

**American
Inventors
Protection
Act of 1999**

Provisional Applications

Lingering TRIPs Issues Addressed

Copendency Requirement Removed for Provisionals:

- **ELIMINATION OF COPENDENCY REQUIREMENT-** Section 119(e)(2) of title 35, United States Code, is amended by striking *‘and the provisional application was pending on the filing date of the application for patent under section 111(a) or section 363 of this title’*.

Rationale:

- Paris Convention Art. 4.C.(2)/(4) Priority:
 - (2) These periods shall start from the *date of filing of the first application*
 - (4) A subsequent application concerning the same subject as a previous first application within the meaning of paragraph (2), above, filed in the same country of the Union, shall be considered as the first application, of which the filing date shall be the starting point of the period of priority, if, at the time of filing the subsequent application, *the said previous application has been withdrawn, abandoned, or refused, without having been laid open to public inspection and without leaving any rights outstanding, and if it has not yet served as a basis for claiming a right of priority.*

Rationale:

- Paris Convention Art. 4.C.(2)/(4) Priority:
 - (2) These periods shall start from the *date of filing of the first application*
 - (4) A subsequent application concerning the same subject as a previous first application within the meaning of paragraph (2), above, filed in the same country of the Union, shall be considered as the first application, of which the filing date shall be the starting point of the period of priority, if, at the time of filing the subsequent application, *the said previous application has been withdrawn, abandoned, or refused, without having been laid open to public inspection and without leaving any rights outstanding, and if it has not yet served as a basis for claiming a right of priority.*

European Patent Convention

[Art. 87.1]:

- A person who has duly filed in or for any State party to the Paris Convention for the Protection of Industrial Property, an application for a patent ... shall enjoy, for the purpose of filing a European patent application in respect of the same invention, a right of priority during a period of twelve months from the *date of filing of the first application*.

EPC ... Small Print [Art. 87.4]

- A subsequent application for the same subject-matter as a previous first application and filed in or in respect of the same State shall be considered as the first application for the purposes of determining priority, provided that, *at the date of filing the subsequent application, the previous application has been withdrawn, abandoned or refused, without being open to public inspection and without leaving any rights outstanding*, and has not served as a basis for claiming a right of priority. The previous application may not thereafter serve as a basis for claiming a right of priority.

Practice Implications:

- Where a series of provisional applications are filed, *the second in the series should not be filed until the first in the series has been expressly abandoned.*
- Provisional applications should be expressly abandoned promptly after filing as a matter of course.

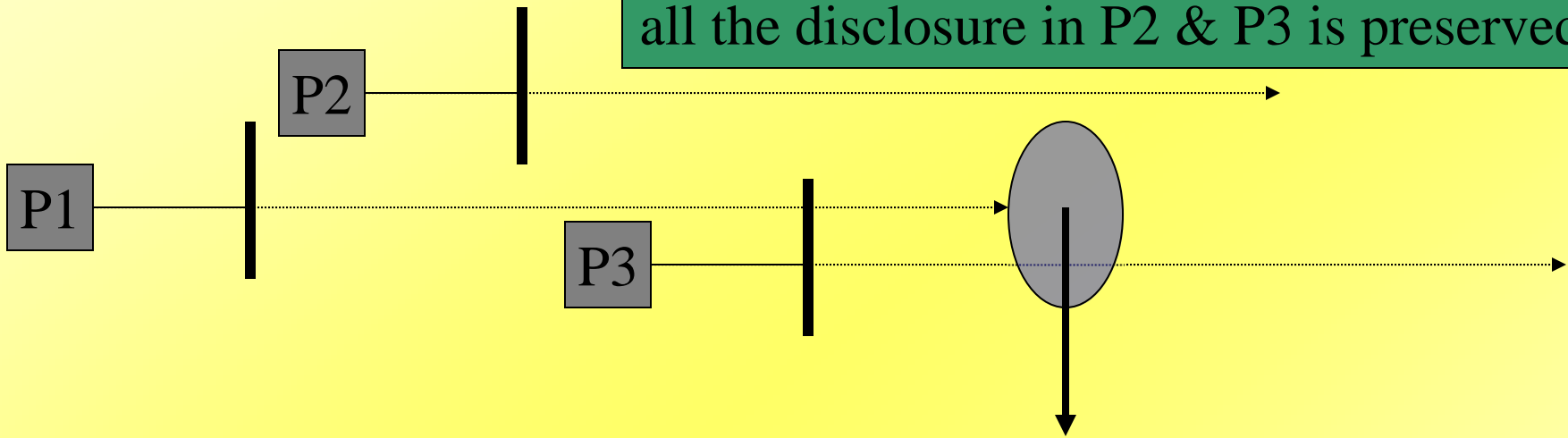
Practice CAVEAT:

- Provisional applications, like nonprovisional applications serve as a *benefit* or *priority* date for a claim only if the provisional in question provides full §112 support the claim.
 - Multiple provisional applications cannot be “aggregated” to support a claim.
 - Strategy decision as to whether to “accrete” or to disclose alternatives.

| = Exp. Abandon.

.....> = Conv. Year

If P1 is abandoned before filing P2, then the right to claim priority for all the disclosure in P2 & P3 is preserved.

