

International Patent Protection

Brenda O. Holmes¹

I. Introduction

In today's economy, there are global opportunities for all types of companies. The opportunities are obvious for international companies with international markets and operations, but also extend to companies without a current international presence since future partnering, manufacturing and marketing opportunities may arise outside the U.S. There is a limited time within which to seek international patent protection, so it is important for all companies to have an understanding of patent protection outside the U.S.

This paper provides a basic framework of international patent application systems from the standpoint of the U.S. applicant. The first section identifies various international and regional treaties and conventions under which inventors can file patent applications. The second section discusses the Paris Union Convention and the "right of priority." The third section discusses the patent filing and granting system under the European Patent Convention. The following sections discuss the Patent Cooperation Treaty and its usefulness and advantages to U.S. applicants. The remaining sections discuss other aspects of international patent protection, including the "Patent Prosecution Highway" between various patent offices, design registrations, utility models, and practical considerations in making international filing decisions.

II. Filing Options for International Patents

Ultimately, inventors must obtain patents in each country where protection is desired. Rather than filing a "national" application directly in each country at the outset, it is possible to initially file a regional application for member countries, or a single application under the Patent Cooperation Treaty ("PCT"), which can lead to patents in multiple commercially important countries.² For example, a U.S. applicant can file directly in each country in which he or she seeks protection with a right to claim priority under the Paris Union Convention ("PUC") for PUC member countries (the national route).³ Alternatively, a U.S. applicant can file a PCT application followed by regional or national filing for those countries that are PCT members.⁴ To illustrate, for protection in Europe, an applicant may file: (1) a national application in each individual country; (2) a single European application in the European Patent Office ("EPO")⁵ that applies to all member countries of the European Patent Convention ("EPC");⁶ or (3) a PCT application followed by a regional EPO application or national filings in European member countries of the PCT.

Three other treaties provide additional regional filing options. Under the African Intellectual Property Organization ("OAPI") treaty, the 16 French-speaking countries that are members⁷ offer OAPI patents. Under the African Regional Intellectual Property Organization ("ARIPO") Patent Convention, the member countries,⁸ most of which

¹ The author would also like to thank and acknowledge J. Jason Link for his significant contributions to this article.

² Patent Cooperation Treaty, June 19, 1970, 28 U.S.T. 7645.

³ Paris Convention for the Protection of Industrial Property, March 20, 1883, 21 U.S.T. 1538.

⁴ As of November 2014, 148 countries are PCT members.

⁵ Convention on the Grant of European Patents, Oct. 5, 1973, 1065 U.N.T.S. 255 [European Patent Convention, hereinafter EPC].

⁶ As of November 2014, member countries of the European Patent Convention include: Albania, Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Turkey and the United Kingdom.

⁷ Benin, Burkina Faso, Cameroon, Central African Republic, Comoros, Congo, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo.

⁸ Botswana, Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sierra Leone, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

are English-speaking, offer ARIPO patents. The Eurasian Patent Convention permits an inventor to obtain a single patent that provides legal protection in all 9 member states,⁹ which are primarily former Soviet states.

III. The Paris Union Convention and Right of Priority

In the United States, an applicant has a one-year grace period to file a patent application from the time an invention is published, offered for sale, placed in use, or made publicly known.¹⁰ This “relative novelty” rule allows an applicant to assess the commercial prospects of the invention and then decide whether to file for patent protection. However, other countries have an “absolute novelty” requirement, meaning that if an invention is published, offered for sale, placed in use, or made publicly known before the effective filing (priority) date, an applicant is precluded from obtaining patents on the invention. Most countries other than the United States have such an absolute novelty requirement, which means that the effective filing date of a patent application must be prior to the first offer for sale, public use, or disclosure of the invention.

Prior to the PUC, which became effective on June 1, 1978, most international filing of patent applications was carried out by directly filing an application in each country where the applicant desired patent protection. Under the PUC, however, corresponding international patent applications filed within one year of the U.S. filing date may claim priority and are considered filed as of the U.S. filing date. This feature of the PUC is called the “right of priority.”¹¹ The right of priority enables any resident or national of a member country to first file a patent application in any member country and to thereafter file a patent application for the same invention in any other of the countries within 12 months of the first filing, with the effect that these subsequently filed applications enjoy the right of priority of the first filing date. That is, such later-filed applications will be treated as if they were filed on the first filing date.¹² Thus, a public use, for instance, after the U.S. filing date would not bar patent rights in a member country in which a PUC application was filed after the public use but within a year of the U.S. filing date.

