

Which RO And ISA Should You Select When Filing a PCT Application?

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I. INTRODUCTION

PCT applications are the conventional route for obtaining international utility patent protection. A PCT application is filed in a PCT Receiving Office (RO) and followed by search of the application by a PCT International Search Authority (ISA). When filing a PCT application, the filer must select the RO and the ISA. The ISA will prepare a report (the International Search Report (ISR) and the Written Opinion (WO)). The PCT limits the RO in which a PCT application can be filed. These limits depend upon the residence and nationality of the PCT applicant. The RO determines which ISAs are competent to provide ISR and WOs for that RO. Therefore, decisions you have to make when filing a PCT application include selection of an RO and an ISA, and these decisions depend upon the residence and nationality of the legal entities (people and companies) that you name as the applicants in your PCT application.

This article is a brief tutorial providing more details on the PCT application filing issues summarized above.

II. WHO HAS THE RIGHT TO FILE A PCT APPLICATION?

The PCT offers some great advantages to patent applicants seeking patent protection in multiple countries. So most applicants seeking international patent protection would like to use the PCT. However, the PCT is generally only available to those individuals and companies that are associated with a State that has joined the PCT. Being a resident or a national of a PCT member state entitles that resident or national to file a PCT application. (PCT article 9.) This right to allow their residents and nationals to use the PCT application process is the primary incentive for countries to join the PCT.

PCT regulations provide for situations in which there is more than one PCT applicant. In situations where there is more than one PCT applicant, the existence of any PCT applicant that is a resident or national of a PCT member state entitles the applicants to file the PCT application. (PCT article 9(3); and PCT rules 19.2 and 18.3.)

III. WHAT IS A RESIDENT OR NATIONAL OF A PCT MEMBER STATE?

According to the PCT "[a]ny resident or national of a Contracting State" can be a PCT applicant. (PCT article 9(1).) A "resident" includes at least (1) an entity possessing "a real and effective industrial or commercial establishment in a Contracting State." A "national" includes at least "a legal entity constituted according to the national law of a Contracting State." (PCT regulations 18.1(a)-(b).) This means that any legal entity, whether or not related to the other PCT applicants, that is "constituted according to the national law of a Contracting State," satisfies the conditions to be an applicant of convenience.

IV. WHO ARE THE ACTORS INVOLVED IN PCT APPLICATIONS?

The PCT applicant entity is a person, people, a company, or companies in whose name

the PCT application is filed. The PCT applicant is entitled to control the prosecution (filings and amendments) in the PCT application. The PCT applicant can file national stage entries of the PCT application in their desired countries and regions that are members of the PCT in order to secure patent rights in those countries and regions.

Inventors are those people that contribute to the concept claimed in a patent application, such as a PCT application.

Who owns a patent application, such as a PCT application, depends upon national law. In the United States, the inventors are the original owners of any patent application, and ownership in the United States may be transferred by a written assignment. However, in some countries, the applicant is presumed to be the original owner of a patent application. Confusion and mistakes arise in PCT applications when PCT filers do not understand the distinctions between inventorship, ownership, and applicant status.

Assignments are contracts transferring certain ownership rights, such as rights to an invention, to an application, or to a PCT applications, from one owner to another owner. Normally, employees of a company assign the rights to their inventions and patent applications to the company employing them.

V. WHAT ARE THE GOVERNMENTAL AUTHORITIES DEFINED BY THE PCT, AND WHAT ARE THEIR ROLES IN THE PCT APPLICATION PROCESS?

The PCT is an international contract between nations. Countries are the contracting parties, also called contracting members, and member states. (PCT article 1.)

The World Intellectual Property Organization (WIPO) is the international organization charged with administering a large number of international treaties, including the PCT. (PCT article 22.)

The International Bureau (IB) is the division of WIPO that is the international clearinghouse for PCT applications. The IB receives all of the PCT applications, wherever they were originally filed, maintains compliance with PCT rules, maintains an official record of all PCT applications, forwarding copies of relevant papers in PCT applications to regional and national patenting authorities, and publishes PCT applications. (PCT article 2, et. seq.)

