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THE EFFECT OF THE URUGUAY ROUND IMPLEMENTING LEGISLATION ON UNITED STATES PATENT LAW

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I. INTRODUCTION

Thank you. It really is a pleasure to be back here. I have not been back to Franklin Pierce Law Center since the new building was completed. It really is most impressive.

With that said, I would like to discuss the main topic for tonight--the effect of the Uruguay Round Agreements Act (URAA) [n.1] implementing legislation on United States patent law. Basically, there are three areas that are most affected by this legislation.

First, the 17-year patent term measured from the date of issuance of the patent has been changed to 20 years from the filing date of the patent application. The 20-year patent term provision, effective June 8, 1995, covers existing patents and future patents. The legislation provides transition procedures to allow those parties who filed for patents before June 8, 1995, to take advantage of the 17-year term, if longer than 20 years from the application filing date. In addition, the legislation provides for, in some instances, the term of the patent to be extended beyond what would normally be 20 years from the application filing date. This extension does not exist only in the transition period, but is a permanent feature of the law. Second, the legislation introduces a *34 "provisional application." This is an application which is designed to make it easier for people to apply for a patent. Lastly, I will talk about the effect the legislation has on the date of invention for obtaining a patent.

II. LEGISLATIVE CHANGES TO THE PATENT TERM

Now, let us look at the 20-year patent term provision. The legislation will change the term of patents from 17 years from the date of issuance of a patent to 20 years from the application filing date. This change applies to utility patents and plant patents; the change does not apply to design patents. [n.2]

The result of the change is that most patents will receive a longer term of protection. Given that the average pendency is 19 months, applications on average will receive a longer patent term. Moreover, the extension will vary depending upon the technology that is involved and the time it takes an application to get through the respective art unit within the Patent and Trademark Office (PTO).

Is there a procedure for expedited handling of applications?

Yes. In certain cases, there are procedures within the PTO for an application to be made "special." These procedures will continue to exist without change after the legislation becomes effective.

Generally, the change to a 20-year patent term measured from the application filing date was designed to strengthen the patent system overall by discouraging "submarine" patents. [n.3] As stated earlier, the effective date for this legislation is six months after the date of enactment of the implementing legislation for the URAA, or December 8, 1994. Consequently, the effective date of the 20-year term provisions is going to be June 8, 1995. For those of you who are in private practice, or who have applications on file, it is a date you should definitely circle on your calendar.

Let us look at some of the practical implications of this change. Because the patent term will be 20 years from the filing date, the patent community, including the PTO, will be under pressure to prosecute patent *35 applications quickly. Therefore, to get the longest possible term, applicants may expedite issuance by requesting fewer extensions of time.

I would like to turn now to a discussion of how to determine the filing date of an application that starts the 20-year term. The basic principle here is that if you claim priority, domestic or foreign, the priority period will not be taken into consideration when computing the 20-year term. Thus, if you claim foreign priority under 35 U.S.C. § 119(a) or domestic priority under 35 U.S.C. § 119(e), the term begins from the filing date of the application under 35 U.S.C. § 111(a), but not the earlier priority date. So those priority periods, whether they are foreign priority, domestic priority, or international applications, are not going to be taken into consideration for computation of the 20-year term.

One can appreciate how this system will operate when considering continuing applications. Under the current system, a patent is granted and is entitled to a 17-year term. In the event a divisional, a continuation, or a continuation-in-part application is filed that claims the benefit of an earlier filed or "parent" application, the current law provides for a term of 17 years from the issuance date of each patent, provided they are not subject to a terminal disclaimer.

Under the new patent term of 20 years from the date of filing, the term will begin on the filing date of earliest application that you invoke in your applications. For example, if a first application is filed that goes to issue, it will then have a term that is 20 years from its filing date. Suppose you file a second application that is a divisional application of the first parent application, and you want to continue to maintain the benefit of the earliest

filings date for prior art purposes. If you invoke the benefit of that earlier date, the term is going to begin on the filing date of the parent application.

When will this change apply?

