

PATENT PROTECTION FOR UNITED STATES INVENTIONS IN THE PRINCIPAL EUROPEAN COUNTRIES— EXISTING SYSTEMS

S. DELVALLE GOLDSMITH*

THE PRESENT INDEPENDENT NATIONAL PATENT SYSTEMS

Notwithstanding theoretical discussion of supranational patent systems for many decades and an actual draft of a supranational European Patent Convention published in October 1962, the present situation is basically still a regime of national patent systems, independent and different. Consequently, the American inventor or assignee is faced with the necessity of obtaining at least thirteen separate patents (the six Common Market Countries plus the "Outer Seven") to obtain complete European patent protection—quite apart from the Soviet Union and its satellites.

Despite the thirteen or more different patents, some grouping may be effected on the basis of the general nature of the patent systems involved, the type and nature of the patents, the protection afforded, and the enforcement means. The main groupings are as follows:

- 1—The examining countries;
- 2—The non-examining countries;
- 3—The Soviet and satellite countries.

The first category can be subdivided into the British-practice countries and the German-practice countries. In Europe only Great Britain and Ireland fall into the first category, but the basic British practice has been carried over to the Dominions and former Dominions such as Australia, New Zealand, South Africa (to a certain extent), India and Pakistan as well as present and former British colonies. (Canada must be considered in a class by itself—including features of both the United States and British practices.)

The German-practice is exemplified by West Germany itself, Austria, Holland, Sweden, Norway and Denmark. Holland has just commenced operating under a drastically changed law which will be referred to at a later point.

The non-examination practice is exemplified by France, Belgium, Italy and Luxembourg. In France, however, there has been some breaking away from a pure non-examination system: "Special Medicament Patents" (BSM) are subjected to a novelty examination, and a law is on the books—but not yet in effect—for novelty examination of other patents as well.

*Member of the New York Bar.

The U.S.S.R. and satellite countries are in a world of their own as far as patents are concerned. They have apparently felt it necessary to take over the bare bones of a capitalistic patent system but, apart from regular patents which are granted chiefly to foreigners, inventions are generally rewarded by "Certificates of Authorship." These involve giving the invention to the government and receiving an *ex gratia* award rather than a commercially usable patent. Practically all inventions made by nationals are in the form of applications for Authorship Certificates. In view of the general nature of the Soviet economy, inventions can, of course, only be exploited through a government agency, so that even the grant of a regular patent merely affords an opportunity to deal with the government. As the Soviet system is so different from the others and as so little use of it is made by American inventors, it will not be further discussed here.

Coming back to the countries outside the Iron Curtain, both the examination and non-examination countries have in common (and in common with the United States patent system) the requirement of filing a description of the invention and, in most cases, claims pointing out what is considered to be the patentable novelty of the invention. In France, instead of claims, a so-called *Resumé* is used which, although listing the features of the invention, is not determinative of the scope of the patent. While claims are generally used in Belgium, Italy and Luxembourg, they do not have the significance of United States claims and recourse is had to the description of the invention in relation to the prior art to determine the inventive contribution.

In the examination countries, on the other hand, claims are important—but with their effect varying from country to country. Thus, in Great Britain, courts restrict the patentee to what he has claimed, subject both to interpretation of the claims in the light of the specification and to application of the "doctrine of equivalents" to an extent depending on the nature of the invention. In Germany, however, the courts will often give a patentee a greater or different protection than indicated by the wording of his claims.

As to the examination itself, here again there is a gradation from the strict and comprehensive investigations of Germany, Holland and the Scandinavian countries to the British examination, which chiefly considers earlier British patents. Moreover, the German examination takes into account questions of so-called "inventive height" and patents are refused for novel inventions that are considered not to achieve an advance in the art or that would be obvious to the skilled workman in the art. Conversely, in England, the Patent Office Examiner may not refuse a patent for an invention which is novel.

At this point attention must be directed to the "opposition" practice of the examination countries. This provides an opportunity for

interested third parties to raise objection to a patent after it has been allowed by the Examiner and published, but before it is granted. In the German-practice countries, opposition provides in effect a second (and usually more rigorous) examination on an *inter partes* basis. In Great Britain the opposition procedure goes much farther than the regular examination, since prior art of all kinds (and even prior use) may be cited and quantum of invention considered. In Germany the practice has grown up over the years of a close scrutiny of competitors' activities, as shown by published patent applications, and in important cases it is not unusual for a number of oppositions to be filed against a single application. In Germany, Holland and Great Britain patent applications are printed on allowance (*i.e.*, before grant) which facilitates their review for opposition purposes.

As a result of examination and opposition in the examining countries, a finally granted patent has a considerable aura of validity and respectability—even though in the last analysis validity must be determined by the courts. In countries such as France, however, a patent has no such presumption of validity, as emphasized by the legend "S.G.D.G." (Sans Garantie du Gouvernement) which appears on every French patent. Yet, if there is a corresponding German or Dutch patent, a good idea of the scope of a French patent can be obtained from the claims of these other patents.

