The enactment of the GATT implementing legislation is the recent development of greatest impact on United States patent law. The legislation changes the length of a patent’s term, creates provisional applications, changes the definition of infringing activity, and modifies the definition of inventive activity.

*116* The United States Court of Appeals for the Federal Circuit has also been active, issuing recent opinions on claim construction, the evidentiary value of post bar date documents when considering novelty, personal jurisdiction, best mode,
willful infringement, and conception of an invention.

II. Legislative Developments in Patent Law - GATT/TRIP

President Clinton signed the bill enacting GATT/TRIPs legislation on December 8, 1994. The President’s signature starts the clock for a major change in United States patent law. Six months after his signature, the 17-year patent term will change, and provisional patent applications will be available in the United States. Moreover, on January 1, 1996, the definitions of “inventive activity” and “infringement” will change.

A. Patent Term

As of June 8, 1995, the patent “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 §§ 120, 121, or 365(c) of Title 35, from the date on which the earliest such application was filed. The 20-year term shall be extended to compensate for specific delays within the Patent and Trademark Office (“PTO”) or during an appeal of a PTO decision. However, “the total duration of all extensions of a patent under this subsection shall not exceed five years.” This new law may significantly impact existing applications.

“The term of a patent that is in force on or that results from an application filed before [June 8, 1995] shall be the greater of the 20-year term as provided in subsection (a) [of 35 U.S.C. § 154], or 17 years from grant, subject to any terminal disclaimers.” Thus, June 8, 1995, is a critical date for potential patentees and practitioners. Plans should be made now to avoid unnecessarily shortening the term available to patentees. For example, a continuation application referencing an application filed in May, 1975, would have a 17 year term if filed on June 7, 1995, but no term if filed on June 9, 1995. Practitioners should also reassess their future PTO strategies to maximize the benefit to their clients under this new law.

*117 B. Provisional Applications

As of June 8, 1995, provisional applications may be filed for a basic filing fee of $150, or $75 for small entities. A provisional application shall include a specification and a drawing. A claim is not required. Each provisional application must have a cover sheet identifying the application as provisional. An information disclosure statement is unnecessary and will not be permitted in a provisional application. Amendments, other than those required to make the provisional application comply with applicable regulations, are not permitted after filing. The provisional application filing date will be the date on which the specification and drawings are received in the Patent Office. A provisional application will be abandoned 12 months after its filing date and will not be revived.

While a provisional application cannot claim priority based on any other application or an earlier filing date under 35 U.S.C. §§ 120, 121, or 365(c), an application filed under § 111(a) or § 363 will have the filing date of a provisional application filed under § 111(b) if the application is filed “no 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.” The invention disclosed in the later filed application must be the same as an invention disclosed in the provisional application, and there must be an inventor or inventors common to both applications. A non-provisional application may be converted to a provisional application by the filing of a petition and for a fee.

C. Evidence of Inventorship for Priority

Beginning January 1, 1996, an inventor domiciled in a NAFTA member country or a World Trade Organization (WTO) member country shall be entitled to the same rights of priority in the United States with respect to his invention, as if his invention had been made by an inventor domiciled within the United States. However, the PTO and courts are required to draw appropriate inferences against a resident of a NAFTA or WTO country if he is not forthcoming with information “concerning knowledge, use, or other activity relevant to proving or disproving a date of invention.” Such an inference will be appropriate only if the information would be available if it were within the United States. These changes are significant. To ameliorate the harm to existing applications, more than one independent and distinct invention may be examined if the application was pending before June 8, 1992. Also, applications pending before June 8, 1993, may have submissions such as information disclosure statements, amendments, new substantive arguments, or new evidence supporting patentability considered after a final rejection. “Applicants may use the procedures set forth in 37 C.F.R. § 1.53 proposed to file a continuation or divisional application ... by providing the Office with a copy of the prior application.” Therefore, it is proposed that 37 C.F.R. § 1.60 be removed and reserved.

