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WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

STANDING COMMITTEE ON THE LAW OF PATENTS

First Session
Geneva, June 15 to 19, 1998

ORGANIZATIONAL MATTERS AND OVERVIEW OF THE ISSUES TO BE CONSIDERED BY THE STANDING COMMITTEE ON THE LAW OF PATENTS

Memorandum prepared by the International Bureau

I. Introduction

1. The Assemblies of the Member States of WIPO and the Unions administered by WIPO, at their thirty-second series of meetings, held in Geneva from March 25 to 27, 1998, approved the Program and Budget for the 1998-99 biennium (document A/32/2–WO/BC/18/2; approval reported in document A/32/7, paragraph 93), in which a proposal for the establishment of "Standing Committees" was included. The introductory portion of the Program and Budget (page viii) contains the following paragraph:

> "The progressive development of international intellectual property law and international harmonization will be facilitated by the rationalization and amalgamation of the existing multiple Committees of Experts to form Standing Committees of Member States to examine questions of substantive law or harmonization in WIPO's main fields of activity. As the Standing Committees will deal with clusters of interlocking issues rather than working in isolation on single issues, they will also give Member States a more effective mechanism for setting priorities and allocating resources, and ensure the coordination and continuity of interrelated on-going work. As with the existing committee system, the expertise and breadth of representation of Member States would enable the Standing Committees to advance discussion on the substance of an issue to the point where the main characteristics of the possible solution are clear, and then to formulate

recommendations for consideration by the General Assembly (or other Assembly) on the appropriate form and procedural steps for the solution to be adopted and implemented, whether by a formal treaty or by other means. Each Standing Committee would be established by the relevant Assembly through the adoption of this program and budget, and its agenda determined during its first meeting, based on the relevant program objectives, to be reviewed in subsequent meetings. To ensure a wide range of representation, WIPO would finance participation by some Member States."

2. Two standing committees were established in the context of Main Program 09, Development of Industrial Property Law, of the Program and Budget, in which the following paragraph can be found:

"As an initial step, Standing Committees, made up of all interested WIPO Member States (with, as observers, interested IGOs and NGOs) and taking up the functions previously served by various disparate Committees of Experts, will monitor all activities in the area of international industrial property law, decide priorities, and prepare studies and proposals for improvement. They will also consider the most appropriate mechanism for implementation of such proposals once deliberations have reached the point where the overall contents of an emerging solution have become manifest."

3. The Standing Committee on the Law of Patents (herein referred to as the "SCP"), established in the context of Sub-program 09.1, Law of Patents, will serve as a forum to discuss issues, facilitate coordination and provide guidance concerning the progressive international development of the law of patents, including the harmonization of national laws and procedures. The SCP will submit its recommendations and policies to the WIPO General Assembly for approval.

4. The present document proposes further details on organizational and procedural matters for consideration by the SCP, as well as an overview of the specific issues that could be addressed by the SCP in setting its work program.

II. Organizational and Procedural Matters

5. *Rules of Procedure.* With a view to streamlining procedures and avoiding a proliferation of differing approaches for the various Standing Committees, it has been proposed not to establish separate organizational rules for each Standing Committee, with the consequence that the general rules of procedure adopted for WIPO bodies, namely the WIPO General Rules of Procedure (publication No. 399 Rev.3) would apply. The SCP has the option to adopt special rules of procedure containing specific departures from the General Rules of Procedure of WIPO. It is proposed that the SCP adopt one special rule of procedure at this time, namely that membership in the SCP also be extended to Member States of the Paris Union for the Protection of Industrial Property that are not Member States of WIPO, and that observer status be extended to Member States of the United Nations that are not Member States of WIPO or the Paris Union.

