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AWARENESS OF FOREIGN FILING REQUIREMENTS FOR INVENTIONS ORIGINATING OUTSIDE THE UNITED STATES CAN PREVENT ADVERSE CONSEQUENCES

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Because of the growing international nature of patent prosecution, it is quite common today for foreign clients to ask U.S. patent attorneys to prepare and file original applications to inventions developed outside the United States. Because of the ease of international communication and information gathering and the vastness of the U.S. market, a foreign client might seek out a U.S. patent attorney instead of a local attorney to prepare original patent applications for original filing in the United States.

However, unbeknownst to many patent attorneys, some countries (like the United States) require an inventor to first obtain a foreign filing license or to file any original patent applications in the country in which an invention was conceived. If required, filing U.S. applications on inventions developed outside the United States without the requisite license can lead to severe penalties, including jail time in some cases, as will be discussed in detail below. U.S. practitioners must ask inventors where the invention was created before blindly filing a patent application in the United States.

Foreign filing licenses are licenses granted by governments to allow inventors to file a patent application in foreign countries. The reason behind requiring foreign filing licenses is to prevent the export of technology that might be considered by the government of the originating country to be detrimental to that country. For example, a license may be denied if the technology relates to encryption or nuclear weaponry and that government does not want other governments, criminals, or terrorists to benefit from it. In such cases, a secrecy order might be issued to prevent publication of the patent application.

The United States requires that, before an inventor can file any patent application overseas on an invention created in the U.S., the inventor obtain a foreign filing license within six-months of the U.S. filing date.[1] However, if an applicant accidentally without deceptive intent files a patent application in a foreign jurisdiction without first obtaining a foreign filing license, the applicant can request a retroactive foreign filing license.[2] In the United States, a failure to obtain a foreign filing license will result in the U.S. patent application not issuing, or, if issued, invalidity.[3] Of course, such error could easily lead to malpractice claims.

The following is a sample list of countries and either their requirements to obtain a foreign filing license or restrictions on an inventor's

1. 35 U.S.C. §184
2. Id.
3. 35 U.S.C. §185

right to file original patent applications outside the originating country. Please be reminded that each practitioner should check with attorneys local to the jurisdictions of concerns to confirm the accuracy of the list below, especially since, as time passes, laws may change.

The following listings illustrate some of the different requirements employed in many of the more prolific inventive countries.

ASIA

Taiwan: There is currently no requirement that an inventor obtain a foreign filing license prior to filing a patent application outside of Taiwan on an invention created in Taiwan. There also is currently no requirement that an inventor file a patent application in Taiwan on an invention created in Taiwan prior to filing a patent application outside Taiwan.

Japan: There is currently no requirement that an inventor obtain a foreign filing license prior to filing a patent application outside of Japan on an invention created in Japan. There also is currently no requirement that an inventor file a patent application in Japan on an invention created in Japan prior to filing a patent application outside Japan.

The Republic of Korea (South Korea): The only requirement regarding foreign filing licenses or filing a patent application outside of South Korea applies when the subject invention is necessary for national defense. In that instance, an inventor must seek authorization from the Korean Intellectual Property Office (KIPO) if the invention is a defense-related invention. Failure to receive authorization could lead to the loss of right for a Korean patent.[4]

The Commissioner of KIPO and the Minister of National Defense determine whether an invention is necessary for national defense. The Ministry of National Defense sets up and provides KIPO with criteria. When a patent application of an applicant who has an address or business address in South Korea falls under the criteria, the Commissioner must confer with the Minister of National Defense about the necessity to classify the applied-for invention as an invention necessary for national defense, and the Minister must reply within two months upon receipt of request from the KIPO Commissioner.

The People's Republic of China: Under Article 20 of the Chinese Patent Law, a Chinese patent application for any domestic invention, including

4. Article 41 of the Korean Patent Act (Act No. 950).

those invented by foreign-funded enterprises, must be filed in China before foreign filing. However, there is currently no penalty if an inventor fails to file the original application in China. Penalties under Chinese criminal law may apply for inventions relating to security or other vital interests of the state that are filed abroad first.[5]

Indonesia: There is currently no requirement that an inventor obtain a foreign filing license prior to filing a patent application outside of Indonesia on an invention created in Indonesia. There also is currently no requirement that an inventor file a patent application in Indonesia on an invention created in Indonesia prior to filing a patent application outside Indonesia.

