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SENATE

REPORT
99-275

AMENDMENTS TO THE PATENT LAWS IMPLEMENTING THE PATENT COOPERATION TREATY

MARCH 27 (legislative day, MARCH 18), 1986.—Ordered to be printed

Mr. THURMOND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 1230]

The Committee on the Judiciary to which was referred the bill (S. 1230) to amend the patent laws implementing the Patent Cooperation Treaty, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

I. PURPOSE OF THE LEGISLATION

S. 1230 was introduced at the request of the administration to make the changes necessary in our domestic laws to complement the removal of the United States' reservation to chapter II of the Patent Cooperation Treaty. Removing the reservation would allow U.S. inventors to take advantage of the procedures and benefits provided under chapter II for pursuing patent applications in other countries that are members of the Treaty. The withdrawal of the reservation and the implementing legislation, S. 1230, are supported by the Patent, Trademark and Copyright Section of the American Bar Association, the American Intellectual Property Law Association, and the National Foreign Trade Council. The Committee is not aware of any opposition to the bill.

In his letter of July 27, 1984, transmitting a request for the advice and consent of the Senate to withdraw the reservation on chapter II of the Patent Cooperation Treaty, President Reagan stated:

> Adherence to chapter II of the Patent Cooperation Treaty is in the best interests of the United States. I recommend, therefore, that the Senate give early and favor-

able consideration to this matter and give its advice and consent to withdrawing the U.S. reservation previously made under Article 64(1)(a) of the Treaty.

II. History and Purpose of the Patent Cooperation Treaty

The underlying goal of the Patent Cooperation Treaty is to harmonize the patent application procedures in its various member countries, thereby facilitating the process for inventors to obtain patents in foreign countries. One obstacle to that goal is the fact that, at present, 6 of the 39 member countries to the Treaty have reservations not to be bound by chapter II. The United States is one of these 6.

The Patent Cooperation Treaty was negotiated at a diplomatic conference in Washington, DC, from May 25 to June 19, 1970. After obtaining the advice and consent of the Senate (October 30, 1973), President Nixon ratified the Treaty with certain reservations on November 27, 1973. The instrument of ratification was deposited with the World Intellectual Property Organization [WIPO] on November 26, 1975, and the Treaty became effective for the United States on January 24, 1978. In a message of July 27, 1984, President Reagan requested the advice and consent of the Senate to withdraw the reservation the United States had placed on chapter II of the Treaty.[1] S. 1230 is the implementing legislation for withdrawing the U.S. reservation as to chapter II of the Treaty: the bill embodies all changes necessary in our domestic patent statutes for conforming with chapter II in the event the Senate gives its advice and consent to withdraw the reservation.

The Patent Cooperation Treaty consists of eight chapters, of which only the first two are substantive. The remainder are ministerial, concerned with technical service to member countries, and with the Assembly of the International Patent Cooperation Union, the governing body with representatives from each member country that administers the provisions of the Treaty, writes implementing rules and regulations, and considers proposed amendments to the Treaty.

Chapter I provides that member countries adopt a standardized application format and a centralized filing procedure for international patent applications. Pursuant to chapter I, an applicant may submit an international application, designating those member countries in which the applicant desires patent protection. Filing an international application has the same result as filing a separate application in all designated member states. In addition, by filing an international application, the applicant does not have to incur the expenses associated with a national patent prosecution in the designated countries until 20 months from the priority date of the international application. During this period, the applicant obtains an international search report citing prior art deemed to be relevant to the claims of the invention contained in the international application. This helps the applicant decide whether to proceed with patent prosecution in the various countries originally designated.

[1] See Treaty Document 98-29.

Chapter II provides two further benefits for the applicant. First, an additional 10 months is allowed, for a total of 30 months, before the applicant must decide whether to proceed with national patent prosecution in the selected countries. Second, the applicant is provided with an international preliminary examination report. In contrast to the international search report, which merely assembles citations prior to art pertinent to the invention, the international preliminary examination report is an opinion from an International Preliminary Examining Authority in one of the member countries as to whether the invention is novel, non-obvious, and useful—the three standards criteria for patentability. This report, together with the additional 10 months before national prosecution is required to keep the application alive, place the applicant in a better position to decide whether to pursue patent protection in various countries and to consider commercial factors associated with the invention.

