



28 February 2018

Mr. John Sandage
Deputy Director General
World Intellectual Property Organization
34, chemin des Colombettes
1211 Geneva 20, Switzerland

VIA *EMAIL ONLY* (pct.bdd@wipo.int)

**Re: WIPO's Circular C. PCT 1527 Concerning Third-Party Observations
Under the Patent Cooperation Treaty (PCT)**

Dear Mr. Sandage:

Intellectual Property Owners Association (IPO) appreciates the opportunity to respond to the request for comments in WIPO's Circular C. PCT 1527 concerning third-party observations under the Patent Cooperation Treaty (PCT), the report on the implementation of this system, and how international phase third-party observations have affected national phase processing.

IPO is an international 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 about 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 membership spans over 30 countries.

IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; and disseminating information to the public on the importance of IP rights.

We believe that the practice of considering third-party observations covering novelty and inventive step issues in international patent applications under the PCT can improve the quality of issued patents and, in certain cases, might reduce costs associated with challenging issued patents in post-grant or court proceedings. At this time, we do not recommend extending the scope of permitted observations beyond the substantive issues of novelty and inventive step, such as to issues of clarity, sufficiency of disclosure, or inventorship. Standards of clarity and sufficiency of disclosure currently vary significantly based on jurisdiction, and patent offices are not well equipped to analyze and weigh the probative value of inventorship evidence.

Third parties are likely to submit prior art and related observations and thereby contribute to the quality of issued patents if they can be reasonably assured that their novelty and

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inventive step arguments will be given proper consideration. If, however, national offices are not obliged to take into account third-party observations or comments during national processing, this can limit the incentive of third parties to submit observations and can also create potential problems for patent applicants operating in jurisdictions with an affirmative duty of disclosure. Taking this into account, IPO makes the following recommendations:

First, we would recommend amending section 805 of the Administrative Instructions under the PCT (“Communication of Observations and Comments to International Authorities and Designated Offices”) to ensure that compliant third-party observations are evaluated and that the outcome is made available to the public either by the International Searching Authority in the international search report or the supplementary international search report, or by the International Preliminary Examining Authority in the international preliminary examination report. If it is not possible to include the outcome in such reports, it should be made available to the public in another way.

Second, we propose shortening the time limit for submitting the third-party observations to facilitate such evaluations. A shortened time limit to submit observations has the additional advantage that undue prejudice might be avoided by offering the applicant a better opportunity to comment on third-party observations filed later in the time period for submitting observations. *See* Timing of Observations, page 6 of the Annex to the Circular C. PCT 1527. IPO suggests that the time period of section 802(a)(ii) of the Administrative Instructions under the PCT (“Filing of a Third Party Observation”) could extend from the date of publication of the international application to the expiration of a date selected between 24 and 26 months from the priority date of the international application. Optionally, submitters of non-compliant observations could be offered a shortened reply period to submit a corrected version. The proposed change would more fairly balance the applicants’ interests in being able to respond to third-party observations with the interests of the third parties in a publicly available evaluation of such observations.

Third, IPO believes that the International Bureau should ensure that prior art cited in third-party observations filed with respect to a PCT application be consistently reported to all elected/designated national offices. Such reporting obligation would be particularly beneficial in the United States because routinely reporting the prior art cited in both compliant and non-compliant third-party observations would avoid shifting the disclosure burden to applicants.

We again thank WIPO for permitting IPO to provide comments and would welcome any further dialogue or opportunity to provide additional information.

Sincerely,



Mark Lauroesch
Executive Director