It will apply to applications filed on or after June 8, 1995. For patents that are in force on June 8, 1995, or applications filed prior to June 8, 1995, that are issued as patents after this date, the term will automatically be 17 years from the date of issuance or 20 years from the filing date, whichever is longer. This would operate as a matter of law, and thus, no paper has to be filed or election made. For applications that are filed on or after June 8, 1995, the patent term shall be 20 years from the filing date of the application or from the filing date of an earlier application if the benefit of that earlier application is invoked.

In the case of an application filed after the effective date of the legislation, that is, after June 8, 1995, one has to decide whether to *36 invoke the benefit of an earlier-filed application. Such decisions would be most difficult in the case of filing a continuation-in-part application.

Under the present system, you can claim priority any time until issue. Will this possibility remain after the law is changed?

You will still be able to claim the right of priority up to the time the issue fee is paid. That way you will be able to wait to see if there is any intervening art that may effect your right to obtain a patent.

Will these changes to the law have any effect if you have just begun the process of inventing, but have not yet filed an application?

They will to the extent that you will have a 20-year from filing date patent term rather than a 17-year from issuance patent term. If you do not file an application prior to or on June 8, 1995, however, you will not have the option of the longer of a 17-year from issuance or a 20-year from filing date term.

If you had a current application that potentially could invoke the benefit of a string of earlier filed applications, but you chose not to invoke the benefit of the earlier filing date, would the term be 20 years from date of filing of that current application?

That is correct. You really have to think if you want to claim the benefit of earlier applications, because while you get the benefit of the earlier application for prior art purposes, you obviously have a shorter patent term; the patent term is going to end 20 years from the earliest date that you invoke.

Do you have figures from the PTO on how much "submarine" patenting is going on at this moment? Will this change to a 20-year term from filing date cause major players in the marketplace to change their strategy?

I believe that strategies will change. They must for the reasons I have given previously. What is important to realize, however, is that the true effect on the patent term is that the vast majority of patents will receive a longer term. The figures that address this issue fall into two general categories. First, we have found that the average pendency is currently 19 months. Thus, the majority of cases will receive a longer term with the change from a

17-year from issuance term to a 20-year *37 from filing term. The second group of figures are those found in some materials that were prepared and sent to Senator Hank Brown (R-CO). In that latter group of figures, looking at the result with the change to the 20-year from filing date term (based upon the 1993 utility patent grant data), we found that 80 percent of those patents would have realized a longer term, and 20 percent would have realized a shortened term of a day or more. But these figures are conservative for a couple of reasons. One, under this new regime, since people will be aware of the effects of the 20-year term, they will make more of an effort to file timely and to prosecute more expeditiously. Moreover, there will be more pressure on the PTO to process applications more quickly. Also, extensions of time for successful appeals, for secrecy orders, and for interferences may be granted under certain circumstances. Therefore, the above has to be taken into consideration along with the effect on the system as a whole and in individual cases.

If you do not file a divisional application from a parent application, because you want to get the 20-year period after June 8, 1995, does the parent application affect the new patent application?

Again, you would have to decide whether the events that have occurred in the intervening period between the filing date of the parent application and the current application may affect your right to a patent.

So, in essence, the change of patent term does not affect the content of the prior art?

Right. It does not change the content of the prior art.

If you file a divisional application after the effective date but you filed the parent application before the effective date, what is the patent term of the divisional application?

If you file the divisional application after the effective date of June 8, 1995, its term would be the 20 years from the filing date of the parent application.

III. TRANSITIONAL PROVISIONS

It was recognized during the drafting of the legislation that there were people that had filed for patent protection and prosecuted cases in *38 reliance on the 17 years from issuance term. Consequently, there are a couple of transitional procedures that were implemented to attempt to allow such applicants to get the benefit of a 17 years from issuance term or 20 years from filing date term, whichever is longer.

A. After-final Practice

The first transition procedure I will talk about is the "after-final" practice, which allows you, in the same application, to continue the prosecution even after a final rejection has been made. The second transition procedure is more liberal. This more liberal "restriction practice" will, in certain instances, allow you to prosecute more than one invention in the same application. In both transition procedures, you will not have to file a continuation or

a divisional application to continue prosecution, which, if done after June 8, 1995, would cause it to have a term of protection of 20 years from the filing date.