Below is a listing of the 39 countries that have ratified the Patent Cooperation Treaty, with an asterisk by the six that have declared reservations on chapter II.

STATES PARTY TO THE PATENT COOPERATION TREATY (WASHINGTON, 1970)

Australia, Austria, Barbados, Belgium, Brazil, Bulgaria, Cameroon, Central African Republic, Chad, Congo, Democratic People's Republic of Korea, Denmark*, Finland, France, Gabon, Germany, Federal Republic of, Hungary, Italy, Japan, Liechtenstein*, Luxembourg, Madagascar, Malawi, Mali, Mauritania, Monaco, Netherlands, Norway*, Republic of Korea*, Romania, Senegal, Soviet Union, Sri Lanka, Sudan, Sweden, Switzerland*, Togo, United Kingdom, United States of America*.

III. History of the Legislation

On October 10, 1984, Senator McC. Mathias, Jr., at the request of the administration, introduced S. 3085, a bill to amend the patent laws implementing the Patent Cooperation Treaty.[2] The bill was referred to the Committee on the Judiciary and no further action was taken on it in the 98th Congress.

On June 4, 1985, Senator Mathias, again at the request of the administration, introduced S. 1230[3], nearly identical to its predecessor, with minor revisions to conform to changes in the patent law as a result of legislation enacted in the 98th Congress. S. 1230 was referred to the Committee on the Judiciary, and on June 24, to the Subcommittee on Patents, Copyrights and Trademarks. On November 5, Senator Patrick J. Leahy and Senator Dennis DeConcini joined as cosponsors of S. 1230. On November 14, a polling letter was circulated to the members of the subcommittee. The poll was completed on November 21, and S. 1230 was favorably reported back to the full Committee without amendments by a unanimous vote of the subcommittee. On December 5, 1985, the full Committee

[2] 130 Congressional Record 14103-05 (October 10, 1984).
[3] 130 Congressional Record 7393-94 (June 24, 1985).

on the Judiciary ordered S. 1230 favorably reported without amendments by unanimous consent.

IV. STATEMENT

The Senate adopted the reservation to chapter II in 1973 because the diverse patent systems among member countries would have made it impractical for the U.S. Patent and Trademark Office to use examination reports generated by other countries. Since that time, however, and partly as a result of the Patent Cooperation Treaty, there has been tremendous progress in harmonizing the patent application and processing procedures around the world. Consequently, three is a solid consensus that it would now benefit U.S. inventors if the reservation to chapter II were removed to allow them to take advantage of its provisions. At the time of adoption, there were two other reservations expressed by the Senate. Those related to technical questions of publication and prior art effect, and would not be affected by the removal of the reservation of chapter II.

It should be noted that the procedures set out in chapter II are entirely optional: no U.S. inventor who filed an international application under chapter I would be obliged to enter the chapter II phase rather than proceeding immediately to prosecution of the application or, alternatively, abandoning it. The following are some representative statements on the importance of withdrawing the reservation on chapter II of the Patent Cooperation Treaty:

In a letter dated June 28, 1984, to President Reagan, Secretary of State George P. Shultz said, in pertinent part:

> Adherence to chapter II of the Patent Cooperation Treaty has assumed direct and immediate importance to the United States. Adherence would be in the interest of industry and independent inventors alike because of the patent applicants' opportunity to evaluate, on the basis of international preliminary examination reports, the scope of protection they would likely receive in the various countries in which they have chosen to obtain patents. This evaluation could be made before having to undertake the significant financial commitments associated with national patent processing.
>
> Of equal importance would be the additional time afforded by chapter II for applicants to determine the commercial value of their inventions, without first incurring expenses which later could prove to have been unwarranted. As a consequence, adherence to chapter II would in great measure enhance the obtaining of foreign patent protection by U.S. nationals.

