

Review of United States Statutory Implementation of the Patent Law Treaty

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I. INTRODUCTION

The "Patent Law Treaty " (PLT) is an international treaty administered by the World Intellectual Property Organization (WIPO).² The goal of the PLT is to harmonize and streamline formal procedures for patenting and to provide safeguards preventing inadvertent loss of patent rights.³ As of 11/16/2013, the PLT had 36 contracting parties.⁴

The United States acceded to the PLT on 12/18/2012, which is when the President signed the "The Patent Law Treaties Implementation Act of 2012," now Public Law 112-211.⁵ Public Law (PL) 112-211 contains Title I "Hague Agreement Concerning International Registration of Industrial Designs" and Title II "Patent Law Treaty Implementation". The United States Patent and Trademark Office (USPTO) promulgated revisions to the rules of practice in the USPTO for consistency with Title II of PL 112-211, on October 21, 2013. See "Changes To Implement the Patent Law Treaty; Final Rule," 78 FR 62368 (2013).⁶ This paper is limited to review of Title II "Patent Law Treaty Implementation" of PL 112-211. A subsequent paper reviews the corresponding 78 FR 62368 rule changes.

Title II of PL 112-211 contains three sections: "Sec. 201. Provisions to Implement the Patent Law Treaty"; "Sec. 202. Conforming Amendments"; and "Sec. 203. Effective Date."

II. SEC. 203 - EFFECTIVE DATE

This section reviews the effective date of changes wrought by Title II of PL 112-211.

Sec. 203(a)(1) states that "IN GENERAL.—The amendments made by this title— (1) shall take effect on the date that is 1 year after the date of the enactment of this Act;". That date is 12/18/2013. So the statutory amendments are effective 12/18/2013.

Sec. 203(a)(2) (A) states that the amendments made by Title II "shall apply to (A) any patent issued before, on, or after the effective date set forth in paragraph (1)." Therefore, the PLT provisions apply to any patent issued before, on, or after 12/18/2013.

Sec. 203(a)(2) (B) states that the amendments made by Title II shall apply to "(B) any application for patent that is pending on or filed after the effective date set forth in paragraph (1)." Therefore, the PLT provisions apply to any application that is pending on or filed after 12/18/2013.

Sec. 203(b) provides for one exception for applications and one exception for patents, to the foregoing 12/18/2013 applicability date.

The application exception to the PL 12/18/2013 effective date is 203(b)(1), states that "[t]he amendments made by section 201(a) shall apply only to applications that are filed on or after the effective date set forth in subsection (a)(1)." Therefore, for applications, the amendments in sec. 201(a) only apply to applications filed on and after 12/18/2013.

The patent exception to the PL 12/18/2013 effective date is 203(b)(2), which states that "[t]he amendments made by this title shall have no effect with respect to any patent that is the subject of litigation in an action commenced before the effective date set forth in subsection (a)(1)." Therefore, the changes to statute wrought by Title II of PL 112-211 are ineffective for any patent that is the subject of litigation in an action commenced before 12/18/2013.

III. SEC. 201 - PROVISIONS TO IMPLEMENT THE PATENT LAW TREATY

This section reviews the changes wrought by Title II of PL 112-211. Sec. 201(a) amends 35 USC 111(a) and (b) and adds a new 35 USC 111(c). Sec. 201(b) adds section 27 to Chapter 2 of Title 35 USC providing for revival of applications and reinstatement of reexamination proceedings. Sec. 201(c) amends various sections to provide for restoration of a priority right within 2 months after the right expired. Section 201(d) amends 35 USC 261 to broaden the defense against transfer to a bona fide purchase for value without notice to anyone that records an "interest" that constitutes an assignment.

III.A SEC. 201(A) - CHANGES TO 35 USC 111(A) AND (B)

PL 112-211, Title II, Sec. 201(a) amends 35 USC 111(a) and (b), as follows.

201(a)(1) strikes 35 USC 111(a)(3) and (a) (4). These sections required a showing of either unintentional or unavoidable delay, to review a 111(a) nonprovisional application otherwise regarded as abandoned for belated submission of the application fee and inventor declaration.