Let me explain how these two procedures work. The "after-final" practice affects only those applications filed as of June 8, 1995 and still pending on that date. Moreover, the application must have an effective date on or prior to June 8, 1993, that is, two years before the effective date of this legislation; and again, the notion is that we are trying to satisfy the concerns of those people that had filed applications some time ago. They have been in prosecution for a fair amount of time, perhaps as an application, or as a continuation application, and they want to have the benefit of the 17 or 20 years, whatever is longer.

Normally, after receiving a final rejection, you lose the opportunity to continue the prosecution of that application. Any amendments you normally file after a final rejection are limited to canceling claims, complying with any requirements of form, and putting the claims in better form for appeal. The "after-final" transition procedure differs in that the continuation of the prosecution of the case is allowed.

There are two basic requirements. First, a fee is required. Second, under the current version of the rules, the submission must be filed prior to or with a notice of appeal. That is, you could not have already appealed the case and taken advantage of its continued examination.

Basically, there are no restrictions on what you can do in this continued examination; it is just like the normal ex parte examination. If earlier, you did not have the opportunity to submit an information disclosure statement, you can do that now. You can submit amendments, specifications, claims, new evidence, new arguments, or whatever you like to further along the prosecution of a case. If you comply with the requirements, both in terms of the age of the case and the payment of the *39 fee, the examiner must withdraw the finality and consider the new submission just as he or she would do in the normal prosecution of the case.

Essentially, the "after-final" procedure gives you two bites at the apple. You can pay your fee twice, make your submission, make your arguments, and attempt to bring the prosecution of the case to a conclusion. But after the second time, the finality is maintained, and it will be treated as a normal submission "after-final."

B. Restriction Practice

The other transitional procedure relates to restriction practice. This procedure effects only those applications that are filed as of June 8, 1995. If you file it after June 8, 1995, you cannot take advantage of these transition restriction practice provisions. Moreover, the application must have an effective date more than three years before the effective date of the legislation. In other words, it must have an effective date on or prior to June 8, 1992. For example, if you filed your original case back before June 8, 1992, and followed

it up with a continuation application invoking the benefit of that earlier case, then if that continuation application is pending on June 8, 1995, you can take advantage of the transitional restriction practice provisions.

The transition restriction procedure affects only cases in which a restriction requirement is made two months prior to June 8, 1995, that is, on or after April 8, 1995. If the restriction requirement is made before April 8, 1995, you are going to have a two month window in which to file a divisional application and maintain whatever benefits you could obtain by having the longer of the 17-year from issuance term or 20-year from filing term. A restriction requirement that is made on or after April 8, 1995 cannot be maintained unless there was no office action in the application due to some action by the applicant or the additional invention fee was not paid. A fee is required since an examination of the invention must be undertaken. The reason the fee is required is that a parallel examination must take place for each one of a plurality of inventions in a single application.

Does that mean that you can file for more than one invention in one application?

Yes, but only within the limited purview of the transitional provisions. This transitional practice allows you to pursue in a single application each of those inventions having the benefit of the filing date *40 of that application that comes before June 8, 1995, in parallel, which then allows you to maintain the option of the 17-year from issuance or 20-year from filing term, whichever is longer.

When will the transition provisions take effect?

They will take effect as soon as the final rule package is adopted, which is expected to be sometime in April or May, 1995.

This choice of a 17-year from issuance or 20-year from filing date term, is that invoked by law, or by the applicant?

By law.

IV. PATENT TERM EXTENSION

There are delays that occur in the course of prosecution of an application in the PTO. One is the possibility of a secrecy order being issued under § 181. [n.4] There are also interferences that take place in order to determine the priority of invention and appellate review. If you are dissatisfied with the results achieved during the prosecution, you can appeal to the Board of Patent Appeals and Interferences and ultimately to a district court or the Court of Appeals for the Federal Circuit. All of these actions take time. In the world of a 20 years from filing date term, these delays reduce the effective term of the patent. Recognizing this, the URAA implementing legislation provides for extensions of time under certain circumstances.

The secrecy order is the period of time under which the application is maintained in secret. Under the rules of interference, the extension of time to which you are entitled is

the period of time during which interference proceedings are taking place, such as when an interference is declared to its final termination. As to a successful appellate review, the extension is from the date you file your notice of appeal to the final decision in your favor.

