

PATENT LAW YOU CAN USE™

Patent Cooperation Treaty (PCT)

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Patent Cooperation Treaty (PCT)

Abstract - The Patent Cooperation Treaty (PCT) is an efficient and cost-effective way to enter into the patenting process in many different countries at one time. Although the PCT process does not result directly in the issuance of any national patents, it provides several important benefits for applicants contemplating foreign filing.

Most of the countries in the world are signatories to the Paris Convention. By this international treaty, an applicant for a patent in any of the signatory countries such as the USA may file a patent application in any of the other signatory countries and claim the benefit of the filing date in the first country if the second application was filed within one year of the original filing date.

Filing patent applications directly in foreign countries according to this system works quite well if foreign patent protection is desired in only one or two countries. But, what if patent coverage is desired in a great many countries? Filing patent applications in foreign countries is very expensive because of separate filing fees and translation costs. Also, because there is only a one-year time for foreign filing following the filing of the original application in the USA, it is unlikely that prosecution of the application will have proceeded to the point that a good assessment of the patentability of the invention can be made. Additionally, at this time, the commercial value of the invention might not yet be established. It does not make good sense to spend such large sums of money to file multiple expensive foreign patent applications that might later prove to be without much value.

For these reasons, the Patent Cooperation Treaty or PCT system, was established. The PCT permits the filing of an “international” patent application either immediately or within one year of the filing of a patent application in any of the member nations. The PCT fee is quite reasonable, usually about \$2000 to \$3000 and the PCT process provides a delay in the deadline

for the expensive filing in foreign countries for up to a year and a half beyond the time in which foreign patent filing would have to take place without the PCT system.

Depending on various steps taken during the PCT prosecution, filing a PCT application may delay the entry into the national stage of the foreign patent application process by either 8 months or 18 months. This provides time to see how the prosecution of the original U.S. application is going, to establish licensing or other funding arrangements with other parties, or to determine whether or not the invention is commercially valuable. If the invention turns out to be unpatentable, if funding does not materialize, or if the invention is not valuable, then the PCT application can be allowed to become abandoned, and the expensive costs associated with the national phase of application will have been avoided. On the other hand, if US patent prosecution goes well, funding for foreign patenting becomes available, and the invention is determined to be valuable, then the PCT application can be entered into whatever countries patent coverage is desired in.

So, how does the PCT process work?

The first phase of PCT prosecution is referred to as Chapter I. This includes the filing of a PCT application and designation of the countries that will be included in the PCT filing. The PCT application may be the initial patent filing or a PCT application may be filed at any time during the one-year priority period following the filing of the original patent application filing date. In this instance, the PCT application requests the priority date of the original application.

Just as with a U.S. application, the PCT patent application must contain a description of the invention, at least one claim, drawings if needed, and an abstract. Typically, the U.S. application that had been previously filed and that already has these features is filed as the application in the PCT. The application is usually filed in the PCT branch of the U.S. Patent Office, which is referred to as the Receiving Office.

Currently, there are about 111 countries that are members of the PCT. A list of member can be found at the U.S. PTO website at <http://www.uspto.gov/web/offices/pac/dapps/pct/pctstate.pdf>. This list should not be considered

to be complete because new countries are frequently added to the list of member countries. For this reason, the PCT application provides spaces for writing in countries that have recently joined the PCT but are not yet listed on the PCT designation form.

When filing a PCT application with the U.S. as the Receiving Office, it is not necessary to include a certified copy of the priority document, the previously filed U.S. application. In this case, a box in the application is checked to request the PTO to prepare and submit a certified copy of the original application to the International Bureau.

The Receiving Office will verify that the application is in proper form and that all proper fees have been paid. Following this, the International Searching Authority conducts a patentability search. If the application was previously filed in the US Patent Office, the examiner who conducts the search for the PCT will usually be the same examiner who is handling the application in the U.S. filing. The search report is issued by the PCT about 16 months after the priority date of the application. This date may be anywhere from 4 to 16 months after the PCT filing, depending on whether the PCT filing is the original application and when the PCT application was filed in relation to the filing date of the original application.

The applicant has an opportunity to amend the claims at this point, although it is not required. Any amendments to the claims will be transmitted with the application as it is sent to the designated countries and the published PCT application will contain the claims as amended.

At eighteen months after the priority date, the PCT publishes the application. Published PCT applications may be retrieved on the European Patent Office's website search page at www.ep.espacenet.com.

Chapter I ends at twenty months after the priority date, which usually is 8 months after PCT filing. At this time, unless a Chapter II demand is made, the application is transmitted to the various national offices for prosecution in the designated countries. The PCT office's role in the process comes to an end.

Most times however, the PCT applicant does not want the PCT's role to end at twenty months after the priority date. Rather, it is usually advantageous to continue PCT prosecution for some additional time. This additional time is obtained by filing a Demand for Chapter II.

A Chapter II Demand is a request that the PCT office perform an "International Preliminary Examination" of the application. The main advantage of the Chapter II Demand, however, is not in obtaining this more precise examination of the application and another opportunity to amend the application. Rather, the main advantage of Chapter II is that the application remains in the PCT system for an additional 10 months.

When a Chapter II Demand is made, the total delay in the PCT system before having to file applications in the individual countries is 30 months from initial filing, or 18 months after the one year deadline for foreign filing following the initial U.S. application. In this 30 month period, it is likely that the U.S. application will have been concluded or at least that the applicant will have a good idea whether or not valuable patent claims may be obtained. Also, the Chapter II Demand provides a period of up to two and a half years to obtain financial backing for foreign filing and to determine commercial viability of the invention.

At the end of the 30 month period (or 31 month period for some countries), the PCT's role in the patent application process is terminated. If the applicant decides that it is not worthwhile to expend additional money in order to prosecute the application in foreign countries, the applicant may allow the application to become abandoned. This is accomplished simply by not taking any action to enter the national stage in any of the designated countries. To continue foreign patent protection in any of the countries designated on the initial PCT request, the applicant enters the application at this time into whichever countries patent protection is desired. It is only then that the very expensive foreign national stage of patent application begins.

The above is a brief summary of the PCT process. There are also a few other things that you should be aware of regarding the PCT process.

There is a charge for designating each country in the PCT request form that is filed with the PCT application. However, charges are only assessed up to a maximum of six countries.

Any amount of countries over six are charged as if only six countries were designated.

Therefore, if 6 or more countries are to be designated, then all 111 or so countries should be designated. This keeps your options open in all of the PCT countries at no additional cost.

The United States may be included in the list of PCT designated countries, even if the original priority application was filed in the US. This has several advantages and should be done as a matter of routine, especially because it does not cost anything additional to designate the US if six or more countries have been designated. Designating the US is equivalent to filing a continuation application from the original US patent application and maintains the pendency of the application in the US PTO even if the prosecution of the original patent application has ended.

Finally, be aware that there are many countries that are not members of the PCT. If patent protection is desired in any of these countries, a direct national patent application must be filed in each country. Countries that are not members of the PCT include most of the countries of South and Central America, most Middle Eastern countries, some Southeast Asian countries like Thailand, Taiwan and Malaysia, and several African countries like Angola, Tunisia, and Nigeria.

Although the PCT system involves additional expenses that would not be required if applications are filed directly into national patent offices, the PCT is a valuable system because it delays these very expensive filings and may make it possible to avoid these expenses altogether if the foreign filings should be determined to be unnecessary. Therefore, in virtually all instances where foreign patent filing is contemplated, it is recommended to first file the foreign applications through the PCT system.