



Australian Government

IP Australia

Discovery House, Phillip ACT 2606

PO Box 200, Woden ACT 2606

Australia

Phone: 1300 651 010

International Callers: +61-2 6283 2999

Facsimile: +61-2 6283 7999

Email: assist@ipaaustralia.gov.au

Website: www.ipaustralia.gov.au

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Official Notice

Patent Cooperation Treaty (PCT) Rule Changes Effective – 1 April 2007

Amendments to the Regulations under the Patent Cooperation Treaty (PCT) ('the PCT Rules') are due to come into force on 1 April 2007. The more significant amendments address the situation where a PCT application is filed with missing elements or parts; restoration of priority where an international application is filed up to two months after the end of the 12 month priority period; rectification of obvious mistakes; addition of Korean patent documents to the minimum documentation to be searched; and a change regarding the size of text in the international application.

The *Patents Regulations 1991* have now been amended to give effect to the amendments under Australian law and to update the text in schedule 2A of the Regulations. These amendments are set out in Schedule 4 to the *Intellectual Property Legislation Amendment Regulations 2007 (No. 1)*.

The purpose of this notice is to provide an overview of the amendments, and their practical effect for practitioners dealing with IP Australia as an Authority under the PCT.

Note: This notice is intended to provide an overview of the new rules, and therefore focuses on the main issues. Where it is necessary to make use of the new mechanisms – especially with respect to Missing pages, and Restoration of Priority – practitioners should ensure they are familiar with all relevant provisions to ensure the mechanism is available in their particular circumstances. Practitioners should also note the revised PCT Rules are subject to reservations by particular member states and hence, while Australia has not made any reservations under the new provisions, the benefit of the changes may not be available in all other jurisdictions. In some cases a large number of reservations are in place. A list of PCT reservations is provided at http://www.wipo.int/pct/en/texts/reservations/res_incomp.pdf.

The amendments were adopted at the 34th and 35th Sessions of the PCT Union Assembly. The text of the rule changes are set out in PCT Notification Nos. 177 and 180, available at:

http://www.wipo.int/edocs/notdocs/en/pct/treaty_pct_177.html and

http://www.wipo.int/edocs/notdocs/en/pct/treaty_pct_180.html respectively.

Rule changes with effect from 1 April 2007

Missing Elements and Parts of the International Application

The PCT Rules have been amended to better deal with the situation where a PCT application is filed with a part or element missing. The principle changes are embodied in revised Rule 20, which sets out the basis for determining the International Filing Date.

The most notable aspect of this amendment is the ability to rectify the omission of a part or element without loss of the filing date, if the missing part or element was completely contained in the priority document. This is subject to any reservations made by designated offices. In order to invoke this mechanism:

- The PCT Request Form must include a statement of incorporation by reference of the priority document [see Rule 4.18]. (The statement can be added to the Request after the filing date – but **ONLY** if the statement was otherwise contained in or submitted with the international application when it was filed.) A standard statement is included on the PCT Request forms produced by WIPO (including PCT-Safe). Practitioners should not use an alternative form of wording unless they fully understand the implications in each of the possible designated states.
- For the incorporation by reference to be effective, it must be confirmed within 2 months of filing [see rules 20.6 and 20.7]. That is, it is important to identify the existence of a missing part or element fairly soon after filing. Where an entire element is missing, applicants can expect to receive a notification from the Receiving Office to this effect. However applicants should have no expectation that the Receiving Office will notice, or check for, the existence of a missing part.
- A copy of the priority document must be filed with the notice of confirmation if the applicant has not met rules 17.1(a), (b), or (b-*bis*) in relation to the priority document [Rule 20.6]. **In practical effect**, the need to file the priority document at the time of confirmation can only arise for applications filed with the Australian Receiving Office if the priority document is **not** an Australian application.
- When confirming the incorporation by reference, it will be necessary to identify the missing part or element in the priority document that is being incorporated [Rule 20.6].
- To maintain the filing date, the missing part or element must be incorporated without any change. If the Receiving Office finds that the missing part or element was *not* completely contained in the priority document, the missing part or element will still be included. However the international filing date will be corrected to be the date of filing the missing part [Rule 20.5(c), 20.6(c)].
- If the filing date is lost as a result of the incorporation of the missing part, the applicant can request the missing part be disregarded and the original filing date restored. This must be done within one month of being notified of a change in the filing date as a result of the incorporation of the missing part [Rule 20.5(e)].
- Where the applicant makes use of the incorporation by reference mechanism:
 - this fact will be identified on the Pamphlet [Rule 48.2(v)];
 - a Designated Office may require a translation of the priority document [Rule 51*bis*.1(e)(ii)] together with an indication of where the missing part or element was contained; and
 - a Designated Office may treat the application as if the filing date had been lost as a result of the incorporation of the missing part or elements. This can only occur if the Designated Office considers the relevant rules under the PCT have not been complied with, and has given the

applicant an opportunity to make observations. Where this situation arises, the applicant has an opportunity to request the missing part or element be disregarded – such that the filing date is not lost [Rule 82ter.1].

