U.S. Patent System Under GATT and NAFTA

By Gerald T. Bodner, Esq.

The United States took a step closer to harmonization of its patent practice with the rest of the world when Congress adopted and implemented the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA). President Clinton approved the GATT legislation on December 8, 1994 (the NAFTA legislation was approved earlier) and significant changes to our patent system took effect six months later, on June 8, 1995.

One major effect of GATT and NAFTA on U.S. patent practice is that the term of a patent is now twenty years from the filing date of the patent application. This is the same term provided to patents issued by most countries of the world. The term of a U.S. patent had been seventeen years from the date the patent issues. The twenty year term is calculated from the filing date, but the rights conferred under the patent, including the right to exclude others from making, using and selling the patented invention, do no take effect until the patent actually issues.

Most U.S. patents issue within one to three years after they are filed. Consequently, this change in the law should have an overall positive effect in extending the life of a patent. There are situations, however, when a patent applicant incurs protracted prosecution which significantly delays the issuance of his patent. The adoption of GATT remedies this by providing an extension of up to five years on the term of the patent if issuance of the patent is delayed by certain circumstances.

For example, the patent term extension will apply if a secrecy order is imposed by the federal government, such as when in the interests of national security issuance of the patent is deferred to maintain the secrecy of the invention. A patent extension may also be obtained if the applicant appeals the Patent and Trademark Office's rejection of his application, and wins, or if he is involved in an interference, which is a proceeding in the Patent and Trademark Office to determine if he rather than someone else is the first inventor.

Placing the United States in further alignment with the rest of the world, a U.S. patent is also now published after eighteen (18) months from its filing date, unless the government imposes a secrecy order, or the inventor/applicant opts out of publication by agreeing not to file applications in foreign countries, which routinely publish patent applications for opposition purposes. Although the right to exclude others from making, using and selling the patented device does not accrue until and if a patent issues, damages may accrue from the publication date for infringement of any claims that were not amended during examination of the patent application.

Another major change in U.S. patent practice resulting from GATT and NAFTA concerns proof as to the date the invention was first conceived. In most countries of the world, the first person to file the application is awarded the patent, regardless of whether

he was first to conceive of the invention. The practice is much different in the United States. A U.S. patent is awarded to the first to invent, not the first to file a patent application. A person in the United States may conceive of the invention first, but be second to file a patent application on the invention and still be awarded the patent. The interference proceeding in the Patent and Trademark Office mentioned previously is used to determine who the first inventor is so that a single patent will issue for the invention. In this respect, the United States has not harmonized with the rest of the world, and awards patents to the first to invent, not the first to file.

However, before GATT and NAFTA, a U.S. applicant had a significant advantage over a foreign applicant. The U.S. applicant could rely on his activities in the United States in proving that he was first to conceive of the invention, whereas a foreign applicant for a U.S. patent was precluded from offering proof of conception based on activities occurring outside the United States.

GATT leveled the playing field. Now foreign applicants for a U.S. patent, like a U.S. applicant, may show an early conception date for the invention based on their activities within or outside the United States.

A fourth major result of the passage of GATT is the implementation of a provisional application in the United States. The provisional application is an inexpensive application that is not examined but may be relied on to form the basis of a more complete patent application filed up to one year later. The provisional application allows the applicant to establish an early effective filing date for the later filed, more complete patent application.

The provisional application is believed to be of significant value to those applicants who wish to publicly disclose their inventions early and have to rush to file more complete applications prior to the public disclosure so as not to forfeit the right to file corresponding applications in foreign countries. No patent claims, oaths or declarations or DNA/RNA sequences are required with the provisional application. Thus, as an example, a research scientist's paper prepared for publication which provides an enabling disclosure of his invention may be filed as a provisional application to establish an early filing date before the publication of the paper occurs.

The implementation of GATT and NAFTA has had a significant effect on the U.S. patent system. As a result, the United States has taken a major step forward in harmonizing its patent practice with the rest of the world.