Can the extension be a maximum of 5 years?

Yes. It is possible to have cumulative extensions, but the maximum amount available will be 5 years. It is not as if you can take a three year delay for a secrecy order, add 3 years for interferences, then *41 add 3 years for appellate review, for a total of 9 years. The maximum amount available is 5 years.

There is one caveat, however, with respect to the extension for a successful appellate review. You are not going to be able to get that extension if your patent has been subject to a terminal disclaimer. If you have disclaimed the terminal part of your application in order to overcome an earlier rejection, you are not going to be eligible for an extension for appellate review.

The extension period will be reduced by the time within 3 years of the effective filing date that the notice of appeal is filed. This reduction of possible extension recognizes that what motivated the extensions in the first place was the possible diminution of term from 17 years from issuance to 20 years from filing date. So the thought was not to extend the term more than was necessary to overcome that perceived problem. Moreover, the extension period may be reduced for the amount of time the applicant did not act with due diligence.

Now, the patent term extension provisions in the URAA implementing legislation are to be added to the extensions under 35 U.S.C. § 156 [n.5] for pre-market regulatory review, such as the Federal Drug Administration (FDA) procedures that enable you to market a pharmaceutical product. That is, you would take the extension that you have received under § 156 and add to that any delays incurred during the issuance of a patent, such as an interference or appeal proceeding. You should note, however, that a Federal Register notice, published on January 17, 1995, examines the relationship between the patent term extensions in the URAA implementing legislation and the § 156 extensions. [n.6]

Additionally, maintenance fees will still be required at current intervals to keep utility patents in force.

Is any of this going to affect a patent due to expire after June 8, 1995? Will the length of the term of that patent be 20 years from its filing date?

If the patent is still in force on June 8, 1995, it will have a term that is the longer of 17 years from the date of issuance or 20 years from the date of application.

*42 What about document disclosures filed prior to application, are they affected by any of this?

No. As you know, the legal effect of a disclosure document is limited. [n.7] It is not a patent application and thus is not affected by the changes to the law.

V. PROVISIONAL APPLICATIONS

Provisional applications are a totally new concept in the United States. They provide an opportunity to file a less formal application and thereby obtain a filing date. But you are still going to have to file a specification that meets the requirements of 35 U.S.C. § 112, [n.8] paragraph 1, and you have to file drawings if they are necessary to understand the invention. You must name the inventor or inventors. You must pay a filing fee of \$150.00 (reduced to \$75.00 for independent inventors or small entities). Also, a cover sheet must be filed with each provisional application.

We require a cover sheet so that our mail room can distinguish provisional applications from utility applications, from document disclosures, or from anything else that might be submitted to the PTO. We are going to require a cover sheet on the application that clearly identifies it as being a provisional application, names the inventors, and indicates the title of the invention. Moreover, if you have an attorney or agent, you must put down his or her name, and, if you have a docket number, you must put that down, too. In addition, the cover sheet must include a correspondence address where you can be reached.

Now, the minimum requirements for establishing a filing date for a provisional application are that the application include: a specification meeting the requirements of 35 U.S.C. § 112; drawings, if required to understand the invention; and names of the inventors. In addition, the application must be identified as a provisional application. If it is not so identified it will be treated as a regular application; however, it can later be converted into a provisional application.

As in the case of regular applications, provisional applications are maintained in secret by the PTO. Access to provisional applications is *43 restricted to those people that are identified in the application: the assignees, the attorneys, or the agents of record.

Provisional applications that are properly identified upon filing but do not include a filing fee or a complete cover sheet will be given a filing date, and given a period of time to supply the missing parts. A surcharge will be levied in order to pay for the work of having to match up the missing fee or cover sheet with the originally filed application.

As to inventorship, any person who made a contribution to the invention or inventions described in the provisional application may be identified, as an inventor. It is always best to be overly inclusive here since, under 35 U.S.C. § 111(a), [n.9] there must be at least one common inventor in both the provisional application and the later filed application that claims the benefit of the provisional application. Inventorship may be corrected in the event that there is no common inventor in both applications, but only if the omission was due to error without deceptive intent and if the necessary fee is paid.

What is the benefit of a provisional application over a regular application?

