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Recent Development
**CHANGES IN U.S. PATENT LAW EFFECTED BY THE URUGUAY ROUND AGREEMENTS ACT--THE GATT
IMPLEMENTATION LEGISLATION^{dt}**
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The Uruguay Round¹ of the General Agreement on Trade and Tariffs Negotiations (GATT) came to a close on December 15, 1993.² During these negotiations, over one hundred *316 trade representatives from around the world met for seven years to forge a new trade agreement.³ On December 8, 1994, almost one year after the close of the GATT negotiations, President Clinton signed the Uruguay Round Agreements Act into law in the United States.⁴ This act is the legislation implementing the World Trade Organization (WTO)/GATT and its accompanying Trade Related Aspects of Intellectual Property Rights (TRIPs) provisions in the United States.⁵ The TRIPs provisions of the WTO/GATT implementation legislation make sweeping and significant changes to current intellectual property law, particularly for patents.⁶ A complete understanding of these changes is recommended in order to develop and implement strategies to fully protect intellectual property rights of inventors and their assignees and licensees.

This article provides a general overview of the changes to the United States patent laws that have resulted from the passage of the Uruguay Round Agreements Act. Appendix A sets out the actual provisions of Title 35 of the United States Code (the "Patent Act") that have been changed. Some of the amendments to the Patent Act implemented by the Uruguay Round Agreements Act are effective as early as June 8, 1995.⁷ The remaining amendments will be effective on January 1, 1996, one year after the date that the World Trade Organization (WTO) Agreement enters into force in the United States.⁸ The changes will apply to utility⁹ and plant patents,¹⁰ but do not apply to design patents.¹¹

I. Patent Term Changed to Twenty Years from Date of Filing

The most significant change brought about by the Uruguay Round Agreements Act is that the term of a United States patent will be twenty years, measured from the date of filing of the *317 patent application, rather than seventeen years, measured from the date of issue¹² of the patent.¹³ This means that the patent term will begin on the date that the patent issues and will end twenty years from the date on which the application for the patent was filed in the United States.¹⁴ A continuation¹⁵ or a continuation-in-part¹⁶ patent application may still be filed with the benefit of the filing date of the parent, for purposes of priority. However, the term of the continuation or continuation-in-part patent will be measured from the date of filing of the

parent application, rather than from the date of issue of the continuation or continuation-in-part patent.¹⁷ Similarly, the term of a divisional patent application will be measured from the date the parent application is filed.¹⁸ *318 Where there is more than one parent application, the patent term of all the descendants shall be measured from the date the earliest parent application is filed.¹⁹ This change is intended to prevent the use of “submarine” patents.²⁰

The twenty year patent term becomes effective on June 8, 1995. Patents that issue after that date will not be detrimentally affected. However, there may be dramatic effects on patents that have issued before June 8, 1995, and those that are pending as of that date.²¹ This is because patents already in effect on June 8, 1995, or that later issue from applications filed before June 8, 1995, will have a term that is the *greater of twenty years* from the date of filing of the application (or if the application is a continuation, continuation-in-part, or divisional application, twenty years from the date of filing of the earliest parent application), *or seventeen years* from the date of issue, subject to any terminal disclaimers.²² Under this “transitional” provision, which gives the twenty year term a retroactive effect, some patents that are pending or that have already issued may realize a term greater than the seventeen years expected when the application for the patent was filed. Thus, patent owners and licensees should examine their interests in existing patents in light of this provision to determine whether it may extend the terms of those patents. Licenses involving patents whose terms are extended by the twenty year provision may need further negotiation.

To ameliorate the consequences of such a greater-than-expected or extended patent term to an actual or potential infringer, restrictions will be placed on the patent owner’s ability to recover damages or other remedies for infringement resulting from the statute’s retroactive effect. Thus, a patent owner will only be able to obtain “equitable remuneration” for acts begun, or for which substantial investment was made, before June 8, 1995, and which became infringing acts as a result of the retroactive effect of section 154(c)(1) of the Patent Act.²³ The patent owner will not be able to obtain an injunction, damages, or attorneys fees for such infringing acts.²⁴

*319 In addition, the patent term may be extended beyond twenty years to compensate for particular delays in examination and processing of the patent application.²⁵ These extensions shall be made for delays due to interference proceedings,²⁶ secrecy orders,²⁷ and appellate review by the Board of Patent Appeals and Interferences or a federal court. An extension shall be subject to certain conditions and limitations and will never be for a period longer than five years, regardless of whether the delay actually extends beyond five years or multiple delays cumulatively exceed five years.²⁸ This extension is separate from and in addition to the extension already provided for in section 156 of the Patent Act.

II. Provisional Applications Established in Creating a “Domestic Priority System”

Provisional applications may be filed beginning June 8, 1995.²⁹ The purpose of a provisional application is to provide a priority date that will not be counted in the patent term.³⁰ The provisions of the Paris Convention for Protection of Industrial Property do not allow inclusion of the Paris Convention priority period in the patent term. Provisional applications are intended to place U.S. applicants on equal footing with foreign applicants with respect to the patent term.³¹

The requirements for obtaining a filing date for a provisional application are the same as those for any other application,³² except that no claim, oath, or declaration is required.³³ The filing *320 fee shall be \$150, except for small entities,³⁴ which need only pay a \$75 filing fee.³⁵ An application filed under section 111(a) of the Patent Act may also be treated as a provisional application.³⁶

Provisional applications will automatically be abandoned twelve months after filing and will not be subject to revival.³⁷ During the twelve month period that a provisional application is pending, the benefit of the filing date of that provisional application may be obtained for a patent application based on and referring to that provisional application. However, a provisional application will not be entitled to claim priority benefits based on any other application.³⁸ Provisional applications will not be examined for patentability, placed in interference, or made the subject of a statutory invention registration.³⁹

III. Foreign Activity May Be Used to Show Date of Invention

For proving a date of invention, parties will be able to rely on inventive activity occurring outside the United States in a World Trade Organization (WTO) member country.⁴⁰ Inventive activity for proving a date of invention will no longer be restricted to activity occurring within the United States or in NAFTA countries Canada and Mexico. Foreign companies and multinationals will no longer be limited to the filing dates of their foreign priority applications to establish a date of invention made abroad.⁴¹ This change will apply to applications filed on or after January 1, 1996. However, it will not apply to

applications filed before January 1, 1996, or to inventive activity that occurred before January 1, 1996. That is, the change in section 104 of the Patent Act will not enable activity that occurred prior to January 1, 1996, in a foreign country, other than Canada or Mexico, to be used to prove a date of invention.⁴²

***321 IV. Scope of Infringement Broadened**

Effective January 1, 1996, offers to sell a patented invention—a patented product or a patented process—or a product made from a patented process, will infringe the patent if the sale will occur before the expiration of the patent term.⁴³ Similarly, offers to sell a component known to be especially made or adapted for a patented invention will be sufficient to establish contributory infringement if the sale will occur before the expiration of the patent term.⁴⁴ The existing exceptions to infringement of section 271(e) of the Patent Act will continue to apply.