D. Definition of Infringement
As of January 1, 1996, an unauthorized offer to sell a patented invention within the United States will be an act of infringement.\textsuperscript{26}

E. Publication of Patent Applications

The PTO has requested comments on a proposed plan to publish patent applications 18 months after they are filed.\textsuperscript{27} The Secretary of Commerce and the Japanese Ambassador to the U.S. exchanged letters in which the U.S. committed to introduce legislation which would provide for publication of pending patent applications 18 months after their effective date. “The United States committed to begin publishing patent applications by January 1, 1996.”\textsuperscript{28} If the plan is adopted, the time a provisional application is on file will be taken into account for purposes of publication of the application at 18 months.\textsuperscript{29} The prior art effect of the publication of patent applications is one area of great concern for the PTO.\textsuperscript{30}

\textbf{III. Judicial Developments in Patent Law}

The United States Court of Appeals for the Federal Circuit issued several interesting cases in the last few months. The cases are summarized below in the order they were issued.

\textbf{A. In re Epstein}\textsuperscript{31}—The “Good Hearsay” Rule

In re Epstein addresses the effect on novelty of post bar date printed publications. The publications at issue were abstracts which asserted a release or first installation date for the software products at issue of more than one year before the appellant filed his patent application.\textsuperscript{32} The PTO contended “that the abstracts evidence the following: (1) that the software products described in the abstracts were ‘in public use or on sale’ within the meaning of section 102(b) and thus properly considered prior art, and (2) the level of skill in the art at the time the invention was made.”\textsuperscript{33} Epstein argued that the PTO Board could not rely upon the abstracts because the dates of “release” and “first installation” provided by the abstracts were hearsay and not within any exception to hearsay rules.\textsuperscript{34} The Federal Circuit agreed that the dates listed in the abstracts were hearsay statements.\textsuperscript{35}

However, the court rejected the argument for a per se rule that the PTO can never rely upon hearsay statements to establish facts necessary to support a rejection of patent claims.\textsuperscript{36} The court also appeared to reject the notion that the hearsay would not fall within an exception to the hearsay rule, although no particular exception was articulated. The court concluded that “because the abstracts appear ed on their face to be accurate and reliable, and because appellant . . . failed to proffer any evidence to support his arguments to the contrary,” the court would “assume the truthfulness of the various assertions in the abstracts.”\textsuperscript{37} The appellant argued that the abstracts did not adequately describe the software and thus were not enabling.\textsuperscript{38} The court disagreed, noting that the appellant’s arguments were misdirected, as it was “the software products, not the abstracts, that were the prior art.”\textsuperscript{39}

Judge Plager, joined by Judge Cowen, concurred, stating that “[t]he solution agreed to by the panel, and with which I concur, is at least for now to allow the PTO to use its immediately available data sources to identify legitimate questions that need answering, and then to place upon the applicant the burden of finding those answers. In legalese this means that the PTO has met its burden of production, and now the burden of production or going forward shifts to the applicant.”\textsuperscript{40}

\textbf{B. Atlanta Motoring Accessories, Inc. v. Saratoga Technologies, Inc.}\textsuperscript{41}—The “Way” to Noninfringement

In Atlanta Motoring, the Federal Circuit reversed a grant of summary judgment of infringement under the doctrine of equivalents. The Federal Circuit found that the accused device, a collapsible storage rack for automobile hardtops, performed the same function as the invention but did so in different ways.\textsuperscript{42} The court preceded its analysis with the declaration that “t his is a clear case of an effort to design around plaintiff’s patent and the realistic issue is whether the effort succeeds.”\textsuperscript{43} The court then observed that it had the accused device before it and proceeded to enumerate the many reasons why it performed in different ways from the claimed device.\textsuperscript{44}

\textbf{C. Electro Medical Systems, S.A. v. Cooper Life Sciences, Inc.}\textsuperscript{45}—No Attorney Opinion Produced—Still No Willfulness

In Electro Medical, the Federal Circuit held that refusal to produce an exculpatory opinion of counsel in response to a charge of willfulness does not result in an irrebuttable presumption of willfulness. The court held that although the district court correctly drew an inference adverse to the alleged infringer on the willfulness issue, when the alleged infringer refused to produce an opinion letter from counsel regarding the patents in suit, the district court erred by not considering the evidence in its entirety.\textsuperscript{46}
The alleged infringer had filed an action seeking a declaratory judgment of invalidity and noninfringement, and the patentee brought two unsuccessful motions to dismiss for lack of justiciable controversy on the ground that the alleged infringer lacked the capacity and intent to sell its products in the United States.\(^{47}\) In response to the patentee’s threat to bring a third motion to dismiss, which came six years after filing the declaratory judgment action, the alleged infringer sold six products in the United States, and the patentee amended its answer to add a claim of willful infringement.\(^{48}\) The district court found Electro Medical Systems to be a willful infringer and awarded the patentee double damages and attorneys fees.

