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A number of interesting items have come up with respect to the I<sup>2</sup>P Group (International Intellectual Property Group), which are of interest to the entire membership.

### PCT Changes Going into Effect

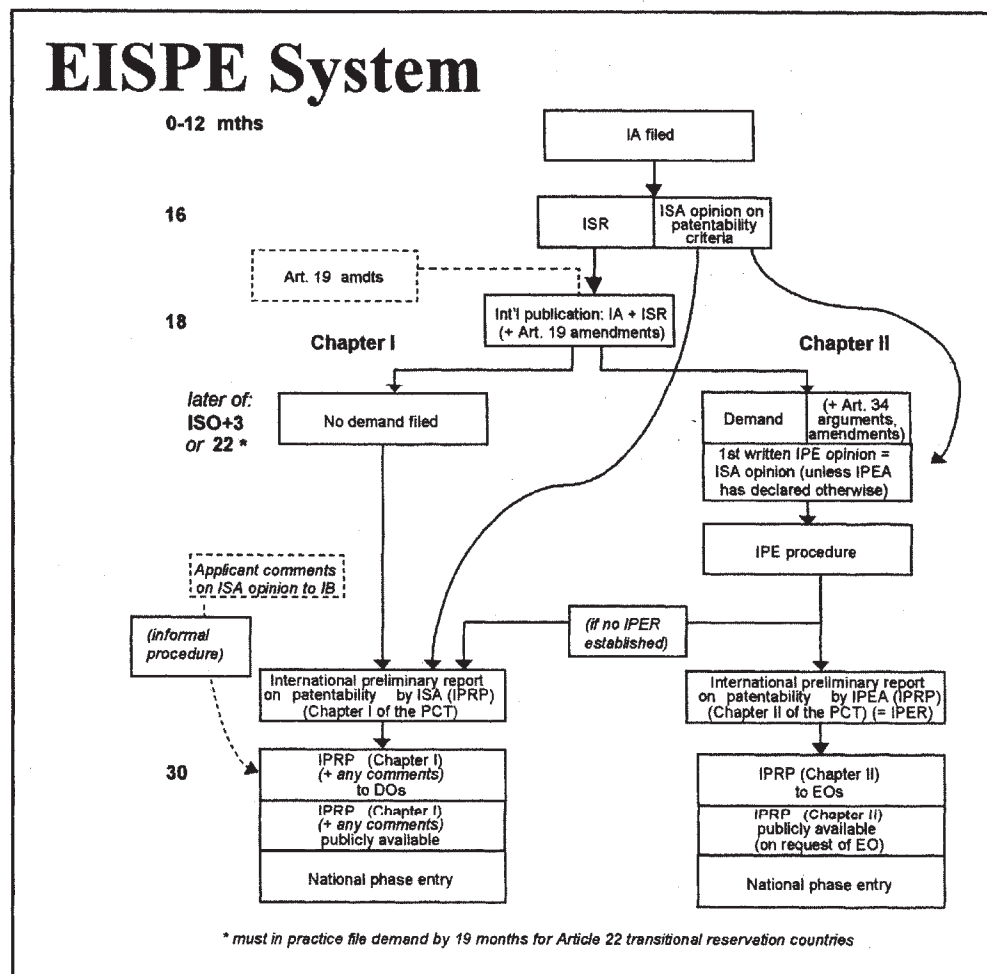
Over the last few years a number of changes have been approved for modifying the PCT to make it more user friendly and lower cost. One of the first reform initiatives that was approved by the PCT Assembly was to extend the time limit for Chapter I of PCT from 20/21 months to 30/31 months. This would permit applicants to obtain an international search under Chapter I and avoid the

take place upon entry into national and regional offices following perfection of the PCT.

The ability to remain in Chapter I for the full 30/31 months went into effect on April 1, 2002. However, some countries required modifying their national laws to accommodate this change. Of the 120 contracting states, the only countries that still have not modified their laws to accept this change are Brazil, Norway, Singapore, Yugoslavia, and Tanzania. If an applicant intends to complete the national entry into any of these countries, it still will be necessary to utilize Chapter II until these other countries accept this modification. While there are other European and South African countries that have also not yet accepted the change, utilization of the European Patent Office for those European countries and the African Treaty ARIPO for those African countries, would permit entry into those other countries after the full 30/31 months from Chapter I.

