

STATEMENT OF

LOIS E. BOLAND

**DIRECTOR, OFFICE OF INTERNATIONAL RELATIONS
UNITED STATES PATENT AND TRADEMARK OFFICE**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

INTELLECTUAL PROPERTY TREATIES

July 17, 2007

Chairman Biden, Ranking Member Lugar, and Members of the Committee:

Thank you for this opportunity to appear before you to discuss and urge support for ratification of three important intellectual property treaties. These treaties, while addressing three different types of intellectual property, are similar in that they each will serve to streamline and simplify procedures for American innovators and businesses seeking to protect their intellectual property abroad.

Geneva Act of the Hague Agreement

Mr. Chairman, the first treaty is the “Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs.” It is commonly referred to as the “Geneva Act of the Hague Agreement” or “Hague Agreement.”

This treaty promotes the ability of American design owners to protect their industrial designs by allowing them to obtain multinational design protection through a single international application procedure. It provides a streamlined design protection system for American owners of industrial designs who, by filing a single standardized application at the United States Patent and Trademark Office (USPTO), in English, can apply for design protection in each country that is Party to the Act. Similarly, renewal of a design registration in each Party to the Act may be made by filing a single request along with payment of the appropriate fees at the International Bureau of the World Intellectual Property Organization (WIPO).

Currently, a U.S. design applicant must file separate applications for design protection in each country. We anticipate that the centralized registration procedure under the Hague

Agreement will result in cost savings to American industrial design owners and lead to fewer processing mistakes and delays on the part of both the applicant and the relevant foreign patent offices.

The United States is one of relatively few countries that provide for a substantive examination of design applications with respect to novelty and non-obviousness. The Hague Agreement was negotiated with the needs of those examining offices, such as the USPTO, in mind. The USPTO will maintain its substantive examination process for design patent applications under the Hague Agreement.

However, the implementation of the Hague Agreement does require a number of limited changes in U.S. design patent law including (1) providing limited rights to patent applicants between the date that their international design application is published and the date on which they are granted a U.S. patent based on that application, (2) extending the patent term for designs from 14 to 15 years from grant and (3) allowing the USPTO to use a published international design registration as a basis for rejecting a subsequently filed patent application that is directed at the same or similar subject matter.

Mr. Chairman, the Administration will be forwarding recommended implementing legislation in the near future.

Patent Law Treaty

The second treaty, the Patent Law Treaty, or "PLT," promotes patent protection by codifying, harmonizing, and reducing the costs of taking the steps necessary for obtaining and maintaining patents throughout the world. The provisions set forth in the PLT will safeguard American commercial interests by making it easier for our patent applicants and owners to protect their intellectual property worldwide.

In today's innovation-based, global economy, a patent is an important tool to protect a company's intellectual contributions, and is one of its most important commercial assets. A global patent portfolio can be expensive, however, to establish and maintain. This is because patents are only enforceable in the country or region in which they are granted. Because patents are territorial, inventors need to seek patent protection in each country in which they desire patent protection. As a result, differences in formal requirements of a patent application in each country (or region) can make filing patent applications complex and expensive. The PLT will help U.S. businesses and independent inventors by simplifying the process of obtaining patent protection and, thereby, reduce the associated cost.

The PLT addresses procedural requirements of a patent application, and generally sets forth the maximum procedural requirements that can be imposed. It standardizes requirements for obtaining a filing date, and provides that applicants cannot be required to hire representation for the act of filing an application or to pay certain fees. The PLT does not limit the United States from providing patent requirements that are more favorable to the patent applicant or patent owner than those set forth in the PLT or from prescribing requirements that are provided for in our substantive law relating to patents.

The PLT sets forth, with one exception, maximum formal requirements that Parties to the PLT may impose on patent applicants and patentees. Otherwise, Parties are free to provide requirements that, from the viewpoint of applicants and owners, are more favorable than PLT requirements. The one exception to this freedom is the filing date provision, which is both a maximum and a minimum, i.e., a “filing date standard.”

Because the USPTO assesses that implementing a provision of the PLT requiring “unity of invention” -- a standard that is substantively at odds with the corresponding U.S. standard -- would require a substantive and impractical change to our patent law, the President has recommended that the following reservation be included in the U.S. instrument of ratification, as allowed by the treaty:

"Pursuant to Article 23, the United States declares that Article 6(1) shall not apply to any requirement relating to unity of invention applicable under the Patent Cooperation Treaty to an international application."

Upon entry into force, the PLT will simplify the formal procedures [or “requirements”] and reduce associated costs for patent applicants and owners of patents in obtaining and preserving their rights in inventions in many countries of the world.

A few amendments to the U.S. patent law will be necessary in order to implement the PLT. Minor changes in title 35, United States Code, will be required relating to: (a) patent application filing dates, (b) relief in respect of time limits and reinstatement of rights and (c) the restoration of the priority right.

Mr. Chairman, the Administration forwarded the recommended implementing legislation yesterday.

Singapore Treaty on the Law of Trademarks

The third intellectual property treaty is the Singapore Treaty on the Law of Trademarks or the "Singapore Treaty." This treaty updates and improves the World Intellectual Property Organization Trademark Law Treaty of 1994 (TLT) that harmonizes formalities and simplifies procedures for registering and renewing trademarks.

Consistent with the USPTO's e-government efforts, the Singapore Treaty updates TLT by allowing its Contracting Parties to move to a totally electronic filing and processing system. The Singapore Treaty also establishes an Assembly to oversee matters concerning the treaty; provides relief measures for deadlines missed by the trademark applicant or registrant; and expands the TLT to apply to trademarks consisting of non-visible signs, in line with Free Trade Agreements entered into by the United States.

Most significantly, the Singapore Treaty also addresses the number one complaint by U.S. businesses concerning trademark registrations in other countries, namely, trademark license recordal requirements. Many countries that record trademark license contracts require certified signatures of both parties, a certified copy of the entire license agreement, and various other formality requirements that may not be strictly necessary for the act of recording the license. Certainly these requirements are burdensome, time-consuming and costly for businesses having to record those trademark licenses. Moreover, in a number of countries, failure to record a license contract with a government agency can result in invalidation of the underlying trademark registration. The Singapore Treaty imposes limits on license recordal requirements as well as on those penalties associated with the failure to record licenses in order to simplify and reduce costs associated with this formality-laden recordal process for U.S. businesses as well as to minimize the damage that may emanate from a failure to record licenses in those countries that are party to the treaty. The United States does not require recordal of trademark licenses

Mr. Chairman, ratification of the Singapore Treaty will not require implementing legislation because U.S. law is already in compliance with the provisions of the Treaty.

Conclusion

Mr. Chairman, in summary, these three treaties will help American businesses establish, maintain and protect their intellectual property abroad. On behalf of the Administration, we respectfully urge ratification. Thank you for your consideration.