



UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
ASSISTANT SECRETARY AND COMMISSIONER
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GATT URUGUAY ROUND PATENT LAW CHANGES

Significant changes in our patent laws have been enacted. These changes arise from the GATT Uruguay Round implementing legislation (P.L. 103-465), signed by the President on December 8, 1994. Most of the provisions of the legislation will take effect one year after the date on which the World Trade Organization (WTO) Agreement enters into force with respect to the United States. The WTO Agreement entered into force for the United States on January 1, 1995. As a result, most of the provisions of the GATT implementing legislation will take effect on January 1, 1996. There is, however, a very significant part of the legislation -- the provisions relating to patent term and provisional applications -- that will take effect six months after the signing of the bill, i.e., on June 8, 1995. Users of the patent and trademark system should be fully aware of these changes and their respective effective dates. The changes and their effective dates are discussed below.

A Notice of Proposed Rulemaking relating to the implementation of the patent term changes was published December 12, 1994 in the *Federal Register* at 59 FR 63951 and in the *Official Gazette* on January 3, 1995 at 1170 OG 377. Two Notices of Proposed Rulemaking relating, among other things, to (1) the filing of 37 CFR 1.131 affidavits taking into account the (North American Free Trade Agreement) NAFTA and GATT Uruguay Round legislative changes and (2) interferences taking into account the NAFTA legislative changes were published October 3, 1994 and September 30, 1994 in the *Federal Register* at 59 FR 50181 and 49876, respectively, and on October 25, 1994 in the *Official Gazette* at 1167 OG 96 and 98, respectively.

Treatment of Inventive Activity - In accordance with the requirements of the GATT Uruguay Round agreement that patents be available without discrimination as to the place of invention, section 104 of the patent law has been amended to provide that evidence of inventive activity in the territory of a WTO member country be treated the same as inventive activity in the United States. Our obligation does not go beyond non-discrimination--foreign inventive activity will not have an advantage relative to domestic inventive activity. Section 104 has also been amended to guard against the possibility that a party may be unable to probe and challenge adequately such evidence because the party cannot obtain other information from a person in a WTO member country relevant to an alleged date of invention, to the extent that the information could be obtained in the United States. If information cannot be obtained, the Commissioner, court, or other authority is to draw appropriate inferences in favor of the party that requested the information. These changes parallel those made to implement the NAFTA Agreement. Since the WTO Agreement entered into force for the United States on January 1, 1995, these changes apply to all applications filed on or after January 1, 1996. However, a date of invention may not be established in a WTO member country, other than the United States, Canada or Mexico, that is earlier than January 1, 1996, except as provided in sections 119 and 365 of the patent law.

Patent Term - The current term of protection of a U.S. patent is 17 years measured from the grant of the patent, provided the required fees for maintaining the patent in force are paid. The implementing legislation changes section 154 of the patent law to provide that the term of protection begins on the date of grant and ends 20 years from the filing date of the application for the patent. If priority of an earlier application or applications is claimed under sections 120, 121 or 365(c) of the patent law, the 20-year period is measured from the date of the earliest of such earlier applications.

The twenty year patent term may be extended for a maximum of five years for delays in the issuance of the patent due to interferences, secrecy orders and/or successful appeals to the Board of Patent Appeals and Interferences or the federal courts. Extensions for successful appellate review are limited in that the patent must not be subject to a terminal disclaimer. Further, the period of extension will be reduced by any time attributable to appellate review within 3 years of the filing date of the application and the period of extension for appellate review will be reduced by any time during which the applicant did not act with due diligence. The patent term extension that may be available per section 156 of the patent law for pre-market regulatory review is cumulative to the extension that may be available via the new provision.

All patents that are in force on or that will issue on an application that is filed before June 8, 1995 will automatically have a term that is the greater of the 20-year term provided above or 17 years from grant. This provision affects all

patents that are in force on June 8, 1995 and all patents issued thereafter on applications filed prior to June 8, 1995. The terms of these patents are, of course, subject to any applicable terminal disclaimers. The remedies for infringement are limited in any term extended as a result of the automatic 17 or 20 year term provision.

The implementing legislation includes certain transition measures that are designed to minimize the need to file continuing applications after the effective date of the 20 year term provisions. These transition measures will alter after-final and restriction practices for certain applications. The transition after-final practice affects only those applications filed on or before June 8, 1995, with an effective U.S. filing date prior to June 9, 1993. Applicants will be entitled to have two after-final submissions, that would have otherwise been refused entry, entered and considered by the examiner if each submission is received prior to or with a notice of appeal and the necessary fees are timely paid. The transition restriction practice affects only those applications filed on or before June 8, 1995, with an effective U.S. filing date prior to June 9, 1992. For those applications, no restriction will be made or maintained except in those instances where the requirement was made prior to April 8, 1995, there was no Office action in the application due to applicant's action or the appropriate additional invention fee was not paid.

Provisional Applications - Sections 111 and 119 of the patent law have been amended to establish a domestic priority system. The Paris Convention for the Protection of Industrial Property requires that the terms of protection of patents for the same invention granted by different countries should generally be independent of one another. This precludes the United States from measuring, in a foreign origin application, the term of protection from the filing date of a foreign filed application, even though the benefit of that foreign filing is subsequently claimed in the United States. To give U.S. inventors a similar opportunity, in the United States, of having an initial application filing which does not serve as the basis from which the term of protection is measured, a domestic priority system has been established that provides for provisional application filing in the United States.

A provisional application requires the filing only of a specification in compliance with the first paragraph of section 112 of the patent law and drawings where necessary for the understanding of the invention. The application must be made in the name of the inventors, include the appropriate filing fee and include a cover sheet to identify it as a provisional application. A provisional application does not require a claim or an oath or declaration. A provisional application cannot mature into a patent, it is not examined and it cannot claim priority of an earlier application. A provisional application is kept in confidence by the Office. A provisional application is, however, a regular national filing that starts the Paris Convention priority year. A provisional application will automatically go abandoned by law one year after filing. It may go abandoned prior to the one year period for failure to respond to an office requirement or for a failure to pay the filing fee. A provisional application may be revived, but in no case may its pendency extend beyond one year from its filing date.

The provisional application has several important benefits. As noted above, it places domestic applicants on an even footing with foreign applicants because the filing of a provisional application does not trigger the start of the 20-year patent term. It has minimal legal and formal requirements. The provisional application provides a mechanism whereby applicants can quickly and inexpensively (\$150/\$75) establish an early effective filing date in a patent application which establishes a constructive reduction to practice for any invention described in the provisional application. The filing of a provisional application also provides up to twelve months to further develop the invention, determine marketability, acquire funding or capital, seek licensing or seek manufacturing.

The effective date for all of the patent term and provisional application provisions is June 8, 1995. The provisions do not apply to applications for design patents.

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