Because substantially all of the major industrial countries are members of the Paris Union and because of the significant advantages deriving from the right of priority, nearly all patent applications filed abroad by U.S. applicants are filed within 12 months of the U.S. application and claim the right of priority under the PUC. As of November 2014, there are 175 member states of the Paris Union.¹³ For certain non-Paris Union countries, U.S. applicants may enjoy the right of priority based upon other conventions or reciprocal national legislation.

IV. The European Patent Convention

The EPC is a treaty providing a patent filing and granting system for certain European countries.¹⁴ It establishes a regional system for the granting of patents in member European countries through the EPO. As of November 2014, 38 European countries are members of the EPC, and two other countries also participate in the EPC as “extension states.”¹⁵ The EPO administers a uniform procedural system for centralized filing, searching, examination, and opposition for a single European patent application, which, when granted, becomes a bona fide patent in each of the countries designated by the applicant. This European granting system and the resulting bundle of European patents exist in parallel to the conventional national filing and granting procedures resulting in national patents.

The EPC is procedurally coordinated with the PCT. For example, and importantly for U.S. applicants, the EPC provides that the EPO can act as a designated office under the PCT for member states of the EPC that are also member states of the PCT.¹⁶ This provision allows U.S. applicants to file a European patent application through the PCT for EPC member states and extension states that also belong to the PCT. A primary objective of the EPC

⁹ Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Tajikistan, and Turkmenistan.

¹⁰ 35 U.S.C. § 102(b)(1) (2013).

¹¹ PUC, *supra* note 2, art. 4.

¹² See 35 U.S.C. §§ 119, 365 (2000 & Supp. II 2002) (implementing the right of foreign priority in the U.S.).

¹³ See World Intellectual Property Organization, States Party PCT and the Paris Convention and Members of the World Trade Organization, http://www.wipo.int/pct/en/texts/pdf/pct_paris_wto.pdf (last visited November 2014).

¹⁴ EPC, *supra* note 3.

¹⁵ European Patent Office, Member States, the European Patent Organisation, www.epo.org/about-us/organisation/member-states.html (last visited June 1, 2013).

¹⁶ EPC, *supra* note 3, art. 153.

¹⁶ See 35 U.S.C. §§ 119, 365 (2000 & Supp. II 2002) (implementing the right of foreign priority in the U.S.).

¹⁶ See World Intellectual Property Organization, States Party PCT and the Paris Convention and Members of the World Trade Organization, http://www.wipo.int/pct/en/texts/pdf/pct_paris_wto.pdf (last visited November 2014).

¹⁶ EPC, *supra* note 3.

¹⁶ European Patent Office, Member States, the European Patent Organisation, www.epo.org/about-us/organisation/member-states.html (last visited June 1, 2013).

¹⁶ EPC, *supra* note 3, art. 153.

is to develop uniformity of patent protection in Europe. As a further step towards uniformity, a European patent with unitary effect or unitary patent has been proposed. How soon a unitary patent may become a reality is still uncertain. Currently the regulations to establish a unitary patent will take effect on the date of entry into force of the Agreement on a Unified Patent Court. The Agreement on a Unified Patent Court needs to be ratified by at least 13 member states, including France, Germany and the UK. Given the uncertainties that surround the ratification process, it seems likely that a unitary patent will not be available until well after 2014.¹⁷

The Agreement on the Unified Patent Court creates a new patent court with exclusive jurisdiction for litigation relating to European patents and unitary patents. There will be a Court of First Instance, a Court of Appeal and a Registry. The Court of First Instance will be composed of a central division (with its seat in Paris and sections in London and Munich) and by several local and regional divisions in the contracting member states to the Agreement. The Court of Appeal will be located in Luxembourg.

Currently 25 of the 27 EU member countries are participating in the process to establish a unitary patent.¹⁸ A unitary patent will co-exist with national patents and with current European patents. Since there are some European countries that are not participating in the unitary patent process, a patentee seeking protection across Europe may end up with some combination of a unitary patent, a European patent with effect in a non-participating country, and/or a national patent.