The Federal Circuit reversed because there was no finding of misconduct and because the decision to defer sale of the accused product was “more consistent with satisfying its duty of due care to avoid or minimize infringement than with willfulness.”\(^{49}\) Moreover, the sale of only six devices constituted de minimis infringement and “was accomplished only to avoid dismissal and ensure prompt adjudication, not as part of its business to generate income.”\(^{50}\) Also, the alleged infringier had a “basis for its arguments on the merits.”\(^{51}\) The court specifically stated that “filing suit is not willful infringement.”\(^{52}\)

D. Transco Products, Inc. v. Performance Contracting, Inc.\(^{53}\)—Best Mode Is a Parent’s Concern

The Federal Circuit reversed Transco Products, Inc. v. Performance Contracting, Inc.,\(^{44}\) wherein the district court found the best mode requirement was violated because the patentee did not update his best mode disclosure when he filed his continuation application under 37 C.F.R. § 1.60.\(^{53}\) The Federal Circuit held that the relevant date for evaluating a best mode disclosure is the filing date of the parent application, not the filing date of any continuing applications filed thereon, at least with respect to common subject matter.\(^{56}\)


North American Philips extended the personal jurisdiction rationale articulated in Beverly Hills Fan Co. v. Royal Sovereign Corp.\(^{58}\) In North American Philips, the appellees/defendants were incorporated in California and Texas, and did not have “an office, P.O. box, agents, employees, assets, or property in Illinois.”\(^{59}\) The appellees/defendants entered into contracts with distributors based in Illinois and had an ongoing business relationship with them.\(^{60}\) All of the goods destined for Illinois were delivered “free on board”\(^{61}\) in Texas and California.\(^{58}\) The district court concluded “that the situs of the putative ‘tort’ of patent infringement is the domicile of the patentee.”\(^{62}\) The Federal Circuit disagreed, interpreting 35 U.S.C. § 271(a) as holding “that the ‘tort’ of patent infringement occurs where the offending act is committed and not where the injury is felt.”\(^{63}\) Specifically, the court held “that to sell an infringing article to a buyer in Illinois is to commit a tort there (though not necessarily only there). To hold otherwise would exalt form over substance ....”\(^{64}\)

*122 F. Conopco, Inc. v. May Department Stores Co.\(^{65}\)—An About Face on an About Phrase

In Conopco, the Federal Circuit reversed a finding of literal infringement and infringement under the doctrine of equivalents. To find infringement, the trial court interpreted the phrase “about 40:1” to encompass a 162.9:1 ratio. The appellant argued that the district court erred in expanding the “about 40:1” limitation, in part on the theory that “about” allows a range to extend as far as the prior art would allow. The Federal Circuit agreed with the appellant and rejected the district court’s interpretation of “about” because after reviewing the specification and the prosecution history, the court concluded that “[t]he relevant inquiry ... is whether one of skill in the art would have understood that the term was to be read expansively.”\(^{66}\) The court rejected Conopco’s argument that such an expansive definition was acceptable because it was not precluded by prior art.\(^{68}\)

G. Wolverine World Wide, Inc. v. Nike, Inc.\(^{69}\)—Another Broken Nose of Wax

In Wolverine World Wide, the Federal Circuit affirmed a grant of summary judgment of noninfringement. The Federal Circuit stated that “claim construction is a question of law amenable to summary judgment; a mere dispute over the meaning of a term does not itself create an issue of fact.”\(^{70}\) The Federal Circuit also stated that “litigation-induced pronouncements contrary to the clear meaning of statements made in a patent are insufficient to raise a genuine issue of material fact ....”\(^{71}\) Application of the doctrine of equivalents was denied because the accused device functioned in a different way than what was claimed in the patent.\(^{72}\)

