

FOREIGN PATENT CONSIDERATIONS

Patents issued by foreign countries can protect a patentee's ability to manufacture, use and sell the patented inventions in those countries. They can also provide the basis for licensing the patented inventions to foreign companies or individuals who can exploit the inventions overseas while paying the patentee royalties from the overseas income. However, the procedures for seeking foreign patents **vary widely** from country to country. This brochure is intended to introduce the procedures and options available for applying for foreign patents.

NATIONAL PATENT LAWS DIFFER

It is important to recognize that there is **no** single international patent. Patent laws are national in character -- each country has its own patent law. Often what is patentable in one country is not patentable in another country, because of differences between the two countries' laws. A patent issued by one country normally provides no rights in other countries. While there are some "regional patent systems" (notably one in Western Europe), much of their effect is procedural and granting of a "regional" patent is usually related to issuance of patents by the individual regional countries.

AN INTERNATIONAL TREATY CONTROLS FILING REQUIREMENTS

The **Paris Convention** is an international treaty that dictates when foreign patent applications must be filed if maximum international benefits are to be obtained. Most of the countries of the world subscribe to this Treaty. Under the Paris Convention, and subject to the **absolute novelty rule** (which will be described below), if an inventor files a patent application in his home country, he then has one year (called the **Convention year**) from that application's filing date (called the **priority date**) in which to file applications for foreign **counterpart** patents in all of the other participating "Convention countries." If the counterpart patent applications are placed on file within that Convention year, the other countries will recognize that priority date when applying their laws to the counterpart application. In some cases, patent applications can be filed abroad after the Convention year ends. However, those **non-Convention** applications do **not** get the benefit of the priority date under the foreign patent laws.

The Paris Convention also requires that each Convention country must apply its law equally to all patent applications it receives, whether the applicants are citizens of that country or are from another Convention country.

DISCLOSURE LIMITATIONS -- THE ABSOLUTE NOVELTY RULE

In the United States, the U.S. patent law provides that an inventor may disclose (including market) the invention for up to one year prior to filing a U.S. patent application. This is often referred to as a grace period. Most foreign countries do **not** have any equivalent provision in their patent laws. Rather, most foreign countries significantly limit the amount or type of disclosure which can be made prior to the inventor's filing of his home country patent application, if counterpart patent applications in those countries are not to be barred. Many countries permit little or no prior disclosure. This is called the **absolute novelty rule**. For U.S. inventors, it essentially negates the grace period if the U.S. inventor wants to retain the option of seeking foreign patents. Therefore, it is important for a U.S. inventor to consult with the attorney **prior to any disclosure, marketing or sales of the invention**, so that the attorney can advise as to the appropriate actions which the inventor should take to maintain foreign filing options for those countries which the inventor considers important.

DIRECT FILING OF PATENT APPLICATIONS

For every foreign country which has a patent system (a few do not), it is possible to file a patent application with the Patent Office in that country. Almost every country requires that the actual filing and prosecution of applications in that country be done through a patent attorney or agent who is licensed in that country. Gordon & Rees maintains an extensive worldwide network of **foreign associates**, foreign attorneys and agents with whom we work, to see that our clients' counterpart applications are properly filed and prosecuted in all countries. We instruct the foreign associates about the technology of the inventions and the scope of the patents which the clients wish to obtain. The associates in turn advise us about the proper forms of the applications and the patentability of specific inventions under their laws. The associates also normally **translate** the applications and related documents into their countries' languages, and provide us with English translations of the correspondence from their Patent Examiners. Direct filing normally must be completed before the end of the Convention year, unless the application is to be a non-Convention application. Direct filing is the only option available in those countries which do not participate in international or regional patent filing treaties.

THE PATENT COOPERATION TREATY (THE PCT)

Under a second international treaty, the **Patent Cooperation Treaty**, an inventor can file a single **PCT application** and obtain more time to evaluate the invention without losing potential international patent rights. Over 100 countries (including the major industrial countries) currently participate in the PCT. A list of the PCT Countries is included on a separate page with this brochure. Only two major country groups, Latin America and the Near Eastern countries, have few members participating in the PCT.