Also, effective January 1, 1996, importing a patented invention—a patented product or patented process—as well as importing a product made by a process patented in the United States, will infringe the patent.⁴⁵ Similarly, importing a component known to be especially made for the invention will be sufficient to establish contributory infringement.⁴⁶

V. Conclusion

The changes that will be made to U.S. patent law discussed above, particularly the change in the measurement of the patent term and the introduction of provisional applications, will probably affect the style of patent prosecution practice in the United States significantly. For example, patents based on divisional and continuation applications will almost always have shorter patent terms than parent patents. Consequently, divisional and continuation applications will probably be filed less often and even avoided where possible. A push for expedited examination and processing of patent applications is also likely. Moreover, time wasted by delays in responding to the Office Actions of the U.S. Patent and Trademark Office and in paying issue fees will shorten the length of the twenty year patent term after issue, since the twenty year term will be measured from the filing date of the application, rather than from the date of issue of the patent.⁴⁷ Finally, substantial use of provisional applications is predicted, as such applications offer strategic advantages, including a significant and economical way to obtain a filing date on an invention while delaying the beginning of the patent term.⁴⁸

***322 VI. Appendix A: Amended Provisions of Title 35 of the United States Code**

The following provisions of Title 35 of the United States Code have been amended by the Uruguay Round Agreements Act implementing the General Agreement on Tariffs and Trade (GATT). Additions are highlighted, and deletions are marked through. The changes are effective on January 1, 1996, except where marked by an asterisk, indicating the changes are effective on June 8, 1995.

§ 41 Patent fees; patent and trademark search systems

(a) The Commissioner shall charge the following fees:

(1)(A) On filing each application for an original patent, except in design or plant cases, \$500 [with surcharge, the amount is now \$730].

(B) In addition, on filing or on presentation at any other time, \$52 [with surcharge, the amount is now \$76] for each claim in independent form which is in excess of 3, \$14 [with surcharge, the amount is now \$22] for each claim (whether independent or dependent) which is in excess of 20, and \$160 [with surcharge, the amount is now \$240] for each application containing a multiple dependent claim.

^(C) On filing each provisional application for an original patent, \$150.

* * *

(b) The Commissioner shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980;

(1) 3 years and 6 months after grant, \$650 [with surcharge, the amount is now \$960].

(2) 7 years and 6 months after grant, \$1,310 [with surcharge, the amount is now \$1,930].

(3) 11 years and 6 months after grant, \$1,980 [with surcharge, the amount is now \$2,900].

Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period. The Commissioner may require the payment of a surcharge as a condition of accepting within such six-month grace period the late payment of an applicable maintenance fee. No fee will be established for maintaining a design or plant patent in force.

(c)(1) The Commissioner 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 Commissioner to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable. The Commissioner may require the payment of a *323 surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Commissioner 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.

(2) A patent, the term of which has been maintained as a result of the acceptance of a payment of a maintenance fee under this subsection, shall **not** abridge or affect the right of any person or **that person's** successors in business who made, purchased, **offered to sell**, or used **anything protected by the patent within the United States, or imported anything protected by the patent into the United States** after the six-month grace period but prior to the acceptance of a maintenance fee under this subsection, to continue the use of, **to offer for sale** or to sell to others to be used, **offered for sale**, or sold, the specific thing so made, purchased, **offered for sale, used or imported**. The court before which such matter is in question may provide for the continued manufacture, use, **offer for sale**, or sale of the thing made, purchased, **offered for sale**, or used **within the United States, or imported into the United States**, as specified, or for the manufacture, use, **offer for sale**, or sale **in the United States** of which substantial preparation was made after the six-month grace period but before the acceptance of a maintenance fee under this subsection, and **the court** may also provide for the continued practice of any process **that is** practiced, or for the practice of which substantial preparation was made, after the six-month grace period but **before** the acceptance of a maintenance fee under this subsection, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced after the six-month grace period but before the acceptance of a maintenance fee under **this** subsection.

* * *

§ 104 Invention made abroad.

(a) IN GENERAL.-

(1) PROCEEDINGS.-In proceedings in the Patent and Trademark Office, in the courts, and before any other competent authority, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country other than a NAFTA country **or a WTO member country**, except as provided in sections 119 and 365 of this title.

(2) RIGHTS.-If an invention was made by a person, civil or military-

***324 (A)** while domiciled in the United States and serving in any other country in connection with operations by or on behalf of the United States,

(B) while domiciled in a NAFTA country and serving in another country in connection with operations by or on behalf of that NAFTA country, or

(C) while domiciled in a WTO member country and serving in another country in connection with operations by or on behalf of that WTO member country,

that person shall be entitled to the same rights of priority in the United States with respect to such invention as if such

invention had been made in the United States, that NAFTA country, or that WTO member country, as the case may be.

(3) USE OF INFORMATION.-To the extent that any information in a NAFTA country **or a WTO member country** concerning knowledge, use, or other activity relevant to proving or disproving a date of invention has not been made available for use in a proceeding in the **Patent and Trademark Office**, a court, or any other competent authority to the same extent as such information could be made available in the United States, the Commissioner, court, or such other authority shall draw appropriate inferences, or take other action permitted by statute, rule, or regulation, in favor of the party that requested the information in the proceeding.⁴⁹

(b) **DEFINITIONS.**-As used in this section-

(1) the term “NAFTA country” has the meaning given that term in section 2(4) of the North American Free Trade Agreement Implementation Act; **and**

(2) the term “WTO member country” has the meaning given that term in section 2(10) of the Uruguay Round Agreements Act.

* * *

***325 * § 111 Application**

(a) **IN GENERAL.**-

(1) WRITTEN APPLICATION.-An application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Commissioner.

(2) CONTENTS.-Such Application shall include

(A) a specification as prescribed by section 112 of this title;

(B) a drawing as prescribed by section 113 of this title; and

(C) an oath by the applicant as prescribed by section 115 of this title.

(3) FEE AND OATH.-The application must be accompanied by the fee required by law. The fee and oath may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed the Commissioner.

(4) FAILURE TO SUBMIT.-Upon failure to submit the fee and oath within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Commissioner that the delay in submitting the fee and oath was unavoidable **or unintentional**. The filing date of an application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

(b) **PROVISIONAL APPLICATION.**-

(1) AUTHORIZATION.-A provisional application for patent shall be made or authorized to be made by the inventor, except as otherwise provided in this title, in writing to the Commissioner. Such application shall include-

(A) a specification as prescribed by the first paragraph of section 112 of this title; and

(B) a drawing as prescribed by section 113 of this title.

(2) CLAIM.-A claim, as required by the second through fifth paragraphs of section 112, shall not be required in a provisional

application.