In a letter dated February 13, 1985, to Vice President Bush in his capacity as President of the Senate, Secretary of Commerce Malcolm Baldrige wrote:

> When the United States ratified the Patent Cooperation Treaty in November 1975, it declared that it would not adhere to chapter II because of the then-prevailing opinion that divergent patent examining methods made chapter II

impracticable. Experience gained with the operation of the Treaty during the ensuing years and efforts to harmonize patent processing procedures on an international scale, such as the coming into force of the European Patent Convention, have largely eliminated this concern. Accordingly, it would be in the interest of U.S. industry and independent inventors alike if the United States withdrew its reservation on chapter II of the Treaty.

V. Analysis

INTRODUCTION

Under chapter I of the Patent Cooperation Treaty, (hereinafter referred to as the "Treaty"), a patent applicant is required to "designate" those member countries of the International Patent Cooperation Union in which he/she desires patent protection. The applicant receives an international search report from an International Searching Authority and is not required to undertake the expenses of translation, national filing fees and prosecution in each designated country until usually 20 months from the priority date of the international application.

Chapter II of the Treaty offers a supplement to chapter I. If an applicant "elects" previously "designated" member countries which are also bound by chapter II, usually prior to the expiration of 19 months from the priority date, several additional features and procedures become effective. As explained in greater detail below, an International Preliminary Examining Authority will prepare an international preliminary examination report for the benefit of the applicant and the elected offices. The elected offices may agree or disagree with any conclusions reached by the International Preliminary Examining Authority. Further, the time limit for committing the expenses to enter the national stage in the elected offices is postponed to 30 months from the priority date of the international application.

Under chapter II of the Treaty (article 31), an applicant files a "demand" with the appropriate International Preliminary Examining Authority, electing member countries as mentioned above. That Authority then conducts the international preliminary examination which essentially determines whether the claimed invention is new, involves an inventive step (is non-obvious), and is industrially applicable. The applicant and the Authority communicate with each other during the international preliminary examination and the applicant is given at least one opportunity to amend the claims, the description, and the drawings of his international application. Thereafter, an international preliminary examination report is established. The report does not contain any statement regarding the patentability of the claimed invention according to the law of any country; it merely states—by a "Yes" or "No"—in relation to each claim whether it seems to satisfy the three criteria set forth above. Each such statement is usually accompanied by citations of prior are references and other explanations. The report is communicated to the applicant and the national offices of the elect-

ed countries, which then may use the report in connection with their patent granting process.

The national fees and translations, if any, must be paid before the expiration of the time period under article 39(1)(a) of the Treaty, which is 30 months from the priority date of the interntional application. Examination and other processing in the elected offices can start only after the expiration of that time period, unless the applicant chooses to have it start earlier. If election of a country is made after the expiration of the 19th month from the priority date, the original time limits under chapter I of the Treaty (article 22) must be observed.

Section-by-Section Analysis

SECTION 1

This section identifies the legislation as the "Act to Authorize the United States to Participate in Chapter II of the Patent Cooperation Treaty."

SECTION 2

This section amends section 351 of title 35, United States Code, by deleting the phrases ", excluding chapter II thereof" in subsection (a) and "excluding part C thereof" in subsection (b). These exclusions were placed in the original legislation, Public Law 94-131, 89 Stat. 685, since chapter II of the Treaty was not implemented then. The exclusion of the article and regulations of the Treaty relating to chapter II must be eliminated in existing legislaiton to permit the United States to participate in chapter II.

Subsection 351(g) is amended to refer to the "International Preliminary Authority" in association with the current reference to the "International Searching Authority" in anticipation of the United States Patent and Trademark Office becoming an International Preliminary Examining Authority when that Office's workload is sufficiently current.

Finally, subsection (d) of section 2 amends section 361(d) of title 35 to make the time limit for payment of the various fees more flexible. Since the Treaty has come into force, the regulations thereunder, especially those dealing with time limits, have been amended severeal times. As a consequence, the provisions of section 361(d) had to be changed to comply with the amended regulations. As the regulations have been amended further, and in order to avoid continued statutory adjustment, proposed section 361(d) authorizes the Commissioner to fix the time limits for payment of fees which do not comply the international application when filed. Thus, regulations promulgated by the Commissioner would be brought into accordance with the regulations under the Treaty, if and when those regulations are amended further.