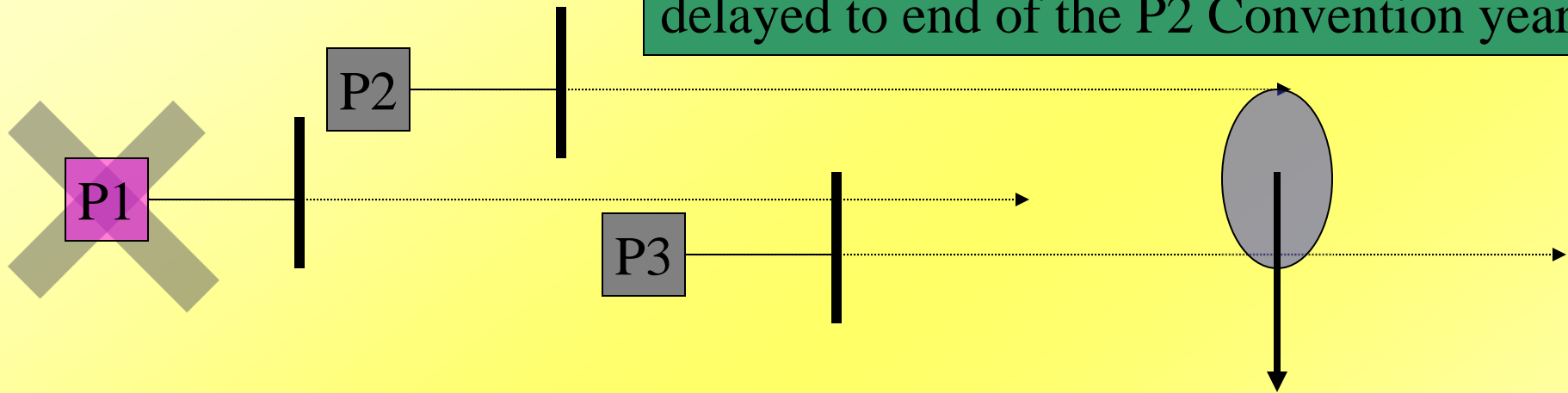


If P1 has not been abandoned *before* the filing of P2, then the failure to file OUS/PCT within one year of the P1 filing date forfeits all priority claims for what is disclosed in P1.

OUS/PCT filing date.

Example 1: Convention year deadline is missed; second-filed provisional can be used because first-filed was abandoned.

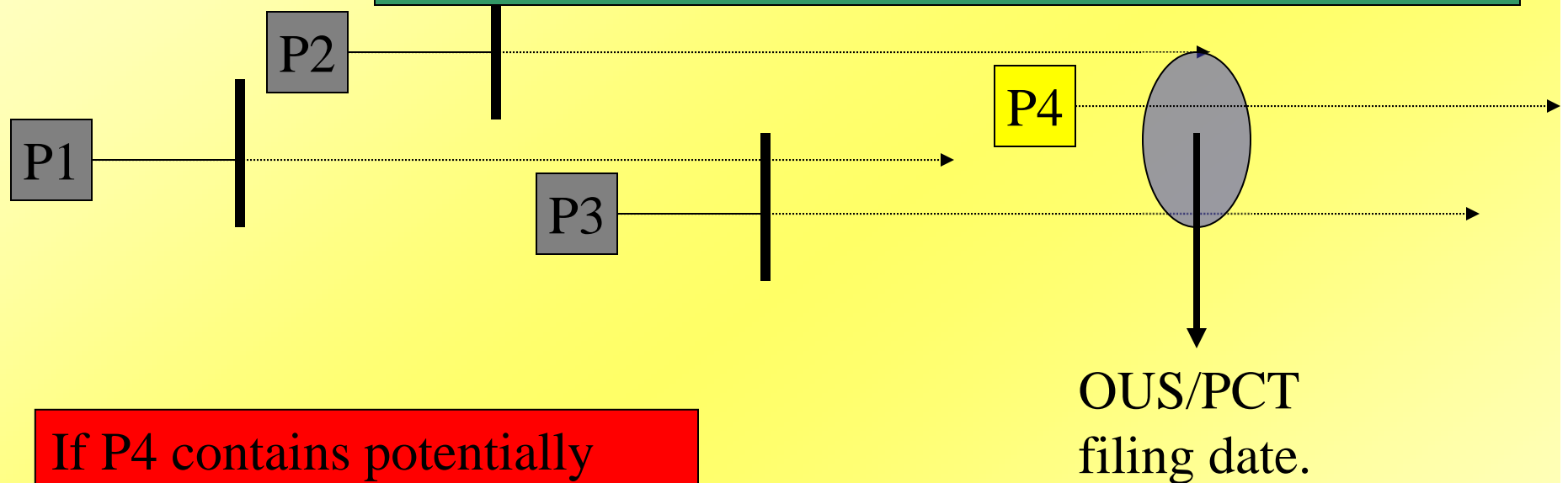
If P1 is abandoned before filing P2, then the right to claim priority of P2 is preserved – OUS/PCT filing can be delayed to end of the P2 Convention year.



If P1 contains broad, prophetic and/or erroneous disclosure; decision may be reached that it *should not* be permitted to become a public document.

Example 2: First-filed application contains problematic disclosure that is deemed better kept secret.

If P1 is abandoned before filing P2, then the right to claim priority of P2 and P3 is preserved – OUS/PCT filing can be delayed to include P4 during the P2-defined Convention year.



If P4 contains potentially critical disclosure that is deemed important for an optimal international filing, it may be desirable to delay international filing to include this new disclosure.

Example 3: Late-arriving disclosure can be included and early priority claims preserved.

Provisional-Nonprovisional Conversion:

- (5) ABANDONMENT- *Notwithstanding the absence of a claim, upon timely request and as prescribed by the Director, a provisional application may be treated as an application filed under subsection (a). Subject to section 119(e)(3) of this title, if no such request is made, [t]he provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival after such 12-month period.*

Rationale:

- Removes possible challenge to adequacy of U.S. provisional application as a regularly filed national patent application under the Paris Convention.
 - Although contention bordered on superfluous, better safe than sorry.
 - Art. 4.A.(3) - “By a regular national filing is meant any filing that is adequate to establish the date on which the application was filed in the country concerned, whatever may be the subsequent fate of the application. ”

Practice Implications:

- Don't convert.
 - New rules [37 C.F.R. § 1.53(c)(3)] warn on loss of patent term.
 - Financial disadvantage – need to pay fees and meet all requirements for nonprovisional.
 - Also need petition fee.
- Only possible exception.
 - If you don't want a patent, but just want a publication, incremental effort is only a modest concern.

§ 1.53 Application number, filing date, and completion of application.

* * * * *

(c) * * *

(3) A provisional application filed under paragraph (c) of this section may be converted to a nonprovisional application filed under paragraph (b) of this section and accorded the original filing date of the provisional application. The conversion of a provisional application to a nonprovisional application will not result in either the refund of any fee properly paid in the provisional application or the application of any such fee to the filing fee, or any other fee, for the nonprovisional application. Conversion of a provisional application to a nonprovisional application under this paragraph will result in the term of any patent to issue from the application being measured from at least the filing date of the provisional application for which conversion is requested. Thus, applicants should consider avoiding this adverse patent term impact by filing a nonprovisional application claiming the benefit of the provisional application under 35 U.S.C. 119(e) (rather than converting the provisional application into a nonprovisional application pursuant to this paragraph).