(3) FEE.-

(A) The application must be accompanied by the fee required by law.

(B) The fee may be submitted after the specification and any required drawing are submitted, within such period and under such conditions, including the payment of a surcharge, as may be prescribed by the Commissioner.

(C) Upon failure to submit the fee within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the *326 satisfaction of the Commissioner that the delay in submitting the fee was unavoidable or unintentional.

(4) FILING DATE.-The filing date of a provisional application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

(5) ABANDONMENT.-The provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival thereafter.

(6) OTHER BASIS FOR PROVISIONAL APPLICATION.-Subject to all the conditions in this subsection and section 119(e) of this title, and as prescribed by the Commissioner, an application for patent filed under subsection (a) may be treated as a provisional application for patent.

(7) NO RIGHT OF PRIORITY OR BENEFIT OF EARLIEST FILING DATE.-A provisional application shall not be entitled to the right of priority of any other application under section 119 or 365(a) of this title or to the benefit of an earlier filing date in the United States under section 120, 121, or 365(c) of this title.

(8) APPLICABLE PROVISIONS.-The provisions of this title relating to applications for patent shall apply to provisional applications for patent, except as otherwise provided, and except that provisional applications for patent shall not be subject to sections 115, 131, 135 and 157 of this title.

* * *

Chapter 11-Application For Patent.

Sec. 111. Application.

112. Specification.

113. Drawings.

114. Models, specimens.

115. Oath of applicant.

116. Inventors.

117. Death or incapacity of inventor.

118. Filing by other than inventor.

119. Benefit of earlier filing date; right of priority.

120. Benefit of earlier filing date in the United States.

121. Divisional applications.

122. Confidential status of applications.

***327** * § 119 Benefit of earlier filing date; right of priority

(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, 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 months from the earliest date on which such foreign application was filed; but no patent shall be granted on any application for patent for an invention which had been patented or described in a printed publication in any country more than one year before the date of the actual filing of the application in this country, or which had been in public use or on sale in this country more than one year prior to such filing.

(b) No application for patent shall be entitled to this right of priority unless a claim therefor and a certified copy of the original foreign application, specification and drawings upon which it is based are filed in the Patent and Trademark Office before the patent is granted, or at such time during the pendency of the application as required by the Commissioner not earlier than six months after the filing of the application in this country. Such certification shall be made by the patent office of the foreign country in which filed and show the date of the application and of the filing of the specification and other papers. The Commissioner may require a translation of the papers filed if not in the English language and such other information as he deems necessary.

(c) In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed application in the same foreign country instead of the first filed foreign application, provided that any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority.

(d) Applications for inventors' certificates filed in a foreign country in which applicants have a right to apply, at their discretion, either for a patent or for an inventor's certificate shall be treated in this country in the same manner and have the same effect for purpose of the right of priority under this section as applications for patents, subject to the same conditions and requirements of this section as apply to applications for patents, provided such applicants are entitled to the benefits of the Stockholm Revision of the Paris Convention at the time of such filing.

***328** (e) (1) An application for patent filed under section 111(a) or section 363 of this title for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in a provisional application filed under section 111(b) of this title, 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) of this title, if the application for patent filed under section 111(a) or section 363 of this title 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.

(2) A provisional application filed under section 111(b) of this title may not be relied upon in any proceeding in the Patent and Trademark Office unless the fee set forth in subparagraph (A) or (C) of section 41(a)(1) of this title has been paid and the provisional application was pending on the filing date of the application for patent under section 111(a) or section 363 of this title."

§ 154 Contents and term of patent.⁵⁰

(a) IN GENERAL.-

(1) CONTENTS-Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, **offering for sale**, or selling the invention throughout the United States **or importing the invention into the United States**, and, if the invention is a process, of the right to exclude others from using, **offering for sale** or selling throughout the United States, or importing into the United States, products made by that process, referring to the specification for the particulars thereof.

(2) TERM⁵¹-Subject to the payment of fees under this title, such grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed in the United States or, if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, from the date on which the earliest such application was filed.⁵²

***329 (3) PRIORITY**-Priority under section 119, 365(a), or 365(b) of this title shall not be taken into account in determining the term of a patent.

(4) SPECIFICATION AND DRAWING-A copy of the specification and drawing shall be annexed to the patent and be a part of such patent.

(b) TERM EXTENSION.⁵³

(1) **INTERFERENCE DELAY OR SECRECY ORDERS**-If the issue of an original patent is delayed due to a proceeding under section 135(a) of this title, or because the application for patent is placed under an order pursuant to section 181 of this title, the term of the patent shall be extended for the period of delay, but in no case more than 5 years.

(2) **EXTENSION FOR APPELLATE REVIEW**.-If the issue of a patent is delayed due to appellate review by the Board of Patent Appeals and Interferences or by a Federal court and the patent is issued pursuant to a decision in the review reversing an adverse determination of patentability, the term of the patent shall be extended for a period of time but in no case more than 5 years. A patent shall not be eligible for extension under this paragraph if it is subject to a terminal disclaimer due to the issue of another patent claiming subject matter that is not patentably distinct from that under appellate review.

(3) **LIMITATIONS**.-The period of extension referred to in paragraph (2)-

(A) shall include any period beginning on the date on which an appeal is filed under section 134 or 141 of this title, or on which an action is commenced under section 145 of this title, and ending on the date of a final decision in favor of the applicant;

(B) shall be reduced by any time attributable to appellate review before the expiration of 3 years from the filing date of the application for patent; and

(C) shall be reduced for the period of time during which the applicant for patent did not act with due diligence, as determined by the Commissioner.

(4) **LENGTH OF EXTENSION**.-The total duration of all extensions of a patent under this subsection shall not exceed 5 years.

***330 (c) CONTINUATION**.-

(1) **DETERMINATION**.-The term of a patent that is in force on or that results from an application filed before the date that is 6 months after the date of the enactment of the Uruguay Round Agreements Act [shall be the greater of the 20-year term as provided in subsection (a), or 17 years from grant subject to any terminal disclaimers.]⁵⁴

(2) **REMEDIES**.-The remedies of sections 283, 284 and 285 of this title shall not apply to Acts which-

(A) were commenced or for which substantial investment was made before the date that is 6 months after the date of the enactment of the Uruguay Round Agreements Act; and

(B) became infringing by reason of paragraph (1).

(3) **REMUNERATION**-The acts referred to in paragraph (2) may be continued only upon the payment of an equitable remuneration to the patentee that is determined in an action brought under chapter 28 and chapter 29 (other than those provisions excluded by paragraph (2)) of this title.

§ 156 Extension of patent term.

