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Patent Protection Abroad: Getting Your Ducks in a Row Before Filing Across the Pond

If there is any prospect of use, manufacture, or sale of inventive technology outside the United States (OUS), OUS filings should be considered. Even without such prospects, OUS filings can add value to an intellectual property portfolio. Here are some considerations.

By **Ryan Bergeron, James Vezeris and Daniel Laine** | September 10, 2020



For many individuals or businesses seeking to protect their technology, filing a patent application in the United States alone will suffice. However, if there is any prospect of use, manufacture, or sale of the inventive technology outside the United States (OUS), OUS filings should be considered. Even without such prospects, OUS filings can add value to an intellectual property portfolio by making the portfolio more attractive to potential acquirers and investors who may want the option to protect OUS markets. Adding OUS patent assets can also increase the portfolio's valuation and act as security interests for loans to grow a business.

Choosing OUS jurisdictions for filing should be based on where the technology is likely to be made, used, or offered for sale by patent applicants or their competitors. In making a decision, the location of manufacturers in the supply chain and ports of entry where title transfers may take place should

be considered. Agreements, such as those licensing the inventive technology, may also indicate where OUS filings are advisable or required.

Of course, a major consideration in filing abroad is cost, which can be significant and ongoing even after patents are procured. Prosecution costs, maintenance and annuity fees, and other extraneous costs, such as translation fees, can make obtaining and maintaining an international patent portfolio expensive. Another consideration is whether the benefits of keeping the technology undisclosed for some period of time outweigh potential OUS patent protection. In the US, patent applications may be kept secret by request until issued as a patent, but this right must be forfeited to file abroad such that the US application eventually publishes. If these considerations weigh in favor of filing abroad, then various filing options are available, each with certain benefits and drawbacks.

Paths to Protection

The primary paths for pursuing OUS patent protection include direct, regional, and international filings. Direct OUS filings are typically made under the Paris Convention. Regional filings may be made under a number of different treaties or conventions such as the European Patent Convention of which most European countries are members. International filings are made under the Patent Cooperation Treaty (PCT) for utility patents and The Hague Agreement for industrial designs, i.e., design patents. The focus of this article is on the most common paths for utility patents: the Paris Convention and the PCT. Over 150 jurisdictions are PCT contracting states, while each of those and more are signatories to the Paris Convention. Both treaties can be leveraged to reduce costs and provide strategic advantages for foreign patent protection.

Paris Convention applications are separately filed with member states within 12 months of the earliest of an initial filing, such as a US provisional or utility patent application, or public disclosure.

PCT applications also must be filed within 12 months of the initial filing or public disclosure and are filed with the Worldwide Intellectual Property Office through one of many receiving offices throughout the world. PCT applications may constitute initial filings. In most jurisdictions, applicants have at least 30 months from the initial filing to submit “national stage” applications to bring the application into jurisdictions where patent protection is desired. Where the PCT is not the initial filing, the 30-month deadline for national stage filings is calculated from the date the initial application was filed. Both national stage and Paris Convention applications are examined according to the rules of their respective jurisdictions, subject to any requirements outlined in the applicable treaty.

Choosing the Right Path

At first glance, PCT applications may seem inefficient and more costly than Paris Convention applications. After all, why file PCT applications which by themselves are unenforceable? However, PCT applications can provide strategic and monetary benefits relative to Paris Convention applications. For instance, a comprehensive prior art search is conducted for every PCT application, and the results are outlined in a search report. Even beyond separate pre-filing searches, which are always recommended, search reports provide a better understanding of potential patent coverage in view of the prior art before having to decide whether and where to proceed with national stage applications. Accordingly, national stage filing and related costs can be avoided when prior art

appears to excessively limit potential protection. This feedback is unavailable for Paris Convention applications.

The 30-month window for PCT applications also affords more time to decide where to file abroad. During this window, a market for the technology may begin developing, further product development can ensue, and sales offerings can be made to ascertain appropriate venues for patent protection.