The PCT Assembly also approved the concept of reinstating rights after failure to comply with the requirement for entering into the national phase within the applicable time. Specifically, failure to enter into the national phase at the end of the 20/21 month or the 30/31 month time limits will no longer result in the abandonment of the application. National/regional entry still will be permitted based upon showing that due care was taken under the circumstances. The national/regional offices have the ability of lowering that standard to one of unintentional failure to enter into the national phase. This restoration privilege has gone into effect as of January 1, 2003.

Further changes that have been accepted and which will go into effect on January 1, 2004 concern the new Enhanced International Search and Preliminary Examination (EISPE) System. Under this system, along with the International Search Report (ISR), which will be produced under Chapter I, there also will be an International Preliminary Report on Patentability (IPRP). This will be similar to the Written Opinion that is currently generated during the Chapter II examination phase. The



necessity of paying for and obtaining an examination under Chapter II. Many applicants felt that the examination was not of significance because separate examinations would

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IPRP will be sent to the applicant and will be retained in the file but will not be published at eighteen months; only the search report will be published. Should the applicant remain in Chapter I and never enter Chapter II, at the end of the 30/31 months the IPRP will be sent to the designated offices upon entry into the national/regional phase made publicly available. Should the applicant desire to have a dialog with the examiner and amend the claims, he can enter into Chapter II, as at present, and receive a Written Opinion which will generally be the same as the IPRP. He can then amend the claims and ultimately receive an International Preliminary Examination Report (IPER) as at the present time and that will then be sent to the elected countries upon entry into the national phase.

Other simplifications that also will be effective January 1, 2004, include an automatic and all inclusive designation system covering all of the countries that are member states of the PCT. There will also be a flat "international filing fee" for any filing. Designated offices will receive communications only upon their request, to reduce paper flow. Simplifications on signatures, powers of attorney and indications concerning applications also will go into effect at that time. Furthermore, from October 17, 2002, there has been a fee-reduction for electronic filing of applications into the PCT.

Additional reforms are still being discussed at the upcoming meetings of the Working Committee on PCT Reform. These include restoration of the failure to file an application within twelve months of the Paris Convention, as well as a new Framework for quality standards for search and examination by all of the International Search Authorities and International Examination Authorities. Other modifications of the PCT Regulations are being considered to place it in conformity with the Patent Law Treaty that was passed in recent years.

### Revisions to Intellectual Property Laws in Japan

A bill to amend Japan's intellectual property laws was passed by the Diet in May 2003.

The more interesting aspects of these amendments are explained below. Further information concerning the amendments of the intellectual property laws are available in English on the JPO homepage ([www.jpo.go.jp](http://www.jpo.go.jp))

### Amendment of intellectual property laws

#### A. Restructuring of patent fees

These changes are expected to take effect on April 1,

2004. However, some current fees will still apply to applications filed before this date.

1. The application fee will be reduced to 16,000 yen from 21,000 yen per application, irrespective of the number of claims.

2. The fee for the request for examination will be raised as follows:

Revised: 168,600 yen + 4,000 yen x number of claims

Current: 84,300 yen + 2,000 yen x number of claims

The fees for the request for examination for applications made by way of the PCT designating Japan and having an international search report will approximately double the current fees.

3. Annual fees will be reduced as follows.

### Details of Fee Revisions

(Units in yen)	Current Fee		Revised Fee	
	Basic	Per claim	Basic	Per claim
Filing	21000	0	16000	0
Request for examination	84300	2000	168600	4000
1 <sup>st</sup> -3 <sup>rd</sup> annuities	13000	1100	2600	200
4 <sup>th</sup> -6 <sup>th</sup> annuities	20300	1600	8100	600
7 <sup>th</sup> -9 <sup>th</sup> annuities	40600	3200	24300	1900
10 <sup>th</sup> -25 <sup>th</sup> annuities	81200	6400	81200	6400

	Filing	Req. Exam.	Annuities	Total
Current Fee (old fee)	21000	99500	356200	476700
Revised Fee (new fee)	16000	199000	166600	381600

Comparison of new and old fees for an average application (calculated for an application having 7.6 claims, the average for filings in 2001, and maintained for nine years)

Provisions will be included to allow for the new fees to be reconsidered five years after enactment of the revisions.