6. *Membership and observers.* Pursuant to Rules 7 and 8 of the General Rules of Procedure, and to the paragraph of Main Item 09 of the Program and Budget cited in paragraph 2, above, and with reference to the proposal stated in paragraph 5, above, the

Director General has invited to the first meeting of the Standing Committee, as members, all Member States of WIPO and/or the Paris Union, and as observers, Member States of the United Nations that are not members of WIPO or the Paris Union and intergovernmental organizations and non-governmental organizations that had previously been invited to the sessions of the Committee of Experts on the Patent Law Treaty, which include all interested international non-governmental organizations accredited with observer status with WIPO. It is within the power of the Standing Committee to modify the status of ad hoc invitees (that is, non-governmental organizations that are not accredited with observer status with WIPO), and to extend invitations to other organizations, if it wishes. The Director General may, on his own initiative or at the request of the SCP, invite representatives of other organizations to participate as observers at the sessions of the SCP.

7. *Languages.* Simultaneous interpretation in the current session of the SCP will be provided from and into English, French, Russian and Spanish, and from Arabic and Chinese. The working documents for the current session of the SCP have been prepared in English, French and Spanish. These arrangements, which were followed in the sessions of the Committee of Experts on the Patent Law Treaty, have been applied, pending consideration by the WIPO General Assembly of the question of languages in meetings of WIPO bodies.

8. *Sessions.* In conformance with the budgetary allocation in Sub-program 09.1 of the Program and Budget, it is proposed that the SCP hold four sessions in the 1998-99 biennium. At the conclusion of each session of the SCP, the Chair would provide a summary of the conclusions of the SCP. Following the session, the Secretariat would prepare a draft report reflecting the discussions and circulate that draft report to all delegations and observers for comment. A finalized report would be presented for adoption at the subsequent session of the SCP.

9. *Funding of participation of government officials.* In conformance with the budgetary allocation in Sub-program 09.1 of the Program and Budget, WIPO has facilitated for the present session, and will continue to facilitate for future sessions, the participation of a number of representatives of developing countries and of the new member States of the Unions administered by WIPO which were part of the former Soviet Union (that is, the States Members of the Commonwealth of Independent States, without the Russian Federation, and the Baltic States).

10. *Working Groups.* The SCP may, under the Program and Budget, set up a Working Group to assist it in its deliberations. It is contemplated that the Working Group could be convened between sessions of the Standing Committee, to discuss specific issues of particular technical complexity or difficulty that relate to the projects that are undertaken by the Standing Committee. For example, the Working Group might be convened where necessary to conduct a focused discussion concerning one or more technical provisions of the draft Patent Law Treaty, so that these would not consume undue portions of the time of the Standing Committee itself. It is not intended that the Working Group should be assigned entire projects to undertake on its own. It should be noted that the budgetary allocations in the Program and Budget for interpretation, translation of documents and travel expenses for participation of officials in the SCP do not include such allocations for the Working Group.

11. The SCP is invited to adopt the special rule of procedure proposed in paragraph 5,

above, and to note the working arrangements described in paragraphs 6 to 10, above.

III. Issues to Be Considered by the Standing Committee

12. The Program and Budget for the 1998-99 biennium, in document A/32/2–WO/BC/18/2, Sub-program 09.1, outlines the proposed issues for consideration by the SCP. As pointed out above, one purpose of the Standing Committees is to "give Member States a more effective mechanism for setting priorities and allocating resources, and ensure the coordination and continuity of interrelated on-going work." The issues to be considered by the SCP are to be determined during its first meeting, based on the relevant program objectives, and will be reviewed in subsequent meetings. To these ends, it would be appropriate for the SCP to discuss the proposed issues set out in the Program and Budget, and any additional issues that it deems of importance, and determine which issues it will consider in its work and their priority.

13. To assist the SCP in this discussion, the following paragraphs contain a list of the issues set out in the Program and Budget, along with further details on the background of these issues, and the possible work that may be undertaken by the International Bureau and the SCP in relation to each.

Patent Formalities Harmonization: the Draft Patent Law Treaty

14. With relation to the issue of patent formalities harmonization, the Program and Budget states the following:

> "Patent Formalities Harmonization: reviewing the draft Patent Law Treaty and draft Regulations, using, wherever possible, solutions adopted for PCT procedures; preparation for a diplomatic conference, to be preceded by a preparatory meeting dealing with procedural aspects of the conference."
>
> "Expected Results: Finalization of the draft Patent Law Treaty, and preparations for a diplomatic conference."