(a) The term of a patent which claims a product, a method of using a product, or a method of manufacturing a product shall be extended in accordance with this section from the original expiration date of the patent if -

(1) the term of the patent has not expired before an application is submitted under subsection (d)(1) for its extension;

(2) the term of the patent has never been extended **under subsection (e)(1) of this section**;

(3) an application for extension is submitted by the owner of record of the patent or its agent and in accordance with the requirements of paragraphs (1) through (4) of this subsection (d);

(4) the product has been subject to a regulatory review period before its commercial marketing or use;

(5)(A) except as provided in subparagraph (B) or (C), the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of the product ***331** under the provision of law under which such regulatory review period occurred;

(B) in the case of a patent which claims a method of manufacturing the product which primarily uses recombinant DNA technology in the manufacture of the product, the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of a product manufactured under the process claimed in the patent; or

(C) for purposes of subparagraph (A), in the case of a patent which-

(I) claims a new animal drug or a veterinary biological product which (I) is not covered by the claims in any other patent which has been extended, and (II) has received permission for the commercial marketing or use in non-food-producing animals and in food-producing animals, and

(ii) was not extended on the basis of the regulatory review period for use in non-food-producing animals,

the permission for the commercial marketing or use of the drug or product after the regulatory review period for use in food-producing animals is the first permitted commercial marketing or use of the drug or product for administration to a food-producing animal.

The product referred to in paragraphs (4) and (5) is hereinafter in this section referred to as the "approved product".

* * *

* § 172 Right of priority.

The right of priority provided for by **subsections (a) through (d)** of section 119 of this title and the time specified in section 102(d) shall be six months in the case of designs. **The right of priority provided for by section 119(e) of this title shall not apply to designs.**

* § 173 Term of design patent.

Patents for designs shall be granted for the term of fourteen years **from the date of grant**.

§ 252 Effect of reissue.

The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same had been originally granted in such amended form, but in so far as the claims of the original and reissued patents are identical, such

surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are *332 identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent.

A reissued patent shall **not** abridge or affect the right of any person or **that person's** successors in business who, **prior to the grant of a reissue**, made, purchased, **offered to sell**, or used **within the United States, or imported into the United States**, anything patented by the reissued patent, to continue the use of, **to offer to sell**, or to sell to others to be used, **offered for sale**, or sold, the specific thing so made, purchased, **offered for sale**, used, **or imported** unless the making, using, **offering for sale**, or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use, **offer for sale**, or sale of the thing made, purchased, **offered for sale**, used **or imported** as specified, or for the manufacture, use, **offer for sale**, or sale **in the United States** of which substantial preparation was made before the grant of the reissue, and **the court** may also provide for the continued practice of any process patented by the reissue, **that is** practiced, or for the practice of which substantial preparation was made, before the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

§ 262 Joint owners.

In the absence of any agreement to the contrary, each of the joint owners of a patent may make, use, **offer to sell**, or sell the patented invention **within the United States, or import the patented invention into the United States**, without the consent of and without accounting to the other owners.

§ 271 Infringement of patent.

(a) Except as otherwise provided in this title, whoever without authority makes, uses, **offers to sell**, or sells any patented invention, within the United States, **or imports into the United States any patented invention** during the term of the patent therefor, infringes the patent.

(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever **offers to sell or sells within the United States or imports into the United States** a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal *333 extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement; (4) refused to license or use any rights to the patent; or (5) conditioned the license of any rights to the patent or the sale of the patented product on the acquisition of a license to rights in another patent or purchase of a separate product, unless, in view of the circumstances, the patent owner has market power in the relevant market for the patent or patented product on which the license or sale is conditioned.

(e)(1) It shall not be an act of infringement to make, use, **offer to sell**, or sell **within the United States or import into the United States** a patented invention (other than a new animal drug or veterinary biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act and the Act of March 4, 1913) which is primarily manufactured using recombinant DNA, recombinant RNA, hybridoma technology, or other processes involving site specific genetic manipulation techniques) solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs or veterinary biological products.

(2) It shall be an act of infringement to submit-

(A) an application under section 505(j) of the Federal Food, Drug, and Cosmetic Act or described in section 505(b)(2) of such Act for a drug claimed in a patent or the use of which is claimed in a patent, or

(B) an application under section 512 of such Act or under the Act of March 4, 1913 (21 U.S.C. 151-158) for a drug or veterinary biological product which is not primarily manufactured using recombinant DNA, recombinant RNA, hybridoma technology, or other processes involving site specific genetic manipulation techniques and which is claimed in a patent or the use of which is claimed in a patent, if the purpose of such submission is to obtain approval under such Act to engage in the commercial manufacture, use, or sale of a drug or veterinary biological product claimed in a patent or the use of which is claimed in a patent before the expiration of such patent.

(3) In any action for patent infringement brought under this section, no injunctive or other relief may be granted which would prohibit the making, using, **offering to sell**, or selling **within the United States or importing into the United States** of a patented invention under paragraph (1).

(4) For an act of infringement described in paragraph (2)-

(A) the court shall order the effective date of any approval of the drug or veterinary biological product involved in the infringement to be a date ***334** which is not earlier than the date of the expiration of the patent which has been infringed,

(B) injunctive relief may be granted against an infringer to prevent the commercial manufacture, use, **offer to sell**, or sale **within the United States or importation into the United States** of an approved drug or veterinary biological product, and

(C) damages or other monetary relief may be awarded against an infringer only if there has been commercial manufacture, use, **offer to sell**, or sale **within the United States or importation into the United States** of an approved drug or veterinary biological product.

The remedies prescribed by subparagraphs (A), (B), and (C) are the only remedies which may be granted by a court for an act of infringement described in paragraph (2), except that a court may award attorney fees under section 285.

(f)(1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

(2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

(g) Whoever without authority imports into the United States or **offers to sell**, sells, or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer, if the importation, **offer to sell**, sale, or use of the product occurs during the term of such process patent. In an action for infringement of a process patent, no remedy may be granted for infringement on account of the noncommercial use or retail sale of a product unless there is no adequate remedy under this title for infringement on account of the importation or other use, **offer to sell**, or sale of that product. A product which is made by a patented process will, for purposes of this title, not be considered to be so made after-

(1) it is materially changed by subsequent processes; or

(2) it becomes a trivial and nonessential component of another product.

***335** (h) As used in this section, the term “whoever” includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.

(i) As used in this section, an “offer for sale” or an “offer to sell” by a person other than the patentee, or any designee of the patentee, is that in which the sale will occur before the expiration of the term of the patent.

§ 272 Temporary Presence In The United States.

The use of any invention in any vessel, aircraft, or vehicle of any country which affords similar privileges to vessels, aircraft or vehicles of the United States, entering the United States temporarily or accidentally, shall not constitute infringement of any patent, if the invention is used exclusively for the needs of the vessel, aircraft or vehicle and is not **offered for sale or sold** in or used for the manufacture of anything to be sold in or exported from the United States.

§ 287 Limitation on damages and other remedies; marking and notice

(a) Patentees, and persons making, **offering for sale**, or selling **within the United States** any patented article for or under them, **or importing any patented article into the United States**, may give notice to the public that the same is patented, either by fixing thereon the word “patent” or the abbreviation “pat.”, together with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.