Basically, the benefit is that a provisional application is somewhat less formal than a regular application in that a claim is not required, nor is an oath or declaration. It gets you an earlier filing date from which the term of the patent is not measured.

There is a possibility of converting an application filed under 35 U.S.C. § 111(a), or treated as such, into a provisional application. To do so, a petition must be filed before the payment of the issue fee or the expiration of 12 months from the filing date of the application, whichever is earlier. In addition, a petition fee is required.

If you do not have a claim, how can you convert a provisional application into a regular application?

Once you file a regular application under 35 U.S.C. § 111(a), claims will have to be included.

*44 Currently, 35 U.S.C. § 112, paragraph 1, requires that the specification enable one skilled in the art to make and use the invention. But the invention is defined by the claims. If you are not required to claim your invention in a provisional application, how can you enable one skilled in the art to make and use an invention that is not defined?

Good question. Currently, 35 U.S.C. § 112, paragraph 1, requires that the specification enable one skilled in the art to make and use the invention, that is, the invention as defined by the claims. In the provisional application, claims are not required; the invention is not, therefore, defined in terms of the claims, yet the invention must be enabled in accordance with 35 U.S.C. § 112. The provisional application must, however, satisfy 35 U.S.C. § 112, paragraph 1, so as to enable the claims that appear in the later filed application under 35 U.S.C. § 111(a), in order that a later filed application might properly claim internal priority based upon the provisional application.

Is a provisional application discoverable?

Yes. For example, if you followed up with a regular application, and you claim priority based upon the provisional application, then once the regular application is issued, the provisional application will be open to the public for inspection.

Will the examiner examine both applications?

No. The examiner does not examine the provisional application because there are no claims to examine.

If you have filed a provisional application, can you mark patents as "patent pending?"

Yes. You should, however, exercise caution. The provisional application must be followed up with a regular application claiming priority based upon the provisional application. If not, a patent application is no longer pending, and your marking of "patent pending" will be in error.

*45 Is a provisional application primarily for interference-type practice?

No. Its primary purpose is to make it easier for people to get an application on file as soon as possible. But let me explain a couple of other things here, since we are getting way ahead of the story.

A provisional application is not examined. You cannot, in a provisional application, claim priority of an earlier application, whether it is domestic or foreign. Moreover, a provisional application is considered to be a regular national filing that starts the Paris Convention term. So, from the filing date of your provisional application, you have one year in Paris Convention countries to file abroad or to file abroad through the Patent Cooperation Treaty route.

After 12 months from its filing date, a provisional application becomes abandoned automatically, by law. And you cannot extend that term. So before the end of the 12 months from the original filing date you have to file a regular application and claim priority based upon that provisional application. A provisional application may, of course, become abandoned earlier than 12 months from its filing date if you have not complied with requirements for the application.

So, I do not want to use this process if I have any foreign priority that I want to claim?

That is correct. A provisional application may not claim priority based upon any previously filed national or foreign application. Thus, if you have to claim a foreign priority, it can only be done if you file a regular application under 35 U.S.C. § 111(a).

The point behind this provisional application is that the people who cobble together these sort of quickie, dirty patents just to get a patent pending will have this route instead. Then they will have a year to be more leisurely, and you guys [at the PTO] do not have to waste your time looking at these bad quickie patent applications. Is that what you are trying to aim at? Is that the problem that you are trying to solve?

Yes. That sums it up rather nicely. The benefits of a provisional application are: it is a relatively low cost way to get the earliest possible filing date by filing the materials that you have available at that time; it has a minimum of legal and formal requirements; and it provides a one year period to, as you were suggesting, further develop the invention, develop licensing opportunities, or seek funding and decide whether or *46 not you want to go forward and file a regular application, which costs more money.

So this would effectively give you an increase of the 20 year from filing date term for the patent?

Right, and I will get to that point in just a moment. First, however, I want to emphasize that, although a provisional application is informal in the sense that a claim is not required, no examination is performed, and no oath is required, you want to be sure that the material that you submit for this provisional application will support claims that you are later going to be including in your regular application. Because you are claiming the benefit of priority based upon the filing date of the provisional application, again, it is just like claiming foreign priority. If you do not have support in the originally filed application for claims that you later make, then you will lose your right to claim priority.