SECTION 3

This section amends the title of section 362 of title 35, in the analysis following the chapter 36 title, to include reference to the International Preliminary Examining Authority, thus reflecting changes in section 362.

SECTION 4

Current section 362 of title 35 has been designated as subsection (a) and has been amended to permit the Patent and Trademark Office to act as an International Preliminary Examining Authority, should it desire to enter into an agreement with the International Bureau and perform the required functions. At present, this section only permits the Patent and Trademark Office to act as an International Searching Authority.

Subsection (a) of amended section 362 specifically provides for the collection of handling fees under article 31(5) of the Treaty (and Rule 57 of the regulations thereunder) and the transmittal thereof to the International Bureau, for whose benefit such fees are paid.

New subsection 362(b) gives the Commissioner authority to establish time periods, within the limits of the Treaty and its regulations, for the payment by applicants of the handling fee under Rule 57 of the regulations and the preliminary examination fee under Rule 58 of the regulations. The supplement to the handling fee under Rule 57.1(b) of the regulations is paid by the applicant directly to the International Bureau and need not be provided for in the legislation.

SECTION 5

This section amends subsection 364(a) of title 35 by referring to the "International Preliminary Examining Authority" along with current references to "Receiving Office" and "International Searching Authority", in order to specify that all international processing functions, when performed by the Patent and Trademark Office, must be in accordance with the Treaty, its regulations, and title 35, United States Code.

SECTION 6

Subsection 368(c) of title 35 is amended to prevent the unauthorized disclosure of the contents of international applications by the Patent and Trademark Office when acting as an International Preliminary Examining Authority, where a secrecy order was placed on the application or where a foreign filing license has not been granted. This provision is to prevent disclosure of information that would adversely affect the national security.

SECTION 7

Section 371 of title 35 requires a number of changes to facilitate the possibility of proceeding under chapter II of the Treaty. Subsection 371(a) of title 35 is amended to authorize the Commissioner to require the International Bureau to supply international preliminary examination reports, including annexes thereto. The annexes consist of amendments to the claims, description, or drawings of the international application made before the International Preliminary Examining Authority, as indicated in Rule 70.1 of the regulations. The amended wording makes it possible for the Commissioner to require copies of all such documents or to exclude certain papers, such as those filed in or issued by the Patent and Trademark Office.

Subsection 371(b) of title 35 is amended to refer to the later time period under article 39(1)(a) of the Treaty, at which an applicant may enter the national stage by virtue of having elected the Patent and Trademark Office under chapter II. As noted above, this time limit is currently set at 30 months.

Subsection 371(c) of title 35 is amended by adding a new paragraph (5) which requires the applicant to file, in addition to the requirements of paragraphs (1)–(4), a translation into the English language of any annexes to the international preliminary examination report, if such annexes are in a language other than English. Although the International Bureau is responsible under article 36(3)(a) of the Treaty for communication to the Patent and Trademark Office of copies of these annexes in their original language, together with the international preliminary examination report, the applicant is responsible under article 36(2)(b) and (3)(b) of the Treaty, to prepare a translation of the annexes if necessary and to transmit such translation to the Patent and Trademark Office.

Subsection 371(d) of title 35 is amended to include reference to the time period for submission of annexes to the international preliminary examination report. The amendment also provides the sanction of cancellation of the amendments for noncompliance.

Subsection 371(e) of title 35 is amended to ensure the right of the applicant to amend the application during the national stage before the elected Office, as provided in article 41 of the Treaty.

SECTION 8

Subsection 376(a) of title 35 is amended to include reference to the handling fee to parallel the current reference to the international fee. The amounts of these fees are indicated in Rule 96 of the regulations, which is titled "The Schedule of Fees."

A new paragraph (5) is added to subsection 376(a) to allow the Patent and Trademark Office to specify the amount of the preliminary examination fee and any additional fees thereto, referred to in subsection 362(b).