H. Burroughs Wellcome Co. v. Barr Laboratories, Inc.\(^{73}\)—The Moment of Conception

In Burroughs Wellcome, the Federal Circuit clarified the doctrine of simultaneous conception and reduction to practice.\(^{74}\) This case involved five patents relating to the use of AZT to treat patients infected with HIV. A separate patent covered a
method of using AZT to increase the “t-cell” count of persons infected with HIV. On February 6, 1985, Burroughs Wellcome prepared a draft application for filing in the United Kingdom. The draft disclosed the use of AZT to treat persons infected with HIV, setting out pharmaceutical formulations of the compound and dosages for treating HIV. Subsequent testing was performed by persons at the National Institute of Health (NIH) in the United States where clinical trials leading to FDA approval were conducted. The defendants contended that the NIH individuals should be coinventors of the five patents relating to the use of AZT to treat patients infected with HIV or AIDS. Three weeks into the trial, the district court granted Burroughs Wellcome’s motion for judgment as a matter of law against the defendants on the ground that the Burroughs Wellcome inventors had conceived of the subject matter of the inventions before February 6, 1985, without the assistance of the NIH scientists.

The Federal Circuit stated the test for conception as follows:

The test for conception is whether the inventor had an idea that was definite and permanent enough that one skilled in the art could understand the invention; the inventor must prove his conception by corroborating evidence, preferably by showing a contemporaneous disclosure. An idea is definite and permanent when the inventor has a specific, settled idea, a particular solution to the problem at hand, not just a general goal or research plan he hopes to pursue. The conception analysis necessarily turns on the inventor’s ability to describe his invention with particularity. Until he can do so, he cannot prove possession of the complete mental picture of the invention. These rules ensure that patent rights attach only when an idea is so far developed that the inventor can point to a definite, particular invention.

The Federal Circuit disposed of the defendant’s claim that the inventor’s definite and permanent idea must include a reasonable expectation that the invention will work for its intended purpose, stating that “an inventor’s belief that his invention will work or his reasons for choosing a particular approach are irrelevant to conception.”

The court then distinguished the line of cases starting with Smith v. Bousquet, which established the doctrine of simultaneous conception and reduction of practice. In Smith, the CCPA had noted the unpredictability of the experimental sciences of chemistry and biology and declined to find conception until the invention had in fact been constructively reduced to practice with the filing of a patent application. In Burroughs Wellcome, however, the Federal Circuit stated that the simultaneous conception and reduction to practice cases “do not stand for the proposition that an inventor can never conceive an invention in an unpredictable or experimental field until reduction to practice.” The court noted that Smith relied “not on the inherent unpredictability of the science, but on the absence of any evidence to collaborate an earlier conception for either of the parties.” The Federal Circuit continued:

A conception is not complete if the subsequent course of experimentation, especially experimental failures, reveals uncertainty that so undermines the specificity of the inventor’s idea that it is not yet a definite and permanent reflection of the complete invention as it will be used in practice. It is this factual uncertainty, not the general uncertainty surrounding experimental sciences, that bears on the problem of conception.

* The Burroughs Wellcome case clarifies the reasonable expectation rule discussed in Amgen, Inc. v. Chugai Pharmaceutical Co., Ltd. and in Fiers v. Revel. In Amgen and Fiers, the inventors had claimed conception of their inventions before they knew the relevant chemical structure of the DNA sequence claimed. The courts in each case found no conception until experimentation finally disclosed the chemical structure. The Burroughs Wellcome case differs in that the inventors knew the structure of their compound and the method of making the compound. The court confirmed that the conception of the claimed invention of the five patents was corroborated based on the draft British patent application. The draft disclosed the intended use of AZT to treat AIDS, set out the compound structure, and disclosed how to prepare pharmaceutical formulation of AZT and how to use it in treating a patient infected with HIV. Thus, the draft application confirmed that the inventors had concluded the mental part of the inventive process, and reduction of practice was not needed to establish a conception.

In a concurring opinion, Judge Lourie concurred in the majority’s decision with respect to the first five patents. However, with respect to the method patent, he did not agree that reduction to practice was, in and of itself, corroboration of conception, and he did not agree that the completeness of conception was affected by subsequent experimental success or failure. He stated that “a conception must be judged as to its completeness in relation to the invention being claimed.” He then stated that:

Corroboration must be of the date of the conception. If the only “corroboration” of the conception is its reduction to practice, corroboration has not occurred concerning the alleged date of conception .... Reduction to practice by the inventor is not corroboration because corroboration must be independent of
the inventor. Corroboration is not a demonstration that the conceived invention works; it is evidentiary
proof that the mental active invention occurred on a certain date.\(^\text{92}\)

IV. Conclusion

The implementation of GATT/TRIP overshadows other recent developments in United States Patent law. The effect of the GATT/TRIP implementing legislation will surely be debated and litigated for years to come.

