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USPTO PROPOSAL ON ADOPTION OF A 30-MONTH PRIORITY PERIOD**I. GENERAL COMMENTS**

UNICE has taken note of the recent proposal made by the US Patent and Trademark Office (USPTO) for introduction of a 30-month priority period made in the framework of the Trilateral.

The priority period applicable to applications filed under the Patent Cooperation Treaty (PCT) is 12 months according to the Paris Convention. The USPTO considers that a stand-alone 30-month priority period could have significant benefits, and few costs, for both patent applicants and patent offices. Furthermore, according to the USPTO, it would harmonize the priority period for domestic filings with the priority period currently available under the PCT.

The 30-month priority period proposal raises complex issues, such as the compatibility of such a priority period with the Paris Convention (PC). Industry does not see the need to re-open the first international harmonisation instrument, which has functioned very well for more than 100 years and still does. This is accentuated in the current context of the stalemated efforts at further patent harmonisation.

UNICE considers this issue of key importance for the users of the patent system and would like to contribute to the debate with the following remarks.

II. DETAILED COMMENTS**1. PATENT TERM**

According to the proposal the effects on the end-date of a patent should be considered. The USPTO proposal will delay the end of the patent term. While, many time limits are calculated from the priority date, the patent term is calculated from the date of filing (see Article 4bis(5) Paris Convention and Article 33 TRIPs Agreement). Therefore, inventors could file an initial filing and hereafter, within the 30-month priority period file applications domestically and abroad - giving the ensuing patents a end date of 22½ years from the priority date, compared with maximum 21 years under the current system.

UNICE strongly opposes such a radical change in relation to the end term of a patent.

2. INCREASED LEGAL UNCERTAINTY FOR THIRD PARTIES

UNICE also opposes the proposal in view of the effects it could have on the interests of third parties.

Due to the possibility of delaying the earliest publication of applications, a priority period of 30 months would in UNICE's view increase the uncertainty for third parties. A strategy could be developed, according to which a priority application would be filed, afterwards abandoned before publication and then a subsequent application could be filed until after thirty months, which would then be the first time third parties could gain knowledge of such an application. Compared to this, the present system gives earlier certainty to third parties.

The current system gives at least third parties a chance to apprehend the possible scope of protection of the application after its publication. Moreover, the present system requires that the applicant at least bears the cost of a PCT application to get a 30-month delay. In the US proposal the applicant only has to file a priority application (for which in several jurisdictions and under the PLT no fee needs to be

paid). This might tempt applicants to file a great number of low-cost national applications leading to greater uncertainty.

3. PUBLICATION OF THE APPLICATION

The proposal would also represent a radical change in the publication of applications.

In the current PCT system, a PCT application becomes available to the public after 18 months calculated from the priority date. This is an element of the present system that is of fundamental importance for third parties. Furthermore, the PCT application is published either in English or with an abstract in English, so that competitors are aware of other applications and the risk they may pose.

In the USPTO proposal, the priority application may be published in an unfamiliar language. Also, there is a possibility that the priority application is not published at all, for example, if the applicant only filed the priority application to obtain a priority date, as is the case with US provisional patent applications. In such a situation, patent application publications will only occur some time after the subsequent applications have been filed at the end of the 30-months priority period.

Moreover, under the PCT, a search report is published at 18 months from the priority date or shortly thereafter, while in the USPTO proposal, it is not ensured that the public is informed about the value of a potential threat to their business at about the same time as under the PCT.

4. PRIOR-ART EFFECT AND HILMER DOCTRINE

The USPTO proposal points out that harmonization of patent laws should mitigate or remove any discrepancies to the prior-art effect resulting from the Hilmer Doctrine. Furthermore, the USPTO notes that foreign applicants can receive the same prior-art effect as US filings by filing a provisional application in the US.

In the US, under the Hilmer doctrine that is still not abandoned, an application only counts as prior art from its US filing date. So, if the US filing date is delayed by 1.5 years, so is the earliest date at which the application starts to count as prior art. Abandoning the Hilmer doctrine in the context of patent harmonization does not seem likely for the foreseeable future.

Since, even if the proposal were to be accepted, in order to obtain the prior art effect of a US filing such a filing would have to be effected, a non-US applicant would have still either to file its priority application as a provisional application in the US or file in addition to its non-US priority application a US provisional application. Both options are not desirable because in one case the applicant loses flexibility and in the other case the costs are increased.

5. MOST FAVOURED NATION (MFN) PRINCIPLE

The USPTO proposal brings forward the idea of limiting eligibility for the 30-month period to applicants meeting certain conditions, the so-called “qualified applicants”, who similarly come from a country that also applies the 30-month priority period.

This criterion is in UNICE’s view an expression of reciprocity, not compatible with the MFN principle laid down in the TRIPs Agreement.

III. CONCLUSION

In view of the above, UNICE cannot support the USPTO proposal in all its respects and strongly believes that no benefits could be gained by introducing an extended priority period.

UNICE is strongly concerned about the longer priority period generating uncertainty and greater burden on third parties to determine whether they can enter a market. Amending the system in that direction does not correspond to industry’s needs. Such greater uncertainty will not increase the respect of non-patent professionals for the patent system.

No harmonisation with the current priority period of 12-months applicable under the PCT would be achieved and industry is strongly concerned about the possible negative effects to the use of the PCT system. For European industry, it is of utmost importance that a good patent system is a balanced one. The 30-month priority as proposed by the USPTO would severely obliterate the balance and give a too strong advantage to the applicants over third parties. Furthermore, the efforts on work-sharing from PCT search and examination among patent offices would most probably not be improved.

UNICE considers it more important to focus discussion on the more urgent topics of the international harmonisation of patent law.

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