201(a)(1) adds replacement sections (a)(3) and (a)(4) which read as follows:

(3) FEE, OATH OR DECLARATION, AND CLAIMS. - The application shall be accompanied by the fee required by law. The fee, oath or declaration, and 1 or more claims may be submitted after the filing date of the application, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Director. Upon failure to submit the fee, oath or declaration, and 1 or more claims within such prescribed period, the application shall be regarded as abandoned.

(4) FILING DATE - The filing date of an application shall be the date on which a specification, with or without claims, is received in the United States Patent and Trademark Office.

Sec. 201(a)(1) strikes 35 USC 111(b)(3) and (b) (4). These sections required a showing of either unintentional or unavoidable delay, to review a 111(b) provisional application otherwise regarded as abandoned for belated submission of the application fee.

Sec. 201(a) adds replacement sections 35 USC 111(b)(3) and (b)(4) which read as follows:

(3) FEE - The application shall be accompanied by the fee required by law. The fee may be submitted after the filing date of the application, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Director. Upon failure to submit the fee within such prescribed period, the application shall be regarded as abandoned.

(4) FILING DATE - The filing date of a provisional application shall be the date on which a specification, with or without claims, is received in the United States Patent and Trademark Office.

The foregoing changes remove from 35 USC 111(a) and (b) provisions for revival of applications regarded as abandoned based upon a showing of unintentional or unavoidable delay.

III.B SEC. 201(A) - NEW 35 USC 111(C)

PL 112-211, Title II, Sec. 201(a) adds a new section 35 USC 111(c) which reads as follows:

(c) PRIOR FILED APPLICATION - Notwithstanding the provisions of subsection (a), the Director may prescribe the conditions, including the payment of a surcharge, under which a reference made upon the filing of an application under subsection (a) to a previously filed application, specifying the previously filed application by application number and the intellectual property authority or country in which the application was filed, shall constitute the specification and any drawings of the subsequent application for purposes of a filing date. A copy of the specification and any drawings of the previously filed application shall be submitted within such period and under such conditions as may be prescribed by the Director. A failure to submit the copy of the specification and any drawings of the previously filed application within the prescribed period shall result in the application being regarded as abandoned. Such application shall be treated as having never been filed, unless -

- (1) the application is revived under section 27; and
- (2) a copy of the specification and any drawings of the previously filed application are submitted to the Director.

The first sentence of new 35 USC 111(c) provides the Director discretion to accord a filing date to a 35 USC 111(a) nonprovisional application by incorporation by reference of a prior filed application. The second sentence requires the specification and drawings of the previously filed application must be filed in the 111(a) application within a time period to be prescribed by the Director. The third sentence specifies that an application abandoned for failure to timely submit the specification and drawings shall be treated as never having been filed unless revived. What the "shall be treated as having never been filed" clause suggests is that the abandoned application could not serve as a benefit application pursuant to 35 USC 120 (for a US 111(a) application) or 35 USC 365(c) (for a 371 US national stage of a PCT application). It is unclear how such a benefit claim to a US application that was "shall be treated as having never been filed" as a result of being abandoned for failure to file a specification and drawings and not thereafter revived would be treated in a PCT application in the international stage or in subsequent national stages other than the US national stage. It is also unclear whether the USPTO would certify a copy of an application abandoned pursuant to 35 USC 111(c), third sentence, and not revived pursuant to 35 USC 111(c), fourth sentence. Lacking a certified copy, the claim to priority in such a PCT application in the international stage would be perfected.

III.C EFFECTIVE DATE OF CHANGES TO 35 USC 111

The foregoing changes to 35 USC 111 are specified in Sec. 201(a) of 112-211. Pursuant to PL 112-211, Title II, Sec. 203(b)(1), the changes to 35 USC 111 are effective only for applications filed on or after 12/18/2013.