A request to convert a provisional application to a nonprovisional application must be accompanied by the fee set forth in § 1.17(i) and an amendment including at least one claim as prescribed by the second paragraph of 35 U.S.C. 112, unless the provisional application under paragraph (c) of this section otherwise contains at least one claim as prescribed by the second paragraph of 35 U.S.C. 112. The nonprovisional application resulting from conversion of a provisional application must also include the filing fee for a nonprovisional application, an oath or declaration by the applicant pursuant to §§ 1.63, 1.162, or 1.175, and the surcharge required by § 1.16(e) if either the basic filing fee for a nonprovisional application or the oath or declaration was not present on the filing date accorded the resulting nonprovisional application (*i.e.*, the filing date of the original provisional application). A request to convert a provisional application to a

nonprovisional application must also be filed prior to the earliest of:

(i) Abandonment of the provisional application filed under paragraph (c) of this section; or

(ii) Expiration of twelve months after the filing date of the provisional application filed under this paragraph (c).

- Petition fee
- Oath/Decl.
- Claim -*
- Filing fee
- Surcharge -*
- Timely made
 - pre-abn./
 - w/i 12 mos.

Caveat on patent term loss!

Provisional Applications Have *Convention Year* Pendency:

- (3) If the day that is 12 months after the filing date of a provisional application falls on a Saturday, Sunday, or Federal holiday within the District of Columbia, the period of pendency of the provisional application shall be extended to the next succeeding secular or business day.

Rationale:

- Guarantees that provisional application will always co-pend with non-provisional application filed during the Paris Convention year.
 - Rendered largely irrelevant by later addition to Patent Reform Bill removing copendency requirement altogether.
 - One more day for provisional → nonprovisional conversion.

RETROACTIVITY for Provisional Application Changes:

- **EFFECTIVE DATE-** The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to any provisional application filed on or after June 8, 1995, except that the amendments made by subsections (b) and (c) shall have no effect with respect to any patent which is the subject of litigation in an action commenced before such date of enactment.

Prior Art Disqualification:

35 U.S.C. § 103(c);

New Prior Art:

35 U.S.C. § 102(e)

Remedial Provisions of Patent Law
Amendments Act of 1984 Finally Perfected;
More Rationale PCT Prior Art Provisions

§102(e) Prior Art Exclusion: Commonly Assigned Inventions

- (a) PRIOR ART EXCLUSION- Section 103(c) of title 35, United States Code, is amended by striking ‘subsection (f) or (g)’ and inserting ‘one or more of subsections (e), (f), and (g)’.
 - (b) EFFECTIVE DATE- The amendment made by this section shall apply to any application for patent *filed on or after the date of the enactment* of this Act.

New §103(c):

- (c) Subject matter developed by another person, which qualifies as prior art only under *one or more of* subsection *(e)*, (f), *and* (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.

Rationale:

- *In re Bartfeld*, [17 U.S.P.Q.2d 1885 (Fed. Cir. 1991)] gambit no longer available with the publication of pending applications for patent.
 - M.P.E.P § 804: “Where the inventions are made by inventors that have assigned their rights to a common assignee, the assignee can take some *preemptive measures* to avoid having a copending application become prior art under 35 U.S.C. §102(e). The applications can be filed on the same day, or copending applications can be *merged into a single continuation-in-part application and the parent applications abandoned.*”

No *Retroactive Effect*:

- ONE COMPANY objected to prior drafts of bill that had retroactivity paralleling Patent Law Amendments Act of 1984:
 - “... effective for all patents granted before, on, or after the date of enactment and to all applications pending on or filed after the date of enactment, but to have no effect on final decisions of a court or the Patent and Trademark Office, if the time for appeal has expired; provided that a court would provide equity to parties to litigation who acted in reasonable and good faith reliance that a patent was invalid for reasons obviated by the change to section 103(c).”
- Thanks to ONE COMPANY, inventors must have *filing date* after enactment.

Possible Practice Implications:

- File “continued prosecution application” for each *pending* U.S. application?
 - Should insulate all commonly assigned, pending applications for any §102(e) attack from any other U.S. patent or patent application.
- File “continued prosecution application” for any application that is allowed?
- File “continued prosecution application” whenever §102(e) rejection encountered?

Possible Practice Implications: CAVEAT!!!!

- If you refile a pre-GATT patent application, you forfeit the right to a 17-year term from grant.
 - If there is no *known* §102(e) issue, allow the pre-GATT patent application to issue.
 - If a §102(e) issue arises after grant, there is a *reissue gambit* that may resolve the issue.

Possible Remedial Strategy for Already Issued Patents:

- File reissue application.
- During pendency of reissue application, file a *continuing* reissue application.
 - See M.P.E.P. § 201.06(b) R6.2 and M.P.E.P. § 1405
- Issue a reissue patent on continuation reissue application.
- Argue that the “*filing date*” of the reissue patent is the *reissue filing date* or, at worst, the filing date of the continuation of the reissue application.

What are the prospect that the “reissue” strategy will succeed?

- Remedial legislation.
- Patent *would have been valid* without reissue, *but for* failure to use *Bartfeld* “joint C-I-P” strategy.
- *Ergo*, a *procedural* defect during prosecution created prior art should be correctable by another *procedural* mechanism.

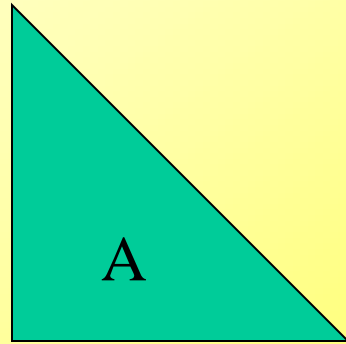
What about inventions made within collaboration?

- University-industry collaborations often do NOT include common assignment obligations.
- Cannot remedy §102(e), (f), or (g) prior art problems with *ex post facto* assignment of invention.
- Can remedy with appropriate agreement language ...

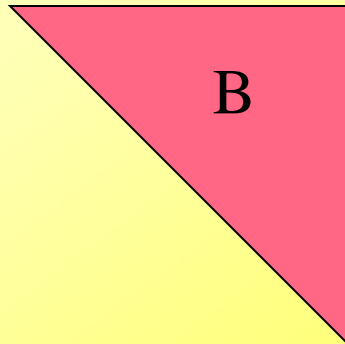
Remedial Agreement Language:

¶. **Inventions otherwise unpatentable in the United States.** Any invention made by a party hereto that would be rendered unpatentable in the United States solely on account of prior art under one or more of subsections 102(e), (f), or (g) of Title 35, U.S.C., but for the absence of an obligation of assignment of said invention (or an undivided interest therein) to one or more other parties hereto, is hereby subjected to an obligation of assignment to such other parties of such interest in the invention as renders the invention patentable in the United States. Such assignment shall have force and effect only with respect to patents granted in the United States. [continued ...]