V. The Patent Cooperation Treaty

The PCT is an international agreement among nations for the purpose of unifying and simplifying the procedures that must be followed by the nationals and residents of one member country when filing patent applications in the other member countries.¹⁹ Since June 1, 1978, member states have accepted applications under the PCT, where applicants can claim the benefit of the right of priority based upon one or more applications filed in the previous 12 months in any member country of the Paris Convention.²⁰ In addition to simplifying application procedures, the PCT is designed to decrease expenses of multiple foreign filings. As of November 2014, the PCT is in force in 148 countries.²¹ Because the PCT is a worldwide convention, it is expected to continue to increase its membership.

Under the PCT, an applicant can postpone filing until the last day of the one-year period within which priority can be claimed to an effective earlier filing date in a Paris Convention country. Filing a PCT application is deemed to effect the national filing of the same application in each PCT member country designated by the applicant at the time of filing.

The PCT has two main procedural chapters. Chapter I involves international processing steps including a search and publication of the application and search results. Chapter II is optional and relates to international preliminary examination. Complete texts of the PCT, its Implementing Regulations, and the PCT Administrative Instructions are available from the World Intellectual Property Organization (“WIPO”) in Geneva, Switzerland, and are available on the WIPO web site.²²

Chapter I of the PCT establishes an essentially procedural system for the centralized filing and searching of a single international application. Upon filing of a PCT application, the selected International Searching Authority (“ISA”), for example, the ISA in the U.S. or the EPO, automatically provides an international search report within a nine-month period. Shortly thereafter, the ISA will establish a written opinion as to the patentability of the claimed invention and whether the international application complies with the requirements of the PCT.²³ The international search report and the written opinion provide the applicant an opportunity to evaluate the possible scope of claim

¹⁷ Information on the status of the ratification process is available on the EPO's website, Unitary Patent and Unified Patent Court (May 3, 2013), <http://www.epo.org/law-practice/unitary.html>.

¹⁸ UK, Germany and France, as well as Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Ireland, Greece, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland Portugal, Romania, Slovenia, Slovakia, Finland and Sweden are participating. Spain and Italy are not.

¹⁹ PCT, *supra* note 1.

²⁰ *Id.*, art. 8.

²¹ World Intellectual Property Organization, PCT Resources, PCT Contracting States (11 July 2013), http://www.wipo.int/pct/guide/en/gdv01/annexes/annexa/ax_a.pdf.

²² World Intellectual Property Organization, PCT Treaty, Regulations and Administrative Instructions, <http://www.wipo.int/pct/en/texts/> (last visited November 2014).

²³ PCT, Regulations under the PCT, Rule 43bis.1, Written Opinion of the International Searching Authority, <http://www.wipo.int/pct/en/texts/> (last visited November 2014).

coverage before paying filing fees in individual countries. Under Chapter I, the applicant may amend the claims within the scope of the disclosure.²⁴

Under Chapter II of the PCT, an applicant who wishes to maintain an application in light of the search report has the opportunity to file a Demand for Preliminary Examination. An applicant may make a “Demand” at any time prior to the expiration of either three months from the date of transmittal of the international search report or written opinion, or 22 months from the priority date. Upon filing a “Demand,” the International Preliminary Examining Authority (“IPEA”) receives a copy of the written opinion issued by the ISA. During Chapter II prosecution, an applicant can make amendments to the application and the claims and submit arguments in response to the written opinion of the ISA, and can conduct an interview with the patent examiner. At the end of Chapter II prosecution, the IPEA will issue an international preliminary report on patentability. In cases where a “Demand” has not been made, or a “Demand” has been made without the submission of amendments or arguments, the written opinion of the ISA will form the basis of the international preliminary report on patentability from the IPEA.²⁵

For the large majority of PCT member states, merely filing a PCT application under Chapter I delays the time for entry into national stage prosecution until 30 to 31 months after the priority filing date. For a few PCT member states (as of November 2014²⁶), entry into national stage prosecution and payment for filing in the individual national offices can be delayed from 20 months until 30 to 31 months after the priority date by filing a “Demand” under Chapter II. Alternatively, filing in these states can also be extended to the 30 to 31 month deadline by filing a regional phase patent application in the appropriate regional office.²⁷ Because a “Demand” is now generally not required to extend the time period for entering national stage prosecution, the filing of “Demands” is much less common today than in the past.