III.D SEC. 201(b) - NEW 35 USC 27

PL 112-211, Title II, Sec. 201(b) amends Chapter 2 of 35 USC by adding the following section 27:

27. Revival of applications; reinstatement of reexamination proceedings

The Director may establish procedures, including the requirement for payment of the fee specified in section 41(a)(7), to revive an unintentionally abandoned application for patent, accept an unintentionally delayed payment of the fee for issuing each patent, or accept an unintentionally delayed response by the patent owner in a reexamination proceeding, upon petition by the applicant for patent or patent owner.

New 35 USC 27 provides a single section authorizing revival/reinstatement of abandoned applications and terminated proceedings. It provides for revival/reinstatement based upon only an unintentional standard. Therefore, PL 112-211 removes the right to revival based upon the unavoidable standard.

III.E SEC. 201(c) - AMENDED 35 USC 119 AND 365

PL 112-211, Title II, Section 201(c) amends 35 USC 119 and 365(c) , as shown below.

35 USC 119(a) is amended as follows.

(a) An application for patent for an invention filed in this country by any person who has, or whose legal representatives or assigns have, previously regularly filed an application for a patent for the same invention in a foreign country which affords similar privileges in the case of applications filed in the United States or to citizens of the United States, or in a WTO member country, shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country, if the application in this country is filed within ~~twelve~~ 12 months from the earliest date on which such foreign application was filed. The Director may prescribe regulations, including the requirement for payment of the fee specified in section 41(a)(7), pursuant to which the 12-month period set forth in this subsection may be extended by an additional 2 months if the delay in filing the application in this country within the 12-month period was unintentional.

35 USC 119(e)(1) is amended as follows:

(e)(1) An application for patent filed under section 111(a) or section 363 for an invention disclosed in the manner provided by section 112(a) (other than the requirement to disclose the best mode) in a provisional application filed under section 111(b), by an inventor or inventors named in the provisional application, shall have the same effect, as to such invention, as though filed on the date of the provisional application filed under section 111(b), if the application for patent filed under section 111(a) or section 363 is filed not later than 12 months after the date on which the provisional application was filed and if it contains or is amended to contain a specific reference to the provisional application. The

Director may prescribe regulations, including the requirement for payment of the fee specified in section 41(a)(7), pursuant to which the 12-month period set forth in this subsection may be extended by an additional 2 months if the delay in filing the application under section 111(a) or section 363 within the 12-month period was unintentional. No application shall be entitled to the benefit of an earlier filed provisional application under this subsection unless an amendment containing the specific reference to the earlier filed provisional application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this subsection. The Director may establish procedures, ~~including the payment of a surcharge~~ including the payment of the fee specified in section 41(a)(7), to accept an unintentionally delayed submission of an amendment under this subsection ~~during the pendency of the application~~

35 USC 119(e)(3) is amended as follows:

(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. For an application for patent filed under section 363 in a Receiving Office other than the Patent and Trademark Office, the 12-month and additional 2-month period set forth in this subsection shall be extended as provided under the treaty and Regulations as defined in section 351.

35 USC 365(b) is amended as follows:

(b) In accordance with the conditions and requirements of section 119(a) and the treaty and the Regulations, an international application designating the United States shall be entitled to the right of priority based on a prior foreign application, or a prior international application designating at least one country other than the United States. The Director may establish procedures, including the requirement for payment of the fee specified in section 41(a)(7), to accept an unintentionally delayed claim for priority under the treaty and the Regulations, and to accept a priority claim that pertains to an application that was not filed within the priority period specified in the treaty and Regulations, but was filed within the additional 2-month period specified under section 119(a) or the treaty and Regulations.

III.F **SEC. 201(d) - AMENDED 35 USC 261**

PL 112-211, Title II, Section 201(d) amends 35 USC 261 as follows:

Subject to the provisions of this title, patents shall have the attributes of personal

property. The Patent and Trademark Office shall maintain a register of interests in patents and applications for patents and shall record any document related thereto upon request, and may require a fee therefor.

Applications for patent, patents, or any interest therein, shall be assignable in law by an instrument in writing. The applicant, patentee, or his assigns or legal representatives may in like manner grant and convey an exclusive right under his application for patent, or patents, to the whole or any specified part of the United States.