[continued]... The rights of the parties with respect to any invention subject to an obligation of assignment under this paragraph, *except for subject matter patentable to the assignee in the absence of the assignment*, shall be the same as the rights that would have applied under this Agreement had no obligation to assign under this paragraph existed. If and only if required to give force and effect to the immediately preceding sentence and, in such case, only to the extent required to give such force and effect, each assignee under this paragraph hereby grants to each of the assignors under this paragraph such licenses, if any, as are required to vest in the assignor rights to make, have made, use, sell and import the assigned invention, *except for subject matter patentable to the assignee in the absence of the assignment*.

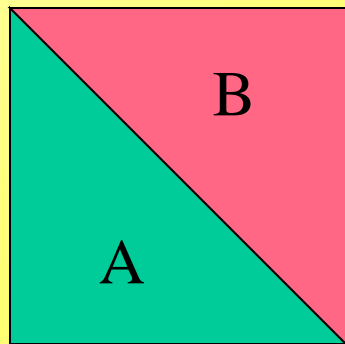


Party A invents
and files on
Embodiment A



Party B subsequently
invents and files on
Embodiment B

**Embodiment A renders
Embodiment B OBVIOUS**

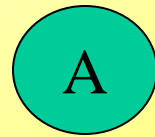


Result:

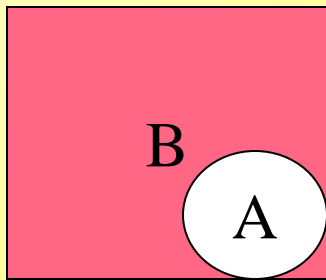
Party A is entitled to an assignment of Embodiment B.
Party A, subject to a terminal disclaimer, can patent both
Embodiments A & B.

3. If not otherwise provided, Party A will license back
Embodiment B to Party B.

4. Party B gets no rights to Embodiment A.

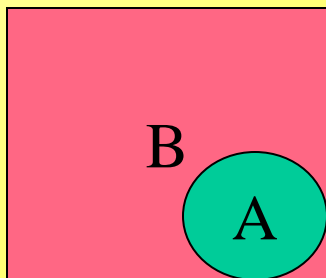


Party A invents
and files on
Species A



Party B subsequently
invents and files on
Genus B (or Genus B
exclusive of Species A.

**Species A ANTICIPATES
Genus B or Species A
renders OBVIOUS Genus B
exclusive of Species A**



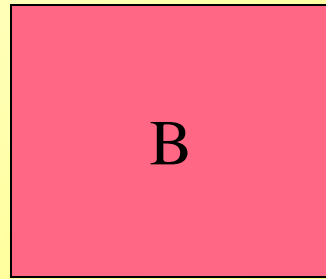
Result:

Party A is entitled to an assignment of Genus B.

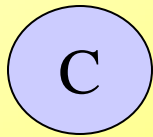
Party A, subject to a terminal disclaimer, can patent both
Genus B and Species A.

3. If not otherwise provided, Party A will license back
Genus B to Party B, *provided however* – .

Party B gets no rights to Species A.

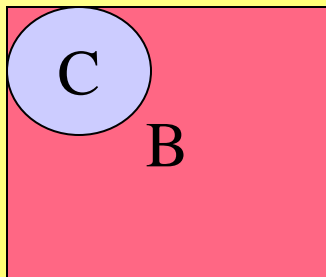


Party B invents and files on Genus B



Party C subsequently invents and files on Species C.

Genus B renders OBVIOUS Species C



Result:

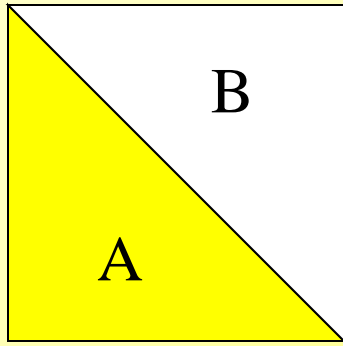
Party B is entitled to an assignment of Species C.

Party B, subject to a terminal disclaimer, can patent both Genus B and Species C.

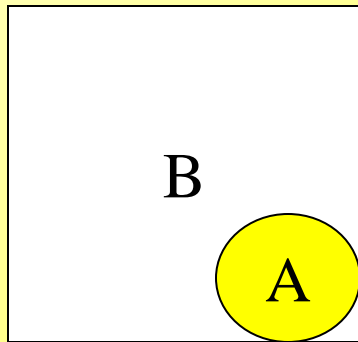
If not otherwise provided, Party B will license back Species C to Party C, *provided however* – .

Party C gets no rights to Genus B unless otherwise provided in the Agreement between the parties; Genus B claim blocks Party C from practicing Species C.

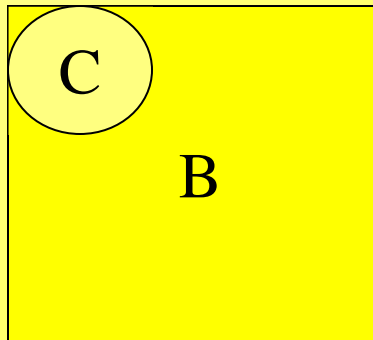
In the absence of contractual obligation of assignment:



Embodiment B is unpatentable and the parties collectively can patent only Embodiment A.

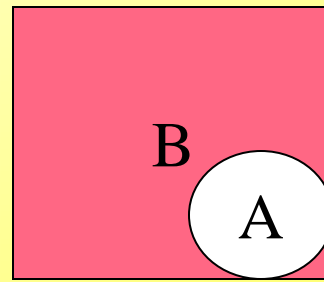
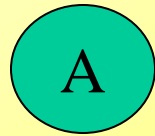


The parties inventions interfere and the result of the award of priority to Party A renders only species patentable to Party A.

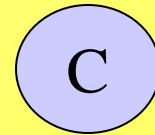


The parties inventions interfere and the result of the award of priority to Party B renders the separate claim to Species C not patentable to Party C.

Party A invents and files on Species A



Party B subsequently invents and files on Genus B (or Genus B exclusive of Species A).



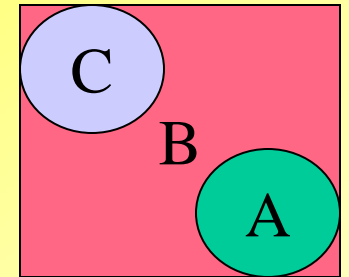
Party C subsequently invents and files on Species C.