National or regional stage applications do not have to be filed in all countries or regions, but a PCT application must be converted into national or regional stage applications in the countries where patent protection is sought by the expiration of the applicable 20 or 30 to 31 month time period. By postponing the need to retain patent agents in designated PCT countries and the requirement for filing translations of an application until after written opinion and/or the international preliminary report on patentability is available, the applicant obtains a further potential savings if he or she decides not to continue prosecution of the application in particular countries.

VI. Advantages of a PCT Application

Filing a PCT application offers a number of advantages over filing national applications in individual countries. For example, a PCT application permits last minute filing before expiration of the priority year. The international filing date has the effect of a national filing date in all PCT member patent offices. PCT requirements as to form and content of applications are binding on all contracting states. Thus under the PCT, one application in one language filed in one office postpones multiple international filings until entry into the national phase. Under the PCT, member patent offices accept uniform formal requirements and amendments made during the international phase. Additionally, an applicant can obtain greater “home” control of the prosecution with a PCT application.

An important advantage is that the applicant can postpone decisions on foreign filings up to 30 months, or in some cases 31 months, from the priority date at much less cost. This delay of national stage prosecution allows time to better evaluate the technical and economic value of the invention, to better identify possible markets, and to find business partners and possible licensees. The applicant can avoid further expenses, including expenses for official fees, local agents, and translations, simply by no longer prosecuting the application or by entering the national stage in selected countries only.

Another significant benefit of PCT applications is the increased chance for obtaining stronger international patents. The written opinion and/or the international preliminary report on patentability, based on the state of the art of the invention as established in the international search report, indicate what claims would be allowable before entering the national stage. In addition, during the international phase, the applicant may obtain more information about possible conflicting applications by competitors prior to national stage entry, enabling adjustment of filing strategy. Moreover, the applicant may draft the final version of the claims when the

²⁴ PCT, *supra* note 1, Chapter I, International Application and International Search.

²⁵ *Id.*, Chapter II, International Preliminary Examination.

²⁶ Luxembourg, United Republic of Tanzania, and Uganda.

²⁷ The deadline for filing can be extended until 30 to 31 months after the priority date in Luxembourg by a regional filing in the EPO and in Tanzania and Uganda by a regional filing in the AIRPO.

commercial value of the invention is better understood. Since information related to claims, competitors, and commercial value is exposed before entering the national stage, filing under the PCT increases the likelihood of stronger foreign patents.

A PCT application also provides greater flexibility during prosecution. For example, in a PCT application, the applicant may postpone international publication until as late as 15 days before the publication date, at which time the application may be withdrawn. Timing of a PCT application is also flexible. The applicant may file a PCT application before or after the filing of a national application; may claim priority to a U.S. provisional application; and may file at the end of the priority year or earlier.

Using on-line software assists applicants in preparing applications, and makes the PCT process even easier.²⁸ For example, the Patent Law Treaty, adopted by WIPO on June 1, 2000, streamlines and harmonizes with the PCT the administrative requirements of national patent offices for the filing and processing of national patent applications.²⁹

Because of these advantages and an increasing desire by companies to protect innovations globally, the popularity of the PCT process has grown dramatically. The number of PCT applications filed in 2013 exceeded 200,000. In 2013, the largest source of PCT applications was the United States. Japan was the second largest source, followed by China. Asian countries accounted for over 40% of applications. Europe and North America accounted for almost 30%.³⁰

VII. PCT as a Route for Domestic Filing of U.S. Patent Applications

The PCT provides another option for the filing of domestic U.S. patent applications by U.S. residents and nationals. A PCT application filed by a U.S. applicant may be a *first-filed* application, which could serve as a basis for a claim of priority for a U.S. application and/or other foreign applications filed within 12 months and having the effective filing date of the international application. Alternatively, the PCT application may be a *second-filed* application claiming the right of priority based upon a first-filed regular or provisional U.S. national application filed within the preceding 12 months. Also, for continuing applications under U.S. practice, 35 U.S.C. § 120 permits either a domestic U.S. application or a PCT application to serve as a parent application. In such a case, the 12-month limitation for foreign priority does not apply, but the parent and continuing applications must be co-pending as required by § 120.