A competent Receiving Office (RO) is a location in which a particular PCT applicant is entitled to file a PCT application. Each PCT member state has a competent RO for its residents and nationals. The IB is also a RO in which all applicants are entitled to file PCT applications. A PCT applicant can only file their application either in the RO that acts for their member state or in the IB. (PCT article 10; PCT rule 19.1.)

An International Search Authority (ISA) is an office that can search PCT applications and provide reports (the International Search Report and the Written Opinion) for PCT applications. The members of the PCT collectively decide which offices can be ISAs. (PCT article 16.) Not all PCT member states have their own ISA. There are currently 21 ISAs (Table I(b), at www.wipo.int/pct/en/fees.pdf) and 151 PCT member states (http://www.wipo.int/pct/en/pct_contracting_states.html). Each RO (other than the IB) gets to decide which ISAs are competent ISAs for that RO.

A competent ISA of an RO is an ISA that is entitled to provide reports for that RO. That is, each RO authorizes applications filed in that RO to use certain ISAs. (PCT article 16.)

VI. WHY IS A PARTICULAR ISA COMPETENT FOR A PARTICULAR RO?

Most ISAs use the same examiners in their national patent office that examine patent national applications filed in their country, to prepare ISAs and WOs for PCT applications. However, different national patent offices have varying work loads for their examining corps. Some, like the examining corps of the United States Patent and Trademark Office (USPTO), have been overloaded with work for many years. Others are light on work.

Of course, patenting offices get paid for their search and examination services, and they get to set the charges for these services. Typically, patenting offices that are newly designated by the PCT assembly as ISAs have examining corps that are light on work, and want take on examination work. Language also comes into play. ISAs sometimes will offer to examine PCT applications in multiple languages, but may charge premiums to examine applications that are not in their native language. And countries with lower examiner salaries can afford to charge less for their examiners' services than other countries. All of these factors come into play in why a particular RO agrees to have designate certain ISAs as competent for that RO.

For example, although the USPTO is both an RO (referred to in PCT parlance is "RO/US") and an ISA (referred to in PCT parlance as "ISA/US"). The RO/US provides seven ISA options. These ISA options for RO/US are:

The United States Patent and Trademark Office (ISA/US)

The European Patent Office (ISA/EP)

The Korean Intellectual Property Office (ISA/KR)

The Australian Patent Office (ISA/AU)

The Federal Service for Intellectual Property (Rospatent) (Russian Federation) (ISA/RU)

The Israel Patent Office (ILPO) (ISA/IL)

The Japan Patent Office (JPO) (ISA/JP)

(See MPEP 1840; and PCT Applicant's Guide – International Phase – Annex C.)

For another example, South Africa provides four ISA options:

The United States Patent and Trademark Office (ISA/US)

The European Patent Office (ISA/EP)

The Australian Patent Office (ISA/AU)

Austrian Patent Office (ISA/AT)

VII. WHY MIGHT A PCT FILER MIGHT PREFER ONE ISA OVER ANOTHER?

One factor affecting desirability of an ISA is their cost for an ISR and WO. As of November, 2016, the PCT Applicant's Guide identified the following ISAs and their fees for providing an ISR and WO: (See <http://www.wipo.int/pct/en/appguide/>, Annex D) and the ISA and IPEA agreements specified the languages of the application accepted by these Office, and the PCT member states for which they are competent ROs (See http://www.wipo.int/pct/en/access/isa_ipea_agreements.html).