Species A ANTICIPATES Genus B and Genus B renders OBVIOUS Species C.

Result:

Party A is entitled to assignment of *both* Genus B and Species C because this renders all subject matter patentable to Party A (*i.e.*, assignment of Species C to Party B would not render *any subject matter* patentable to Party B).

After assignment, rights of parties are the same as under prior scenarios by virtue of obligatory licenses.



New Certainty in §102(e) Prior Art

- (e) The invention was described in--
 - (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent, *except that an international application filed under the treaty defined in section 351(a) shall have the effect under this subsection of a national application published under section 122(b) only if the international application designating the United States was published under Article 21(2)(a) of such treaty in the English language*; or
 - (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, *except that a patent shall not be deemed filed in the United States for the purposes of this subsection based on the filing of an international application filed under the treaty defined in section 351(a)*; or'.

Key Provisions:

- Essentially all §102(e) prior art will be known with certainty 18 months following the priority.
 - All PCT published applications have binary status:
 - Get §102(e) date is designate the United States and are *published in English*.
 - Never get a § 102(e) date otherwise.
 - All published national applications immediately accorded § 102(e) effect.

Rationale:

- Take maximal effect of Art. 64(4) reservation under PCT.
 - “Any State whose national law provides for prior art effect of its patents as from a date before publication, but does not equate for prior art purposes the priority date claimed under the Paris Convention for the Protection of Industrial Property to the actual filing date in that State, may declare that the *filing outside that State of an international application designating that State is not equated to an actual filing in that State for prior art purposes.*”

Further Rationale:

- Eliminate need for early entry into National Stage for section 102(e) purposes.
- Eliminate non-PCT U.S. national filing in order to obtain section 102(e) effect.
 - Example: Japanese needed to file U.S. national application in order to get §102(e) date, including English language translation; now need only file PCT in English language.
- Encourage use of PCT, but using English!

§ 102(e) and PCT:

- PTO will no longer put “§102(e) dates” on patents issuing from PCT applications.
 - When you “go national” is totally irrelevant to §102(e) date.
 - If you “go national” is totally irrelevant to §102(e) date.
- §102(e) date is triggered by –
 - designating the United States.
 - Publishing the PCT application in English.

PCT Practice Implications:

- If you file a PCT application and designate the United States, you get *maximal* prior art, fully equivalent to U.S. national filing.
 - No parallel nonprovisional national filing is needed.
 - No “early entry” into the National Stage is needed for prior art purposes.
- Prior art is merely offensive – no prior art for *commonly assigned* inventions.

Practice Implications: *Offensive* *Prior Art Opportunity*

- File provisional application.
 - If invention is ultimately determined not to be worth pursuing, no PCT/foreign filing will be undertaken.
- Convert provisional to nonprovisional before the end of the Convention year.
- Allow the nonprovisional to become abandoned *after* publication at 18 months.
 - No need to issue a U.S. patent.

Effects of provisional to nonprovisional conversion:

- Early §102(e) prior art created against the world, *except*
- Not prior art to commonly assigned inventions *until publication at 18 months.*
- Not prior art to inventors for *30 months.*
- Procedure has minimal cost!
- *Ergo*, better than any publication strategy designed to assure “freedom to operate.”

Effective Date for §102(e) [Sec. 4505] Change Unclear.

- “Sections 4502 through 4507, and the amendments made by such sections, shall take effect on the date that is 1 year after the date of the enactment of this Act and shall apply to all applications filed under section 111 of title 35, United States Code, on or after that date, and *all applications complying with section 371 of title 35, United States Code*, that resulted from international applications filed on or after that date.”

...But, “international applications”
are further subject to:

- “The amendment made by section 4504 [provisional rights] shall also apply to international applications designating the United States that are filed on or after the date that is 1 year after the date of the enactment of this Act. ”

... So, how is Sec. 4505 [§102(e) amendment] to be treated? What is significance of §371 requirement?

Technical Amendments Are Pending ...

- H.R. 4870, 106th Congress, Sec. 4505 (July 18, 2000) will change section 102(e):

“(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States if and only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language; or ...”

Technical Amendments Are Pending ...

- 35 U.S.C. § 374 will also be simplified:
“The publication under the treaty defined in section 351(a) of this title, of an international application designating the United States shall confer the same rights and shall have the same effect under this title as an application for patent published *be deemed a publication* under section 122(b), except as provided in sections 102(e) and 154(d) of this title.”

Technical Amendments Are Pending ...

- Effective date further clarified:

“Except as otherwise provided in this section, sections 4502 through 4507 [all the AIPA provisions related to publication and provisional rights], and the amendments made by such sections, shall take effect on November 29, 2000, and shall apply only to applications (including international applications designating the United States) filed on or after that date. The amendments made by sections 4504 and 4505 ["provisional rights" and section 102(e) "prior art" effect] shall additionally apply to any pending application filed before November 29, 2000, if such pending application is published pursuant to a request of the applicant under such procedures as may be established by the Director. If an application is filed on or after November 29, 2000, or is published pursuant to a request from the applicant, and the application claims the benefit of one or more prior-filed applications under section 119(e), 120, or 365(c) of title 35, United States Code, then the provisions of section 4505 [section 102(e) "prior art"] shall apply to the prior-filed application in determining the filing date in the United States of the application.”

Prior Art Clarification:
35 U.S.C. § 102(g)(1) and (2)

New Provisions of Uruguay Round Agreements
Act Finally Perfected;
Only U.S. Activity is “Prior Art”

§ 102(g) Prior Art: Post-TRIPs:

- A person shall be entitled to a patent unless:
 - (g)(1) *during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or*
 - (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it.

Rationale:

- URAA Administrative Statement (legislative history) relied upon *In re Deckler* as a basis for “adverse award of priority” where two foreign inventors were involved in interference, *but neither was subject to a prior invention of the other in this country*.
- New §102(g)(1) removes the “in this country” requirement *inter partes*.

Effective Date for §102(g) Change:

- Effective only for applications filed *after* enactment.
 - Issue of avoiding prior art based on prior foreign inventions arises beginning on January 1, 1996 (TRIPs effective date for changes to 35 U.S.C. §104).
 - For U.S. applications with actual filing dates during 1996-1999 and post-1995 foreign invention date, some interferences may have no “loser,” *i.e.*, party subject to prior invention in this country.

