

Going International With Patents – Facts and Tips

Most Canadian applicants file patent applications in the United States and Canada. However, an applicant may also want to file patent applications in other countries, depending upon patentability, cost, market circumstances and competitive activities. Applicants seeking international patent protection for software or business method inventions need to carefully assess all of these factors.

Critical Dates

Two critical dates must first be understood. The first date is the “disclosure” date of an invention. The disclosure date is the date when the invention was first publicly disclosed. Once disclosed, it is not possible to obtain a valid patent in most nations of the world, except for Canada, the United States and Mexico, which each have a one year grace period. Also, an offer for sale in the United States requires that an application be filed in the United States within one year of the offer for sale.

The second date is the “priority” date. The priority date is the date that the first application for the invention was filed. Most nations allow an applicant to file a patent application within one year of the priority date, but there are exceptions.

Filing Options

The first filing option is to file directly in a foreign country. Direct filing begins by retaining a patent agent in the foreign country and paying the

appropriate fees. It is also possible to file a “regional” patent application. For example, in Europe, one application can result in the grant of a single European patent.

The second option is to file a Patent Cooperation Treaty (PCT) application. A PCT application allows the applicant to designate over 120 nations in one application. Once a PCT application is filed, an International Search Report (ISR) is issued within 18 months of the priority date. The ISR provides the applicant with a list of prior art that has been deemed to be relevant. The applicant must then decide within a set period, whether they wish to request examination. If examination is requested, a fee is paid and an International Preliminary Examination Report (IPER) is issued.

The applicant must decide within 30 months from the priority date, in which nations to enter the “national phase”. As with the first option, the International application must be converted into national and regional patent applications, all of which will be subject to individual examination. In essence, the PCT process allows an applicant to delay national filings up to 30 months from the priority date, to obtain an ISR and possibly an IPER, which can be valuable in assessing patentability of the invention.

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We are very pleased to announce that, as of January 1, 2004, the following professionals are partners of Bereskin & Parr.

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Patentability

In most jurisdictions an invention is considered patentable if it is patentable subject matter, new, not obvious, and useful. In the case of software and business method inventions, the United States has the most liberal rules.

In most jurisdictions outside the United States, business methods are not considered to be patentable subject matter. In the case of software inventions, if it is possible to have the software control a technical process or system, it will be much easier to obtain international patent protection. A software invention typically must have some form of "technical effect". For example a software application that controls a manufacturing process may be patentable subject matter, while a financial system that shuffles data internally, may not be.

Cost

Cost is an important factor, but is often of minimal consideration in the long run when protecting a key invention in a lucrative market. For example, it currently costs on the order of CAD\$7,000 to file a PCT application once a patent application has been prepared. A rule of thumb is that if an invention is to be filed in six or more countries it is most cost effective to file a PCT application first and then enter each country based upon the PCT application.

Market Circumstances

Market circumstances are always a major consideration. If the invention is for a software application that controls the processing for machinery in a potash plant, the market will be fairly limited. On the other hand, if the invention is an improved method of compressing data under TCP/IP then any nation with a large population connected to the Internet would be worth considering.

Competitive Activities

If there is reason to believe that a competitor may be copying the invention or developing something similar in a market of interest, it may be worthwhile to file a patent application in that market. It is often possible to obtain expedited examination for an invention if it can be shown or even if it is believed that a competitor may be ready to go to market or is already shipping a competing product that may infringe an issued patent for the invention.

Mark Schisler

Speaking of IP....

We are speaking and participating in a number of upcoming conferences and seminars. We hope to see you this winter!

Sam Frost, Tim Sinnott and Isis Caulder are attending the American Intellectual Property Law Association (AIPLA) Mid-Winter Meeting in California from January 28 to 31, 2004. For more information go to www.aipla.org

Shawn Jacka and Bhupinder Randhawa are attending the Licensing Executives Society (LES) Winter Meeting in San Francisco from February 11 to 13, 2004. For more information go to www.usa-canada.les.org

Bereskin & Parr is hosting a complimentary breakfast seminar on February 5th in Waterloo entitled "Intellectual Property Issues for the Technology Industry".

Mark Schisler will speak on the patentability of software and business methods in the United States, Europe, Japan and Canada. Mark will also discuss intellectual property strategies for high technology inventions.

Bhupinder Randhawa will speak on evaluating intellectual property and keeping an eye on the competition using patent mapping and other tools. Bhupinder will also discuss using an IP portfolio to profit by identifying potential licensees and buyers.

For more information on the seminar go to the events section of www.bereskinparr.com

Edited by **Isis E. Caulder**. Please send feedback and suggestions to Isis at icaulder@bereskinparr.com.

The contents of this update are informational only, and do not constitute legal or professional advice. Specifically, the article "Going International With Patents – Facts and Tips" represents a brief summary of some key points associated with a very complex topic. If you have any questions please contact one of the group members for assistance.

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