

Patents

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Key change under GATT has enormous meaning for strategies to maximize patent protection.

BY ALL accounts, last Wednesday was as frenzied for patent attorneys as April 15 normally is for accountants.

"I suspect it was probably even worse," said Donald D. Jeffery, chairman of intellectual property at Foley & Lardner, a Washington law firm. "From May 7 to June 7 we filed about 500 cases — that's a several hundred percent increase over normal."

Patent lawyers nationwide dubbed June 7 "GATT-Day" — the date that key patent changes mandated by the General Agreement on Tariffs and Trade went into effect. Most notable among those provisions is a change in the way the term of a patent is figured. Under the old system, a patent was valid for 17 years from the date it was issued. Under the new system, a patent is valid 20 years from the date of application.

The change, while seemingly subtle, has enormous ramifications for patent attorneys and inventors and the strategies they pursue to maximize patent protection.

"The 17-year patent term was very certain and there was no rush to get things through the Patent Office," Mr. Jeffery said. "Under 20 years, it's a very different situation. The longer it takes to get the patent, the shorter your patent term."

Those who file patent applications before June 7, however, will have the option of choosing whichever is more advantageous to them: the 17-year term or the 20-year term. Thus the rush to file, according to patent experts.

Anne Kelly, director of the Patent Office department that logs in patent applications, said the number of applications had increased steadily during the last six months, with an "exponential" jump in the last week.

The Patent Office stayed open for business until midnight Wednesday, when it logged in nearly 4,000 applications at its walk-in window. "The attorneys just kept bringing in load

after load," said Ms. Kelly. "At 11:35 P.M., one attorney showed up with a dozen big boxes filled with applications."

On Thursday the office received 17 bins of mail, mostly containing applications that had been sent by Express Mail on Wednesday, qualifying them under Patent Office rules for the June 7 date. Normally the office receives about six bins of mail. The total of applications logged in with the June 7 date was 5,019 — more than five times what the agency receives on a normal day.

Critics of the change to the 20-year system seized upon the avalanche of applications as evidence that the switch is a bad idea that will hurt independent inventors.

"The point is that a lot of patent firms believe they will have a shorter term under the 20-year system," said Paul B. Crilly, a legislative aide to Representative Dana Rohrabacher, Republican of California.

Mr. Rohrabacher in January introduced legislation that would allow inventors to choose between the 17-year system or the 20-year system, depending upon which gives them a longer patent term. Such a provision would not violate the GATT agreement; however, the United States promised the 20-year term last year to Japan as part of a bilateral agreement to change patent laws in both countries.

The Rohrabacher bill has proved enormously popular, with more than one-third of the members of the House of Representatives signing on as co-sponsors.

But the bill has not been befriended by a crucial member of Congress, Representative Carlos J. Moorhead, the chairman of the House intellectual property subcommittee. Representative Moorhead was unavailable for comment, but in a statement submitted to the Congressional Record in May, he called the bill "very controversial and of dubious merit."

Mr. Moorhead also has said his subcommittee's schedule is so full that it will not be able to hold a hearing on the Rohrabacher bill until sometime next spring. Meanwhile, Representative Moorhead held hearings Thursday on two different patent bills introduced late last month.

Raymond B. Damadian, the inventor of magnetic resonance imaging who last month won a \$110 million judgment against General Electric

after a 25-year patent fight, testified at that hearing. Afterward, in a telephone interview, Dr. Damadian vented his displeasure over the lack of Representative Moorhead's support for the Rohrabacher bill.

Dr. Damadian said: "Mr. Moorhead has a reputation for being fair, but how can it be fair when instantly there's a hearing on two bills that were birthed only three weeks ago and then he says there won't be time for a hearing for the Rohrabacher bill, which has 168 co-sponsors and has been around since January?"

While Representative Rohrabacher decries the 20-year term as the death knell for the independent American inventor, others contend that another GATT provision will be a boon for the little guy.

Under that provision, an inventor can file what is called a provisional application, which gives him essentially a year's grace period during which he can decide whether it is worth making a full-scale patent application.

"You can make a provisional filing that doesn't trigger the 20-year countdown until a year later," said Todd E. Marlette, an attorney with Staas & Halsey, a patent law firm in Washington. "And the formal requirements have been relaxed. All you have to submit is a cover letter, \$75, and an application. You don't have to be a patent attorney to file one."

The Patent Office has not yet been stampeded with provisional applications. Total count for June 8, the first day they were accepted: three.

Patents are available by number for \$3 from the Patent and Trademark Office, Washington, D.C. 20231.