CC	State	Search Fee (\$)	Language	Competent for ROs
IN	India	154	English	(Unspecified)

CC	State	Search Fee (\$)	Language	Competent for ROs
CN	China	315	Chinese, English	China, Angola, Ghana, India, Iran (Islamic Republic of), Kenya, Liberia, Thailand, Turkey, Zimbabwe
UA	Ukraine	328	English, Russian, German, Ukrainian, French	(Unspecified)
RU	Russia	420	Russian, English	
EG	Egypt	451	Arabic, English	any African, Asian and/or Arab Contracting State
BR	Brazil	525	English, Portuguese	All
IL	Israel	912	English	Israel, United States of America, Georgia
KR	Korea	1120	Korean, English	Australia, Chile, Indonesia, Malaysia, Mongolia, New Zealand, Peru, Philippines, Saudi Arabia, Singapore, Sri Lanka, Thailand, United States of America, Viet Nam;
CA	Canada	1261	English, French	Canada,
JP	Japan	1530	Japanese, English	Japan, Brunei Darussalam, Indonesia, Lao People's Democratic Republic, Malaysia, Philippines, Republic of Korea, Singapore, Thailand, United States of America and Viet Nam
SG	Singapore	1578	English, Chinese	Singapore; *
AU	Australia	1674	English	Australia, New Zealand
CL	Chile	2000	Spanish	Contracting State of the Latin American and Caribbean region
US	USA	2080	English	United States of America and, where the Authority has prepared the international search report, Bahrain, Barbados, Brazil, Chile, Dominican Republic, Egypt, Georgia, Guatemala, India, Israel, Mexico, New Zealand, Oman, Panama, Peru, Philippines, Qatar, Saint Lucia, Saint Vincent and the Grenadines, South Africa, Thailand, Trinidad and Tobago
AT	Austria	2084	English, French, German, Hungarian, Russian	
EP	EPO	2097	English, French, German	(Unspecified)
ES	Spain	2097	Spanish.	Spain
FI	Finland	2097	Finnish, Swedish, English	Finland
SE	Sweden	2097	Danish, English, Finnish, Norwegian, Swedish	Denmark, Finland, Iceland, Norway, Sweden
XN	Nordic Patent Institute	2097	Danish, English, Icelandic, Norwegian and Swedish	Denmark, Iceland, Norway, Sweden
XV	Visegrad Patent Institute	2097	Czech, English, Hungarian, Polish and Slovak	Czech Republic, Hungary, the Republic of Poland, the Slovak Republic and Slovak

As shown above, ISA costs vary from under \$200 to over \$2000 dollars, depending upon the ISA. If cost were the only issue and a PCT filer had their option of all of these ISAs, they would pick ISA/IN (India) to minimize costs. Or, if, based upon the structure of the claims, the applicant expected lack of unity of invention, then they might favor ISA/IN due to the otherwise excessive cost of obtaining international search for all claims. US resident and national PCT applicants do not normally have ISA/IN as an option (see discussion below). However, US resident and national PCT applicants do have ISA/KR and ISA/RU as relatively inexpensive ISA options.

