily understand and review the work of other examiners without spending unnecessary time analyzing the particular unique layouts of search strategy results. Likewise, guidelines and formatting should be required to reduce the need for translations and simply rely upon classification numbers and codes to the extent possible. Key words should be translated via a common translation dictionary that all examiners must use (such as, WIPO's Cross-Lingual Expansion Tool (CLE) available on Patent Scope). This will provide uniformity and commonality among all of the patent offices.

Such search strategies should also be available to users after 18-month publication so that users could better understand the examiner's approach in such searches.

**(H) COLLABORATIVE SEARCHING (2 + OFFICES), ELIMINATE SUPPLEMENTARY INTERNATIONAL SEARCH – Examiners from multiple offices would collaborate to create a single search report. Such a report would generally be of greater quality than a report prepared by a single examiner and could be relied upon in the national phase than current reports.**

IPO believes collaborative searching is the ultimate goal for all foreign filed cases, not just PCT applications. First, however, we urge careful analysis on why the Supplementary International Search (SIS) failed. For example, if the SIS was not used due to cost factors, similar issues are likely to arise for collaborative searching, to the extent that such cost will be as high as the SIS. Alternatively, if the SIS was not used due to procedural matters having to do with underutilization or timeliness of information, then a collaborative search may be an improvement.

Additionally, we urge caution in introducing the concept of collaborative searching to the international patent community so that applicants do not infer that non-collaborative, single searches are of poor quality. In a collaborative search, more examiners are involved and provide their input early on in the process which only improves the search/examination process.

While we support collaborative searching, we would not want applicants to infer that anything less than a collaborative search is of poorer quality.

**(I) MANDATORY TOP-UP SEARCHES – In order to increase the quality of PCT Reports, examiners would perform top-up searches to uncover recent documents.**

IPO believes this proposal would be a step forward in improving examination quality. We recommend that time limits should be given for “top-up” searches in order for the searches to be most efficient. To the extent that new references are found, we believe the IPEA should be required to forward new references to the applicant to address during the international phase.

We also urge consideration of the possibility of allowing automatic “top-up” searches during Chapter I. This will further enhance the quality of the ISR/WO upon entry into the national phase and possibly avoid excess duplication of work in the national phase where each country has to do its own individual “top-up” search.

However, as mentioned above in connection with Section F, the meaning of a “top-up” search must be clearly defined.

**(J) DEVELOPMENT AND IMPLEMENTATION OF THE GLOBAL DOSSIER AND INCORPORATION OF SAID SYSTEM INTO THE PCT - Applicants would file a single application, and thereafter the movement and duplication of documents would be minimized or even eliminated by the creation of a “one-stop” portal for all stakeholders.**

The concept of a Global Dossier system has been suggested by the USPTO at the IP5, and elsewhere, and is a program that IPO strongly supports. The Global Dossier would provide an overall “environment” for a one-stop portal not only for filing applications but also for accessing, by both examiners and users, ongoing prosecution of corresponding applications in that family of patents. It would bring together many of the “modules” currently being developed including the Common Citation Document, the new CPC Classification System, and other projects.

We believe this proposal is very forward looking and dynamic and should be pursued. We do caution, however, that integration of the Global Dossier be careful and deliberate to ensure that the interests, needs, and strategies of users are integrated within the overall project.

**(K) FORMAL INTEGRATION OF THE PATENT PROSECUTION HIGHWAY INTO THE PCT, FAST TRACK OF NATIONAL PHASE APPLICATIONS, IMPROVE REUSE OF PCT WORK AT THE NATIONAL PHASE – A PPH type system would be formally integrated into the PCT. Offices would fast track national phase applications which presented only claims which received a positive report.**

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IPO strongly supports integrating the PPH System into the PCT. However, it must be the applicant's option whether to request such an automatic fast track on "allowed" claims or not. Many applicants are not interested in a fast track; thus the program should not assume automatic entry but be initiated only at the applicant's option.

We note that there are currently more countries involved in Paris PPH than in PCT PPH. Accordingly, we urge the USPTO to examine why countries are reluctant to make use of PCT PPH as compared to the Paris PPH which has a greater acceptance among national patent offices. After such study and analysis, we urge you to address all issues raised before proposing to automatically incorporate a PPH system into the PCT system.

**(L) MAKING THE WRITTEN OPINION OF THE INTERNATIONAL SEARCHING AUTHORITY AVAILABLE TO THE PUBLIC AFTER INTERNATIONAL PUBLICATION – To enable national offices and third parties to view the content of the written opinion of the ISA before an application enters the national phase, the written opinion would become available upon international publication.**

IPO strongly supports this proposal. The restriction on publishing the written opinion and the IPRP until 30 months was made at a time when many national patent offices did not have 18-month publication. Now that most countries have harmonized with 18-month publication there is no longer any need to keep the PCT work confidential after that point. Although one can prevent publication of his application in the USPTO if there is no foreign filing, this is irrelevant to the PCT situation which inherently includes foreign filing.

The original limitation on publishing the written opinion and the IPRP was at the request of users at the time the PCT was introducing written opinions into Chapter I. At the time, users felt that publishing the written opinion might be damaging to an applicant who might otherwise be seeking financial support from investors. Even though the ISR was published, it was then requested by users to maintain the written opinion as confidential only to the user and not to the public. Currently, however, national patent offices publish the entire file history at 18 months, thus PCT should follow suit to remain consistent with national patent offices.

IPO thanks the USPTO for considering these comments and welcomes any further dialogue or opportunity to support the USPTO on this project.

Sincerely,



Richard F. Phillips  
President