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	S. 2469		
ACTION:	Introduced by Mr. McClellan	9/21/73	S17233-17235

By Mr. McCLELLAN (by request):

S. 2469. A bill to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes. Referred to the Committee on the Judiciary.

AMENDMENT OF THE PATENT LAW

Mr. McCLELLAN. Mr. President, as chairman of the Subcommittee on Patents, Trademarks, and Copyrights I introduce, by request of the Department of Commerce, a bill to carry into effect certain provisions of the Patent Cooperation Treaty and for other purposes.

The United States and 34 other countries are signatories of the Patent Coop-

eration Treaty. On September 12, 1972, the President submitted the treaty to the Senate for its advice and consent to ratification. No action has yet been taken on the treaty. The treaty is not self-executing in this country and the purpose of the bill which I am introducing is to provide the necessary statutory authority for implementing the treaty when it has come into force and has become effective with respect to the United States. The bill would also amend certain sections of title 35, United States Code, to provide applicants filing applications for patents only in the United States, with the flexibility afforded to applicants filing under the treaty.

Consideration of this legislation will await the coming into force of the treaty. It is appropriate, however, that the bill be introduced now so that the administration's recommendations for implementing the treaty are available when the ratification of the treaty is being considered.

I have long advocated efforts to promote greater international cooperation in patent matters, subject only to the qualification that such undertakings should not weaken the American patent system or contribute to an erosion of industrial and intellectual property rights. I believe that the Patent Cooperation Treaty meets that test and it is presently my intention to support its ratification. By providing among other things, centralized filing procedures and a standardized application format, the treaty will offer many advantages to U.S. applicants who seek patent protection abroad.

Mr. President, I ask unanimous consent that there be printed in the RECORD a statement of purpose and need for this legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF PURPOSE AND NEED

By adding a new part IV to title 35, United States Code, this bill would implement the Patent Cooperation Treaty and by its provisions, enable United States applicants for patents to avail themselves of the advantages offered by the Treaty when it has come into force and has become effective with respect to the United States. Applicants from other countries would enjoy similar benefits, when seeking patent protection under the Treaty, in the United States. Moreover, United States applicants could rely on the provisions of the Treaty to be afforded its advantages in other countries adhering to the Treaty.

This bill would also amend certain sections of title 35, United States Code, in order to provide applicants filing applications for patents only in the United States, with the flexibility afforded to applicants filing under the Treaty.

The Patent Cooperation Treaty traces its genesis back to 1966. At that time, at the request of the United States, the Executive Committee of the Paris Convention for the Protection of Industrial Property recommended that the Secretariat of the Paris Convention (the United International Bureaux for the Protection of Intellectual Property (BIRPI) in Geneva, Switzerland) undertake a study of practical means which would reduce the duplication of effort involved, both for applications and national Patent Offices, in the filing and processing of patent applications for the same invention in different countries.

Several drafts of an international agreement to that effect were prepared and intensively reviewed by Committees of Experts from various member countries of the Paris Convention, prior to consideration of the final draft of the Patent Cooperation Treaty at the Washington Diplomatic Conference held from May 25 to June 19, 1970. Seventy-seven countries and a number of international organizations were represented at the Conference. On June 19, 1970, the Treaty was signed by 20 countries, including the United States, and remained open for signature until December 31, 1970, by which date a total of 35 countries had become signatories. The Treaty will come into force three months after eight countries have adhered to it, four of which must have certain defined major patent activity. To date, five countries with minor patent activity have adhered to the Treaty. On September 12, 1972, President Nixon submitted the Treaty to the United States Senate for its advice and consent to ratification.

The Treaty offers several major advantages. One is to simplify the filing of patent applications on the same invention in different countries by providing, among other things, centralized filing procedures and a standardized application format.

Another advantage offered by the Treaty is the longer period of time available to an applicant before he must commit himself by undertaking the expenses of translation, national filing fees and prosecution in each country. Today, a 12 month priority period is provided by the Paris Convention while under the Treaty an applicant will have generally 20 months or more. This advantage should permit the applicant to be more selective of the countries in which he decides to file ultimately, by giving him more time and information to evaluate the strength of his potential patent and to determine his marketing plans. Thus, the Treaty would serve to expand established programs of U.S. industry to file foreign patent applications as well as to encourage smaller businesses and individual inventors to become more actively engaged in seeking patent protection abroad. A third advantage is to facilitate the examining process in those member countries which examine applications for patent.

Under Chapter I of the Treaty, an applicant files an international application with a Receiving Office, which usually is the patent office in the country of which he is a national or resident. (The Patent Office would act as a Receiving Office under this bill). The application is filed in a specified language (English for U.S. applicants), in a standard format, and includes the designation of those member countries in which the applicant desires protection. The international application is subject to an international fee at the time of filing. The payment of national filing fees and translation expenses in each of the countries where protection is desired can generally be deferred until as late as 20 months from the priority date of the international application.

An international search report is prepared by an International Searching Authority. (The Patent Office would be authorized by this bill to become such an authority). Copies of the search report are transmitted to the applicant and the International Bureau (which is the Secretariat of the World Intellectual Property Organization [WIPO], formerly BIRPI, in Geneva, Switzerland). The International Bureau is also the Secretariat for the Patent Cooperation Treaty and thus serves as the administrative and coordinating organ for this Treaty. After having received the search report, the applicant is afforded one opportunity to amend the claims of his international application before the International Bureau. Thereafter, copies of the international application and the international search report, together with any amendments, are forwarded by the International Bureau to each of the designated countries. (Any designated country may waive this communication in whole or in part).