Filing a national application first, such as in the U.S., provides some advantages. Filing a national application first allows more time to evaluate the merits of an invention before incurring foreign filing expenses since the PCT filing costs can be deferred by one year. Also, during the one year priority period, search reports and examination of the national application may be available, and the applicant can redraft the application to include improvements and discovered features and examples of the invention before PCT filing.

On the other hand, there are advantages of filing a PCT application first. Filing a PCT application first permits a single filing for all PCT countries at one time and at one cost. In a first-filed PCT application, the applicant receives the international search report earlier (within nine months from the filing date), which is before direct PCT filings in non-PCT countries. Earlier filing of a PCT application introduces the option of withdrawing the international application before the 18-month publication date. In addition, the applicant can file a "Demand" early to begin the international preliminary examination and thereby allow more time before issuance of the international preliminary report on patentability at 28 months from the priority date. By filing a PCT application first, domestic and international prosecution can occur concurrently, which lessens the chance of later discovered prior art.

VIII. Patent Prosecution Highway

The Patent Prosecution Highway ("PPH") is a program between patent offices in different countries for accelerating a patent grant under certain circumstances. The essence of the PPH program is that when a patent office in one country rules that at least one claim is patentable, the patent applicant can then ask the patent office in another country to "fast track" the examination of the corresponding claims in a second application. The first program was initiated between the U.S. and Japan on an experimental basis in July 2006 and was fully

²⁸ Information about ePCT is available on the PCT website, <http://www.wipo.int/pct/en/>.

²⁹ Patent Law Treaty, June 1, 2000, 39 I.L.M. 1047.

³⁰ The Year in Review - Director General's Report to the WIPO Assemblies 2014, www.wipo.int/about-wipo/en/dgo/assemblies_reports.html (last visited November 2014).

implemented in 2008. The U.S. Patent and Trademark Office now has agreements with over 25 other jurisdictions including, for example, the European Patent Office, Japan, China, Korea, Canada, Mexico, and Australia.³¹ For additional information about the PPH and other strategies for expediting patent applications outside the United States, please review the article entitled “How to Fast-Track Your Patent Portfolio” in this IP Desk Reference.

IX. Design Registrations and Utility Models

Some countries and regional patent offices provide forms of protection for innovations in addition to “utility” patents, which are the focus of the above discussion. For example, designs can be protected under a “Community Design” system in the European Union (“EU”). Also, in certain jurisdictions, a “utility model” system is available to protect functional features of innovations.

A. European Community Designs

The design, or appearance, of a product can be protected in many individual countries by design patents. In addition, in the EU, a design can be registered regardless of the product to which it is applied. A Registered Community Design (“RCD”)³² provides exclusive rights in products incorporating the registered design. A RCD is renewable every five years for a period of up to 25 years from the filing date of the application. A single application can result in a single RCD that extends to all European Union member states. As a result, a RCD can be less expensive than design patents.

If the design presented in a RCD has already been the subject of an earlier filing (in certain countries, including the United States), or has been disclosed at an officially recognized exhibition, the applicant may exercise its priority rights to claim the original filing/disclosure date as the filing date for a RCD. This priority right is only available for six months after the original filing/disclosure.

A RCD can provide important protection for a product. A RCD may prevent others from copying the product, which may be particularly important when the appearance of the product is a factor in its commercial success. For example, if a product appearance increases sales or if the appearance is easy to copy, a RCD should be considered. A RCD can provide complementary protection to that of a design patent. While a design registration is not a substitute for a design patent, a RCD can provide some protection for a product when a patent is unobtainable, for example, when the product is publicly disclosed before filing a patent application. Like a design patent, a RCD is an asset that can be licensed, bought, or sold.

