



SUBJECT: Comments on the proposals for a world patent and/or a PCT patent
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I – POLITICAL ASPECTS

Considering recent proposals in the sense of either creating a world patent or providing the international examination under the PCT with some degree of binding effect, it should be appreciated that such proposals:

- presuppose a political, legal and economical integration among countries that is inexistent;
- are in apparent opposition with the policy of the majority of WIPO member states as to fully preserving their sovereignty to grant patents valid in their territories;
- have caused apprehension in some member states to the effect that substantive harmonization is perhaps being pursued only as a necessary precondition for a “world patent” or a “PCT patent” to operate properly, and one can only speculate to which extent this state of affairs has caused the severe obstacles that are now in place for the further discussions on substantive harmonization in WIPO;
- clearly disregard some of the fundamentals of the proposed Development Agenda for WIPO, as far at least as the following concepts are concerned:
 - (i) Intellectual property protection *cannot be seen as an end in itself*¹,
 - (ii) The role of intellectual property and its impact on development must be carefully assessed on a *case-by-case* basis²,
 - (iii) A “*one size fits all*” approach is rejected, and different standards of protection depending on the stage of development are favored³.

In order to attempt to reestablish an atmosphere of cooperation in WIPO towards discussion of substantive harmonization, it is therefore believed that the relevant actors should agree to refrain from proposing any provision in new or existing treaties that will ultimately reduce the sovereign rights of member states to decide on the grant of patents valid in the respective territories.

To this effect, it is suggested that an introductory Chapter on General Provisions and Basic Principles be included in the draft SPLT to the effect that:

Members, desiring to improve harmonization in national patent laws, taking into account the need to promote effective and adequate protection of intellectual property rights, nevertheless recognizing that each country (or region) has the sole sovereign right to decide on the grant of patents valid in the respective territory, reaffirm the spirit of Article 4bis(1) of the Paris Convention as far as patents applied for in the various countries of the Union shall be independent of patents obtained for the same invention in other countries.

II – SUBSIDIARY ARGUMENTS OF PRACTICAL/LEGAL NATURE

Amending the PCT to provide binding effects to a favorable IPER and/or creating any system with effects similar to an international patent raises the following issues, besides the obvious issue of sovereignty:

(i) Paris Convention

The proposal is contrary to the spirit of Article 4bis(1) of the Paris Convention as far as patents applied for in the various countries of the Union shall be independent of patents obtained for the same invention in other countries.

(ii) Lack of reciprocity

As long as only a few offices will perform the international examination, national offices will face the obligation to accept the result of an

¹ WO/GA/31/11 of 27 August 2004, WIPO General Assembly, Thirty-First (15th Extraordinary) Session

² Same as note 1.

³ A/42/14 of 3 October 2006, Assemblies of the Member States of WIPO, Forty-Second Series of Meetings



examination performed by the international authorities, while the opposite will not be true, creating an imbalance in the system.

(iii) Concentration

Obviously, the suggested alteration will cause a concentration of examination activities in the trilateral offices, from which most of the PCT applications originate. An additional concentration can occur, because applicants from other countries may choose to file a first application in one of the IPEAs, instead of filing in his/her own country, since an opinion issued by his/her national office will not have the same binding effect. This concentration will lead to a decrease in the activities in national offices aside the trilateral offices.

(iv) Negative influence of an unfavorable opinion

It seems reasonable to expect that if a national office becomes obliged to a *favorable* opinion issued by an IPEA, it will also become more difficult to convince a national examiner to diverge from an *unfavorable* opinion issued by the IPEA. Giving binding effects to a favorable opinion brings the implicit concept that the national offices are to accept that an examiner of an IPEA is someone with such a degree of expertise, that his/her opinion shall not be questioned. However, once this concept is accepted, it applies either to a favorable or to an unfavorable opinion. Thus an applicant receiving an unfavorable opinion from an international examiner can be faced with severe difficulties to overcome this opinion in national stages. The risk exists that the situation will be polarized, and that an applicant will either obtain patents in all territories of interest or in none of them.

(v) Variable quality of international examination

Unfortunately, one issue that cannot be disregarded in this discussion relies in that the quality of examination being presently performed by examiners in the international PCT phase is far from uniform. Members of our association have experienced some poor results in international examinations, either in view of incomplete searches or because of poor grounds on technical opinions. Presently, a poor international report can be

overcome in each national phase without an unbearable effort, but with the new proposals it may become more difficult to correct this situation, as mentioned in the previous paragraph.