15. Provisions of the draft Patent Law Treaty, and of accompanying Regulations, have been discussed at five sessions of the Committee of Experts on the Patent Law Treaty, the first session having been held from December 11 to 15, 1995, and the fifth session from December 15 to 19, 1997. The draft Treaty contains proposals for the harmonization of the formal requirements which may be applied by the industrial property offices of States and regional industrial property organizations in respect of the most important procedures concerning patent applications and patents.

16. In particular, the draft Treaty contains proposals for harmonizing the formal requirements and procedures in respect of the filing of patent applications, both in respect of the accordal of a filing date and in respect of the processing of such applications. As agreed at the third session of the Committee of Experts, these provisions refer, to the maximum extent possible, to the relevant provisions under the Patent Cooperation Treaty (PCT). The draft Treaty also contains proposals for the harmonization of the information and documentation which may be required by industrial property offices in respect of the recordal of licensing

agreements and security interests, and of changes of name, address or the person of a patent applicant or owner, and in respect of the correction of errors in the records and publications of offices. Finally, the draft Treaty contains proposals for harmonization in relation to extension of time limits, further processing or restoration of patent applications, restoration of rights in patent applications and patents, and addition and restoration of priority claims.

17. It is proposed that the SCP accord highest priority at its first session to the discussion of the draft Patent Law Treaty, based on the revisions of the draft Patent Law Treaty and draft Regulations, and draft Model International Forms, that have been prepared by the International Bureau and distributed as documents SCP/1/3 to 5, and which take into account the views expressed in the five sessions of the Committee of Experts.

18. Concerning future work on the draft Patent Law Treaty, it is proposed that the SCP also accord highest priority at its second session to that discussion, and that the International Bureau prepare further revised versions of the draft Treaty, Regulations and Forms, as well as the administrative provisions under the Treaty, for consideration at that session. Depending on the progress achieved at the first and second sessions, it is further proposed that the discussions continue at the third and fourth sessions in 1999, and that one of those sessions also undertake preparations for a diplomatic conference, possibly to be held in 2000. The SCP would, at the appropriate time, make a recommendation concerning the holding of a diplomatic conference, for consideration by the General Assembly of WIPO.

Central Recording of Changes in Patents and Patent Applications

19. With relation to the issue of central recording of changes in patents and patent applications, the Program and Budget states the following:

> "Central Recording of Changes in Patents and Patent Applications: study of the desirability and feasibility of establishing a central system for the International Bureau to record changes in patents and patent applications with effect for participating industrial property offices."
>
> "Expected Results: Clearer practical understanding of the desirability and feasibility of establishing a central recording for changes in patents and patent applications."

20. During the second session of the Committee of Experts on the Patent Law Treaty in June 1996, a suggestion was made to examine the possibility of establishing an international centralized system for recordal of assignments of patents and patent applications, under the auspices of WIPO. A proposal that the International Bureau should study, with the help of consultants, the need for and the feasibility of the establishment of such a system was adopted by the Governing Bodies in their September/October 1996 sessions (document AB/XXIX/9, paragraphs 13 and 14).

21. On June 30 and July 1, 1997, a Meeting of Consultants on the Central Recording of Changes in the Area of Patents was held. The Meeting involved three consultants, nationals of Japan, Germany and the United States of America. The discussions in that meeting were, in general, favorable to the establishment of a centralized recording system under the auspices of WIPO. In particular, the following suggestions were made:

(i) the system should be set up on the basis of a memorandum of understanding, which would provide that the central recording would have the same effect as a recordal with the offices of the participating States, subject to the possibility of refusal through a notification;

(ii) the matters contained in the draft Patent Law Treaty should be covered;

(iii) completeness and reliability of data were identified as key aspects of the system;

(iv) recorded information should be available online, in accordance with discussions in respect of electronic filing under the draft PLT and the PCT;

(v) the applicants and owners should pay a fee for the recording.

22. The discussions at the above-mentioned Consultative Meeting raised certain issues which should be further examined. In particular, a mechanism which would give the same legal effects to the central register in all participating offices should be further studied, bearing in mind the different existing legal requirements. The question of how to guarantee the completeness and reliability of the data should also be examined. In addition, coordination with the WIPO Intellectual Property Digital Library Project should be undertaken.