- New subregulation 8.3(5) has been inserted to provide an amended definition of the international filing date to take account of circumstances where the Commissioner treats another date as the international filing date under Rule 82ter.

Drafting of Provisional specifications

Having regard to the possibility of restoration of priority, **practitioners should consider including at least one claim in any provisional applications**. This will ensure that the filing date of a PCT application claiming priority from that provisional application can maintain its filing date, in the event that the claims are accidentally omitted from the PCT application at filing.

Australian Practice for national filings

These changes to the PCT are an implementation of Article 5(6) and (7) of the Patent Law Treaty. Practitioners are reminded that the Australian legislation was amended in 2001 to implement this mechanism for national filings – see regulation 3.5A.

Restoration of the Right of Priority

The PCT Rules have been amended to provide for the restoration of the right of priority where an international application is filed up to two months after the end of the normal 12-month priority period. Formally this is not an extension of the priority period – but it has the same practical effect.

The restoration mechanism is largely dealt within new Rule 26bis.3, and operates as follows:

- Restoration is available in respect of priority applications filed between 12 and 14 months before the International Filing Date [Rule 26bis.3(a)].
- The request for restoration must be filed no later than 14 months from the filing date of the priority application [Rule 26bis.3(e)].
- An extension can be granted on the basis that the Receiving Office is satisfied that the failure to file the international application within the priority period:
 - occurred in spite of due care required by the circumstances having been taken; **or**
 - was unintentional.
- Subject to reservations being made, each Receiving Office shall apply at least one of these criteria, and may apply both. **IP Australia will apply both criteria.**
- A Receiving Office may charge a fee for processing requests for restoration of priority [Rule 26bis.3(d)].
- The request must state the reasons for failure to file the international application within the priority period, and should be accompanied by a declaration [Rule 26bis.3(b)] setting out the facts that support the reasons given. The requirements of this declaration are the same as for declarations required to support an extension of time under s.223 of the *Patents Act 1990*.
- A fee of \$200 is payable to IP Australia as the Receiving Office for consideration of the request (new fee item 308).
- If IP Australia intends to refuse a request for restoration of priority, the applicant will be provided a notice of intended refusal according to form PCT/RO/158 and given at least one opportunity to make

observations and, where applicable, to submit further declaratory evidence supporting the request for restoration. The period provided for observations or submission of further evidence will be at least one month.

- Where an extension is granted, that fact, and the criteria applied, will be published on the pamphlet [Rule 48.2(a)(xi) and (b)(vi) and (vii)].
- Subregulation 3.12(2) has been amended to provide for the restoration of the right of priority provided that the restored right of priority has not been found to be ineffective under Rule 49*ter*.1.

An important issue is that of the criterion that is used in justification of the restoration. If the restoration occurs under the ‘in spite of due care’ criterion, that restoration must be recognised by all designated offices (subject to reservations having been made). Restorations based on the ‘unintentional’ criterion will only be recognised by those countries that apply ‘unintentional’ in their national law. Accordingly an extension granted on the basis of ‘in spite of due care’ is far preferable in terms of coverage than one based on ‘unintentional’.

The Rules have put in place a regime that seeks to provide a high degree of certainty. However there is a need for checks and balances at the Designated Office stage. Accordingly, if a restoration is granted:

- the extension is not effective in a Designated State where the Designated Office or a court finds that the requirements to justify the restoration were not complied with [Rule 49*ter*.1(c)]. This particularly relates to the existence of the relevant criterion; but
- a Designated Office shall not review a decision of the Receiving Office unless it reasonably doubts (in particular) the relevant requirements were met [Rule 49*ter*.1(d)].

The fact that a Receiving Office refuses a request for restoration does not prevent the applicant applying for restoration under its national law, with Rule 49*ter*.2 setting out the requirements of national law that must be available (subject to any reservations made).