EUROPE

France: A French patent application or a European Patent Office patent application must be filed before foreign filing.[6] Alternatively, an inventor can request a foreign filing license from the French National Institute of Industrial Property.[7] Breach of this requirement could lead to penal sanctions, including prison sentences.

United Kingdom: Previous UK law required UK residents to obtain a security clearance (i.e. a foreign filing permit) from the Patent Office before either filing, or causing to be filed, a patent application abroad. This rule did not apply, however, to a patent application filed abroad more than six weeks after the filing of a UK national patent application for the same invention. It is important to note that the criterion was (and remains) UK residency, not nationality, and that the provision applied to those filing or causing the application to be filed as well as to inventors and applicant companies.

In practice, the majority of patent applications are not prejudicial to national security, so most security clearance requests submitted under the previous regime were somewhat needlessly processed by the Patent Office. That is the main reason behind the change that came into force at the beginning of this year. Under the current law, the above restrictions still apply to any UK resident filing (or causing to be filed) a patent application abroad, but ONLY where the application: (i) "relates to military technology or for any other reason its publication might be prejudicial to

5. Article 60 of the Chinese Patent Law and Article 398 of the Chinese Criminal Law.
6. Article L. 614-18 of the French Patent Law.
7. Article L. 614-20 of the French Patent Law.

national security"; or (ii) "contains information which, if published, might be prejudicial to the safety of the public".

There is no requirement to seek a foreign filing license for foreign filing a patent application that does not fall into one or both of the above two categories. If there is any doubt about a particular case, then security clearance should be sought. A copy of the specification intended to be filed abroad should be sent to the Security Section of the Patent Office. If the application is readily identifiable as not relating to national security, the Security Section will, if necessary, respond on the same day.

The criminal liability for filing, or causing to be filed, an application contrary to the security provisions has also been relaxed. It now applies only to those "knowingly" filing, or causing to be filed, an application requiring clearance, and to those "reckless" in filing, or causing to be filed, such an application.

Germany: A German inventor can only file abroad with the written consent of the Federal Ministry of Defense. [8] The penalty for foreign filing a patent application relating to state secrets may include up to five years jail time or a fine.[9] According to Section 93 of the Criminal Code, "state secrets are facts, objects or knowledge which are only accessible to a limited category of persons and must be kept secret from foreign powers in order to avert a danger of serious prejudice to the external security of the Federal Republic of Germany." If consent is given, original national filing is not required. On the other hand, if consent is not given, a national first filing does not help. However, if in doubt, it is possible to file a national patent application and to wait whether the Examining Division of the German Patent and Trademark Office orders that no publication shall take place. If no such order is served on the applicant within a period of four months from the filing of the application with the Patent Office, the applicant is allowed to assume that the invention need not be kept secret.

AUSTRALIA & NEW ZEALAND

Australia: There is currently no requirement that an inventor first obtain a foreign filing license prior to filing a patent application outside of Australia on an invention created in Australia. There also is currently no requirement that an inventor file a patent application in Australia on an invention created in Australia prior to filing a patent application outside Australia.

8. Section 52 of the German Patent Act.
9. Id.

New Zealand: Written permission from the Intellectual Property Office of New Zealand, which is a business unit in the Ministry of Economic Development, is required before filing a patent application abroad on an invention made by a New Zealand resident, unless a patent application on the same invention or substantially the same invention was first filed in New Zealand not less than six weeks before the foreign application.[10] Failure to comply with these requirements may lead to as many as two years in prison and a fine of as much as NZ$1,000 (approximately US$466).

NORTH AMERICA

Canada: There is currently no requirement that an inventor obtain a foreign filing license prior to filing a patent application outside of Canada on an invention created in Canada. There also is currently no requirement that an inventor file a patent application in Canada on an invention created in Canada prior to filing a patent application outside Canada. However, employees of the Canadian government cannot file a patent application outside of Canada without first obtaining the permission of the Minister of their department.

Mexico: There is currently no requirement that an inventor obtain a foreign filing license prior to filing a patent application outside of Mexico on an invention created in Mexico. There also is currently no requirement that an inventor file a patent application in Mexico on an invention created in Mexico prior to filing a patent application outside Mexico.

In summary, before engaging in any foreign filing, ask where the invention was developed. A failure to do so could subject your client to severe consequences, including patent invalidity, criminal prosecution and monetary penalties, and subject you to a malpractice claim.

10. Section 25(5) of the New Zealand Patent Act.