Paris Convention filings are often more cost-effective than PCT filings when protection is sought in a few jurisdictions. However, they lack the other benefits of PCT filings, including the 30-month window afforded to PCT applications that enables the bulk of expenditures to be deferred.

Don't Be Late for the Migration

Initial filings should be made before any public disclosure of the technology to avoid misappropriation by others as well as any limitations such disclosure may impose on OUS filings. Once an application is filed or public disclosure is made, hard deadlines to file applications abroad are set and therefore must be carefully docketed based on the date of the initial filing or, for some jurisdictions, the date of the first public disclosure prior to the initial filing, if any.

Some jurisdictions, such as the European Patent Office (EPO), essentially preclude the possibility of patent protection when there is a "divulgarion," which in general is a public disclosure of the invention before an application is filed. Other jurisdictions including Australia, Canada, Japan, South Korea, and the US, provide grace periods for public disclosures by inventors and in other limited circumstances. What constitutes a public disclosure varies by jurisdiction, as does the duration of grace periods, which are typically six or 12 months.

When new inventions evolve beyond disclosures in initial filings, subsequent filings may be filed to capture new subject matter. Applicants should be aware that in some situations, OUS filings that do not claim priority to first filings and only claim priority to such subsequent filings may be precluded from the benefit of priority to the subject matter disclosed in the first filings. The first filings may even become prior art to the subsequent filings in some instances. Applicants must be cognizant of the substance and status of related filings when considering new filings to avoid placing unintended limitations on potential OUS patent protection.

Avoid Being Grounded Before Taking Flight

- *Ownership*

Along with deciding where, how, and when to file OUS, prospective applicants must be eligible to file their patent disclosures OUS. An absence of title or foreign filing licenses are major pitfalls that can derail OUS filings. Ideally, rights of ownership (i.e., title) and claims of priority to earlier filed applications should be obtained prior to filing. Title and claims of priority should be obtained from all rights holders obligated to assign such rights to avoid any later interference with the new filings by such rights holders. The assignment should indicate that the assignor does assign all rights to the invention in the subject jurisdiction, or simply in all countries throughout the world.

Applicants of priority applications, or assignees of such applicants, from whom assignments cannot be obtained by the filing deadline should be listed as applicants on the corresponding OUS filings. Of course, prospective applicants must be agreeable to including additional applicants whose approval will be needed to take action during prosecutions of OUS applications, absent permission being given to the primary applicants to control the prosecution. Failing to name persons or entities holding priority claims in OUS filings can lead to priority claims being irrevocably lost in certain jurisdictions, including at the EPO, thereby resulting in the subject OUS applications losing earlier priority dates. Thus, the subject OUS applications would be susceptible to otherwise unavailable prior art during prosecution.

Employment or consulting agreements properly assigning inventors' rights may be a useful alternative to evidence ownership when contemporary and specific assignments are unobtainable. However, instruments used for this purpose should be last a resort because, depending upon their specific wording, they might be found to be insufficient to transfer rights—for instance, where specific inventions were not contemplated under the agreement. Be aware that countersignatures and specific consideration are required on assignments for some OUS jurisdictions.

- *Foreign Filing License*

Foreign filing licenses (FFLs) are required by some countries when the inventors or their work are tied to a country and an initial filing is planned outside of that country and thus must be considered before an original filing. If an inventor is a resident or citizen of a non-US country or if part of the inventive activity took place outside the US, then one or more FFLs may be required from such non-US countries. China, France, India, and the US are major economies requiring FFLs. Failing to obtain necessary FFLs can lead to applications being barred, invalidated, or revoked, and even fines and imprisonment. For many countries, FFLs are only required for defense technology, e.g., United Kingdom. FFL requests are usually sufficient when they provide information to ascertain an invention's technology area and main technological features. A further FFL should be considered when a later filing adds subject matter to an initial filing.

Conclusion

Many considerations must be made when deciding whether to file abroad, but there is much to gain with thoughtful planning. Ensuring appropriate jurisdictions are pursued and deadlines are met will go a long way to building an international patent portfolio tailored to meet the unique challenges facing any business.

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