An important difference of most foreign patent laws from the United States law is that the foreign laws generally require "working" of an invention (*i.e.*, manufacture in the country) within a fixed term after grant. In many countries, originally, the penalty for non-working was revocation of the patent, but this has generally been ameliorated to provide instead for "compulsory licensing." This means that, if an invention is not worked, an interested party has the possibility of obtaining a license even without the patentee's consent, although with payment of a royalty to him.

The history of compulsory licensing shows very few applications for license, which has given the impression that this system does not represent a weakening of patent protection. Consequently, even in the United States, there have been proponents of compulsory licensing. The lack of applications for compulsory licenses does not mean, however, that the system has no effect, but rather that the prospective licensee and patentee usually try to reach an agreement directly rather than through official channels, with the patentee of course realizing that compulsory licensing is available if agreement is not reached.

As a result, any provision in the patent law of a country (or in a supranational patent law) for compulsory licensing means reducing the strength and value of the patent right. If in the United States we still wish to give inventors for limited times the exclusive right to their

discoveries (as provided in the Constitution), any proposals for including compulsory licensing in any part of the United States patent laws should receive most careful study before enactment.

THE PRESENT INTERNATIONAL REGIME OF THE PARIS CONVENTION

In addition to the separate or national patent systems referred to above, there is an existing international—although not supranational—patent system. That system is the one formulated at the so-called International or Paris Convention of 1883 as modified by various subsequent amendments, including the most recent one of Lisbon in 1958. This patent and trademark Convention of about sixty countries, while not providing for a single patent or single trademark registration, furnishes not only certain minimums of protection and treatment in each country, but also priority periods which facilitate filing by nationals of one country in the other countries of the group. All the European countries except the U.S.S.R. are members of this Convention.

The most important provision of the Paris Convention from the viewpoint of patent filing is the one-year term, commencing on the date of the first application for patent protection in a Convention country, for filing applications in the other Convention countries with the benefit of the original filing date. This means that the inventor does not have to go to the trouble and expense of filing in other countries simultaneously with, or shortly after, filing in his home country in order to escape bars of publication or use. He can wait (up to one year) until he has more information as to the value of his invention and possibly the result of examination in his home country—although the latter is not so likely with the present backlogs in patent offices throughout the world. When he does file in the other countries within the "Convention year," his patent cannot be anticipated by interim publication use or even by an interim similar application of a third party.

The next advantage of the Paris Convention, and perhaps the most important one from a juridical viewpoint, is its guaranty of "national treatment." This means that the national of one Convention country applying for or owning a patent or trademark in a second Convention country must receive the same treatment and the same protection as a national of the second country, particularly with respect to the legal remedies for violation of his rights. He cannot be made to pay higher fees or taxes, or comply with more stringent requirements, than the nationals of the second country. In the direction of establishing minimums of protection, the Convention requires all member countries to provide protection for various types of invention, to provide reasonable periods for the payment of taxes, and to ensure that patents will not be revoked for "non-working" (*i.e.*, failure to exploit the invention within the country) except where compulsory

licensing will not prevent abuse of the patent monopoly.

The American inventor desiring to secure foreign protection for his invention should take advantage of Convention priority whenever possible inasmuch as the antedating of his patent by as much as twelve months may mean the difference between a valid and an invalid grant. It should be borne in mind that this antedating applies only to the Convention countries, and that in other countries it may be necessary to file shortly after the United States filing date to avoid bars of prior publication and use. Moreover, in the Convention countries, even if foreign filing is effected within the year allowed, this does not remove the effect of any publication or use of the invention before the United States filing date. Therefore, such publication or use must be prevented, when foreign filing is in prospect, even though it may not harm the United States patent due to the provision in this country of a "free period" of one year during which a United States patent application may be filed after publication or use of the invention. In the European countries there is generally no corresponding "free period" except in West Germany where there is a "free period" of six months. This runs back from the actual German filing date and not from the filing date of the basic Convention application. Consequently, if the German application is filed with Convention priority six months or more after the United States application, the "free period" has no additional effect.

One ameliorating circumstance in some of the European countries is that prior publication or use must be domestic, *i.e.*, within the country, to be a bar. This applies to both publication and use in Great Britain and Ireland, and to use in Belgium, Germany and Austria. On the other hand, in Italy, France, Holland and Sweden, publication or use anywhere is a bar. Consequently, in the latter countries, publication or use (sufficient to divulge the invention) would destroy the validity of a Convention case if before the basic filing date, or if a non-Convention case, before the respective foreign filing date.

SPECIAL PROBLEMS IN CONNECTION WITH CHEMICAL AND PHARMACEUTICAL INVENTIONS

Whereas the American inventor of a mechanical or electrical invention can expect the same general treatment in the foreign countries as in the United States, this is not the case for chemical and pharmaceutical inventions. Protection for these types of inventions is often restricted abroad and obtaining the best protection available usually requires special treatment of the description and claims.

