UNITED STATES PATENT AND TRADEMARK OFFICE

"THREE TRACK" TRIPS TREATY VIOLATIONS

Testimony of

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Thank you for requesting the views of the public concerning the proposed "Three Track" system of prioritized patent examination. "Three Track" opens the door to a broader discussion of the many positive aspects for global patent cooperation including "patent worksharing", particularly building upon the most important contemporary prototype, the "Patent Prosecution Highway". The present testimony, however, focuses solely upon the importance of strict adherence to the letter and spirit of international treaties and particularly deals with "Three Track" Issues relevant to the deviations from the Trade Related Aspects of Intellectual Property, the TRIPS, a key integer of the historic Marrakesh Treaty of 1974.

The views expressed here are *pro bono* and do not necessarily reflect the opinions of any colleague, organization or client thereof.

Of particular concern is the need for strict adherence by all patent granting authorities to the solemn obligations each country has to its international intellectual property treaty obligations. To the extent that there is any violation by a major developed country of such obligations, this may create a blueprint for parallel and even more severe violations by developing countries of the global intellectual property regime that is so vital to protection investments in software, movies and recorded music – in addition to patents for pharmaceuticals, manufactured goods and other patent-eligible subject matter.

More specifically, the concern is that the major developed countries of the world adhere to both the letter and spirit of the historic Marrakesh Treaty of 1974 that as a key component includes the TRIPS. The TRIPS represents the fundamental treaty guarantee that *all* countries particularly from emerging Asian manufacturing countries will provide fair minimum standards of intellectual property protection in *all* its aspects. This includes protection for patent rights but also valuable rights for software, movies and recorded music under the global copyright regime.

"Three Track" is fatally flawed in providing a scheme of patent protection that is totally alien to international intellectual property treaties dating back to the nineteenth century and including the TRIPS. More dangerously, to the extent that the Office would, *arguendo*, submit that "Three Track" is not in violation of the TRIPS, then this is an indictment of the Clinton Administration which negotiated the final stages of the TRIPS:

Did the Clinton Administration create a gaping loophole in the TRIPS that would permit any developing (or other) country to create an intellectual property regime that would deny effective protection to American and other intellectual property rights holders of movies, music, software and patent-eligible subject matter from pharmaceuticals to automobiles?

More specifically, "Three Track" takes a 1.2 million patent application backlog and permits "Track One" participants in the patent examination process to go to the front of the examination queue; others are left waiting in line for an unreasonable period of time. Particularly for technologies where a patent not granted in the first few years after filing is effectively a denial of patent protection altogether, in essence the Office would deny effective patent protection to patent applicants *unless* they joined "Track One".

But, "Track One" membership is limited to applicants who file their initial patent application in the *United States* while any other applicant who files first in his "home country" (foreign) patent office is effectively denied entry into "Track One" for the several years of procedural hoops under "Three Track". Yet, the international patent regime is grounded upon the implicit recognition that applicants may file first in their "home country" (or *any* country) and then promptly file in the United States and other countries *retroactively dated back* to the "home country" filing date.

A Common Sense Global Patent Regime

The common sense of filing first in the home country is at the very core of the international patent regime so that applicants can obtain an effective filing date as soon as possible, and then diligently file parallel applications around the world with necessary translations and while meeting home country formalities that may

proscribe a first filing outside the first office. (Indeed, this is the case for the United States that proscribes filing abroad for an American-made invention until six months after a domestic filing, absent license from the Office. 35 USC § 184.)

Thus, the later filing in the second (Paris Convention) country is given the "same effect" as the home country application. Thus, "when the priority claim is based on subject matter disclosed in a foreign patent application…, the foreign application has the same effect as if filed in the United States." *Frazer v. Schlegel*, 498 F.3d 1283, 1287 (Fed. Cir. 2007)(citations omitted). Thus, the statutory regime guarantees the "same effect" be given to a Paris-based foreign-origin application as if filed in the United States on the foreign filing date: "An application … filed in this country by any person who has… previously regularly filed an application for a patent for the same invention in a foreign country … shall have the *same effect* as the same application would have if filed in this country on the date on which the application …was first filed in such foreign country…." 35 USC § 119(a)(emphasis added).

Violations of the Paris Convention

The statutory guarantee of the United States law does not stand in a vacuum but is an implementation of the international treaty regime dating back to the historic Paris Convention of 1883. In its current iteration as the 1967 Stockholm Revision, the Paris Convention states that "[a]ny person who has duly filed an application for a patent…in one of the countries of the Union… shall enjoy, for the purpose of filing in the other countries, a right of priority…." Paris Convention (Stockholm Revision)(1967), Art. 4A(1).