(b)(1) An infringer under section 271(g) shall be subject to all the provisions of this title relating to damages and injunctions except to the extent those remedies are modified by this subsection or section 9006 of the Process Patent Amendments Act of 1988. The modifications of remedies provided in this subsection shall not be available to any person who-

(A) practiced the patented process;

(B) owns or controls, or is owned or controlled by, the person who practiced the patented process; or

(C) had knowledge before the infringement that a patented process was used to make the product the importation, use, **offer for sale**, or sale of which constitutes the infringement.

***336** (2) No remedies for infringement under section 271(g) of this title shall be available with respect to any product in the possession of, or in transit to, the person subject to liability under such section before that person had notice of infringement with respect to that product. The person subject to liability shall bear the burden of proving any such possession or transit.

(3)(A) In making a determination with respect to the remedy in an action brought for infringement under section 271(g), the court shall consider-

(I) the good faith demonstrated by the defendant with respect to a request for disclosure,

(ii) the good faith demonstrated by the plaintiff with respect to a request for disclosure, and

(iii) the need to restore the exclusive rights secured by the patent.

(B) For purposes of subparagraph (A), the following are evidence of good faith:

(i) a request for disclosure made by the defendant;

(ii) a response within a reasonable time by the person receiving the request for disclosure; and

(iii) the submission of the response by the defendant to the manufacturer, or if the manufacturer is not known, to the supplier, of the product to be purchased by the defendant, together with a request for a written statement that the process claimed in any patent disclosed in the response is not used to produce such product.

The failure to perform any acts described in the preceding sentence is evidence of absence of good faith unless there are mitigating circumstances. Mitigating circumstances include the case in which, due to the nature of the product, the number of sources for the product, or like commercial circumstances, a request for disclosure is not necessary or practicable to avoid infringement.

(4)(A) For purposes of this subsection, a “request for disclosure” means a written request made to a person then engaged in the manufacture of a product to identify all process patents owned by or licensed to that person, as of the time of the request, that the person then reasonably believes could be asserted to be infringed under section 271(g) if that product were imported into or sold, **offered for sale**, or used in, the United States by an unauthorized person. A request for disclosure is further limited to a request-

(I) which is made by a person regularly engaged in the United States in the sale of the same type of products as those manufactured by the person to whom the request is directed, or which includes facts showing that ***337** the person making the request plans to engage in the sale of such products in the United States;

(ii) which is made by such person before the person’s first importation, use, **offer for sale**, or sale of units of the product produced by an infringing process and before the person had notice of infringement with respect to the product; and

(iii) which includes a representation by the person making the request that such person will promptly submit the patents identified pursuant to the request to the manufacturer, or if the manufacturer is not known, to the supplier, of the product to be purchased by the person making the request, and will request from that manufacturer or supplier a written statement that none of the processes claimed in those patents is used in the manufacture of the product.

(B) In the case of a request for disclosure received by a person to whom a patent is licensed, that person shall either identify the patent or promptly notify the licensor of the request for disclosure.

(C) A person who has marked, in the manner prescribed by subsection (a), the number of the process patent on all products made by the patented process which have been **offered for sale or sold** by that person in the United States, **or imported by the person into the United States**, before a request for disclosure is received is not required to respond to the request for disclosure. For purposes of the preceding sentence, the term “all products” does not include products made before the effective date of the Process Patent Amendments Act of 1988.

(5)(A) For purposes of this subsection, notice of infringement means actual knowledge, or receipt by a person of a written notification, or a combination thereof, of information sufficient to persuade a reasonable person that it is likely that a product was made by a process patented in the United States.

(B) A written notification from the patent holder charging a person with infringement shall specify the patented process alleged to have been used and the reasons for a good faith belief that such process was used. The patent holder shall include in the notification such information as is reasonably necessary to explain fairly the patent holder’s belief, except that the patent holder is not required to disclose any trade secret information.

(C) A person who receives a written notification described in subparagraph (B) or a written response to a request for disclosure described in paragraph (4) shall be deemed to have notice of infringement with respect to any patent referred to in such written notification or response unless that person, absent mitigating circumstances-

***338** (i) promptly transmits the written notification or response to the manufacturer or, if the manufacturer is not known, to the supplier, of the product purchased or to be purchased by that person; and

(ii) receives a written statement from the manufacturer or supplier which on its face sets forth a well grounded factual basis for a belief that the identified patents are not infringed.

(D) For purposes of this subsection, a person who obtains a product made by a process patented in the United States in a quantity which is abnormally large in relation to the volume of business of such person or an efficient inventory level shall be rebuttably presumed to have actual knowledge that the product was made by such patented process.

(6) A person who receives a response to a request for disclosure under this subsection shall pay to the person to whom the request was made a reasonable fee to cover actual costs incurred in complying with the request, which may not exceed the cost of a commercially available automated patent search of the matter involved, but in no case more than \$500.

§ 292 False marking.

(a) Whoever, without the consent of the patentee, marks upon, or affixes to, or uses in advertising in connection with anything made, used, **offered for sale**, or sold by **such person within the United States, or imported by the person into the United States**, the name or any imitation of the name of the patentee, the patent number, or the words "patent," "patentee," or the like, with the intent of counterfeiting or imitating the mark of the patentee, or of deceiving the public and inducing them to believe that the thing was made, **offered for sale, sold, or imported into the United States** by or with the consent of the patentee; or Whoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word "patent" or any word or number importing that the same is patented for the purpose of deceiving the public; or

Whoever marks upon, or affixes to, or uses in advertising in connection with any article, the words "patent applied for," "patent pending," or any word importing that an application for patent has been made, when no application for patent has been made, or if made, is not pending, for the purpose of deceiving the public-

Shall be fined not more than \$500 for every such offense.

(b) Any person may sue for the penalty, in which event one-half shall go to the person suing and the other to the use of the United States.

*339 § 295 Presumption: product made by patented process.

In actions alleging infringement of a process patent based on the importation, sale, **offer for sale**, or use of a product which is made from a process patented in the United States, if the court finds-

(1) that a substantial likelihood exists that the product was made by the patented process, and

(2) that the plaintiff has made a reasonable effort to determine the process actually used in the production of the product and was unable to so determine,

the product shall be presumed to have been so made, and the burden of establishing that the product was not made by the process shall be on the party asserting that it was not so made.

§ 307 Certificate of patentability, unpatentability, and claim cancellation

(a) In a reexamination proceeding under this chapter, when the time for appeal has expired or any appeal proceeding has terminated, the Commissioner will issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable.

(b) Any proposed amended or new claim determined to be patentable and incorporated into a patent following a reexamination proceeding will have the same effect as that specified in section 252 of this title for reissued patents on the right of any person who made, purchased, or used **within the United States, or imported into the United States**, anything patented by such proposed amended or new claim, or who made substantial preparation for the same, prior to issuance of a certificate under the provisions of subsection (a) of this section.