#### 4. Transition treatment of applications

Some of the current fees will continue to apply for applications filed before the fee revision comes into effect on April 1, 2004.

5. Half of the fee for the request for examination will be refunded upon request, if the application is abandoned or withdrawn before the first office action is issued by the JPO. However, this refund must be requested within six

months from the date of abandonment or withdrawal of the application.

*B. Prompt, appropriate settlement of patent-related disputes (expected to take effect Jan. 1, 2004)*

1. The current opposition system for patents will be abolished. However, the opposition system for trademarks will be maintained.

2. The invalidation trial system will be revised to contain both functions of the current opposition system and the current invalidation trial system.

Anyone will be able to demand an invalidation trial for a granted patent. However, interest will be required for violations related to joint applications and for misappropriation.

3. In order to encourage early settlement of proceedings before the JPO and the Tokyo High Court, the following change will be made.

Currently, while an opposition or invalidation trial is pending before the JPO, the patentee cannot demand a separate trial for correction of the patent. However, when an appeal against a JPO decision in an opposition or invalidation trial is filed at the Tokyo High Court, the patentee is free to file a trial for correction at the JPO at any time during the appeal.

Under the revised law, the opportunities for filing a trial for correction before the JPO when an appeal is proceeding at the Tokyo High Court will be reduced. For example, the patentee will have ninety days from the day on which an appeal is filed at the Tokyo High Court to demand a trial for correction at the JPO. The next opportunity to file a trial for correction will arise after the Tokyo High Court hands down a judgement.

4. To reduce interruptions before the JPO and the Tokyo High Court, the following change will be made: The Tokyo High court will be able to make a decision to remand a case to the JPO, if the patentee demands, or attempts to demand, a trial for correction before the JPO after filing a suit against a JPO decision which invalidates the patent.

*C. Encouraging acquisition of foreign patents (expected to take effect January 1, 2004)*

1. The provisions concerning unity of application will be revised to harmonize with global standards for unity of invention. It is hoped that this will reduce the burden on Japanese applicants wishing to file foreign patent applications. The revised articles of the Patent Law and Utility Model Law will follow Rule 13 of the PCT.

2. It will no longer be necessary to designate contracting states in a request for a PCT international application in response to amendment of Rule 4.9 of the PCT, which enters into force on January 1, 2004.

**The Spanish Patent and Trademark Office Presented as a Preliminary Patent Examining Authority**

The Spanish Patent and Trademark Office was presented as an International Preliminary Examining Authority for patent applications filed in Spanish, under the Patent Cooperation Treaty (PCT), last February 24 at a venue chaired by Science and Technology Minister Josep Pique.

Because the Spanish Patent and Trademark Office is an International Preliminary Examining Authority, applicants for patent in Spanish can have their application processed fully in that language.

The Spanish Patent and Trademark Office will start acting as an examining authority from June 1, 2003. The Office has been operating as a searching authority with full international recognition from the year 1995.

At present just six Spanish-speaking countries are PCT signatories (Colombia, Costa Rica, Cuba, Ecuador, Spain, and Mexico), but the possibility of processing in Spanish is expected to encourage other Spanish-speaking countries to join.

**2002 Patent Applications in China**

According to the preliminary statistics from SIPO, 2002 witnessed the continuous development of patent applications in China. SIPO received a total of 252,632 patent applications, an increase of 24 percent over 2001. Of this number, 80,233 were for inventions, 93,139 were for utility models, and 79,260 were for industrial designs. Of the total number of patent applications, 205,396 were domestic applications (an increase of 24 percent), while 47,236 were foreign applications (marking an increase of 25 percent).

The top ten foreign countries or territories filing patent applications in China, and percentage of increase, were Japan 18,275 (+33%); United States 10,012 (+11.3%); Germany 4,011 (+16.1%); Korea 3,626 (+45.2%); the Netherlands 2,148 (+53.8%); France 1,931 (+27%); Switzerland 1,110 (+8.8%); United Kingdom 1,023 (+12%); Sweden 952 (-1.6%); and Italy 627 (+26.7%).

**Small/Large Entity Status Must Be Made at the Time of Filing in Canada**

The Canadian Federal Court of Appeal has held in a unanimous decision that if an applicant for a patent qualified as a "small entity" at the time of application, that status must be made when the application is filed in Canada.

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