New Certainties, New Opportunities:

- Provisional applications are totally safe and completely & reciprocally interchangeable with nonprovisional applications.
- PCT filing totally interchangeable with U.S. national filing for prior art purposes.

Publication of Pending Applications for Patent

An End to 210 Years of Secrecy in
the Patent Procurement Process

18-Month Publication of Pending Applications for Patent

- Genesis:
 - ca. 1987-1989 AIPLA Legislative Initiatives Committee, unanimously adopted by the AIPLA Board of Directors in May, 1990.
 - 18-month publication.
 - Provisional Rights.
 - 20-Year Patent Term from Filing.
 - Assignee filing; remove required inventors' oath.
 - Later supported by NAM IP Committee, IPO, ABA-IPL Section.

AIPLA Legislative Initiatives of May, 1990:

- **EXPIRATION OF PATENTS AT TWENTY YEARS FROM FILING DATE; INTERNAL PRIORITY:** A patent will expire twenty years from the actual date of filing the application in the United States PTO. Coupled with the twenty-year from filing patent expiration provision is a "domestic priority" provision that permits United States inventors to rely for priority purposes on prior-filed United States patent applications to the same extent that foreign inventors may rely on prior-filed foreign applications. A "domestic priority" provision is needed to assure that the effective patent terms for United States and foreign inventors are the same.
- **OPENING PATENT APPLICATIONS TO PUBLIC INSPECTION:** The PTO will open patent applications to public inspection 18 months after filing. At or shortly after such opening, the PTO will publish the applications. Thus, the public will have access to both the file wrapper of the pending application and the convenience of a published form of the patent specification and claims.
- **RIGHTS TO PRE-GRANT, POST-PUBLICATION ROYALTY:** After a patent is granted, the patentee can recover a royalty for use of the patented invention during the pre-grant period subsequent to publication of the application if two conditions are met. First, the alleged infringer must have had actual knowledge of the published application. Second, the infringer's product or process must infringe a claim in the granted patent that is substantially identical in scope with a claim in the published application. The intent is to establish the same standard of claim identity to qualify for pre-grant rights as between the published application and an issued patent as is required between an original patent grant and a reissue patent or reexamined patent in defeating a claim for intervening rights.
- **PERMITTING ASSIGNEE FILING; ELIMINATION OF FORMAL OATHS:** In furtherance of the policy of flexible examination, two additional changes are made in connection with the formal aspects of filing a patent application. First, the requirement for an inventor's oath is eliminated. Second, the filing of patent applications in the name of the real party in interest is permitted where the inventor has assigned rights to the invention.

ABA PTC Section 1991 Resolutions (Division I; August 1991):

RESOLVED, that the Section of Patent, Trademark and Copyright Law favors in principle:

- **20 YEAR TERM FROM FILING:** legislation providing that all patents shall expire 20 years after filing of the earliest U.S. application on which priority is relied, except for patent term extension provisions of law and in cases delayed by secrecy orders. [108-4]
- **18 MONTH PUBLICATION:** in the event that the United States amends its patent laws to provide for a fixed patent term measured from the filing date of the application or from priority date, ... automatic publication of pending applications no sooner than 18 months nor later than 24 months following the earliest filing or priority date to which the application is entitled, or earlier with applicant's consent, with associated appropriate provisional rights, provided that accelerated prosecution is available to complete examination before publication at the option of applicants who are otherwise taking steps to protect the trade secret information contained in the application and who have not earlier published the subject matter sought to be patented in the application. [108-2]
- **ASSIGNEE FILING:** revision of the patent laws to permit the owner of an invention, whether or not the owner is the inventor, to file a patent application covering that invention provided that the inventor or inventors be named in the application; and ... [108-3]
- **FIRST-TO-FILE:** an amendment of the United States Patent laws to provide that except in cases of derivation, the first-to-file a patent application among rival applicants for the same invention is the applicant entitled to a patent, if but only if the foregoing be part of a patent harmonization treaty wherein other countries agree to changes in their systems sufficiently beneficial to United States applicants and their assignees. [102-1]

NAM Position on Patent Law Reform; August 1991:

- **PATENT TERM [20 YEARS FROM FILING]:** NAM supports the 20-year patent term from filing (exclusive of Convention priority claims), provided that appropriate patent term restoration provisions of existing law are maintained. The proposal on patent term by the AIPLA is expressly supported, including its provision for provisional rights upon publication.
- **AUTOMATIC [18 MONTH] PUBLICATION OF APPLICATIONS:** NAM supports publication of pending patent applications at 18 months from the earliest priority date. In this regard, the legislative proposal of the American Intellectual Property Law Association (AIPLA) of May 1990 is expressly supported.
- **ASSIGNEE FILING OF APPLICATIONS [AND ELIMINATION OF THE INVENTOR'S FORMAL OATH]:** NAM strongly supports the concept of assignee filing of patent applications and would further endorse the notion of eliminating the statutory requirement for an inventor's oath in favor of a simple requirement that the PTO have discretion to promulgate a rule concerning provision of information by the inventor. The proposals of AIPLA in this regard are fully supported.
- **FIRST-TO-FILE SYSTEM:** NAM has made an extensive study of introduction of a "first-to-file" rule for determining priority among rival applicants for the same subject matter and determined that, on balance, the interests of U.S. manufacturers would be served well by introduction of such a system. Recognizing the difficulties in moving to a first-to-file system, NAM believes the appropriate vehicle for such a change remains a broadly based international harmonization agreement under which all signatory countries would make corresponding improvements in their respective patent systems.

IPO Position of October 9, 1991: IPO supports NAM position (as stated above) on 18 month publication, 20-year patent term with internal priority, assignee filing, and first-to-file.

ACPLR:

- May 7, 1991 (1126 O.G. 43-55; May 21, 1991) and May 8, 1991 (56 FR 22702-22706; May 16, 1991), USPTO requested public comments on subjects before the Advisory Commission on Patent Law Reform.
- All major patent groups supported 18-month publication.

Patent System Harmonization Act of 1992:

- S. 2605 and H.R. 4978, 102nd Congress, included concepts of 18-month publication, provisional rights, 20-year patent term from filing, assignee filing, and prior user rights.
 - All major national bar and trade groups supported key elements, including 18-month publication.

USPTO Public Hearings on 18-Month Publication:

- February 15, 1995: Support by all major national bar and trade associations for 18-month publication.
 - **“18-month publication will be a magnificent achievement for the patent system, should Congress enact it.”**
 - Excerpt from AIPLA Testimony.