If I file a provisional application and subsequently pare that down to an application that eventually issues, is everything that was in the provisional application prior art at the issue of the patent?

Everything disclosed in the provisional application will become prior art under 35 U.S.C. § 102(e) [n.10] if the application claiming its priority issues as a patent. If, however, you delete some subject matter from the application filed under 35 U.S.C. § 111(a), the deleted subject matter will not form part of the prior art under the provisions of 35 U.S.C. § 102(e). It may, however, become prior art under another subsection.

Does this mean that during that one-year period it is incumbent upon the applicant to file an express request for a foreign filing license?

No. Provisional applications will be reviewed for their national security implications, and foreign filing licenses will be granted or denied as is currently done in the case of applications under 35 U.S.C. § 111(a).

Will there be a filing receipt for the provisional application?

Yes.

*47 Does the provisional application start the one-year time period that you have to file in foreign countries?

Yes.

So that could actually hurt you, since your patent term would be limited to 20 years from the provisional filing date?

No. The 20-year term begins on the filing date of the regular application under 35 U.S.C. § 111(a). It puts you on par with foreign applicants because the Paris Convention for the Protection of Industrial Property constrains us not to count the priority period as part of the term of the patent. So, if we issue a patent 20 years from the filing date, it has got to be the filing date in the United States. If you file abroad first, in France, for example, then within one year file in the United States, the term of that patent begins from the filing in the United States, not from the filing date in France. It is the same result for a provisional application. For example, if you file a provisional application on January 1, 1996, then you have until January 1, 1997, to follow it up with a § 111(a) application. The term of that patent will begin on the date you file the § 111(a) application that claims the priority of the provisional application.

VI. DATE OF INVENTION FOR OBTAINING A PATENT

Let us examine the last major topic here today, the date of invention for obtaining a patent. As you may recall from the North American Free Trade Agreement (NAFTA) legislation, and now the URAA, there will be an expanded field of opportunity for parties to prove acts of invention occurring outside of the United States. This all stems from the language contained in both the NAFTA and URAA that provides that patents shall be available without discrimination as to the place of invention.

Currently, this is the way 35 U.S.C. § 104 [n.11] reads: "[A]n applicant for a patent may not establish a date of invention in a foreign country, except as provided in sections 119 and 365 of this title." This has been interpreted to mean you cannot establish acts of

invention occurring outside of the United States. Following the amendments to 35 U.S.C. § 104, which have effective dates that differ depending on whether a NAFTA country or a World Trade Organization (WTO) member *48 country is involved, parties will be able to prove dates of invention occurring in any of the NAFTA countries or WTO member countries.

Accordingly, this will have the greatest effect on those of you that are representing foreign clients who might be interested in taking advantage of invention and reduction to practice that occurred in their country in order to avoid a reference that has been cited against them in prosecution or in the context of an interference proceeding. Thus, 37 C.F.R. § 131 [n.12] will be amended to allow an applicant to "swear behind" a reference cited against them on the basis of the completion of an invention in a NAFTA or a WTO member country.

Will this be effective as of June 8, 1995?

For the NAFTA countries (Canada and Mexico) the effective date was December 8, 1993. For the WTO countries it is going to be January 1, 1996; that is, one year after the WTO came into being.

The changes to 35 U.S.C. § 104 are not going to affect the prior art provisions found in 35 U.S.C. § 102(a), (b), and (g). This is because the Trade-Related Aspects of Intellectual Property Rights (TRIPs) agreement and the NAFTA speak offensively and not defensively. That is, you will be able to rely on acts of invention occurring in a NAFTA or a WTO country in order to obtain a patent, but you cannot rely on those dates in order to defeat another party's right to a patent.

VII. CONCLUSIONS

So what should you as practitioners or applicants be thinking about and preparing for? Well, prior to June 8, 1995, you have to think about outstanding restriction requirements and whether or not you want to, before June 8, 1995, file a divisional application to retain a patent term that is the longer of 17 years from issuance or 20 years from the filing date. Before June 8, 1995, you should take an inventory of your applications to determine which ones are eligible for the transition procedures. Again, this is in respect to applications that are more than two or three years old prior to the effective date of June 8, 1995, depending upon the transition procedure that you are going to take advantage of. In addition, you also have to start considering provisional applications and what new and interesting work can be done with these new tools. Finally, you have to consider how the new patent term of 20 *49 years from the filing date will effect your practice, just as we are reevaluating our procedures in the PTO in light of this new regime.