* § 365 Right of priority; benefit of the filing date of a prior application.

(a) In accordance with the conditions and requirements of **subsections (a) through (d)** of section 119 of this title, a national application shall be entitled to the right of priority based on a prior filed international application which designated at least one country other than the United States.

(b) In accordance with the conditions and requirements of section 119(a) of this title 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.

*340 (c) In accordance with the conditions and requirements of section 120 of this title, an international application designating the United States shall be entitled to the benefit of the filing date of a prior national application or a prior international application designating the United States, and a national application shall be entitled to the benefit of the filing date of a prior international application designating the United States. If any claim for the benefit of an earlier filing date is based on a prior international application which designated but did not originate in the United States, the Commissioner may require the filing in the Patent and Trademark Office of a certified copy of such application together with a translation thereof into the English language, if it was filed in another language.

§ 373 Improper applicant.

An international application designating the United States, shall not be accepted by the Patent and Trademark Office for the national stage if it was filed by anyone not qualified under chapter 11 of this title to be an applicant for the purpose of filing a national application in the United States. Such international applications shall not serve as the basis for the benefit of an earlier filing date under section 120 of this title in a subsequently filed application, but may serve as the basis for a claim of the right of priority under **subsections (a) through (d) of section 119** of this title, if the United States was not the sole country designated in such international application.

***341 VII. Appendix B: World Trade Organization Members**

WTO MEMBERSHIP AS OF JANUARY 1, 1995 (81)⁵⁵

Antigua and Barbuda	Greece	Nigeria
Argentina	Guyana	Norway
Australia	Honduras	Pakistan
Austria	Hong Kong	Paraguay
Bahrain	Hungary	Peru
Bangladesh	Iceland	Philippines
Barbados	India	Portugal
Belgium	Indonesia	Romania
Belize	Ireland	St. Lucia
Botswana	Italy	St. Vincent and the Grenadines
Brazil	Japan	
Brunei Darussalam	Kenya	Senegal
Canada	Korea	Singapore
Chile	Kuwait	Slovak Republic
	Lesotho	South Africa

Colombia	Luxembourg	Spain
Costa Rica	Macau	Sri Lanka
Cote D'Ivoire	Malawi	Suriname
Czech Republic	Malaysia	Swaziland
Denmark	Malta	Sweden
Dominica	Mauritania	Tanzania
European Communities	Mauritius	Thailand
Finland	Mexico	Uganda
France	Morocco	United Kingdom
Gabon	Myanmar	United States
Germany	Nambias	Uruguay
Ghana	Netherlands	Venezuela
	New Zealand	Zambia

PARTICIPANTS WHO HAVE ACCEPTED THE WTO AND WHOSE SCHEDULES ARE BEING VERIFIED (9)⁴⁸

Central African Republic	Chad	Guinea Bissau
Mali	Grenada	Maldives
Mozambique	Papua New Guinea	
	Qatar	

PARTICIPANTS IN THE PROCESS OF DOMESTIC RATIFICATION (38)⁴⁹

Angola	Fiji	Slovenia
Benin	Gambia	Solomon Islands
Bolivia	Guatemala	St. Kitts and Nevis
Burkina Faso	Guinea	Switzerland
Burundi	Haiti	Togo
Cameroon	Israel	Trinidad and Tobago

Congo	Jamaica	
Cuba	Liechtenstein	Tunisia
Cyprus	Madagascar	Turkey
Djibouti	Nicaragua	United Arab Emirates
Dominican Republic	Niger	Zaire
Egypt	Poland	Zimbabwe
El Salvador	Rwanda	
	Sierra Leone	

Footnotes

- ^{dl} This article is intended to serve only as a summary of changes made in the patent law by the Uruguay Round Agreements Act signed into law on December 8, 1994. It is not intended as legal advice or as a representation of any view of Arnold, White & Durkee.
- ^{a1} Karen Tripp, a shareholder of Arnold, White and Durkee, Houston, Texas, is the editor of the Intellectual Property Law Review, published by Clark Boardman Callaghan, New York. She practices in the areas of Patent, Trademark and Copyright Law. She holds a degree in Chemistry from the University of North Carolina at Chapel Hill and a law degree from the University of Alabama. She is past officer and member of the board of directors of the Houston Intellectual Property Law Association.
- ^{aa1} Linda Stokley, an associate with Arnold, White and Durkee, Houston, Texas, graduated magna cum laude from the South Texas College of Law and served as Assistant Editor of the South Texas Law Review. She holds a B.S. degree in Microbiology and a M.S. degree in Food Science and Technology from Texas Tech University.
- ¹ “[T]he decision to commence [an eighth round] of negotiations was made by a meeting of trade ministers at Punta del Este in Uruguay in 1986”; thus, the eighth round is called the Uruguay Round. John Richards, *Trade Related Intellectual Property Issues (TRIPS)*, 72 J. PAT. & TRADEMARK OFF. SOC’Y 906, 906-10 (1990) (summarizing the history of GATT).
- ² *Treaties-Uruguay Round of GATT Talks are Concluded with IP Provisions*, 47 PAT., TRADEMARK & COPYRIGHT J. (BNA) 170 (discussing the GATT-TRIPS agreement).
- ³ The GATT negotiations began on November 21, 1947; however, the Uruguay Round was the first to involve Trade Related Aspects of Intellectual Property Rights (TRIPs) issues. Richards, *supra* note 1, at 906, 910.
- ⁴ *See President Signs GATT Bill and IP Owners Ponder Impact of Changes*, 49 PAT., TRADEMARK & COPYRIGHT J. (BNA) 129 (1994). *See also* Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (1994).
- ⁵ The TRIPs provisions are only part of the Uruguay Round agreements that establish the World Trade Organization (WTO). The other Uruguay Round agreements deal with subjects such as agriculture, sanitary and phytosanitary measures, textiles and clothing, antidumping, trade related investment measures, subsidies and countervailing measures, safeguards, technical barriers to trade, customs valuation, pre-shipment inspections, rules of origin, import licensing procedures, services, and dispute settlement. James L. Bikoff and David I. Wilson, *Intellectual Property Protection Under NAFTA and TRIPS and the Future of Bilateral Intellectual Property Initiatives*, 66 PATENT WORLD 21, 21-22 (1994).

