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Panel Commentary

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PANEL COMMENTARY[†]

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Ms. Hoffman, Mr. Montalto, and Professor Wegner have described in their conference papers the extensive activity in process to adapt intellectual property laws to new economic and political situations. We have seen in recent times the merger of countries, as in the Federal Republic of Germany, or the split up of a country into many separate countries, as in the U.S.S.R. There have been more harmonized laws within a group of countries, as in the European Community ("EC"), and preparation for improving patent law on a world level in the draft Patent Law Harmonization Treaty.[1]

While political forces have caused many of these changes, economic circumstances have had a major influence. The powerful General Agreement on Tariffs and Trade ("GATT") negotiations on intellectual property have played a major role. Even without an agreement, its influence has persuaded many countries to modernize their intellectual property laws using the GATT draft statement of basic principles.

Many new countries have chosen to retain, basically, the intellectual property laws that were used in their past relationship. It

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1. World Intellectual Property Organization (WIPO), Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris Convention as Far as Patents Are Concerned, The Hague, June 3-28, 1991, The "Basic Proposal" for the Treaty and the Regulations, WIPO Doc. PLT/DC/3 (English) (Dec. 21, 1990), Notes on the Basic Proposal for the Treaty and Regulations, WIPO Doc. PLT/DC/4 (English) (Dec. 21, 1990), History of the Preparations of the Patent Law Treaty, WIPO Doc. PLT/DC/5 (English) (Dec. 21, 1990) [hereinafter Patent Law Harmonization Treaty]; *see* William T. Fryer, III, *Patent Law Harmonization Treaty Decision Is Not Far Off—What Course Should The U.S. Take?: A Review of the Current Situation and Alternatives Available*, 30 IDEA 309 (1990).

is not a surprising step. Some of these countries made significant improvements, as we have learned from Ms. Hoffman concerning trademarks. It is natural that because of these events intellectual property laws will become closer, as explained by Professor Wegner in comparing Japanese and U.S. patent laws.

The EC has benefited from the Max Planck Institute's outstanding work to help develop centralized intellectual property laws. The Community patent and Community trademark Regulation, described by Mr. Montalto, are remarkable achievements that adjusted cultural and political barriers, slowly and steadily, to reach these goals. Their successful conclusion is inevitable, even though at times the process seems to stop or change directions.

Many of these changes would not have occurred so effectively without the guidance of the World Intellectual Property Organization ("WIPO"). It remains a unique United Nations organization, with experts ready to assist countries in modernizing their intellectual property laws. It should be no surprise to find much of the progress that has occurred so quickly, of necessity, was due to WIPO support.

It is my view that there will continue to be major improvements in the intellectual property law harmonization.

A. *International Trademark Activity*

Ms. Hoffman's paper is an excellent update on international trademark developments in eastern Europe and the former U.S.S.R. republics.[2] What I see developing is a flexible approach, to preserve existing rights and adopt improvements gradually. Of course, there has to be at least one exception, as in Estonia, which adopted a trademark dilution provision. You will recall that the United States, on a federal level, did not accept the dilution proposal when the trademark law was revised recently. In this sense, some may say Estonia is more up-to-date than the United States in trademark protection.

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2. Janet L. Hoffman, From Order to Chaos to . . . Order: Summary of Comments 1 (Apr. 5, 1993) (unpublished manuscript, on file with the *Fordham Intellectual Property, Media & Entertainment Law Journal*).

Her paper also reveals the independence of these new countries in their trademark law development. For example, Lithuania has a different scope of trademark subject matter than Estonia. Some differences can be expected in the trademark laws of these countries. In addition, I note that many of these countries are becoming more capitalistic. Look at the higher fees that are being charged for trademark registration, such as in the Ukraine.

B. *European Community Trademark*

Mr. Montalto, in his outstanding review of the European Community trademark system, identifies many strategic features that promote centralization. At the same time, the Community trademark system is very sensitive and flexible in relation to national trademark laws on several key points. For example, it delegates the determination of when trademark use is required to national law. Another example is the option given to national offices to submit their own search reports on a Community trademark application.

This cautious approach to centralization has made the prospects for adoption of the Community trademark a certainty, once the non-trademark law, political issues are resolved.

C. *Patent Law Harmonization*

I have devoted most of my comments in this paper to the patent law harmonization topic, presented by Professor Wegner, because it is a topic in which I have been very involved.[3] Professor Wegner is one of the outstanding contributors to the current patent law harmonization process. He has several related points in his paper on which I would like to comment.

One of his points is that the draft Patent Law Harmonization Treaty need not contain a provision on claim interpretation, since

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3. This author participated, as a representative of the International Association for the Advancement of Teaching and Research in Intellectual Property ("ATRIP") [international organization of law professors], in four of the meetings of experts that developed the basic proposal for the treaty and regulations on patent law harmonization. Patent Law Harmonization Treaty, *supra* note 1. A detailed review of developments through the 1989 meeting was published in Fryer, *supra* note 1. *See* 72 J. PAT. & TRADEMARK OFF. SOC'Y 242-254, 298-333 (Mar. & Apr. 1990).

at least the laws of the United States and Japan on that point appear to be coming closer. Also, he supports the United States changing to first-to-file and adoption of a provisional disclosure procedure. On the last two points he supports the legislation pending in Congress last year on patent law change.[4]

My comments are in the form of cautions that these changes are very complex and need to be made very carefully, and only after a very thorough study on how they will affect the U.S. economy. I favor change that will improve the U.S. economy.

