International Lawyer

Volume 3 | Number 2 Article 12

1969

The Patent Cooperation Treaty and the Revised Draft Published by the International Bureau at Geneva

S. Delvalle Goldsmith

S. DELVALLE GOLDSMITH *

The Patent Cooperation Treaty and the Revised Draft Published by the International Bureau at Geneva

The most important question as regards the Patent Cooperation Treaty (PCT), or any treaty which we are asked to sign, is what will it do for us. As regards a patent treaty, we should ask specifically what it will do for our inventors and patent-owners, what it will mean for our economy, and what it will do for our patent system. First let us consider the inventor. Much has been said as to what PCT will do for him if he wants to obtain foreign patents. But what effect will PCT have on his rights and actions in securing a patent in his own country?

Suppose I, an inventor, file my application January 1, 1970, and, at that time, my country is a party to PCT. Up to 20 months from that date a foreign inventor will be able to file an application ante-dating mine. This is on the basis that my country would be a party only to Chapter I of PCT (international application and international search). If it also accepted Chapter II (international examination of patentability) the period of uncertainty would become 25 months.

Other Effects

So much for the effect of PCT on the domestic inventor (and this of course also includes its effect on the companies to which inventions are assigned). How else will PCT effect domestic patent systems?

Applications from abroad and filed under PCT may not be examined or acted upon before 20 months from the priority date (25 months under Chapter II). Therefore the foreign applicant will generally be able to keep his application secret longer than the domestic applicant. It is true that under Article 13 of PCT the domestic Patent Office could request a copy of a foreign application (where it is a "designated" country) shortly after the one year priority period.

* S. DELVALLE GOLDSMITH, Langner, Parry, Card & Langner, New York City; graduate of Columbia University (A.B.) and New York University (J.D.); admitted to the bar in New York and a member of the American Bar Association, American Patent Law Association, and the New York Patent Law Association.

However this would only be a copy of the foreign text without translation. What will the Patent Office do with the copy it receives in Japanese, Russian or even German or Italian? It cannot make any publication that will be meaningful to English-speaking citizens. It cannot examine the application to see if it is in conflict with a previously or subsequently filed domestic application, because examiners, even if available, generally would not understand the foreign text. Also, examination at this point might be an entire waste of time as the application might not be completed within the 20 or 25 months allowed. Anything done by the domestic Patent Office on the basis of such copies would be additional work at the expense of the taxpayer since no fee would be received with the copies.

The one situation in which the sending of the copy *would* be significant is for a country which desires to know at the earliest possible moment all the inventive developments in another country. For such a policy, the cost of translating the copies received will be insignificant. The copies could be demanded shortly after the expiration of one year from the initial filing and would give the receiving country complete copies of all applications filed in the originating country *even if these are not ultimately filed in the receiving country.*

It will be seen from the above that Article 13 of PCT, which the International Bureau at Geneva (BIRPI) explains is necessary because "it seems to be justified that a copy thereof (of the foreign application) be made available to the designated Office as soon as possible," is a generally useless provision adding only to the cost of the PCT procedure at home and abroad.

It is more than likely that PCT will have other effects on domestic patent systems but they involve so many imponderables that it seems unrealistic to spend time on these possibilities rather than on the concrete dangers and difficulties that are involved. It may be mentioned however that, in addition to the many Articles and Rules in the BIRPI Draft relating not only to the format of patent applications but also to form and even substance (e.g. form of claims, specification and abstract; definitions of unity; subject matter that is not patentable within the purview of PCT), there is Article 27 which states that "no designated State shall require compliance with requirements relating to the form or content of the internatio. al application different from or additional to those which are provided in this Treaty and the Regulations." What is this but an attempt to change the substantive law of the signatory countries?

Impact on Domestic Economy

Next, what effect would the BIRPI Draft of PCT have on domestic economies?

First of all there is the necessarily large cost (a portion of which would of course be borne by each country) to run the monster bureaucracy that BIRPI would have to become to perform the functions assigned to it under PCT. BIRPI emphasizes that, under the revised draft of PCT, they will have less to do, since international applications will be filed at the home Patent Office rather than BIRPI, and the home Office will send a copy of the application to the Searching Authority (if it is not one itself). However they do not emphasize that, under the revised draft, they will be "in the picture" to the extent of 10-25 operations that they must perform in respect of each application that is filed outside the inventor's home country. Taking a low figure of 100,000 such applications per year passing through the hands of BIRPI (although BIRPI says PCT "would probably induce inventors to seek protection in more countries and for more inventions than at the present time"—Paragraph 69 of BIRPI's "Summary of the Proposed Treaty") and taking a low figure of 10 items per application, this means that BIRPI might be dealing with 1,000,000 items per year. If this would not mean expanding the BIRPI staff from its present 80 members to several hundreds or even a thousand, it would be very surprising. And think of the space that would be required for storing the records of 100,000 or more applications and the herds of Xerox machines to make the necessary copies for BIRPI to transmit to the designated Patent Offices!