- 6 *See President Signs GATT, supra* note 4, at 129.
- 7 *See* Uruguay Round Agreements Act § 534, 108 Stat. at 4990 (1994) (providing effective dates).
- 8 *See id.* The World Trade Organization entered into force with respect to the United States when President Clinton accepted the agreement implementing H.R. 5110. *President Signs GATT, supra* note 4, at 129.
- 9 A utility patent may be granted for “any new and useful process, machine, manufacture, composition of matter, or any new and useful improvement thereof, ... subject to the conditions and requirements of [Title 35].” *See* 35 U.S.C. § 101 (1988).
- 10 A plant patent may be granted to one that either “invents or discovers and reproduces a distinct and new variety of plant, including cultivated spores, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state.” 35 U.S.C. § 161 (1988).
- 11 *See* 59 Fed. Reg. 63,951 (1994); *see also* 35 U.S.C. § 171 (1988) (A design patent may be granted for a “new, original and ornamental design for an article of manufacture.”); 35 U.S.C. § 173 (1988) (“Patents for designs shall be granted for the term of fourteen years.”).
- 12 Patents are said to have issued once the United States Patent and Trademark Office has allowed the patent and the applicant has paid the issue fee. *See* 37 C.F.R. §§ 1.311, 1.314 (1994).
- 13 *See* 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4983-84 (1994) (adding subsection (a)(2), effective June 8, 1995). The U.S. Patent and Trademark Office has indicated that one of the benefits of the 20 year term is that most patents will have a longer patent term than the current 17 year term. *See* Presentation by Lois Boland, spokesperson for the U.S. Patent and Trademark Office, in a presentation to the Houston Intellectual Property Law Association on January 25, 1995, and U.S. Patent and Trademark Office publication entitled *Intellectual Property Law Revisions by GATT*. The U.S. Patent and Trademark Office supports its position with the following statistics: the average pendency for electrical applications is 22.2 months; for mechanical applications is 17.7 months; and for chemical applications is 19.7 months. *Id.* at slide 8. The current average pendency of any application from the date of filing to final disposition is 19 months, resulting in an average patent term of 18 years and five months from issue, under the new 20 year term. *See id.* at slides 7, 8.
- 14 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Agreements Act, 108 Stat. at 4984 (1994) (adding subsection (a)(2), effective June 8, 1995). Even though the Patent and Trademark Office notes a benefit of the 20 year term as lengthening the patent period (*see* United States Patent & Trademark Publication, *supra* note 13, at slide 7), this change in the patent term is controversial. Some industry representatives and legal commentators believe it will ultimately result in terms shorter than 17 years for many patents through no fault of the patent owner. Already, legislation is pending to amend the change made by the Uruguay Round Agreement Act. *See* H.R. 359, 104th Cong., 1st Sess. (1995) (bill introduced in the House of Representatives January 4, 1995 by Rep. Dana Rohrabacher). That legislation proposes that the patent term be changed to be the *longer of 17 years* from date of issue *or 20 years* from date of filing, unless the patent issues from an application containing a specific reference to an earlier filed application or applications under 35 U.S.C. §§ 120, 121 or 365(c). In such exceptive case, the proposed legislation proposes the term of the patent to be 20 years from the filing date of the earliest patent application referenced, as provided in the Uruguay Round Agreements Act. *Id.*
- 15 A continuation application is a second application that contains the same disclosure as the original application. *See* W. L. Gore & Assoc., Inc. v. International Medical Prosthetics Research Assoc., Inc., 16 U.S.P.Q.2d (BNA) 1241, 1249 (D. Ariz. 1990) (involving continuation applications). Both parent and child applications act as one continuous application within the meaning of the law. *See* Godfrey v. Eames, 68 U.S. 317 (1864) (explaining the patent act); *In re* Bauman, 683 F.2d 405, 214 U.S.P.Q. (BNA) 585 (C.C.P.A. 1982) (defining continuation applications). The purpose of a continuation application is to introduce a new set of claims into the case and to establish a right to further examination by the primary examiner. U.S. PATENT & TRADEMARK OFFICE, MANUAL OF PAT. EXAMINING PROC. (hereinafter MPEP) § 201.07 (1994).
- 16 A continuation-in-part application is a second application “repeating some substantial portion or all of the earlier application and

adding matter not disclosed in the earlier application.” MPEP § 201.08 (1994). If the new or amended claims lack support in the specification of the parent application, they will not be entitled to the filing date of the original parent application. *See Paperless Accounting, Inc. v. Bay Area Rapid Transit System*, 804 F.2d 659, 665, 231 U.S.P.Q.2d (BNA) 649, 653 (Fed. Cir. 1986), *cert. denied*, 480 U.S. 933 (1987).

17 *See* 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Agreements Act, 108 Stat. at 4984 (1994) (adding subsection (a)(2), effective June 8, 1995).

18 When two or more independent or distinct inventions are claimed in a single application, the Patent and Trademark Office will require the applicant to elect one invention to proceed with. The applicant may later file a divisional application that claims the second or an additional invention with the benefit of the filing date of the parent. *See* 37 C.F.R. § 1.142 (1994); MPEP § 201.06 (1994).

19 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4984 (1994) (adding subsection (a)(2), effective June 8, 1995).

20 Submarine patents result from a practice or patent strategy wherein an applicant extends the application process by filing continuation and divisional applications. Often, the applicant will draft broad claims benefitting from hindsight knowledge of post-filing commercial developments. *See* Donald S. Chisum, *The Harmonization of International Patent Law*, 26 J. MARSHALL L. REV. 437 (1993). Then, after 20-30 years of prosecution, the “submarine” patent can emerge from the Patent and Trademark Office with very broad claims that dominate the contemporary technology of a mature industry. *See id.* *See also* *Bott v. Four Star Corp.*, 848 F.2d 1245 (Fed. Cir. 1988) (refusing to adopt equitable safeguards to limit continuation applications when Congress gave no indication it intended to do so); *Application of Hogan*, 559 F.2d 595, 604 n.13, 194 U.S.P.Q. 527, 540 n.13 (C.C.P.A. 1977) (“The 24 years of pendency herein may be decried, but a limit upon continuing applications is a matter of policy, not for us.”); *Application of Henriksen*, 399 F.2d 253, 254, 158 U.S.P.Q. (BNA) 224, 225 (C.C.P.A. 1968) (finding that an application depended on another filed 20 years earlier).

21 As presently worded, pending legislation H.R. 359 does not alter the effective date of the change in the patent term. *See* Proposed House Bill 359, *supra* note 14.

22 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Agreements Act, 108 Stat. at 4984-85 (1994) (adding subsection (c)(1), effective June 8, 1995). A terminal disclaimer is used by a patent owner to disclaim or dedicate to the public any terminal part of the patent term. *See* 37 C.F.R. § 1.321 (1994).

23 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4985 (adding subsections (c)(2) and (c)(3), effective June 8, 1995).

24 *See* 35 U.S.C. §§ 283, 284, 285 (1988) (setting forth patent remedies).

25 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4984 (1994) (adding subsection (b), effective June 8, 1995). At present, pending legislation H.R. 359 proposes to eliminate these new extensions provided for by the Uruguay Round Agreements Act. Instead of extensions for delays, the legislation proposes disclosure of continuing applications claiming the benefit of a parent application filed more than 60 months earlier. Specifically, the legislation provides that notices of the original patent application and the continuing patent application should be published and that the public should be permitted to inspect and copy the original patent application and the continuing patent application. *See* proposed House Bill 359, *supra* note 14.