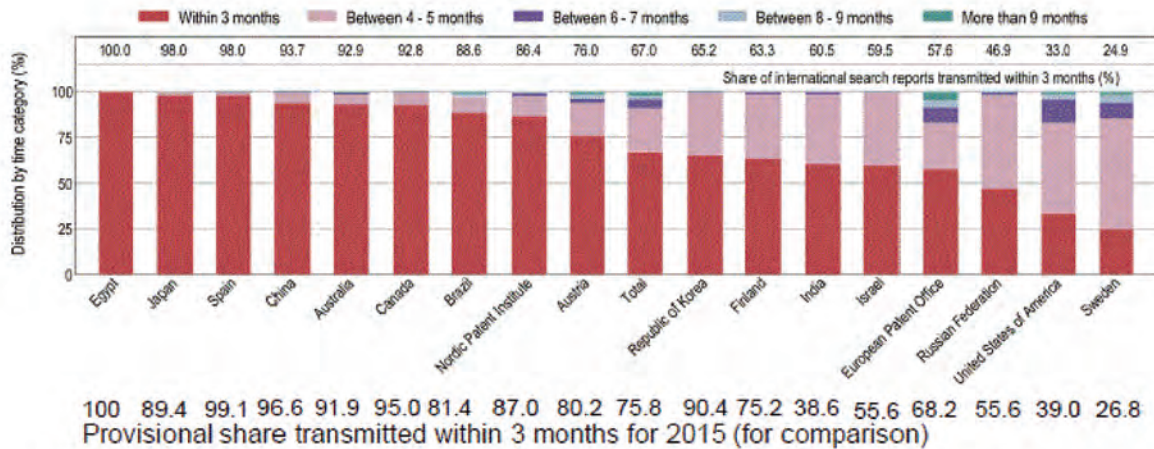
Although ISA/KR is more expensive than ISA/RU for search of a main invention, it is currently less expensive for "additional fees" required to search additional inventions (that is, those inventions found to lack unity of invention pursuant to PCT article 17(3)(a); see PCT regulation 40.2(a); and compare PCT regulation 40.2(a) fees for KR at http://www.wipo.int/pct/guide/en/gdvol1/annexes/annexc/ax_c_kr.pdf and RU at http://www.wipo.int/pct/guide/en/gdvol1/annexes/annexd/ax_d_ru.pdf).

If the filer was prioritized a patent in China, they might choose ISA/CN assuming that China would accord full faith and credit to a favorable ISA/CN search report.

If a PCT filer both expected a favorable search report and also desired expediting prosecution (and therefore also costs), they might prefer an ISA having PCT Patent Prosecution Hight (PPH) agreements, such as ISA/KR.

ISA timeliness is another issue. An ISR that arrives after the 30 months from the priority is of no value. An International Preliminary Examination Report (in response to filing a Demand for examination after receiving a search report) later than 29 months from the priority date is of little value. Both of these times key off how long it takes for the ISA to provide a search report. WIPO's statistics from 2016 (see http://www.wipo.int/edocs/mdocs/pct/en/pct_mia_23/pct_mia_23_www_327156.pdf) show the following times for ISA to provide search reports:

Timeliness in Transmitting ISRs to the IB measured from Date of Receipt of Search Copy by ISA for 2014

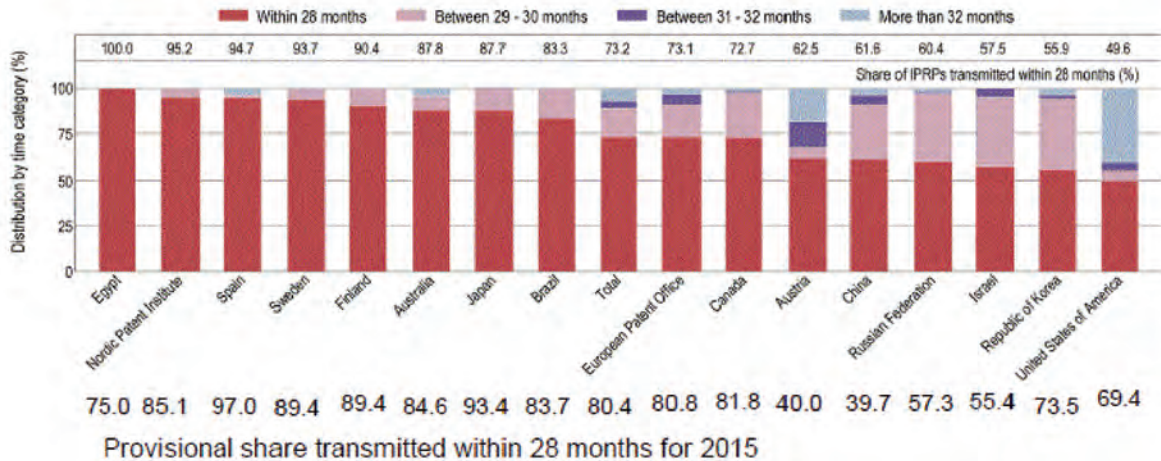


Source: WIPO statistics database, March 2015 and January 2016. Excludes cases where the time limit of 9 months from the priority date applies.