Subsection 376(b) of title 35 is amended to include reference to the fact that the amount of the handling fee is not prescribed by the Commissioner. Reference is also made to the preliminary examination fee and additional fees to the preliminary examination fee, as being refundable to the applicant where the Commissoner determines such a refund to be warranted.

SECTION 9

Section 9 specifies the effective date of the Act to be that of the entry into force of chapter II of the Treaty with respect to the United States. When the United States ratified the Treaty in November 1975, it did so with a declaration under article 64(1)(a) thereof, that it was not bound by the provisions of chapter II. Under article 64(6)(b) of the Treaty, this declaration may be withdrawn at any time by notification to the Director General of the World Intellectual Property Organization and takes effect three months after the day on which the notification was received.

The Act applies to all international applications pending before or after its effective date. Accordingly, applicants whose applica-

tions have been pending less than 19 months from their priority date at the time chapter II becomes effective for the United States, will be able to make a "demand" for treatment under chapter II, thereby delaying the entry of the national stage in elected States to 30 months. Although there is no time limit in the Treaty for submitting the "demand", its effects can only be guaranteed if it is submitted before the expiration of 19 months from the priority date of the international application. Submission of the "demand" after that date still entitles the applicant to receive an international preliminary examination report, but does not toll the applicable time limit under article 22 of the Treaty.

VI. Agency Views

The Secretary of Commerce,
Washington, DC, February 13, 1985.

Hon. George Bush,
President of the Senate, Washington, DC.

Dear Mr. President: Enclosed are copies of a draft bill—"To amend the patent laws implementing the Patent Cooperation Treaty," together with a statement of purpose and need and sectional analysis.

The Patent Cooperation Treaty, to which the United States and 38 other countries adhere, offers several major advantages to patent applicants. The Treaty simplifies the filing of patent applications on the same invention in different member countries by providing centralized filing procedures and a standardized application format. The Treaty also gives applicants additional time to evaluate their inventions before they incur the major expenses of translation, national filing fees, and prosecution in each country.

Chapter I of the Treaty gives applicants a period of 20 months from the priority date of the international application before they must incur the major expenses associated with national filings. During this period, applicants obtain an international search report to help them decide whether to proceed with patent prosecution after the twentieth month in the countries they initially chose. Under chapter II, applicants are given additional time and an international preliminary examination report which evaluates their invention on the basis of the information cited in the international search report. As of January 1, 1985, an applicant electing to proceed under chapter II will be allowed a total of 30 months from the priority date of the international application before entering the national patent processing stage. This additional time will permit applicants to be even more selective with respect to the countries in which they ultimately decide to proceed, because of their ability to evaluate the strength of their potential patents and to determine their marketing plans.

When the United States ratified the Patent Cooperation Treaty in November 1975, it declared that it would not adhere to chapter II because of the then-prevailing opinion that divergent patent examining methods made chapter II impracticable. Experience gained with the operation of the Treaty during the ensuing years and efforts to harmonize patent processing procedures on an international scale, such as the coming into force of the European

Patent Convention, have largely eliminated this concern. Accordingly, it would be in the interest of U.S. industry and independent inventors alike if the United States withdrew its reservation on chapter II of the Treaty. In a letter dated July 27, 1984, the President requested the Senate's advice and consent to that withdrawal. Because the Treaty is not self-executing, adherence to chapter II will require implementing legislation.

The Patent and Trademark Office is an International Searching Authority under chapter I of the Treaty, but it does not plan to assume the functions of an International Preliminary Examining Authority under chapter II until it has achieved a reduction in the pendency of patent applications to 18 months. This goal will be attained in 1987, and the Patent and Trademark Office will then be prepared to assume all functions under chapter II.

Should chapter II of the Treaty become effective for the United States before 1987, the Patent and Trademark Office would rely upon the European Patent Office to act as its International Preliminary Examining Authority. The European Patent Office has agreed to accept this responsibility but still needs the formal approval of the Assembly of the International Patent Cooperation Union. It has also placed two limitations on this responsibility. First, the European Patent Office will only accept those international applications for international preliminary examination for which it has also acted as an International Searching Authority. Second, the number of international applications accepted for preliminary examination will be 500 annually. These two limitations are acceptable to the Department of Commerce.