(vi) Incompleteness of search results

At least in the near future it seems to be unthinkable to provide each of the IPEAs with a complete collection or database of patent applications from all Contracting States of the PCT, not to speak about non-patent documents. Thus, an opinion issued by an IPEA is condemned to be detrimental to prior art available to a certain national office, which consideration can be vital to determine the appropriate scope of a patent, and which can thus be subject to be found to be invalid when the patent needs to be enforced.

(vii) The issue of the genetic resources, traditional knowledge and folklore

Still in connection with the previous item, traditional knowledge and folklore is often not available in written form, and information on the rich genetic resources of some countries is often also related to traditional knowledge or registered only in native language. Allowing the present IPEAs to issue binding decisions to all contracting states as to novelty and inventive step will prevent local authorities from stopping the issuance of patents e.g. to the use of a plant, which is well known to a certain ethnic group⁴.

(viii) Lack of uniformity in examination – forum shopping

It is also evident for those filing internationally, that not only the substantive patentability requirements vary from country to country, even among the trilateral offices, but also the manner in which the same concepts – such as inventive step – are interpreted and applied. While the lack of harmonization as to the substantive law can be overcome in great extent by the conclusion of the SPLT, the lack of uniformity as to interpretation is more difficult to eliminate. Subjective concepts such as inventiveness can be influenced by culture and tradition. If all offices are to accept a

⁴ The well-known Ayahuasca Patent Case (U.S. Plant Patent No. 5,751, the "Da Vine Patent", issued June 17, 1986) is a good example.



favorable opinion issued by any of the IPEAs, a tendency may be created among applicants to seek examination by that one office which shows to be the most lenient, causing a still stronger concentration and the issuance of patents with questionable validity.

(ix) Disincentive to non-contracting countries

Countries, which are still considering joining the PCT, such as most of the Latin-American countries, will probably be discouraged by the proposal of a binding international opinion⁵.

(x) Prosecution – single appeal tribunal

Current national idiosyncrasies in prosecution in different national patent offices would have to be harmonized. That could be achieved only by either abolishing all national patent offices or by allowing national patent offices to grant the world patents but having a single appeal tribunal to harmonize the inevitably different standards that would be applied around the world.

(xi) Costs v. Economic Value

If the cost of the World Patent Application is to reflect the value of the Patent, then the cost would be prohibitively high. If it is to reflect the cost of search, examination and grant then it may even be as low as or lower than the current cost of a national patent application. The possibility of a lower filing cost is apparent because a single patent granting authority to replace the national patent offices around the world would have unbelievable economies of scale, and would be bereft of the existing trend for examiners in different offices to exchange search or examination results. If the cost is prohibitively high then the cost would deter SMEs. If it is absurdly low then the number of patents that need to be considered by third parties rises uncontrollably.

(xii) Proliferation of patents

As mentioned above, proliferation of patents would be the likely result of the low costs associated to extending the validity of a patent to several countries. While the proposal contained in the Development Agenda for WIPO to “safeguard and promote the public domain”⁶ should not be applied with the intent of reducing research and innovative activities, the concept of this proposal appears to oppose to the proliferation of cheap patents in countries in which the patent owner has no intention to develop an economic activity related to the patent.

(xiii) Enforcement

A global patent must be enforceable according to the same standards around the world. How would uniformity of interpretation be achieved? Practically speaking, that could only be by means of a single universally accepted appeal court, harmonizing the decisions of national courts in every country of the world

(xiv) Revocation

Revocation must be world-wide if the patent scope is world-wide. Where is validity to be determined? If that is at a national level, then an invalidity action can be brought in any country in the world which has a history of being anti-Patent. Would any patent owner be willing to have all of its patents revoked by a regime that might have an anti-Patent bias. Alternatively if revocation is an issue for a single central court or tribunal only, then where is that to be located? Is it reasonable for a SME to have to fight validity issues in an overseas location, possibly on the other side of the world, simply to enforce a patent locally?

⁵ This concern was expressed in a PCT seminar in Buenos Aires (Seminario Regional sobre el Tratado de Cooperación en Materia de Patentes, OMPI/OEPM/INPI, Buenos Aires, 1998).

⁶ WO/GA/31/11 of 27 August 2004, WIPO General Assembly, Thirty-First (15th Extraordinary) Session.