In making use of the restoration of priority mechanism, practitioners will need to be particularly mindful of:

- which criterion should the request be made in respect of, having regard to the reasons that are available to justify the restoration, and which countries accept the ‘unintentional’ criterion; and
- which countries have filed reservations, and in respect of which component of the mechanism. It is anticipated that many countries will file reservations with respect to certain parts of this mechanism.

Practitioners should note that the criterion of ‘unintentional’ can be equated to the s.223(2)(a) condition of ‘error or omission’. The requirement of ‘in spite of due care’ is of narrower ambit. It would include the *force majeure* situations that arise under the s.223(2)(b) condition of ‘circumstances beyond control...’ It would also cover a range of s.223(2)(a) errors or omissions. But it would not cover situations where the applicant or their agent had not exercised due care to endeavour ensuring the application was filed within the priority period. For example, a failure to maintain a diary system would probably be taken as an absence of due care.

Rectification of Obvious Mistakes

Rule 91 has been substantially revised to remove some of the apparent anomalies in the provision. The most notable change is that the requirement that both the mistake and its rectification must be obvious will be assessed by ‘the competent authority’ rather than ‘anyone’. In making this determination, the rule provides that:

- **for a mistake in the description, claims or drawings:** the Authority can only take into account the contents of the description, claims and drawings. Recourse to other documents (such as the priority document, or covering letters) is not allowed; and

- **for mistakes in the Request:** the Authority can only take into account the contents of the international application itself, together with any other document submitted with the request or any priority document.

Particular rectifications that cannot be made under the new provisions are:

- Inserting a missing page or element of the application [Rule 91.1(g)];
- rectification of the Abstract [Rule 91.1(g)(ii)];
- Article 19 amendments can only be rectified by a competent IPEA; and
- Rule 91.1(g)(iv) excludes a rectification of a priority claim *if the rectification would cause a change in the priority date*.

In practical effect, practitioners can assume that the revised rule makes little change to the type of rectifications that can be made.

The new rule allows a Designated Office to disregard a rectification if it would not have authorised the rectification if it had been a competent Authority. Consequently if an applicant is successful before an Authority in obtaining a ‘rectification’ of something that is not an ‘obvious mistake’, there is no obligation for Designated Offices to accept that rectification. Rule 91 has also been amended to clarify the date of effect of a rectification. In the case where the mistake is in a part of the international application as filed, the effective date is the international filing date. Otherwise, the effective date will be the date on which the document including the mistake was filed [Rule 91.1(f)].

Subregulations 8.3 (1BA), (1BB) and (1BC) have been substituted by new subregulation 8.3 (1BA). This provides for the date of effect of the rectification for applications proceeding in the national phase and makes it clear that a rectification may be disregarded by the Commissioner.

Amendment to PCT Minimum Documentation Requirements

Rule 34 sets out the ‘Minimum Documentation’ requirements for consideration during an International Search. It has been amended to include patent documents of the Republic of Korea. IP Australia generally searches well beyond the minimum documentation and has already been searching documents from the Republic of Korea to the extent that English language abstracts are available. Therefore, there will be no significant change in practice as a result of implementing this amended rule.

Change regarding the size of text in the international application

PCT Rule 11.9(d) has been amended with effect from 1 April 2007, so as to increase the minimum height of capital letters in the text matter of the international application from 0.21 cm to 0.28 cm. This new height is approximately equivalent to a Times New Roman 12 point font, and applies to any text matter of the international application except for the request, noting that the request as such is not published.

None of the other requirements under PCT Rule 11 will change on 1 April 2007. However, because of the difficulty that OCR scanners have in recognizing handwritten characters, PCT Rule 26.4 has been amended so as to no longer permit corrections to the international application by hand. Therefore, in the case of a correction of any element of the international application other than the request, the applicant will be required, as from 1 April 2007, to submit a replacement sheet embodying the correction together with an accompanying letter drawing attention to the differences between the replaced sheet and the replacement sheet.

Queries: For operational matters:

Cecelia Woodford
PCT Unit Manager
+61 2 6283 2225

For legal matters

Phil Spann
Deputy Commissioner
Opposition, Hearings & Legislation
+61 2 6283 2348

Contact: IP Australia
Phone: 1300 651 010
Fax: +61 2 6283 7999
E-mail: assist@ipaaustralia.gov.au
Web: www.ipaustralia.gov.au

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