The United States will notify the Director General of the World Intellectual Property Organization of our withdrawal of the reservation to chapter II after the Senate has given its advice and consent and this legislation has been enacted. This approach will assure that our domestic laws are consistent with our new international obligations under that Chapter.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this legislation to the Congress and that its enactment would be in accord with the Administration's program

Sincerely,

MALCOLM. BALDRIGE,
Secretary of Commerce.

VII. COST ESTIMATE

In compliance with paragraph 11(a), Rule XXVI of the Standing Rules of the Senate, the Committee estimates that enactment of this legislation will involve no direct additional expenditure to the Government. The Committee notes the following letter from the Congressinal Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 6, 1985.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, 224 Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1230, an act to authorize the United States to participate in Chapter II of the Patent Cooperation Treaty, as ordered reported by the Senate Committee on the Judiciary, December 5, 1985.

This bill statutorily withdraws the reservation of the United States on Chapter II of the Patent Cooperation Treaty. Under the provisions of that chapter, applicants are given an international preliminary examination report evaluating the potential for patenting their invention. Enactment of this bill is not expected to result in any net cost to the federal government, because application fees will be set to cover all costs associated with the additional work generated as a result of adherence to Chapter II.

Enactment of this bill would not affect the budgets of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER, *Director.*

VIII. REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b), Rule XXVI of the Standing Rules of the Senate, the Committee has concluded that this legislation does not create any new regulations with which the public must comply.

IX. CHANGES IN EXISTING LAW

In compliance with paragraph 12, Rule XXVI of the Standing Rules of the Senate, changes in existing law made by S. 1230, as reported, are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

UNITED STATES CODE

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TITLE 35—PATENTS

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PART IV—PATENT COOPERATION TREATY

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CHAPTER 35—DEFINITIONS

Sec.
351. Definitions.

§ 351. Definitions

When used in this part unless the context otherwise indicates—

(a) The term "treaty" means the Patent Cooperation Treaty done at Washington, on June 19, 1970 [, excluding chapter II thereof].

(b) The term "Regulations", when capitalized, means the Regulations under the treaty [excluding part C thereof], done at Washington on the same date as the treaty. The term "regulations", when not capitalized, means the regulations established by the Commissioner under this title.

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(g) the [term] *terms* "International Searching Authority" *and "International Preliminary Examining Authority"* [means] *mean* a national patent office or intergovernmental organization as appointed under the treaty which processes international applications as prescribed by the treaty and the Regulations.

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CHAPTER 36—INTERNATIONAL STAGE

Sec.
361. Receiving Office.
362. International Searching Authority *and International Preliminary Examining Authority.*
363. International application designating the United States: Effect.
364. International stage: Procedure.
365. Right of priority; benefit of the filing date of a prior application.
366. Withdrawn international application.
367. Actions of other authorities: Review.
368. Secrecy of certain inventions; filing international applications in foreign countries.

§ 361. Receiving Office

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[(d) The basic fee portion of the international fee, and the transmittal and search fees prescribed under section 376(a) of this part, shall be paid on filing of an international applcation or within one month after the date of such filing. Payment of designation fees may be made on filing and shall be made not later than one year from the priority date of the international application.]

(d) The international fee, and the transmittal and search fees prescribed under section 376(a) of this part, shall either be paid on filing of an international application or within such later time as may be fixed by the Commissioner.

* * * * * * *

[§ 362. International Searching Authority

[The Patent Office may act as an International Searching Authority with respect to international applications with the terms and conditions of an agreement which may be concluded with the International Bureau.]

§ 362. International Searching Authority and International Preliminary Examining Authority

(a) The Patent and Trademark Office may act as an International Searching Authority and International Preliminary Examining Authority with respect to international applications in accordance with the terms and conditions of an agreement which may be concluded with the International Bureau, and may discharge all duties required of such Authorities, including the collection of handling fees and their transmittal to the International Bureau.

(b) The handling fee, preliminary examination fee, and any additional fees due for international preliminary examination shall be paid within such time as may be fixed by the Commissioner.

