

U.S. Patent Applications To Be Published

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Late last year President Clinton signed the Intellectual Property and Communications Omnibus Reform Act of 1999 (the “Act”). The Act significantly modified the patent laws of the United States in a variety of ways such as mandating publication of many patent applications filed on or after November 29, 2000. This article summarizes these modifications and identifies some factors that should be accounted for when forming a strategic patent plan.

I. 18 Month Publication of Some Patent Applications

A common complaint of the patent system in the United States is that, because pending applications are not available to the public, a company that introduces a product or develops a technology may discover several years later that another company’s patent was pending at the time of such a product introduction which may result in an expensive redesign or payment of a licensing fee to the patentee.

The Act reduces this threat by requiring that many utility patent applications filed on or after November 29, 2000 be published 18 months after the application’s earliest priority date. The U.S. Patent and Trademark Office (“PTO”) has published proposed rules implementing the Act that permits public access to the application as published, and also permits public access to the prosecution history of the application. Therefore, a competitor of the applicant can review the modifications of the claims and potential estoppel arguments set forth by the applicant within days after such modifications and arguments are filed with the PTO.

This unfettered access to the prosecution history of pending applications provides competitors with a new product clearance strategy option. Instead of waiting until a patent issues, the competitor can now aggressively analyze pending applications to determine the likely scope of the claims. Although the claims may later be broadened, the information gleaned by reviewing the prosecution history provides the competitor with a better understanding of the risks of its own product development.

A. Applicant Can Opt-out of the Publication Requirement

Although this publication requirement improves the ability of competitors to learn about pending applications, there are some significant limitations. First, an application may be pending for 18 months before it is published so there is still a period of time that the competitor will not be able to review the application. Second, the applicant can opt-out of the publication process if he certifies that the invention disclosed in the application has not and will not be filed in any country that requires publication 18 months after filing. Essentially, the applicant can prevent the application from being published in the U.S. if the invention claimed and disclosed in the U.S. application is not included in a patent application filed internationally.

To opt-out of the publication the applicant must make a request for non-publication and file a certification that the invention disclosed in the application has not and will not be filed in any country that requires publication 18 months after filing *at the time of filing*. Failure to opt-out at the time of filing will cause the application to be published unless the application is affirmatively abandoned several months prior to the publication date.

Patent applicants are encouraged to file such a request and certification with all applications unless the applicant is sure that the invention disclosed in the application will be, or has been, filed internationally. This strategy preserves all of the applicant’s options since, if he later decides to file an international application, the applicant is permitted to rescind a non-publication request at any time prior to 45 days after such an international filing. Failure to meet this 45 day deadline may result in the abandonment of the application.

B. Provisional Rights

If an application is published, the Act provides provisional rights to the applicant. These provisional rights give the applicant the right to a reasonable royalty against one who makes, uses, offers for sale or sells in the United States the invention as claimed in the published application, subject to the following conditions. First, the right to a reasonable royalty applies only to a published claim that is “substantially identical” to an issued claim. The meaning of “substantially

identical” is not defined in the statute. It may be that modification of a published claim that substantively changes its scope will not be considered to be substantially identical with an issued claim. In order to maximize the potential provisional rights, applicants should attempt to have a range of claims be part of the published application, e.g., the range of claims should include claims having a broad scope and claims having a narrow scope. This will provide the applicant with a better chance of having some of the published claims be substantially identical to an issued claim since a published narrow claim may issue without modification even when a published broad claim requires substantial modification.

The second condition that must be met in order for provisional rights to be available is that the accused infringer must be given “actual notice” of the published application. What is required to provide “actual notice” is not defined in the Act. However, the legislative history suggests that the “actual notice” requirements are similar to the actual notice requirement under 35 USC §287(a) that the Federal Circuit has held requires that the patent owner provide an affirmative communication of a specific charge of infringement by a specific accused product or device. Therefore it is unlikely that merely sending a copy of the published application, without more, would satisfy the actual notice requirement of the Act.

The third condition is that the infringement action must be brought within six years after the patent issued. This is consistent with 35 USC §286 that prevents the recovery of damages for any infringement that was committed more than six years prior to the filing of the claim for infringement. Since the provisional rights mature only when the patent issues, the ability to enforce these rights lasts for six years which is similar to the right to obtain damages for a particular infringement.

C. Redaction of Published Application

The Act permits applicants to redact portions of an application for publishing. This enables an applicant to prevent publication of material that will not be published internationally. However, the PTO has made the procedures for taking advantage of the redaction provisions difficult and expensive to implement. After filing the original application, the applicant must file a redacted copy of the application within 16 months after the earliest claimed priority date. Both the originally filed application and the redacted copy must be filed electronically using the PTO’s new electronic filing system (EFS). Concurrently with the filing of the redacted copy, the applicant must submit the following (on paper): (1) a certified copy of each foreign-filed application

that corresponds to the application for which a redacted copy is submitted; (2) a translation of each foreign-filed application that is in a language other than English along with a statement that the translation is accurate; (3) a marked-up copy of the originally filed application showing the redactions in brackets; and (4) a certification that the redacted copy of the application eliminates only a part or description of the invention that is not contained in any application filed in a foreign country. An applicant who wants to take advantage of the Act’s redaction provision should decide to do so as early as possible in order to permit enough time to satisfy all of the above requirements.

D. Publication Logistics

The PTO has stated that they will inform the applicant of the anticipated publication date on the filing receipt and will send an additional notice if the publication date is modified by more than two weeks. Applications will be published every Thursday. The PTO is still in the process of determining the procedures for publication but it is anticipated that the applications will not be physically published, that is, the PTO will not publish the applications in an Official Gazette. Instead, the applications will be available electronically over the Internet.

II. Conclusion

The Act’s provision requiring the publication of many U.S. patent applications is a significant departure from the preceding U.S. law in which patent applications were kept confidential until the patent issued. Although the effect of the law is tempered by the opt-out provisions in the Act, the public availability of both the applications and the prosecution documents provide significant new options for companies to analyze a competitor’s pending U.S. patent applications.

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