Use of the PCT does **not** result directly in issuance of a patent. Rather, the PCT system provides a simplified (and less costly) procedure by which an inventor can proceed with an international patentability **examination**, with only limited translation costs (most of the proceedings are conducted in English) and without the need initially to retain foreign associate attorneys or agents. Also under the PCT, the inventor can initially reserve the option to seek patents in any or all of the

participating countries, and only later decide specifically in which of the countries he actually wants to seek counterpart patents.

A U.S. inventor's PCT application is filed at the U.S. Patent and Trademark Office. It is usually cost-effective to ask initially to include all PCT countries, and only later designate selected ones for seeking actual patents. To avoid duplication with the U.S. examination, the PCT patentability examination is usually done at the European Patent Office. During the **two-phase** PCT procedure, a patent search is made in Chapter I, then a patentability report is prepared in Chapter II. After eighteen months, the applicant must enter a separate **national phase**, in which copies of the PCT application and report are transmitted to the national Patent Offices of each of the countries or regions which the applicant has selected from the original list. For the most part, only then do foreign associates and translations become involved for the selected countries. Most selected countries give credence to the PCT report in applying their own patent laws to the national phase applications, so that national examination is often substantially reduced, with a concomitant savings in cost. If the invention is ruled patentable under a selected country's laws, a patent for that country will be issued.

REGIONAL PATENT CONVENTIONS

In certain regions, groups of countries have joined together in **regional patent conventions** which can be filed through the PCT. Current regional conventions are in western Europe (EPC), the former U.S.S.R. (EA) and Africa (OAPI and ARIPO). The countries in each group are identified on the PCT Countries page. Individual national patent applications or a single regional application, and in some cases both, can be filed. In the EPC or EA, an applicant can designate any number of the group countries; the OAPI automatically includes all countries. Use of a regional application results in a single examination in one language under a regional patent law, rather than having separate national examinations. The OAPI grants a single regional patent. In the EPC and EA, however, allowance of the regional application results in the granting of equivalent national patents in designated group countries rather than in a single regional patent. Translation to national languages and separate payment of grant or issue fees may be required for such national patents.

OTHER IMPORTANT CONSIDERATIONS

The **costs**, scheduling and potential **patentability** of any specific invention will depend principally on the particular countries in which the inventor is interested. Individual countries' patent offices and the local associate attorneys and agents all charge **separate** fees, which vary widely from country to country.

Filing applications or responding to communications requires that the documents actually be received by the foreign patent offices **by the deadline date**. This involves forwarding all documents to the foreign associates, allowing time for any translations to be made, paying all foreign fees, and having the local associate take care of any local requirements, all before the deadline filing or response date. We therefore require authorization to proceed and payment **one**

month in advance of any deadline date, to ensure that all documents and fees can be on file by the deadline date.

Examination of one country=s application proceeds in that country **independently** of what may be occurring with counterpart applications in other countries.

A major cost component in most non-English-speaking countries is the cost of **translations**. Even those countries which permit initial document filings to be in English normally require that documents promptly be translated into their local languages. Also, their examination proceedings and the Examiners' correspondence are normally conducted in their local languages, which must be translated into English to be understood and acted on. In most foreign patent examinations, some or all of the **prior art references** cited by an Examiner will be in foreign languages. Those references must be translated into English so that their disclosures can be evaluated.

There are **different ways** of seeking foreign patent protection, and more than one may be applicable to any given invention, depending on what countries or regions of the world are of interest for commercial sales, manufacturing or potential technology licensing. We discuss each case separately with our clients and advise on specific foreign strategies based on each client's commercial and licensing interests, the nature of the technology involved and the overall budget available. Our attorneys and foreign patent staff can also assist in identifying those considerations which may be significant in selecting countries of potential interest for counterpart patents.

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