My first caution relates to patent law harmonization as it effects claim interpretation. There is an interaction in the U.S. patent law between the patent disclosure and claims in determining whether there is patent infringement. The 1966 Report of the President's Commission on the Patent System[5] recommended that the United States adopt a first-to-file system in modified form and a preliminary application with primarily a disclosure requirement.[6] The 1966 Commission Report recognized the interdependency of the claims and disclosure when it stated: "Applicants should be aware, however, that the protection afforded by a preliminary application will depend greatly upon the adequacy of the disclosure contained therein."[7]

The Advisory Commission on Patent Law Reform report, issued in 1992, recommended a first-to-file system and what it termed a provisional application, to expedite filing.[8] Its report did not appear to consider in detail the relationship of patent infringement claim interpretation to patent disclosure. This omission raises serious questions, in my mind, on whether the United States should proceed with these changes without further study.

This conference commentary cannot develop the complete back-

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4. H.R. 4978, 102d Cong., 2d Sess. (1992).

5. PRESIDENT'S COMM'N ON THE PATENT SYSTEM, REPORT TO PROMOTE THE PROGRESS OF THE USEFUL ARTS, S. DOC. NO. 5, 90th Cong., 1st Sess. 12-21 (1967).

6. *Id.* at 5, 8.

7. *Id.* at 8.

8. ADVISORY COMM'N ON PATENT LAW REFORM, REPORT TO THE SECRETARY OF COMMERCE 11 (Aug. 1992).

ground or analyze fully this concern. Perhaps the following outline of my position will be helpful:

(1) In the United States patent law the application disclosure is a key component to claim interpretation. The more embodiments disclosed and the more explanation of alternative forms of the invention, the greater scope will be given to the claims for infringement purposes, if the prior article allows this breadth.

(2) It is my experience, as a patent attorney, that the development of the disclosure and claims together is essential to the preparation of an enforceable, broad patent claim.

(3) Inventor disclosures and journal articles are usually not suitable to develop broad claim protection, even though they will be effective as prior art.

(4) A system that encourages disclosure document filing by inventors, to save time and money, without involvement of a patent attorney or agent, will likely create chaos in the patent system, in both patent claim interpretation and utilization of the system. Many inventors will file on their own, initially, and leave it to the patent practitioner to try and work something out later. The 1966 Commission Report suggests this problem may occur, even under its modified first-to-file system. Neither one of these reports fully addresses the interrelated claim and disclosure interpretation question.

(5) It is my view that if a first-to-file system is adopted, any provisional patent application should be prepared by a patent attorney or agent. It should contain claims and develop the disclosure to the point allowed by the available information, to give the invention the maximum possible claim scope.

(6) There is a need to retain in U.S. patent law the principle of "reverse doctrine of equivalents," to prevent too broad an interpretation of patent claims. It happens on occasion that the Patent and Trademark Office issues claims which are too broad. The disclosure and other relevant considerations are part of a court's evaluation of whether there is infringement. Article 21 of the Patent

Law Harmonization Treaty,[9] as interpreted by Professor Wegner, appears to prevent the use of the reverse doctrine of equivalents. My position is that Article 21 could be interpreted as consistent with this doctrine, in view of Article 21, paragraph 1(A), which states: "The extent of protection conferred by the patent shall be determined by the claims, which are to be interpreted in light of the description and drawings."[10] The fact that the reverse doctrine of equivalents is needed makes it even more important that the disclosure and claims be carefully prepared, for broadest protection.

(7) It appears that a provision on claim interpretation is needed in the Patent Law Harmonization Treaty to give each member country a common claim interpretation approach. Therefore, Article 21 should be retained in some form. Even in Japan and other industrialized countries, its influence should not be underestimated. It will need to be changed to cover situations where claim elements are combined to perform substantially the same functions and achieve substantially the same results. As it stands, the wording appears to exclude that situation. It should clarify that not all patent prosecution file statements, or claim changes, affect the scope of a patent claim, a well understood principle in U.S. patent law.

Professor Wegner has not addressed in his paper the interrelated problems and solutions associated with the grace period, prior user right, effect of a prior inventor's publication on third party rights, and what is to be part of the prior article, in terms of prior secret use, secret on sale, or prior filed unpublished patent applications. He has reviewed these topics in other publications. These features of the U.S. patent harmonization are very complex and controversial. They would make major changes in U.S. patent law, if the proposed draft treaty were adopted as it stands. There is a need for more study on these proposals, to work out these interrelationships.

My overall approach to patent law harmonization is to require benefits to the U.S. economy from any changes in the U.S. patent system. I see advantages for small new companies in making it more likely they can obtain foreign patent rights. I put great value

9. Patent Law Harmonization Treaty, *supra* note 1, art. 21, PLT/DC/3.
10. *Id.* art. 21(1)(A).

in U.S. business being able to establish foreign markets using patent protection. First-to-file will require all U.S. companies to take care of patent protection first, a major change for many small new companies. On the other hand, the changes should not prevent these companies from obtaining significant U.S. patent protection at a reasonable cost. The new small company is the life blood of our economic system. Our challenge is to move the United States on to the level playing field of international patent law harmonization in such a way as to retain the vitality and focus of these companies on the development of new technology. I am optimistic that this goal can be reached in the near future, and that the draft Patent Law Harmonization Treaty is a good framework for progress.