Publication Provisions: 35USC §122(b)

- IN GENERAL- (A) Subject to paragraph (2), each application for a patent shall be published, in accordance with procedures determined by the Director, promptly after the expiration of a period of 18 months from the earliest filing date for which a benefit is sought under this title. At the request of the applicant, an application may be published earlier than the end of such 18-month period.

General Exceptions:

- (2) EXCEPTIONS- (A) An application shall not be published if that application is--
 - (i) no longer pending;
 - (ii) subject to a secrecy order under section 181 of this title;
 - (iii) a provisional application filed under section 111(b) of this title; or
 - (iv) an application for a design patent filed under chapter 16 of this title.

Special Exception: No International Filing

- (B)(i) If an applicant makes a request upon filing, certifying that the invention disclosed in the application has not and will not be the subject of an application filed in another country, or under a multilateral international agreement, that requires publication of applications 18 months after filing, the application shall not be published as provided in paragraph (1)

Redaction Right:

- (v) If an applicant has filed applications in one or more foreign countries, directly or through a multilateral international agreement, and such foreign filed applications corresponding to an application filed in the Patent and Trademark Office or the description of the invention in such foreign filed applications is less extensive than the application or description of the invention in the application filed in the Patent and Trademark Office, *the applicant may submit a redacted copy of the application filed in the Patent and Trademark Office eliminating any part or description of the invention in such application that is not also contained in any of the corresponding applications filed in a foreign country*. The Director may only publish the redacted copy of the application unless the redacted copy of the application is not received within 16 months after the earliest effective filing date for which a benefit is sought under this title. *The provisions of section 154(d) shall not apply* to a claim if the description of the invention published in the redacted application filed under this clause with respect to the claim *does not enable* a person skilled in the art to make and use the subject matter of the claim.

Legislative History: REDACTION

- “Any description contained in at least one of the foreign national or PCT filings may not be excluded from publication in the corresponding U.S. patent application. . . . Finally, if the published U.S. application as redacted by the applicant does not enable a person skilled in the art to make and use the claimed invention, provisional rights under 154(d) shall not be available.”

Practice Implications: Redact at your peril ...

- If you REDACT, you will have no presumption of enablement for any application claim.
 - Proof must be provided (preponderance of the evidence), that the redacted specification is enabled.
 - Issues of “written description” and “best mode” are unclear from statute.
- “Over-redaction” provides basis for “inequitable conduct” allegation?

Access to *ENTIRE* Prosecution History:

- (B) No information concerning published patent applications shall be made available to the public *except as the Director determines*.
- (C) Notwithstanding any other provision of law, a *determination by the Director to release* or not to release information concerning a published patent application shall be *final and nonreviewable*.

Proposed Rule on Access:

- “The Office proposes to change the rules of practice to provide that, upon publication, *access to the entire content of the application file would be permitted*. To avoid undue interference with the examination of the application, however, the public access to the application file of a pending published application is proposed to be limited to obtaining, *upon the payment of the fee set forth in § 1.19(b)(2), a copy of the application file produced during non-working hours by the Office* when the application file is made available by the appropriate patent application processing organization. The Office also proposes to provide, upon the payment of the fee(s) set forth in § 1.19(b)(4), as proposed, a copy of specifically identified document(s) contained in a pending published application.”

Miscellaneous: Protests

- (c) PROTEST AND PRE-ISSUANCE OPPOSITION- The Director shall establish appropriate procedures to ensure that no protest or other form of pre-issuance opposition to the grant of a patent on an application may be initiated after publication of the application without the express written consent of the applicant.

Miscellaneous: National Security

- (d) NATIONAL SECURITY- No application for patent shall be published under subsection (b)(1) if the publication or disclosure of such invention would be detrimental to the national security. The Director shall establish appropriate procedures to ensure that such applications are promptly identified and the secrecy of such inventions is maintained in accordance with chapter 17 of this title.

Study Required:

- (1) IN GENERAL- The Comptroller General shall conduct a 3-year study of the applicants who file only in the United States on or after the effective date of this subtitle and shall provide the results of such study to the Judiciary Committees of the House of Representatives and the Senate.

Practice Implications:

- Essentially all U.S. applications will be public by 18-months after priority.
 - Failure to publish forfeits provisional rights.
 - Where patent issuance is delayed, could be the only basis for any recovery.
- Accelerating publication can have value to—
 - Create early §102(b) bar.
 - Create early §135(b) bar.
 - Trigger immediate provisional rights.

While anyone elect anything but *full* publication?

- Loss provisional rights?
- Delay §102(e) effect?
- Delay §135(b) effect?
- Assume risk if later, inadvertent foreign filing takes place?
- Redact away “enablement” for provisional rights?

New STATUTORY BAR based on *published* claims:

- 35 USC §135(b)(2):
 - “A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an application published under section 122(b) of this title may be made in an application filed after the application is published *only if the claim is made before 1 year after the date on which the application is published.*”

In re McGrew, 43 U.S.P.Q.2d
1632 (Fed. Cir. 1997):

- “By ‘in an *ex parte* context’ we seem to have implied that the PTO could not use noncompliance with section 135(b) to support an *ex parte* rejection where the applicant was not asking for an interference. If so, we no longer agree with that interpretation and believe the Board correctly declined to apply it in this case. ***If persons in McGrew’s position could copy claims from issued patents beyond the time when an interference could be declared and obtain patents on them simply on the grounds that they are prior inventors and did not know about the patent in time to contest an interference, section 135(b) would not be effective as a statute of repose.***”

Practice Implications:

- *DEFENSIVE*: All the claims of all competitors' published applications should be reviewed.
 - Failure to claim “same patentable invention” within one year produces new statutory bar.
- *OFFENSIVE*: All applications to be published should have widest variety of claims to maximize potential §135(b)(2) statutory bar.

Provisional Rights:

- (1) IN GENERAL- In addition to other rights provided by this section, a patent shall include the right to obtain a *reasonable royalty* from any person who, during the period beginning on the *date of publication* of the application for such patent under section 122(b), or in the case of an international application filed under the treaty defined in section 351(a) designating the United States under Article 21(2)(a) of such treaty, the date of publication of the application, *and ending on the date the patent is issued*--

- (A)(i) *makes, uses, offers for sale, or sells* in the United States the invention as claimed in the published patent application or imports such an invention into the United States; or
- (ii) if the invention as claimed in the published patent application is a process, uses, offers for sale, or sells in the United States or imports into the United States *products made by that process* as claimed in the published patent application; and
- (B) had *actual notice of the published patent application* and, in a case in which the right arising under this paragraph is based upon an international application designating the United States that is published in a language other than English, *had a translation of the international application into the English language.*

Other Limitations:

- (2) RIGHT BASED ON SUBSTANTIALLY IDENTICAL INVENTIONS- The right under paragraph (1) to obtain a reasonable royalty shall not be available under this subsection unless the invention as claimed in the patent is *substantially identical* to the invention as claimed in the published patent application.

