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*ELEVEN YEARS AFTER MEXICO JOINED THE INTERNATIONAL PATENT SYSTEM, LUIS SCHMIDT AND CÉSAR RAMOS OF OLIVARES & CÍA LOOK AT THE RECENT CHANGES TO THE PCT SYSTEM, AND CONSIDER THEIR IMPACT IN MÉXICO.*

The Patent Cooperation Treaty (PCT) was conceived with the purpose of responding to a problem that the traditional patent system posed. The right of priority is one of the fundamentals of the Paris Convention, as it grants to patent applicants located in countries that are members of the treaty the chance to file applications in other member states, within 12 months of the filing date, without losing the right to get a patent.

Patent applicants generally claim priority and other rights in the Paris Convention. However, time has revealed the need for the traditional patent system to adapt to new trends and the challenges imposed by globalization. There is simply no doubt that applicants look for more certainty in their expectation of obtaining patents in multiple jurisdictions.

The PCT was designed to improve the rights of the Paris Convention. As its name suggests, the PCT has set a mechanism of international cooperation, coordinated by the World Intellectual Property Organization (WIPO), to rationalize and simplify the filing of patent applications, under the formula of one application and one search and preliminary examination. All the foregoing comes within the framework of an "International Phase" that leads to a "National Phase". This instance is characterized by the filing of applications

before the national or regional offices of the member states.

The National Phase comprises two proceedings that are independent from each other, within a Chapter I and Chapter II and that are different in a technical aspect that is fundamental: Chapter I refers to an International Search (known by its initial ISR), while Chapter II is referenced to a so-called International Preliminary Examination (IPE).

Chapter I starts by the filing of an International Search that would be generally preceded by a priority claimed to the Receiving Office (RO) and by the payment of three fees (international fee, search fee and fee for the transmission to the RO). Patent applicants can choose one Administration of International Search (ISA). The ISA has to perform the search and to report within 16 months of the filing date of the priority application. The applicant can use the ISR to analyze whether to continue with the process, by the filing of applications before the Designated Offices (OODD) and in that event, making whatever modifications that the applicant regards to be appropriate, to overcome the prior art that the ISA has cited in the ISR. Before the amendment of the PCT, the National Phase had to start between the 18th month, corresponding to the International Publication, and the 20th month.

According to Chapter II of the PCT, the applicant appoints an Administrator for the International Preliminary Examination (IPEA), to render an IPE, three months after the ISR and pay the fee for the IPE. Once the proceeding has started, the IPEA generates a written opinion and eventually modifies the application as originally drafted, for adjusting it to the recommendation of the IPEA. The IPEA is an official communication of the outcome of a patentability examination, made by the IPEA, that is forwarded to the Designated Offices to begin the National Phase. The National Phase of Chapter II needs to start 30 months after the priority date.

### **The amendment of Article 22 (I) of PCT**

Effective as of April 1 2002, the PCT Assembly increased from 20 to 30 months the term of article 22 (1) for the entrance of an international application to the National Phase in accordance with Chapter I of the PCT. The modification was inspired by the idea to unify the term of entrance to the International Phase,

irrespective of which chapter an application has followed. In addition to the convergence of terms, the Assembly promoted the reform, with the purpose of extending the entrance to the National Phase.

Applicants felt satisfied with the amendment, to the extent that the proceedings under Chapter I soon overtook those of Chapter II. The reasons are obvious: the renovated proceeding of Chapter I. The time period to enter into National Phase was extended to 30 months, the same time as in Chapter II, but without an IPE and an examination fee. Accordingly, applicants would have to wait to enter into the National Phase taking advantage of the time to investigate and analyze the state of the art and the commercial expectations of the invention.

### **The EISPE system**

The national and regional offices have noticed that the number of PCT applications that they receive has increased, and as a result so has the need to perform a greater number of patentability examinations without the benefit of an International Preliminary Examination Report. In 2004 the PCT Assembly made changes to the PCT Rules to set a mechanism that it would call International Search and Preliminary Examination Reinforced (EISPE). By virtue of the EISPE, the ISA are required to elaborate an opinion in writing for each ISR, which is called International Preliminary Report on Patentability (IPRP).

The IPRP is an opinion in writing issued by the ISA with comments of the ISR and that can be utilized for both Chapter I and Chapter II proceedings, although in a different fashion. The Preliminary Inform on Patentability of Chapter I gives support to the national and regional offices, and minimizes the workload triggered by the PCT. The Preliminary Inform of Chapter II is the basis to elaborate the IPE and accordingly is used for backing the work of the IPEAS.

The EISPE reduces the differences between Chapter I and Chapter II. However, it does not extinguish these differences as Chapter I continues to be oriented to the search of the ISR, whereas Chapter II relates to the examination by the IPEA. Under Chapter I, there is no dialogue between the applicant and the examiner of the ISA. Modifications can also not be made before the issuance of the Preliminary Inform.

The EISPE triggered some changes in the timing of the proceeding in Chapter II. With the amended rules, applicants can request an IPE within three months after having received the Preliminary Inform and the ISR or 22 months after the priority date, if it happens later.

Some members of the PCT (Switzerland, Luxembourg, Sweden, United Republic of Tanzania and Uganda) notified to WIPO that they would not apply the EISPE system. In these countries the period of 19 months to file an IPE continues to apply. In those cases in which there is no applicant for an IPE within 19 months, the National Phase must commence in 20 months.

### **Mexico and EISPE**

The PCT entered into force in Mexico on January 1 1995, since then the PCT National Phase became the principal source of applications of the Mexican Office, whose official name is the Mexican Institute of Industrial Property (IMPI). According to statistics that IMPI has published, PCT applications have been substantially increasing. In a general context the number of PCT applications that were filed in Mexico in 2005 represented 8.9% of the world total of PCT applications, that is 132,500 filings. Of the total of PCT applications filed in the world in 2005 only 104 pertain to Mexicans, which is proportionally low in regard to the number of applications filed by nationals of other emerging economies.

Mexico subscribed to the amendment of Article 22 of the PCT to receive National Phase applications by Chapter I, since April 1 2002. IMPI was one of the National Offices that resented the increase of applications by Chapter I, mainly because in 1995, the year that PCT came into effect in Mexico, IMPI adapted its structure and internal organization to receive the majority of Chapter II applications. In the year 2004, Mexico welcomed the EISPE system and a little after that, it started receiving the Preliminary Informs elaborated by the ISA. Although it is true that the EISPE system is still young, in the opinion of IMPI the benefit of Preliminary Informs is limited, because they do not reflect the depth and level of detail in the International Preliminary Examination Reports. In any event, IMPI continues to practise the patentability examination locally.