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§ 364. International stage: Procedure

(a) International applications shall be processed by the Patent Office when acting as a Receiving Office [or], International Searching Authority, or *International Prelininary Examining Authority* [both], in accordance with the applicable provisions of the treaty, the Regulations, and this title.

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§ 368. Secrecy of certain inventions; filing international applications in foreign countries

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(c) If a license to file in a foreign country is refused or if an international application is ordered to be kept secret and a permit refused, the Patent Office when acting as a Receiving Office [or], International Searching Authority, or [both] *International Preliminary Examining Authority*, may not disclose the contents of such application to anyone not authorized to receive such disclosure.

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CHAPTER 37—NATIONAL STAGE

§ 371. National stage: Commencement

[(a) Receipt from the International Bureau of copies of international applications with amendments to the claims, if any, and international search reports may be required in the case of all international applications designating the United States.

[(b) Subject to subsection (f) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22(1) or (2) of the treaty.]

(a) Receipt from the International Bureau of copies of international applications with any amendments to the claims, international search reports, and international preliminary examination reports including any annexes thereto may be required in the case of international applications designating or electing the United States.

(b) Subject to subsection (f) of this section, the national stage shall commence with the expiration of the applicable time limit under article 22(1) or (2), or under article 39(1)(a) of the treaty.

(c) The applicant shall file in the Patent Office—

* * * * * * *

(4) an oath or declaration of the inventor (or other person authorized under chapter 11 of this title) complying with the requirements of section 115 of this title and with regulations prescribed for oaths or declarations of applicants **[.]**;

(5) a translation into the English language of any annexes to the international preliminary examination report, if such annexes were made in another language.

(d) The requirements with respect to the national fee referred to in subsection (c)(1), the translation referred to in subsection (c)(2), and the oath or declaration referred to in subsection (c)(4) of this section shall be complied with by the date of the commencement of the national stage or by such later time as may be fixed by the Commissioner. The copy of the international application referred to in subsection (c)(2) shall be submitted by the date of the commencement of the national stage. Failure to comply with these requirements shall be regarded as abandonment of the application by the parties thereof, unless it be shown to the satisfaction of the Commisisoner that such failure to comply was unavoidable. The payment of a surcharge may be required as a condition of accepting the national free referred to in subsection (c)(1) or the oath or declaration referred to in subsection (c)(4) of this section if these requirements are not met by the date of the commencement of the national stage. The requirements of subsection (c)(3) of this section shall be complied with by the date of the commencement of the national stage, and failure to do so shall be regarded as a cancellation of the amendments to the claims in the international application made under article 19 of the treaty. *The requirement of subsection (c)(5) shall be complied with at such time as may be fixed by the Commissioner and failure to do so shall be regarded as cancellation of the amendments made under article 34(2)(b) of the treaty.*

(e) After an international application has entered the national stage, no patent may be granted or refused thereon before the expiration of the applicable time limit under article 28 *or article 41* of the treaty, except with the express consent of the applicant. The applicant may present amendments to the specification, claims and drawings of the application after the national stage has commenced.

* * * * * * *

§ 376. Fees

(a) The required payment of the international fee *and the handling fee*, which **[**amount is**]** *amounts are* specified in the Regulations, shall be paid in United States currency. The Patent Office may also charge the following fees:

(1) A transmittal fee (see Section 861(d));

(2) A search fee (see Section 861(d));

(3) A supplemental search fee (to be paid when required);

(4) A national fee (see Section 371(c));

(5) A preliminary examination fee and any additional fees (see Section 362(b));

[(5)]*(6)* Such other fees as established by the Commissioner.

(b) The amounts of fees specified in subsection (a) of this section, except the international fee *and the handling fee*, shall be prescribed by the Commissioner. He may refund any sum paid by mistake or in excess of the fees so specified, or if required under the treaty and the Regulations. The Commissioner may also refund any part of the search fee, *the preliminary examination fee and any additional fees*, where he determines such refund to be warranted.

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X. Vote of Committee

On December 5, 1985, with quorum present, by voice vote and without objection heard, the Committee ordered the bill favorably reported without amendment.

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