That is all of the formal remarks that I had prepared. What I would like to do now is answer any questions that you might have.

What is the status on Senator Dole's proposed amendment to make it a 17- year term or 20-year term, whichever is longer?

Actually, I am glad you asked that question. There are two pieces of legislation, one in the House and one in the Senate. Senator Dole's (R-KS) legislation and that of Congressman Rohrabacher (R-CA) are pretty much the same. The effect of the legislation would be to change the law to allow for a 17-year from issuance or 20-year from filing date term, whichever is longer. Moreover, their legislation would provide that, in the event a continuing application is filed that claims the benefit of an application having a filing date more than 60 months prior, notices of the earlier application and of the continuing patent application are to be published. Further, the public would have the right to inspect and copy the original patent application and the continuing patent application.

Would that defeat the purpose of trying to eliminate submarine patents?

Yes. The administration does not support that legislation and would prefer staying with the URAA implementing legislation as it stands, in large part for the reason that you identified; it would not eliminate the problem of "submarine" patents. Thus, even though there would be a disclosure of pending patent applications with their publication after 5 years of pendency, there could still be the possibility, many years down the road, of a patent issuing having a 17-year term that would cause major disruptions in given industries. That has been the problem with "submarine" patents to date and that will continue to be the problem if the proposed legislation passes. And so it is primarily for that reason that the administration prefers the law stay as it is in the URAA implementing legislation.

Any idea as to the likelihood of success of the Dole and Rohrabacher bills?

I cannot say. I know that at least the Rohrabacher bill has a number of supporters.

*50 I am still a little confused with the provisional application. Some of the benefits that it offers we already have under the grace period provisions of 35 U.S.C. § 102(b). [n.13] That is, capital can be sought, questions of inventorship can be sorted out, etc. You have also said, however, that filing of a provisional application will allow you time to further develop the invention. But if I understood you correctly, the provisional application must be broad enough to cover the claims we are ultimately going to write to the application filed under 35 U.S.C. § 111(a). If I go out and develop something that expands the specification that I have filed, then I have a problem?

Yes. Even in the case of evolving research and development, the provisional application will allow you to get an application on file, establish an early as possible prior art date, and also have it pending for up to a year before the 20-year term of the patent begins. You can file a series of provisional applications and then file a single patent application under 35 U.S.C. § 111(a) claiming the priority of all of the provisional applications.

What is the procedure at the end of the 20 year term to extend your patent? Is there another maintenance fee you pay, and do you have to file?

No. At the end of 20 years the patent comes to an end unless the application has been subject to a successful appeal, a secrecy order, or an interference proceeding in which you are successful. One of those procedures may entitle you to an extension of the term under the conditions I discussed earlier.

What if none of those conditions apply? What is the procedure to get an extension for another 4 years or 5 years, and then another extension after that? Is there a way to further extend this?

No, not unless one of the possibilities for term extension I discussed earlier apply.

Can one get an extension by way of a private bill passed by Congress?

*51 Yes, there is a theoretical, though remote, possibility of getting a patent term extended through a private bill passed by Congress.

Going back to the provisional application, if I file a provisional application but fail to file an application under 35 U.S.C. § 111(a) within 12 months, does that application become prior art or a potential bar to patentability under 35 U.S.C. § 102?

The provisional application is going to be held in secret. There is going to be no disclosure of it. The invention disclosed in the provisional application may, however, become prior art through some other means, for example, through a description of it in an article or through the sale of an article embodying the invention.

There does not seem to be an incentive to file a regular application unless you want to obtain a patent within the first year. It seems to me that the provisional application will get you your filing date for foreign countries and the U.S., and therefore give you an extra year on your 20-year term. What is your opinion on that?