23. It is proposed that the International Bureau convene a second Consultative Meeting, involving the same consultants, to further consider the issues, and that it prepare, in cooperation with those consultants, a document for discussion at the second session of the SCP.

Disclosure of Technical Information on the Internet and its Impact on Patentability

24. With relation to the issue of disclosure of technical information on the Internet and its impact on patentability, the Program and Budget states the following:

> "Disclosure of Technical Information on the Internet and its Impact on Patentability: study of the desirability and feasibility of harmonizing rules concerning the patent law implications of disclosure of information on the Internet, such as its impact on patentability, including whether such information has become state of the art even if it was disclosed on the Internet for only a limited time."
>
> "Expected Results: Clearer practical understanding of the desirability and feasibility of harmonizing rules concerning the impact of disclosures on the Internet on patentability."

25. It is proposed that this item be discussed at a future session of the SCP.

Biotechnological Inventions

26. With relation to the issue of biotechnological inventions, the Program and Budget states the following:

"Biotechnological Inventions: consideration of practical questions relating to the patenting of biotechnological inventions, taking into account any conclusions drawn from the deliberations of the Working Group established under sub-paragraph 11.2, in particular the desirability and feasibility of a system for the deposit in a data bank of DNA sequence listings referred to in a patent application, so that a reference in a patent application to the deposited listing would replace the whole contents of the listing; study of the circumstances in which such data banks would be authorized or obliged to grant access to the listings or to release copies."

"Expected Results: Clearer practical understanding of the desirability and feasibility of establishing a system for the deposit of DNA sequence listings."

27. On September 23, 1996, a Memorandum was submitted by the Director General of WIPO to the twenty-ninth series of meetings of the Governing Bodies of WIPO (document AB/XXIX/9, paragraphs 7 to 12) on Nucleotide and/or Amino Acid Sequence Listings. It was proposed that the International Bureau continue its efforts towards the establishment of a uniform international standard, and that it study the feasibility of an international "deposit" system for sequence listings. The WIPO Coordination Committee noted the proposal (document AB/XXIX/10, paragraph 112).

28. As regards the establishment of a uniform international standard for presentation of nucleotide and amino acid sequence listings, a standard for the presentation of sequence listings in international applications under the Patent Cooperation Treaty (PCT) ("PCT Sequence Listing Standard") has been agreed upon among the PCT Contracting States and will come into effect, as modified Annex C to the Administrative Instructions under the PCT, on July 1, 1998. A final draft of new WIPO Standard ST.25, which recommends that national Offices apply the provisions of the PCT Sequence Listing Standard, *mutatis mutandis*, to all patent applications other than international applications under the PCT, has been communicated to all Offices which are members of the WIPO Permanent Committee on Industrial Property Information (PCIPI) for adoption by correspondence.

29. As to the desirability and feasibility of establishing a system for the deposit in a data bank of DNA sequence listings referred to in a patent application, the International Bureau is studying various possibilities. One possibility would be the establishment of a centralized deposit service for sequence listings at a single international authority, such as WIPO. A second possibility would be the establishment of decentralized deposit authorities which specialize in biotechnological inventions, along the lines of the deposit system which operates under the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.

30. It is further being studied whether certain provisions of the Budapest Treaty should be revised, when the conditions are mature for this, to meet the requirements of biotechnological inventions, including requirements for the storing, handling and transfer of biological material.

31. It is proposed that the International Bureau continue these studies, and that it prepare a document for discussion at a future session of the SCP.

Other Issues

32. The SCP is free to suggest other issues for consideration. However, no additional issues are proposed by the International Bureau for the 1998-99 biennium.

33. The Standing Committee is invited to approve the list of issues for consideration, as outlined in paragraphs 14 to 32, above.