A design can also be protected in the European Community as an Unregistered Community Design (“UCD”) for a period of three years after the design is first disclosed in the EU. In addition to a shorter term of protection than a RCD, a UCD provides less certain and weaker enforcement rights than a RCD. For a RCD, the term of protection begins on the application filing date, and design rights can be enforced against an infringer regardless of their knowledge of the design. However, when enforcing a UCD, the date of first disclosure that begins the term of protection may be questioned, and copying of the design by an infringer must be proven.

Generally, any two- or three-dimensional design can be registered as long as it meets certain registration requirements. For example, a design cannot be registered if: (1) the design is applied to or incorporated in a component part of a complex product and the component part is not visible during normal use of the product; (2) the appearance of features is solely dictated by function; or (3) an article must have that exact design to fit within a product, thereby allowing the product to perform its function. However, designs for a modular system that allow connection of interchangeable parts may be registered.

In order to be successfully registered, a design must satisfy two main criteria: (1) novelty; and (2) individual character. The novelty criterion requires that the design must differ from preceding designs. Novelty is judged against all preceding designs that could reasonably be expected to have become known in the course of business in the relevant sector in the EU. There is a one-year grace period from publicly disclosing a design to filing a registration application, if the first public disclosure was made by the designer. The individual character criterion requires that the design must create a different overall impression to an “informed user” from previously known designs. That is, to have individual character, it must be apparent to the public that the design is different from

³¹ A list of participating countries is available at http://www.uspto.gov/patents/init_events/pph/index.jsp (last visited November 2013).

³² Council Directive 1998/71, 1998 O.J. (L289) (EC), available at http://ec.europa.eu/internal_market/indprop/design/index_en.htm#dir (last visited November 2014).

other, already known designs. During the registration process, there is no “examination” to compare the subject design against previous designs. However, a design registration can be invalidated at any time after registration if it is shown that the design does not meet the novelty and/or individual character requirements.

Thus, Registered Community Designs can provide additional or alternative protection for designs in the European Union and create an asset that can be exploited.

B. Utility Models

A number of countries and regional patent offices outside the United States provide for some limited protection of innovations under a “utility model” system. A utility model is similar to a patent, but usually has less stringent patentability requirements and a shorter term—often 6 to 10 years, without the possibility of extension or renewal. The requirements for and rights conferred by a utility model may vary from country to country (where such protection is available).

Most countries having utility model laws require that the invention be novel, or new. However, in many countries providing for utility model protection, utility model applications are not examined substantively and are granted if formal requirements are met. In addition, there are limits in some countries as to the subject matter that can be protected by utility model. For example, methods may not be the subject of utility model protection in many countries. In practice, protection for utility models is often sought for innovations of a rather incremental character which may not meet patentability criteria for utility patents (e.g., nonobviousness or inventive step). This means that the registration process is often significantly simpler and faster. Accordingly, utility models are much cheaper to obtain and to maintain than patents. On the other hand, utility models likely have less strength when enforcing against infringers.

In some jurisdictions, an application for a utility patent can be converted into an application for a utility model. In such cases, the utility model can claim priority to an earlier-filed patent application under the PUC. Rules governing the conversion of a utility patent application to a utility model application vary between jurisdictions, and should be consulted before attempting to make such a conversion.³³

C. Hague Agreement Concerning International Registration of Industrial Design

In 2012, the United States ratified the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (“the Hague Agreement”). Under the Hague Agreement, a U.S. applicant will be able to file a single application and designate various member countries in which to seek protection for an industrial design. Protection under the Hague Agreement differs from conventional design patent protection in a number of ways including for example, publication of the application, payment of periodic fees to maintain the registration, the potential inclusion of multiple designs in a single application, and others. In addition, there are currently about 60 member countries (or intergovernmental organizations) so an application filed under the Hague Agreement may not provide protection in all countries of interest to an applicant.

The Hague Agreement is not yet in force in the United States, but activities are underway to facilitate implementation. As the United States moves toward implementation, applicants who regularly protect their industrial designs should evaluate the advantages and disadvantages of registration under the Hague Agreement, as compared with conventional design patent protection, and determine which approach best suits their needs.