A certificate of acknowledgment under the hand and official seal of a person authorized to administer oaths within the United States, or, in a foreign country, of a diplomatic or consular officer of the United States or an officer authorized to administer oaths whose authority is proved by a certificate of a diplomatic or consular officer of the United States, or apostille of an official designated by a foreign country which, by treaty or convention, accords like effect to apostilles of designated officials in the United States, shall be prima facie evidence of the execution of an assignment, grant, or conveyance of a patent or application for patent.

~~An assignment~~ An interest that constitutes an assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent and Trademark Office within three months from its date or prior to the date of such subsequent purchase or mortgage.

Amended 35 USC 261 extends the protection against transfer of rights in a patent, to a Bone Fide Purchase for Value Without Notice ("BFPFVWN"), to any recorded "interest that constitutes an assignment".

IV. **SEC. 202 - CONFORMING AMENDMENTS**

PL 112-211, Title II, Sec. 202 contains conforming amendments. While the amendments in section 202 may merely be conforming, some of them appear to be significant.

35 USC 171 is amended as follows:

(a) IN GENERAL. - ~~Whoever~~ Whoever invents any new, original, and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.

(b) APPLICABILITY OF THIS TITLE. - The provisions ~~The provisions~~ of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.

(c) FILING DATE. - The filing date of an application for patent for design shall be the date on which the specification as prescribed by section 112 and any required drawings are filed.

35 USC 41(a)(7) is revised as follows:

~~(7) REVIVAL FEES. - On filing each petition for the revival of an unintentionally abandoned application for a patent, for the unintentionally delayed payment of the fee for issuing each patent, or for an unintentionally delayed response by the patent owner in any reexamination proceeding, \$1,620, unless the petition is filed under section 133 or 151, in which case the fee shall be \$540.~~

(7) REVIVAL FEES. - On filing each petition for the revival of an abandoned application for a patent, for the delayed payment of the fee for issuing

each patent, for the delayed response by the patent owner in any reexamination proceeding, for the delayed payment of the fee for maintaining a patent in force, for the delayed submission of a priority or benefit claim, or for the extension of the 12-month period for filing a subsequent application, \$1,700.00. The Director may refund any part of the fee specified in this paragraph, in exceptional circumstances as determined by the Director[.]

35 USC 41(c)(1) is revised as follows:

~~(c)(1)ACCEPTANCE. - The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.~~

(c)(1) ACCEPTANCE. - The Director may accept the payment of any maintenance fee required by subsection (b) after the 6-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional. The Director may require the payment of the fee specified in subsection (a)(7) as a condition of accepting payment of any maintenance fee after the 6-month grace period. If the Director accepts payment if a maintenance fee after the 6-month grace period, the patent shall be considered as not having expired at the end of the grace period.

35 USC sections 119(b)(2) and 120 are amended by replacing reference to the "surcharge" with reference to the 41(a)(7) fee. 35 USC 122(b)(2)(B)(iii); 133; 151 and 371(d) are amended or replaced with versions that remove references to revival, since revival and the unintentional standard are now unified in new 35 USC 27. 35 USC 364(b) is amended by replacing the "unavoidable" standard with an excuse "as provided in the treaty and regulations". 35 USC 361(c) is amended to authorize filing of an international application in a language other than English, if followed by the filing of an English language translation.

V. **SUMMARY**

Sec. 201(a) adds a right to file an application by incorporation by reference to a prior filed application. This change is applicable for applications filed on and after 12/18/2013.

Sec. 201(b) adds mechanisms for reviving abandoned applications and terminated reexaminations, in new 35 USC 27. This mechanism is limited to revival based upon an unintentional standard. The "unavoidable" option has been dropped from the statute. Pursuant to Sec 203(a)(2)(B), this mechanism is applicable for any application for patent that is pending on or filed after 12/18/2013.

Sec. 201(c) adds a right to restore a claim to priority by 2 months. This change is

effective for a claim to priority in any application for patent that is pending on or filed after 12/18/2013. For PCT applications filed in a receiving office ("RO) other than the US, the restoration is based upon the PCT treaty and regulations.