In the second place, PCT may have a serious effect on the domestic economy by causing a large influx of foreign patents which industry would have to invalidate by Court action or pay tribute. The hope of BIRPI to increase international filing has been mentioned above. But the present point goes beyond this. A government-controlled economy such as the Soviet Union (being a party to PCT) could decide as an instrument of national policy, or economic warfare, to file all its applications in a given country through PCT on the basis of search reports and patentability reports prepared in its own Patent Office. This would mean more domestic patents controlled by a foreign government. It would also mean, along the lines already indicated, that 20 or 25 months after the filing of a domestic application by a domestic inventor, his application could be antedated by a foreign

application filed under PCT and accompanied by a glowing, but possibly prejudiced, report of novelty and patentability.

The Soviet Union is mentioned not because of anti-Communist sentiment but because it is the prime example of a government-controlled economy where important inventions are developed. The same considerations might also apply to some other countries except that the number of important inventions originating there would be smaller.

The feature of PCT involving early designation with a small fee per country (or, apparently, no fee at all according to the latest draft), and forwarding of the application to the designated countries by BIRPI is a typical "loss leader" type of operation designed to encourage increased foreign filing. BIRPI recognizes (Paragraph 60 of their "Summary") that their "loss leader" proposals might diminish national Patent Office filing revenues but points out "In any case, the most 'profitable' source of revenue of most national Offices is the renewal fees." Thus, another effect of PCT would be pressure to increase taxes or annuities after grant or to provide for such fees if not a present part of a patent system (e.g. in the United States and Canada). Acceptance of PCT might also result in compulsory licensing (to prevent domination by foreign-owned patents) in countries such as the United States.

Good Points

The dangers and disadvantages of the BIRPI Draft of PCT have been discussed above. Obviously it must have some advantages. Otherwise we would be faced with the unthinkable situation of a number of governments giving serious consideration to a Treaty completely devoid of advantages for their citizens. Yes, PCT has some advantages, and our constructive task should be to see whether these advantages can be achieved without the attendant disadvantages and dangers of the BIRPI Draft.

What are the good points of PCT?

1-An international search. This is a step in the right direction although not a complete solution to Patent Office backlogs and duplicative work since an examining country (for example like the United States) would undoubtedly want to make a further prior art search of its own. In any event an examining country would have to make a further search among copending applications of earlier effective date to determine if there is any conflict, and would probably also wish to make a patentability examination to determine whether there is invention under the applicable national law.

2-Additional time (20 or 25 months instead of 12 months) before a decision as to foreign filing has to be made and translation and filing costs incurred. This is a somewhat uncertain "advantage." It has the disadvantage for each country's domestic inventors referred to above and also delays meaningful publication. Moreover the additional time is to some extent illusory as a decision for designation of countries and the preparation of the international application must still be made within 12 months from the original filing, i.e. the same as now, and before having the benefit of the search report.

3-Filing can be effected without the applicant sending copies to each country himself and without paying an agent's fee in each country. This is a transient advantage. It lasts for two months only! According to the BIRPI "timetable" (paragraph 31 of their "Summary"), BIRPI will send copies of the international application and search report to the designated countries 18 months from the initial filing. Somehow, the applicant must pay the national filing fees and furnish translations by the end of the 20th month. So applicant has the "benefit" of not having to do anything himself for somewhat less than two months after which he must get a translation on file, pay national filing fees (which are complicated in many instances by special items depending on length of the description, number of sheets of drawings, number of claims, term of patent desired, etc.). Presumably the use of an agent in the country will be required by local law so as to provide an address for service or will in any event be advisable to ensure that all the filing steps are completed in the proper time.

4-Standardization of format and form of the international application. Obviously, harmonization and standardization have nothing to do with the search and procedural features for which PCT was proposed. They can be obtained by multilateral agreements, such as the Formalities Convention of the Council of Europe, or unilaterally by changes of national procedure.

Some Reservations

Can we secure the advantages of international patent cooperation without the cost and disadvantages of the BIRPI Draft of PCT? As indicated above, standarization of form and format can be secured by domestic action. Additional delay—to the extent that it is desirable—can be obtained either by extending the year's priority period of the Patent Convention or, if this is not feasible due to the unanimity rule for amending the Convention, by a one-paragraph agreement among the countries which are willing to make this change. A common search can also be provided for in such an agreement along the lines indicated in the respective part of the PCT draft.