Legislative History: *Identity*

“Another important limitation on the availability of provisional royalties is that the claims in the published application that are alleged to give rise to provisional rights ***must also appear in the patent in substantially identical form***. To allow anything less than substantial identity would impose an unacceptable burden on the public. If provisional rights were available in the situation where the only valid claim infringed first appeared in the granted patent, the public would have no guidance as to the specific behavior to avoid between publication and grant. Every person or company that might be operating within the scope of the disclosure of the published application would have to conduct her own private examination to determine whether a published application contained patentable subject matter that she should avoid. ***The burden should be on the applicant to initially draft a schedule of claims that gives adequate notice to the public of what she is seeking to patent.***” – House Report.

Apparent Intent of “Substantial Identity” Test

- Same standard as for *avoiding* “intervening rights” in the case of reissue applications.
- 35 U.S.C. §252 amended to have identical language:
 - “[I]n so far as the claims of the original and reissued patents are *substantially* identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are *substantially* identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent”

Practice Implications:

- Need variety of claims, broad to narrow.
- Need multiple statutory categories of claims.
- Should prosecute to maximize number of patent claims that will be identical to published application claims.
- QUERY: Does House Report go beyond the statutory language on notice:
 - Notice of application, not notice of *infringement*?

Legislative History: *Notice*

- “The mere fact that the published application is included in a commercial database where it might be found is insufficient. The published applicant must give actual notice of the published application to the accused infringer and *explain what acts are regarded as giving rise to provisional rights*. – House Report.

Practice Implications:

- *OFFENSIVE*: Need a “policing mechanism” under which the “actual notice” is afforded.
 - No apparent declaratory judgment implications because rights are inchoate until patent actual grants.
- *DEFENSIVE*: Where “actual notice” would provide “reasonable apprehension” of lawsuit, place “watch” on prosecution.
 - Bring declaratory judgment suit based on payment of issue fee?

Other limitations:

- (3) TIME LIMITATION ON OBTAINING A REASONABLE ROYALTY- The right under paragraph (1) to obtain a reasonable royalty shall be available only in an action brought *not later than 6 years after the patent is issued*. The right under paragraph (1) to obtain a reasonable royalty shall not be affected by the duration of the period described in paragraph (1).

Other Limitations: PCT Applicants

“The right ... to obtain a reasonable royalty based upon the publication under the treaty defined in section 351(a) of an international application designating the United States shall commence on the date on which the Patent and Trademark Office *receives a copy of the publication* under the treaty of the international application, or, if the publication under the treaty of the international application is in a language other than English, on the date on which the Patent and Trademark Office *receives a translation of the international application in the English language.*”

Practice Implications: Extended Pendency

- *Twist slowly in the wind...*
 - No “statute of limitations” on acts giving rise to provisional rights, except.
 - Suit must be brought within six years from *grant* – recovery back to *date of publication*.
 - The longer the pendency of the published application, the greater the potential exposure upon grant.
 - Potential infringer may take license to avoid extended uncertainty.

Practice Implications: Issued vs. Pending Claims ...

- No “damages” to compensate for infringement, only “reasonable royalty,” *i.e.*, the floor for any damage award.
- No enhanced damages:
 - “Increased damages under this paragraph shall not apply to provisional rights under section 154(d) of this title.” 35 U.S.C. §284.

Practice Implication: Foreign Inventors & PCT

- Foreign users of PCT must publish in English to get full benefits of use of PCT in the United States.
- The alternative of national filing has same English language requirement, but requires earlier commencement of U.S. prosecution.
- ***Foreign inventors have significant new incentives to use English language PCT option.***

Timeliness for Benefit & Priority Claims

- “No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is *submitted at such time during the pendency of the application as required by the Director.*”

Proposed Rulemaking: 2/14 Solution

- “[C]laims for priority under 35 U.S.C. 119 or 120 must be made within two (2) months of filing, or fourteen (14) months from the filing date for which a benefit is desired, whichever is later.”
 - “[L]ate claims for priority submitted during the pendency of the application with a surcharge, [will be accepted] so long as the delay in submitting the claim for priority was unintentional.”

Practice Implication:

- Make certain that proper priority claims are made when *any* U.S. patent application is filed.

Publication Effective Date:

- “1 year after the date of the enactment of this Act ...”
 - “shall apply to *all applications filed* under section 111 of title 35, United States Code, *on or after that date*, and
 - “all applications complying with section 371 of title 35, United States Code, that resulted from international applications filed on or after that date.”

Practice Implications:

- Any continuing application filed in December 2000 will be subject to publication.
 - If priority date asserted is earlier than July, 1998, publication will be almost *immediate*.
- *OFFENSIVE* Strategies:
 - File CPA to trigger §102(e) prior art date – prior art *even if U.S. patent never issues!*
 - File CPA to establish early “provisional rights.”

“Voluntarily” Published Applications

- “The provisional rights provided in amended 154(d) and the prior art effect provided in amended 102(e) shall apply to all applications pending on the date that is one year after the date of enactment *that are voluntarily published by their applicants.*”
 - “Voluntarily” published applications have same effects as mandatorily published applications?

Conclusions

What has six years of combat and
compromise wrought?

- Declare victory.
 - Every section of the bill makes an improvement to former U.S. patent law.
 - Many section of the bill are unprecedented in all 210 years of U.S. patent law.
 - Publication of pending U.S. patent applications.
 - Pre-grant rights to recover for use of invention.
 - Prior user rights as defense to infringement.
 - Post-grant, *inter partes* opposition right.
 - All sections of the bill move the U.S. law closer to international norms.
 - Several sections of bill will be of significant value in patent procurement activities.

- Get back in the “harmonization” game.
 - Prevent patent examination system from complete breakdown because of increased work loads.
 - Provide opportunities for enormous savings through elimination of redundant activities.
 - Avoid looming post-TRIPs disaster as *hundreds* of patent systems may seek to “examine” patent applications.
 - Accelerate further, needed improvements and simplification of U.S. patent law and practice.