Likewise, WIPO's statistics from 2016 (see http://www.wipo.int/edocs/mdocs/pct/en/pct_mia_23/pct_mia_23_www_327156.pdf) show the following times for IPEAs to provide examination reports (noting the title of the report incorrectly refers to an "IPRPs" and should state "IPERs"):

Timeliness in Transmitting IPRPs by IPEA in 2014



Timeliness calculated as time elapsed between priority date and date on which International Bureau receives IPRP form the IPEA.

Source: WIPO statistics database, March 2015 and January 2016.

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These reports are of no value if received after national stage entries (aka after about 29 months from the priority date).

Some of the ISAs only examine certain subject matter. For example, ISA/EP will not examine business method inventions. ISA/AU has subject matter restrictions.

Full faith and credit is another issue. Patent Prosecution Highway relationships are another issue. The USPTO has for several years contracted out its ISA searching to contractors instead of relying upon USPTO examiners. This calls into question whether a search by ISA/US will be accepted without question by a US examiner.

Quality (identifying the most relevant prior art and its relationship to the claims) is another issue. Various anecdotal reports suggest that the ISA/EP is the most reliable search authority. The ISA/US and ISA/JP are normally considered not quite as thorough as the EPO, but otherwise very good.

And desired ISA may also be technology field dependent. For examine ISA/Kr has a reputation as effective for display technology.

VIII. IN WHICH RO MUST A PCT APPLICATION BE FILED?

Any PCT application can be filed (1) in the RO/IB and (2) in any contracting state where any applicant listed in the PCT application is either a resident or national. (PCT article 10; PCT regulations 19.1-2.)

IX. IN WHICH RO MUST A PCT APPLICATION BE FILED?

The RO in which a PCT application is filed determines the competent ISAs. The right of a PCT applicant to file in an RO, in turn, depends upon the residence and nationality of the applicants identified in the PCT application. The competent ISAs for a PCT application filed in RO/IB is any ISA that would be competent for any RO in which at least one applicant was a resident or national.

Consequently, each PCT filer has to consider, prior to filing, whom to name as the applicant of the PCT application, because that determines the competent ISAs for that application.

X. HOW TO AVOID THE LIMITATIONS IMPOSED BY APPLICANT RESIDENCE OR NATIONALITY

The competent ISAs are limited to by the residence and nationality of the applicants because residence and nationality limit the ROs in which the PCT application can be filed. A natural question any PCT filer should ask is who can they name as the applicant, since that affects which ISAs will be competent ISAs for that PCT application.

Adding an applicant may provide that applicant with rights in the PCT application. However, the legal impact of adding a particular applicant on the patent rights inchoate in a PCT application may be minimized in two different ways. First, a PCT applicant may be able to assign away their ownership interest to the other applicant(s). Second the PCT allows each named applicant to be an applicant for some specified set of PCT member states. Therefore, a PCT filer can add an applicant that is only an applicant for some commercially unimportant PCT member state. . (PCT article 9(3); PCT regulation 4.5(d).) Thus, a PCT filer can add an applicant having a residence or nationality allowing filing of the PCT application in an RO for which a desirable ISA is a competent ISA, while minimizing the legal impact on the ownership of the PCT application. Such an additional applicant is referred to as "applicant of convenience."

XI. SUMMARY

PCT applications can only be filed if one of the applicants is a resident or national of a PCT member state. However, anyone can become entitled to file a PCT application by adding an applicant of convenience to their PCT application.

An ISA can only be selected if the ISA is a competent ISA for the RO in which the PCT application is filed. However, any RO can be made available by adding an applicant that is a resident or national of the PCT member state served by that RO (that is adding an applicant of convenience).

The rights of any applicant of convenience can be limited, by assignment, and by designating the applicant of convenience to be an applicant only for one commercially insignificant PCT member state.

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