As explained by the late Giles Sutherland Rich, "Section 119 provides that … the second application[ ] filed in the United States[ ] 'shall have the same effect' as it would have if filed in the United States on the date on which the application was filed in the foreign country. This language is plain; it gives the application the status of an application filed in the United States on a particular date." *In re Hilmer*, 359 F.2d 859, 871 (CCPA 1966).

In tracing the history of the Paris Convention priority right, Judge Rich explained that Americans received three benefits through the American adoption of this treaty, the *first* of which he identifies as the "[t]he enjoyment in foreign countries of equal rights with subjects or citizens of those countries." *Hilmer,* 359 F.2d at 873. Thus, while looking in the abstract at the wording of the treaty, *in vacuo,* one in theory could file first in any country, it was an implicit recognition of the drafters of the Treaty that applicants invariably file first in their "home country" and then only later secure parallel filings abroad. This furthermore breathes meaning into the "national treatment" provision of the Paris Convention that "[n]ationals of any country … shall… enjoy in all the other countries of the Union the advantages that their respective laws now grant…to [their] nationals…. Consequently, they shall have the same protection as the latter…." Paris Convention, Article 2(1). As explained in the context of trademark rights:

"[T]he Paris Convention is essentially a compact between the various member countries to accord in their own countries to citizens of the other contracting parties' [intellectual property] rights comparable to those accorded their own citizens by their domestic law. The underlying principle is that foreign nationals should be given the same treatment in each of the member countries as that country makes available to its own citizens ['national treatment']." *In re Compagnie Generale Maritime*, 993 F.2d 841, 850 (Fed. Cir. 1993)(Nies, C. J., dissenting)

Violations of the TRIPS

Three essential TRIPS violations are in play under "Three Track":

First, it is axiomatic that any violations of the Paris guarantees of national treatment under Paris Article 2 or the Paris right of priority under Art. 4 are both *a fortiori* violations of the TRIPS Treaty: The TRIPS incorporates-by-reference both Articles 2 and 4 of the Paris Convention. TRIPS Art. 2(1)("Member[States] shall comply with Articles 1 through 12… of the Paris Convention (1967).")

Second, national treatment is itself the subject of TRIPS Article 3 which is complemented by a most favored nations provision in TRIPS Article 4. But, going to more *specific* guarantees in the TRIPS, the fundamental right to the grant of a patent is guaranteed "within a reasonable period of time so as to avoid unwarranted curtailment of the period of protection." TRIPS Article 62(2) ("Where the acquisition of an intellectual property right is subject to the right being granted or registered, Member[States] shall ensure that the procedures for grant …permit the granting … of the right within a reasonable period of time so as to avoid unwarranted curtailment of the period of protection.")

Third, there are necessarily "unwarranted delays" for a "Track II" or "Track III" patent applicant that, if "Track I" is successful and widely used, make grant of a United States patent in these inferior tracks impossible within a reasonable time frame. The TRIPS also mandates that "[p]rocedures concerning the acquisition … of intellectual property rights …shall be governed by the general principles set out in [Art. 41(2)]." TRIPS Art. 62(4). The thus incorporated-by-reference text set forth in Article 41(2) states that "[p]rocedures concerning the enforcement of intellectual property rights shall be fair and equitable. They shall not … entail … unwarranted delays."

A Global Invitation to Vitiate Intellectual Property Rights

While the Paris Convention, *in vacuo,* may be considered toothless in the sense of an absence of an enforcement mechanism, the TRIPS was crafted with recognition of this inherent weakness of this earlier treaty. Thus, a dispute settlement mechanism was built into TRIPS as Article 64. Furthermore, the once-toothless Paris Convention was reinvigorated by virtue of TRIPS Art. 2(1) that incorporates-by-reference the critical aspects of the Paris Convention.

To the extent that "Three Track" says that the United States can delay foreign applicants effective patent protection within a reasonable period of time, this is an invitation to foreign governments in emerging nations to create their own unique procedures that make it impossible for Americans or nationals from developed countries to obtain effective patent protection. Consider, for example, the situation where "Burkina Faso" or any one hundred or more developing countries set forth a national patent law or procedure whereby examination within ten years from filing would be obtained *only* in the event that the first filing anywhere in the world is hand delivered and filed in Burkina Faso. Such a procedure would be a clear violation of any reasonable understanding of the various treaty rights guaranteed to patent applicants under both Paris and the TRIPS. Yet, "Three Track" differs only in degree in its discrimination against foreign applicants, and sets a precedent for developing countries to argue that they do not discriminate because any patent organization is free to *choose* to file first in "Burkina Faso". Particularly if multiple countries were to make identical requirements for first filing in their own country, this would make it impossible to obtain patent protection outside one of the countries chosen for patent protection.

Thank you for permitting me to share my views.

Respectfully submitted

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