Sec. 201(d) extends the protection against rights transfer to a BFPVWN to any recorded "interest that constitutes an assignment".

VI. **ADVICE**

Regarding, protection against rights transfer to a BFPVWN, it is advisable for exclusive licensees to record their license. This is particularly true for exclusive licenses having a right to sue, or, all substantial interests in at least some claimed subject matter, or in a field of use, in view of the "effective patentee" doctrine in the Court of Appeals for the Federal Circuit and its application in the Patent Trial and Appeals Board. *Cf. Sicom Sys. Ltd. v. Agilent Techs., Inc.*, 427 F.3d 971, 976 (Fed. Cir. 2005); *Motorola Mobility LLC v. Michael Arnouse*, IPR2013-00010, paper 30 (PTAB 4/19/2013)(Opinion by APJ Giannetti, for an expanded panel consisting of APJs Tierney, Chang, Giannetti, and Bisk).

Regarding restoration of priority, other than its existence, there are two significant issues.

First, since the right becomes effective for *pending applications* on 12/18/2013, clients should consider whether any pending applications exist in which a priority claim was or may have been missed. If so, such failures may be correctable on and after 12/18/2103, even though they were not previously correctable.

Second, under 35 USC 365(b), procedure and substantive basis for restoration of priority depend upon the PCT treaty and its regulations if a PCT is filed in other than RO/US. US nationals and residents have the option of filing a PCT application in RO/IB. Using RO/IB has both substantive and procedural benefits compared to using RO/US, for a restoration of priority.

The PCT regulations 26bis.3 provides that each RO must provide for restoration of priority based upon either the "unintentional" or the "due care" standard, and may provide for restoration based upon satisfaction of either standard.⁷ The RO/US provides for restoration based only upon the "unintentional" standard as noted herein above in review of the statutory changes, whereas the RO/IB provides for restoration based upon either standard.⁸ Thus, RO/IB filing of a PCT application allows for restoration of priority based upon a "due care" standard. PCT rule 49Ter.1 provides that restoration by an RO of priority based upon a "due care" standard is effective in any country whose national laws provide for restoration of priority, and that restoration by an RO of priority based upon the "unintentional" standard need only be effective in any country that provides for restoration based upon the "unintentional" standard. Thus, filing at the IB and restoring based upon the "due care" standard makes the restoration of priority effective in all PCT national phases in countries providing for restoration of priority. A request for restoration filed in RO/IB may include showings for revival based upon both standards. Thus, a PCT application desiring restoration can attempt restoration based upon both "unintentional" and "due care" standards if they file a PCT application in RO/IB, and obtain restoration in all countries which provide for restoration, if their "due care" showing is accepted by RO/IB, whereas they are precluded from obtaining a restoration based upon "due care" if filing in RO/US. Furthermore, RO/US would charge the \$1700 fee specified in 35 USC 41(a)(7) for a request for restoration of priority, whereas the RO/IB would charge no fee for a request for restoration of priority.⁹

1. To contact me, see: Neifeld.com . I thank Bruce Margulies for his review and comments on drafts of this article.
2. <http://www.wipo.int/treaties/en/> contains a list of treaties administered by WIPO.
3. http://www.wipo.int/treaties/en/ip/plt/summary_plt.html contains a summary of the PLT.
4. http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=4 lists the contracting parties.
5. <http://www.gpo.gov/fdsys/pkg/PLAW-112publ211/pdf/PLAW-112publ211.pdf> contains a copy of Public Law 112-211.
6. <http://www.gpo.gov/fdsys/pkg/FR-2013-10-21/pdf/2013-24471.pdf> contains a copy of "Changes To Implement the Patent Law Treaty; Final Rule," 78 FR 62368 (2013).
7. <http://www.wipo.int/pct/en/texts/rules/r26bis.htm> contains a copy of PCT rule 26bis.3.
8. See "PCT Applicant's Guide – International Phase – Annex C", http://www.wipo.int/pct/guide/en/gdvol1/annexes/annexc/ax_c_ib.pdf
9. *Id.*