26 Whenever a person files a patent application that appears to claim the same subject matter or invention as another pending application or an unexpired patent, an interference may be declared. 35 U.S.C. § 135 (1988). The purpose of an interference proceeding is to resolve the question of priority of invention when more than one person seeks a patent on substantially the same invention. Donald S. Chisum, 3 PATENTS § 10.09, 199 (1994).

- 27 A secrecy order is an order to keep an invention secret because the patent application contains subject matter that would be detrimental to national security if it was disclosed or published in a patent. *See* 35 U.S.C. § 181 (1988).
- 28 35 U.S.C. § 154 (1988), *as amended by* Uruguay Round Amendments Act, 108 Stat. at 4984 (1994) (adding subsection (b), effective June 8, 1995).
- 29 *See* 35 U.S.C. § 119 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4985 (1994) (adding subsection (e), effective June 8, 1995). Provisional applications are new and have minimal legal and formal requirements, and are, therefore, a low cost entry into the patent system. *See* United States Patent and Trademark Office Publication, *supra* note 13. It is extremely important to keep in mind that without further action, a provisional application can never mature into a patent. *Id.*
- 30 Filing a provisional application provides an applicant a one year period to further develop an invention; determine the marketability of an idea; acquire funding or capital; and explore licensing or manufacturing opportunities before a formal application is required. *Id.* In addition, provisional applications shall be kept in confidence by the PTO, and the filing of a provisional application will not start the 20 year patent term. *Id.*
- 31 *See* United States Patent and Trademark Office Publication, *supra* note 13.
- 32 *See* 35 U.S.C. § 111 (1988), *as amended by* Uruguay Round Agreements Act, 108 Stat. at 4986-87 (1994) (effective June 8, 1995).
- 33 35 U.S.C. § 111(b) (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4986-87 (1994) (effective June 8, 1995).
- 34 A small entity is an independent inventor, a small business concern, or a nonprofit organization. 37 C.F.R. § 1.9(f) (1994). Public Law 97-247 provides that the payment of fees under 35 U.S.C. §§ 41(a) and (b) are reduced to one-half for “independent inventors, nonprofit organizations as defined in regulations established by the Commissioner of Patents and Trademarks, and by small business concerns as defined in Section 3 of the Small Business Act and by regulations established by the Small Business Administration.” Patent and Trademark Office - Authorizations, Amendments, Schedule of Fees, Pub. L. No. 97-247, 96 Stat. 317 (1982); *see also* MPEP § 509.02 (1994).
- 35 *See* 35 U.S.C. § 41(a)(1) (1988 & Supp. 1993), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4986 (1994) (adding subsection (a)(1)(C), effective June 8, 1995).
- 36 *See* 35 U.S.C. § 111 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4986 (1994) (adding subsection (b)(6), effective June 8, 1995).
- 37 35 U.S.C. § 111 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4987 (1994) (adding subsection (b)(5), effective June 8, 1995).
- 38 35 U.S.C. § 111 (1988), *as amended by* Uruguay Round Agreements Act § 532, 108 Stat. at 4987 (1994) (adding subsection (b)(7), effective June 8, 1995).
- 39 35 U.S.C. §§ 111 and 119 (1988), *as amended by* Uruguay Round Agreements Act, 108 Stat. at 4985-88 (1994) (adding subsections 111(b) and 119(e), effective June 8, 1995).
- 40 *See* 35 U.S.C. § 104(a) (Supp. 1993), *as amended by* Uruguay Round Agreements Act, 108 Stat. at 4982-83 (1994) (adding subsections (a)(1) and (a)(2), effective Jan. 1, 1996). A list of WTO member countries is provided in Appendix B.
- 41 *See* 35 U.S.C. §§ 104(a) and (b) (Supp. 1993), *as amended by* Uruguay Round Agreements Act § 531, 108 Stat. at 4982-83 (1994)

(effective Jan. 1, 1996).

42 *See* 35 U.S.C. § 104(b) (Supp. 1993), *as amended by* Uruguay Round Agreements Act § 531, 108 Stat. at 4983 (1994) (effective Jan. 1, 1996).

43 *See* 35 U.S.C. § 271(e) (1988), *as amended by* Uruguay Round Agreements Act § 531, 108 Stat. at 4988 (1994) (effective Jan. 1, 1996).

44 *Id.* (A contributory infringer may also be one who “sells or offers to sell a component of a patented machine, manufacture, combination, or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use.”).

45 *Id.*

46 *Id.*

47 If legislation now pending modifies the change in patent term effected by the Uruguay Round Agreements Act, making an alternative 17 year term from date of issue available in many cases (*see* Proposed House Bill 359, *supra* note 14), then the effects and consequences of the new 20 year term from date of filing will be substantially reduced.

48 *See* United States Patent & Trademark Office Publication, *supra* note 13.

49 Section 531(b) of the Uruguay Rounds Agreement Act provides:
EFFECTIVE DATE.-

(1) IN GENERAL.-Except as provided in paragraph (2), the amendment made by this section shall apply to all patent applications that are filed on or after the date that is 12 months after the date of entry into force of the WTO Agreement with respect to the United States.

(2) ESTABLISHMENT OF DATE.-An applicant for a patent, or a patentee, may not establish a date of invention for purposes of title 35, United States Code, that is earlier than 12 months after the date of entry into force of the WTO Agreement with respect to the United States by reference to knowledge or use, or other activity, in a WTO member country, except as provided in sections 119 and 365 of such title.

50 Section 154(a)(1) is effective January 1, 1996; the remainder of Section 154 is effective June 8, 1995.

51

52 A bill introduced in the House of Representatives (HR359) in early January 1995 proposes to delete the underlined and bracketed phrase and substitute in its place the following:

(A) 17 years from the date of the grant of the patent, or

(B) 20 years from the date on which the application for the patent was filed in the United States, except that if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, 20 years from the date on which the earliest such patent application was filed, whichever is later. *See* Proposed House of Representatives Bill 359, *supra* note 14.

53 Pending legislation HR359 proposes to amend this entire new section regarding term extension, changing it to read as follows:

(b) Patent Disclosure-In the event that a continuing patent application is filed that claims the benefit of the filing date of a prior application that was filed more than 60 months earlier, notices of the original patent application and of the continuing patent application shall be published and the public shall be permitted to inspect and copy the original patent application and the continuing patent application. *See* Proposed House of Representatives Bill 359, *supra* note 14.

54 Pending legislation HR359 proposes to delete the underlined and bracketed phrase and substitute in its place the phrase, “**shall be the term provided in subsection (a).**” See Proposed House of Representatives Bill 359, *supra* note 14.

55 World Trade Organization Press Release (January 1, 1995).

48 *Id.*

49 *Id.*