There is absolutely no need for the interposition of BIRPI in up to 25 steps of international filing as provided in the revised BIRPI Draft of PCT. In the original draft, the international application was filed with BIRPI, and BIRPI was to obtain the search report. Even BIRPI realized they were not needed for these steps and the new draft eliminates them. Once these two tasks are removed, all the other steps which BIRPI must take under the revised draft are unnecessary "make-work" activities.

There is no reason why a copy of the international application should be sent to BIRPI or why BIRPI should advise the designated countries of their designation. What are the countries going to do when they get this news from BIRPI? At most (under Article 13 of PCT) they can ask for a copy of the application without translation. But, as noted above, what are they going to do with this copy when they get it—a copy generally not in their own language? The only reason that has been advanced for sending a copy to BIRPI shortly after expiration of the Convention year is to prevent a national Patent Office from "cheating" by sending a changed or amplified copy later. This is a specious argument. Any "cheating" can be detected by requesting a certified copy of the initial application as originally filed. Since the inception of the Paris Convention in 1883 we have trusted the national Patent Offices to supply true certified copies at a later date of what was originally filed. Why should we distrust them now?

Nor is there any reason for BIRPI to receive a copy of the search report, for the applicant to have to send any revised claims to BIRPI, or for the transmission of the application and search report to the designated countries by BIRPI rather than by the applicant himself. The applicant under PCT must act within 20 months so that transmission by BIRPI at the end of 18 months is a useless duplication.

It is interesting that filing through a government agency such as BIRPI is just like the present practice in the Soviet Union where the filing of foreign applications in the Patent Office—one branch of the government—must be accomplished through a so-called "Chamber of Commerce" which is another branch of the government. Thus the PCT system may be quite understandable and seem quite logical to the Russians while at the same time completely different from our "private industry" way of doing business.

There is no need for BIRPI to publish international applications in their entirety as proposed in the present draft. In the first place, a gigantic publishing venture of this nature would be duplication of publications taking place in the individual countries. In the second place since, according to PCT, the publication would be in French,

German, Japanese or Russian if the application is filed in any one of these languages (only the abstract would be translated into English), this would not be of much help to anyone not familiar with the language of publication.

At most, BIRPI could be useful (in addition to its present activities in connection with the Paris Convention) to accredit and coordinate the several Search Authorities (until the more desirable stage of a single Search Authority is reached), and to assemble and republish in one place information regarding "families" of applications and patents which is published in the separate Gazettes and Journals of the different Patent Offices.

Alternative Suggestions

What can be offered as a constructive proposal to attain the advantages of PCT without its disadvantages and dangers? One such proposal is the so-called "FICPI-II Plan" recently developed in Europe. This provides for a common international search and for a priority period of 18 months subject to the international search having been requested within 12 months. It does not involve the use of BIRPI at all, so of course it has been been well received by BIRPI.

Another proposal, closer to PCT than FICPI-II is, would involve the following:

1-A common international search as contemplated by PCT.

2-An international application filed in applicant's own Patent Office within 12 months as contemplated by PCT.

3-Forwarding a copy of the international application by the Receiving Office to the Searching Authority (unless the Receiving Office is itself a Searching Authority) as contemplated by PCT.

4-No copy to BIRPI and no use of BIRPI except to accredit and coordinate the Searching Authorities if more than one Searching Authority is used.

5-No useless advice to the designated countries of their designation.

6-Forwarding of the international application and search report (and any amendment of the claims as a result of the search report) to any or all of the signatory countries by the applicant together with any necessary translation and payment of national filing fees and appointment of a local agent if required. The term for taking this step could be the 20 months contemplated by PCT but it would seem more realistic to make it 17 months so that the national Offices would have the

complete application with any required translation in time for publication 18 months from the priority date claimed, as required by the laws of many countries.

7-No publication by BIRPI.

8-No patentability examination (Chapter II of PCT) as this would be a waste of time and money as long as different countries have different ideas of obviousness, patentability, etc. and has the danger that a good invention might be denied patentability in every PCT country on the basis of the view of a single Examiner.

It will be seen that the plan last-mentioned above is parallel to PCT in many respects but omits the features of PCT which would burden domestic economies with a large part of the cost of BIRPI's useless activities, possibly lead to changing the basic features of our domestic patent systems and possibly result in domestic industry being dominated by large numbers of foreign patents.

Naturally the above alternative proposals would require the working out of many details and the drafting of regulations, just as in the case of PCT. The important thing at the present time is not to consider the details but to re-examine the basic ideas of PCT before the December 1968 meeting in Geneva at which BIRPI hopes to produce a final form of PCT with only minor changes in the present draft.