Well, I do not think that is necessarily the case. Even though it is inexpensive, there is a cost associated with the filing of a provisional application. For some applicants that may be a factor if they are planning on filing essentially what they filed as a provisional application under 35 U.S.C. § 111(a). The other thing is that the provisional application, although it does go through some processing, is not examined. So, if you are interested in getting protection as quickly as possible, a regular application should be filed.

What I am saying, with the exception of getting the protection as quickly as possible, is that there does not seem to be an incentive to file a regular application.

Right, except for the larger overall cost. I think that makes sense.

How do provisional applications affect the one year sales bar? Is it okay to file a provisional application or do you have to actually file a regular application?

*52 No. A provisional application will suffice and the one year grace period under 35 U.S.C. § 102(b) will be counted backwards from its filing date.

As I understand it, if there was any public disclosure, then in the European Community you could not patent it, whereas in the United States, you could have had some public disclosure, and you could have received a patent?

Yes. That is correct. That is the one year grace period we were talking about within which to file an application.

What about for applications filed abroad?

No. The grace period is available only in the United States and in a somewhat reduced scope in other countries.

Has that changed?

No, it has not changed. As a general rule you are still barred from obtaining patent protection in foreign countries if you have disclosed the invention prior to filing for patent protection.

What is going to happen to the interference practice?

Interference practice will continue, bigger and better than ever. In particular, the rules will be changed to accommodate the changes to 35 U.S.C. § 104, since one may now prove actions of invention that have occurred outside the United States.

Is the United States going to adopt a first-to-file system?

No. We are not going to adopt a first-to-file system. The decision was made last year not to proceed with the harmonization discussions at that time, and it does not appear as if we are going to proceed now.

In respect to the interference rules under consideration, are they going to bar evidence if it comes from a country that does not have the types of evidentiary rules that we have, so that you could still have some viable testimony?

*53 The rule will allow inferences to be taken against parties who cannot or will not produce evidence required in interference proceedings.

Even if a country is a member of the NAFTA or the WTO, are we going to still exclude them if we cannot rely on the evidence that they are going to give us that there has been an invention made in their country?

Yes. To the extent that it is not possible for evidence to be obtained as required in our interference proceedings from those countries, then inferences will be taken against the party who does not produce the required information. Just because we are accepting that acts of invention abroad can now be relied upon in interference proceedings in the United States does not mean that we would lower our standards of evidence or change procedures.

If there are no further questions, I thank you for your kind attention and patience.

[n.a1]. Richard C. Wilder is an Attorney-Advisor in the Office of Legislation and International Affairs for the U.S. Department of Commerce. This presentation was recently delivered to the patent law community at the Franklin Pierce Law Center as part of a series of lectures sponsored by the New Hampshire Inventors Assistance Program.

[n.1]. Uruguay Round Agreements Act, 103 Pub. L. 465, 108 Stat. 4809 (1994) (an Act to approve and implement the trade agreements concluded in the Uruguay Round of multilateral trade negotiations).

[n.2]. A design patent is obtained for the ornamental design of an article of manufacture. The term of design patents is going to remain 14 years measured from the date of issuance.

[n.3]. "Submarine" patents are patents that are prosecuted in the PTO over a number of years, sometimes decades, due to the applicant filing a series of continuation applications. After prolonged prosecution, they can pop up like a submarine to catch an industry by surprise.

[n.4]. 35 U.S.C. § 181 (1994).

[n.5]. 35 U.S.C. § 156 (1994).

[n.6]. 60 Fed. Reg. 3,398 (1995). A hearing was held on February 16, 1995. After having considered all the oral and written comments, a notice was published in 60 Fed. Reg. 15,748 (1995) in which considerations were proposed upon which patent expiration dates would be based.

[n.7]. The disclosure document filed under the Disclosure Document Program of the PTO is not a patent application. The date of its receipt by the PTO will not become the effective filing date of any patent application subsequently filed. Its purpose is to provide evidence of a date of conception of an invention.

[n.8]. 35 U.S.C. § 112 (1994).

[n.9]. 35 U.S.C. § 111(a) (1994).

[n.10]. 35 U.S.C. § 102(e) (1994).

[n.11]. 35 U.S.C. § 104 (1994).

[n.12]. 37 C.F.R. § 131 (1994).

[n.13]. 35 U.S.C. § 102(b) (1994).