IV. Proposal by the Delegation of Sudan presented at the fifth session of the Committee of Experts on the Patent Law Treaty

34. During the fifth session of the Committee of Experts on the Patent Law Treaty, held from December 15 to 19, 1997, a proposal was submitted by the Delegation of Sudan concerning fees of industrial property offices. The proposal is contained in document PLT/CE/V/4. The discussion of the proposal in the Committee of Experts is reflected in the Report of the session, document PLT/CE/V/5, paragraphs 99 to 101, as follows:

"99. *[Draft Article 5,] Paragraph (4)*. The Delegation of Sudan proposed that, in line with a similar provision under the PCT, in order to minimize the difficulties of nationals of developing countries obtaining protection for their inventions outside their own country, the following text be added to this paragraph, and to provisions in respect of other fees mentioned elsewhere in the draft Treaty:

'(i) in case of applications submitted by nationals of developing or least developed countries, the Contracting Parties shall not charge more than 25 percent of the prescribed fees;

'(ii) for the purpose of this Article, developing or least developed countries shall be determined according to the standards set by the United Nations.'

"100. This proposal was supported by the Delegations of Algeria, Brazil, Egypt, Gabon, Guinea, Jamaica, Kenya, Lesotho, Senegal and South Africa and the Representative of ARIPO. The Delegation of Brazil explained that it provided 60 percent fee reductions for natural persons, micro-enterprises and governmental research institutions. The Delegations of the United States of America, Germany and Japan, and the Representatives of the EPO, ABA and AIPLA expressed sympathy for the proposal, but voiced concern as to whether the Committee of Experts was the competent body to consider this matter and whether such a provision would be compatible with the 'most-favoured-nation' provisions under Article 4 of the TRIPS Agreement. It was also noted that the United States Patent and Trademark Office (USPTO) already provided fee reductions for individuals, small enterprises and non-profit organizations, including those from developing countries, and that the EPO provided such reductions for nationals of certain developing countries in respect of international search and preliminary examination fees.

"101. The International Bureau explained that the topics for inclusion in the draft Treaty had been defined by the Governing Bodies of WIPO and that it would be for the

Governing Bodies to decide the mandate for future work. In response to a request by the Delegation of Egypt, the International Bureau stated that an unofficial translation of the proposal of the Delegation of Sudan into Arabic could be made available, in addition to issuing that proposal in a WIPO document (PLT/CE/IV/4) in English, French and Spanish."

35. The Patent Cooperation Treaty (PCT) and various national and regional offices provide certain fee reductions. A description of a few of these follows, for informational purposes.

36. *PCT.* The schedule of fees under the PCT Regulations states that "[a]ll fees are reduced by 75% for international applications filed by any applicant who is a natural person and who is a national of and resides in a State whose per capita national income is below US$3,000 (according to the average per capita national income figures used by the United Nations for determining its scale of assessments for the contributions payable for the years 1995, 1996 and 1997); if there are several applicants, each must satisfy those criteria."

37. *United States of America.* The United States Patent and Trademark Office (USPTO) provides for a fee reduction of 50% for "small entities," which are defined as independent inventors, small business concerns with fewer than 500 employees, or non-profit organizations, regardless of the nationality of the applicant.

38. *European Patent Office.* The European Patent Office (EPO) provides fee reductions of 75% for applicants who meet the conditions under the PCT (see paragraph 36, above) in respect of international search and preliminary examination fees, for applications filed through the PCT. It also provides similar fee reductions for nationals of certain developing countries.

39. *Brazil.* The Delegation of Brazil to the fifth session of the Committee of Experts on the PLT explained that the Brazilian Office provided 60% fee reductions for natural persons, micro-enterprises and governmental research institutions (document PLT/CE/V/5, paragraph 100).

40. The Standing Committee is invited to give its advice concerning the proposal of the Delegation of Sudan.

V. Establishment of a "PLT Electronic Forum"

41. Under the Program and Budget, the International Bureau has been charged with utilizing information technology as an important tool for enhancing WIPO's communications with its Member States. In the context of the Standing Committee on Information Technology (SCIT), in addition to the active use of information technologies including e-mail facilities, a proposal has been adopted to progressively introduce a new working method utilizing the WIPO network to facilitate communications between members of the SCIT and work undertaken by Working Groups, for example, by making working documents available on the WIPO website and securing approval of meeting reports by exchange of e-mail. The WIPO global information network will address the needs of all Member States, providing fast and cost-effective communications for the intellectual property community worldwide, and will

provide the basic assistance, materials and equipment necessary to allow the deployment and use of network infrastructure in developing countries.