Thus, a United States patent for a new chemical or pharmaceutical invention provides product protection independent of the process used to make the product, and the specification can be drafted from the

standpoint of the product and with little regard for the process or processes by which it is prepared. Under the German and other similar laws, however, independent product protection for a chemical, pharmaceutical or food invention is not obtainable and such inventions must be claimed in terms of a process for preparing the product. A patent application in these countries should therefore claim the process as broadly as possible and the description must provide a proper basis for such breadth of claim.

The problem of getting adequate protection for an invention of this type abroad is not quite so difficult as it might appear for two reasons. In the first place, a process claim generally affords protection for the product of the process—even if the process is carried out abroad and the product imported. In the second place, a claim will usually be granted for a so-called “analogy process.” This is a process of known type, *e.g.*, a standard chemical reaction, but applied to different starting materials to produce a new product. Patentability is imparted to the invention by unexpected characteristics of the final product rather than by the inventiveness of the process.

In order to support a broad process claim, either of the “inventive process” or “analogy process” type, the specification should describe various methods of preparing the products of the invention—not just the one process which is often all that is described in the United States case where product claims are relied upon for protection. In addition to a general reference to various possible processes, a number of specific examples are advantageous both for the purpose of exemplifying the different processes and also to pin-point preferred final products and final products characteristic of the range or breadth of the claims. Nevertheless, a multiplicity of examples, or long lists of compounds, which do not give physical and chemical properties of the final products will not be of much value.

Although in the German-practice countries independent product protection cannot be obtained for individual chemical compounds, such claims can be obtained for compositions or mixtures except in the pharmaceutical and food fields. Therefore, composition claims—assuming a synergistic or non-additive effect of the ingredients of the composition—provide another approach to patent protection. In addition, “use” claims and special forms of process claims can be obtained in some of the countries.

Independent product protection for chemical compounds and pharmaceuticals is obtainable in Great Britain, France (through the special BSM patents for pharmaceuticals), and Belgium. In Italy, independent product protection is obtainable for chemicals but no protection (product or process) is obtainable for medicines. This presents the rather anomalous situation that Italians can obtain patents

elsewhere in the world for their pharmaceutical inventions but no one can obtain pharmaceutical patent protection in Italy.

INTERNATIONAL PROPOSALS

Proposals for a world or regional patent have been made from almost the earliest times of national patent systems. Up to quite recently, nothing has come of these proposals—even in the British Empire during its most closely-knit period. However, under the impetus of the European Economic Community (Common Market), serious efforts have been made over the past several years to lay the foundation for a common patent. These efforts culminated in the publication in October 1962, of a draft European Patent Convention by the so-called Haertel Committee. This committee was charged with that task by a coordinating Committee for Industrial Property set up by the Common Market Commission.

As will be apparent from the preceding discussion of the diverse national patent systems, the task of drafting a common patent law was not an easy one. The ideas of the different European countries as to examination, protected subject matter, significance of claims, patent terms, and methods of enforcement vary greatly, and the need for compromise to devise a system that might be acceptable to the various countries was apparent. Moreover, an even greater difference of opinion developed on certain items which were not taken from any of the national patent systems but arose from the very nature of a supranational patent right, principally the question of "accessibility" which has been a real stumbling block to agreement. This has to do with whether a non-member national, *e.g.*, an American, would be able to obtain a European patent. Arguments and feeling have run very hot both on the basis of whether outsiders should have the privileges of the members of the "club" and whether the number of applications from outsiders would be so great that the proposed European Patent Office would be swamped to the extent of not being able to operate at all. This question is by no means settled yet, but the majority view at the moment seems to be against accessibility, notwithstanding arguments that accessibility is required under the "national treatment" clause of the Paris Convention.

In addition to the proposals of the Haertel Committee for a supranational patent, work has been progressing for a number of years by an Experts Committee of the Council of Europe towards the harmonizing of the separate national patent laws. The Council consists of sixteen European countries, including the six Common Market countries. Two Conventions (relating to classification and formalities) are already in effect among some of these countries, and a harmonization Convention has already been completed and signed by ten coun-

tries. Although, up to now, these harmonization proposals have taken somewhat of a back seat in view of the more dramatic nature of the proposed Common Market Patent, to the extent that the latter has run into delays and difficulties, the more are the Council's harmonization proposals coming to the foreground as a really practical way of facilitating international patent protection. These and other current international proposals will be dealt with in a separate article in this symposium.

Although not an international proposal, mention should be made, in this connection, of the new Dutch patent law which has already been referred to briefly above. It has some of the ideas of the European Patent Convention, particularly as to the provision of a system of deferred examination. The purpose of this provision is primarily to avoid unnecessary examination of patents which may be dropped or abandoned within the first few years of their existence.

It is interesting that Holland, which has been one of the most precise examining countries, should go over to a system which will mean no examination at all in many cases. Under the Dutch law, which came into effect January 1, 1964, examination must be requested within seven years of filing or the patent will lapse. It is also interesting that, notwithstanding the efforts toward a common European patent, the Dutch have decided to effect drastic revision of their law. This would seem to indicate that a European patent is not "around the corner."