Practical Considerations

International patent treaties provide mechanisms to file patent applications in various countries. Applicants should consider a number of factors in deciding in which countries to seek patent protection. These factors include, for example:

- (1) *Applicant’s Manufacturing Locations*: Patent protection can be important in countries where an applicant manufactures or expects to manufacture products to be patented, or utilizes processes or equipment to be patented.
- (2) *Competitor Manufacturing Locations*: An applicant may want to seek patent protection in countries where its competitors have manufacturing facilities or might be expected to make, use, or sell the invention.
- (3) *Commercial Markets*: An applicant should consider seeking patent protection in countries that represent

³³ Anthony Prenol, *INTELLECTUAL PROPERTY WORLD DESK REFERENCE* (2008); World Intellectual Property Organization, *Protecting Innovations by Utility Models*, http://www.wipo.int/sme/en/ip_business/utility_models/utility_models.htm (last visited November 2014).

important commercial markets for the invention.

- (4) *Cost*: Cost is a significant factor in deciding where to seek patent protection. For each country where patent protection is sought, an applicant will normally incur government fees (e.g., filing fees, fees for requesting examination, etc.), legal/professional fees for patent attorneys/agents in the country to handle prosecution, translation fees, and annuities/tax payments to keep the application pending or the patent in force. As companies typically have budgets for intellectual property expenses, an applicant may have to select the most important countries for protection in order to meet budget constraints.
- (5) *Emerging Markets*: Because the term of a patent is generally measured as twenty years from its earliest effective filing date, an applicant may want to consider emerging markets in its foreign filing decisions. For example, if an applicant expects to set up manufacturing operations (or expects a competitor to set up manufacturing operations) in Vietnam in the next 5 years, the applicant should consider filing a patent application in Vietnam before the foreign filing deadline passes even if it might be a number of years before the applicant will begin such operations.
- (6) *Countries on the Intellectual Property Watch List*: Each year, the Office of the United States Trade Representative (“USTR”) releases an annual report addressing the adequacy and effectiveness of U.S. trading partners in the protection of intellectual property rights.³⁴ This report might be useful in foreign filing decisions as an applicant may not wish to file a patent application in a country where the prospects of successful enforcement are questionable.
- (7) *Socio-Political-Economic Factors*: An applicant might consider socio-political-economic factors in making foreign filing decisions, including factors such as whether the country is developed or developing, political stability in the country, and the country’s participation in trade agreements.
- (8) *Other Available Remedies*: While obtaining a patent in a particular country may enable a patent owner to bring an action to stop infringement in that particular country, the patent owner may be able to protect its technology in other ways without obtaining a patent in each country of interest. For example, in the United States, a patent owner can seek an exclusion order from the International Trade Commission to prevent infringers from importing or selling imported goods that infringe its U.S. patent. Thus, if the primary commercial market for a patented product is the United States, a patent owner can guard against overseas manufacture (for subsequent importation into the United States) without seeking a patent in each country where the patent product might be manufactured.

X. Summary

To seek patent protection outside the United States, a U.S. applicant can file national applications, and incur the expense of doing so, in individual countries. Each of the international agreements—the PUC, the PCT, and the EPC—provides for the right of priority, with a 12-month priority period, to applications filed in the respective member countries. The PCT and EPC provide for centralized filing and searching, leading to publication of the application and a related search report. Only the EPC provides for centralized examination, which can lead to the grant of a European patent. Also, the EPC provides for a centralized post-grant opposition procedure before the EPO, which can result in loss of the entire bundle of European patents for all designated countries. The PCT provides for centralized preliminary examination, but does not directly result in the grant of any patent, which remains strictly a national or regional function. Filing a PCT application can beneficially delay entry into national stage prosecution, and thus payment for filing in the individual national and regional offices, until 30 to 31 months after the priority date for most member countries.

Understanding options available for seeking patent protection in other countries is becoming increasingly important in view of today’s information economy, less restricted globalized trade, and the concurrent push to protect intellectual capital worldwide. Filing applications under the PCT offers U.S. applicants many procedural, cost, and strategic advantages and should be considered when seeking international patent protection. Deciding in which countries to seek patent protection should include a consideration of a variety of factors including manufacturing markets, commercial markets, socio-political-economic factors, the legal structure for patent procurement and enforcement, and others.

³⁴ A copy of the 2014 report can be found at <http://www.ustr.gov/about-us/press-of-ice/reports-and-publications/2014/2014-Special-301-Report> (last visited November 2014).