42. In addition, the Program and Budget calls for examination of ways to accelerate the pace of progressive development of intellectual property law. As the Introduction to the Program and Budget (page vii) states, "The pace of change in the intellectual property domain necessitates consideration of new options for accelerating the development of international harmonized common principles and rules on intellectual property law, so that the system is more responsive to the ever-changing demands placed upon it."

43. The International Bureau is examining ways to accelerate the process of discussion of the progressive development of intellectual property law, both by examining alternatives to the traditional treaty approach (although it is proposed the treaty approach be followed in the case of the PLT), and by examining ways to accelerate the pace of discussions on the setting of new norms themselves.

44. In the latter context, it is proposed that a PLT Electronic Forum be established in order to accelerate the deliberations of the Standing Committee concerning the draft Patent Law Treaty. While many uses of such an electronic forum are possible, it is proposed at this stage to limit the Forum to a single purpose, namely using electronic communication to allow the members and observers of the SCP to comment on a preliminary draft of the working documents, before they are finalized. This comment procedure would be totally informal, and no report of the comments submitted would be produced.

45. The PLT Electronic Forum would be open for participation by all States members of the SCP, and all interested intergovernmental and non-governmental organizations which have observer status in the SCP. The International Bureau would provide administrative support for the maintenance of the Forum. An alternative means of participation for those who wish to participate in the Forum, but do not have access to e-mail, would be guaranteed, for example, by facsimile transmission or express mail.

46. To assist the SCP in considering this proposal, the International Bureau will distribute a questionnaire at the opening of the first session of the SCP. Each participant will be invited to indicate on the questionnaire whether he or she (i) has access to e-mail; and (ii) is interested in participating in an electronic forum in order to accelerate the preparation of the PLT documents. A similar questionnaire will later be sent to invitees who did not actually attend the meeting.

47. If the results of the questionnaire indicate that an Electronic Forum is feasible and desirable, and the SCP decides to adopt the proposal, the International Bureau would establish and explain the procedure for electronic communication, and would undertake the following actions with respect to preparation of PLT documents for the second session of the SCP:

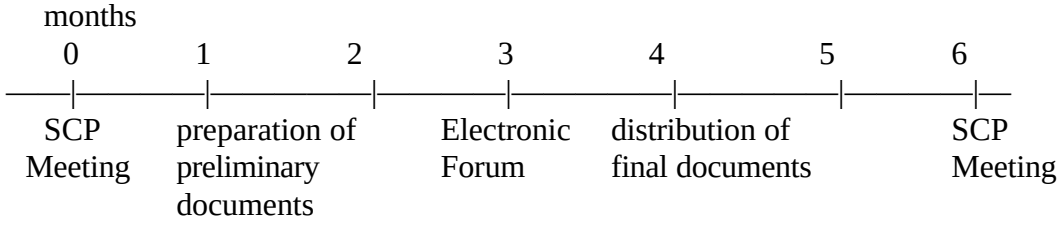
(i) A preliminary version of the working documents for the second session would be distributed to all participants electronically;

(ii) Comments received within the prescribed time period (probably three to four weeks) would be taken into account by the International Bureau in preparing the finalized working documents;

(iii) The finalized working documents would be distributed to all participants in paper form, as usual, and posted on the WIPO website.

48. The Electronic Forum would not be used to engage in negotiations concerning provisions of the draft PLT. Rather, it would be a means to ensure that the quality of the working documents submitted to the SCP were as high as possible, so that the discussions of the SCP could focus on provisions which require decision, rather than on questions of clarity, drafting or the accuracy of the documents.

49. Assuming that the SCP is scheduled to be convened twice a year, with six months between meetings, the time frame of the Electronic Forum and the distribution of final documents would be roughly as follows:



50. Again, for those participants in the SCP who do not have online access, or who do not desire to participate in the Electronic Forum, other means of communication would be ensured (see paragraph 45, above).

51. The Standing Committee is invited to approve the proposal outlined in paragraphs 44 to 50, above.

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