Footnotes

\(^{a1}\) Shareholder at Fish & Richardson, Houston, Texas.

\(^{aa1}\) Associate at Fish & Richardson, Houston, Texas.


\(^{4}\) This term change does not apply to design patents. See 59 Fed. Reg. 63,951 (1994).


See id.

In 1994, legislation was introduced but not passed, which had proposed that 35 U.S.C. § 102(e) be modified to include a published application for patent. Thus, under the modification, a published application would have been express prior art under 35 U.S.C. § 102(e) and prior art under § 102(a) and (b) as a printed publication. See 59 Fed. Reg. 63,969 (1994) and S. 2488, 103rd Cong., 2d Sess. (1994).


Id. at 1564, 31 U.S.P.Q.2d at 1820.

Id. at 1564, 31 U.S.P.Q.2d at 1820.
34. Id. at 1565, 31 U.S.P.Q.2d at 1821.

35. Id. at 1565, 31 U.S.P.Q.2d at 1821.

36. Id. at 1565, 31 U.S.P.Q.2d at 1821.

37. Id. at 1566, 31 U.S.P.Q.2d at 1822.

38. Id. at 1567, 31 U.S.P.Q.2d at 1823.

39. Id. at 1567, 31 U.S.P.Q.2d at 1823.

40. Id. at 1570, 31 U.S.P.Q.2d at 1825 (Plager, J., concurring).


42. Id. at 1366-67, 31 U.S.P.Q.2d at 1932-33.

43. Id. at 1364, 31 U.S.P.Q.2d at 1930.

44. Id. at 1366-67, 31 U.S.P.Q.2d at 1932.

45. 34 F.3d 1048, 32 U.S.P.Q.2d (BNA) 1017 (Fed. Cir. 1994).

46. Id. at 1048, 32 U.S.P.Q.2d at 1017.

47. Id. at 1051, 32 U.S.P.Q.2d at 1019.

48. Id. at 1052, 32 U.S.P.Q.2d at 1019.

49. Id. at 1057, 32 U.S.P.Q.2d at 1024.

50. Id. at 1057, 32 U.S.P.Q.2d at 1024.

51. Id. at 1057, 32 U.S.P.Q.2d at 1024.

52. Id. at 1057, 32 U.S.P.Q.2d at 1024.


61. “Free on board” refers to a method of shipment where goods are delivered at a designated location, and legal title and risk of loss pass from the seller to the buyer.
76 Id. at 1227, 32 U.S.P.Q.2d at 1918.
77 Id. at 1228, 32 U.S.P.Q.2d at 1919.
78 Id. at 1228, 32 U.S.P.Q.2d at 1920.
80 Id. at 159, 45 U.S.P.Q. at 349-50.
81 40 F.3d at 1229, 32 U.S.P.Q.2d at 1920.
82 Id. at 1229, 32 U.S.P.Q.2d at 1920.
83 Id. at 1229, 32 U.S.P.Q.2d at 1920 (citations omitted).
86 Amgen, 927 F.2d at 1206, 18 U.S.P.Q.2d at 1021; Fiers, 984 F.2d at 1169, 25 U.S.P.Q.2d at 1605.
87 Burroughs Wellcome, 40 F.3d at 1230, 32 U.S.P.Q.2d at 1921.
88 Id. at 1230, 32 U.S.P.Q.2d at 1921.
89 Id. at 1233, 32 U.S.P.Q.2d at 1923 (Lourie, J., concurring in part, and dissenting in part).
90 Id. at 1233, 32 U.S.P.Q.2d at 1923 (Lourie, J., concurring in part, and dissenting in part).
91 Id. at 1233, 32 U.S.P.Q.2d at 1923 (Lourie, J., concurring in part, and dissenting in part).
92 Id. at 1233, 32 U.S.P.Q.2d at 1924 (Lourie, J., concurring in part, and dissenting in part).

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