The international application, search report, and amendments are published by the International Bureau 18 months from the priority date, unless all the countries which were designated in the international application have declared that, as far as they are concerned, international publication is not necessary. Only at the end of the 20th month may the applicant be required to pay national fees and submit any required translations of the international application and the amendments to those designated countries in which he still wishes to obtain protection. The applicant is also given the opportunity to amend his application before the patent office of each designated country and at this point each office makes its own determination as to the patentability of the claims in the international application.

Chapter II of the Treaty, to which member countries may adhere at their option, provides a further procedure whereby under cetain conditions an applicant may demand an international preliminary examination report for one or more elected countries. The United States would not adhere to Chapter II of the Treaty, at this time.

This bill would amend United States patent law, by adding to the present system of obtaining a patent in this country, new international procedures as provided by the Patent Corporation Treaty and the Regulations thereunder. However, as far as any substantive requirements for obtaining a patent are concerned, present law would be maintained. The procedures which this bill would establish are optional, are not intended to replace present domestic filing procedures and in no way diminish the rights of priority and national treatment which applicants are accorded under the Paris Convention for the Protection of Industrial Property.

The bill would enable U.S. nationals or residents to file international applications with the Patent Office which would act as a Receiving Office and in that capacity would initially process such applications. The bill would also authorize the acceptance by the Patent Office of international applications designating the United States, which were filed by foreign applicants in their respective foreign Receiving Offices and which would constitute regularly filed U.S. applications, subject to certain conditions and formal requirements. With certain exceptions, such as the effective date as prior art, international applications designating the United States would have the effect of national applications as from their international filing date.

In addition, the Patent Office would be authorized to become a Receiving Office for international applications filed by applicants of other countries. This would be conditioned on the concluding of an agreement between the United States and such other countries, as noted in Rule 19 of the Regulations.

This bill would also authorize, but not require, the Patent Office to act as an International Searching Authority and in that capacity assume all duties connected therewith. It should be noted, that the Patent Office is presently striving to reduce the time of pendency of national applications for patent to 18 months. It is anticipated that the Patent Office would not assume the additional functions of an International Searching Authority until it is in a position to process national applications without undue delay.

The bill would further provide that international applications which either origi-

nate in and designate the United States, or are received from abroad, would have to comply with certain national requirements, generally at the end of the 20th month from the applications' priority date. At this time, and after the fulfillment of the requirements, such international applications would generally be processed by the Patent Office like other national applications and subject to the same requirements of patentability.

The bill would amend section 6 of title 35, to authorize the allocation of funds, from Patent Office appropriations, to the Department of State for the payment of the share of the United States to the working capital fund established under the Treaty. Contributions to cover a portion of any operating deficits of the International Bureau, should they occur, would be included in the annual budget of the Patent Office and would similiarly be authorized to be transmitted to the State Department for payment to the International Bureau.

Section 41(a) of title 35 would be amended by this bill to clarify questions of fees to be charged in connection with the liberalized claim format also proposed by this bill.

The bill would amend section 102(e) of title 35, to clarify the date on which patents granted in this country on international applications would become effective as prior art.

The second paragraph of section 112 would be amended to take account of a more liberal claim drafting practice in permitting multiple dependent claims as provided by the Treaty.

The bill would amend section 113 of title 35, by relaxing the present requirements for the submission of drawings when the invention disclosed in an application admits of being illustrated, although such drawings are not necessary for the understanding of the invention. Drawings of this nature could be requested by the Commissioner during the processing of the application and would not have to be furnished at the time of filing of the application.

The Treaty permits a number of reservations and declarations to be made by member countries. Under Article 20(1)(a), a designated office may waive the requirement of communication of the international application from the International Bureau to that office. This bill would provide that such communication is not required in the case of international applications originating in the United States, but would be required in the case of all other international applications designating the United States. This waiver would, of course, also have to be communicated to the International Bureau.

Under Article 64(3)(a), any member country may declare that as far as it is concerned, international publication of the international application by the International Bureau is not required. The United States intends to make such a declaration. The bill would clarify the effect, in this country, of an international application designating the United States, which was published internationally because it contained the designation of at least another country which had not made this declaration.

Article 64(4) of the Treaty provides that a country may declare that the filing of an international application outside that country and designating such country is not equated to an actual filing in that country for prior art purposes, if its national law does not provide for the prior art effect of its patents to commence from the priority date as claimed under the Paris Convention. The United States intends to make such a declaration, stating the date from which, and the conditions under which, the prior art effect becomes effective in this country. By amending section 102(e) of title 35, this bill would also clarify any questions on the prior art effect of patents granted on international applications designating the United States.

Article 64(1)(a) of the Treaty provides that a member country may declare that it shall not be bound by the provisions of Chapter II thereof, nor the applicable Regulations. The United States intends to make this declaration, because present divergent examining systems of other potential member countries from that in the United States would make adherence to Chapter II impracticable at this time. Thus, the bill does not contain any proposed legislation implementing Chapter II of the Treaty.