Changes on the Frontier of Intellectual Property Law: An Overview of the Changes Required by GATT

INTRODUCTION

The roots of intellectual property law in the United States can be traced to the ratification of the Constitution in 1789. Although changes have occurred over the years, none have appeared to be as significant as those required by the bill adopting the General Agreements on Tariffs and Trade ("GATT") signed by President Clinton on December 8, 1994. The bill will require significant changes to the manner in which intellectual property law is practiced in the United States, and much controversy will follow in the wake of its enactment. Section I of this comment presents a brief history of the development of intellectual property law and the background and history that underlie the negotiations that culminated in GATT. Section II addresses the significant changes that will result from the passage of GATT. Section III discusses the probable effect of the changes on the practice of intellectual property law and presents the controversy that surrounds the implementation of the changes. Part IV concludes with the author’s assessment of the changes.

SECTION I: A BRIEF HISTORY OF INTELLECTUAL PROPERTY LAW AND GATT

Intellectual property law is a branch of law which has as its primary purpose the promotion of the development of various forms of information by the use of private investment. In order

1. U.S. CONST. art. I, § 8, cl. 8, provides Congress with the power "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. CONST. art. I, § 8, cl. 8.
to accomplish this purpose, property rights are granted to the producers of the information so that they can recoup the value of the information that they have generated.\textsuperscript{4} Intellectual property law primarily consists of patent law, copyright law, trademark law and trade secret law. Patent law encourages private investment in “new, useful and nonobvious technological information.”\textsuperscript{5} Copyright law grants authors, artists, composers and publishers exclusive rights, for a limited duration, to the “production and distribution of original, expressive information.”\textsuperscript{6} Trademark law enables businesses to protect “symbolic information about their goods and services by prohibiting competitors from using the same symbols on their own” products.\textsuperscript{7} Finally, trade secret law is another form of protection of intellectual property that is contained in state common law or state statutes such as the Uniform Trade Secrets Act.\textsuperscript{8} All of the types of information protected are intangible property; thus, if the property rights are not granted, the creators of the information would likely be unable to receive the market value of the information in today’s economy.\textsuperscript{9}

The federal power to grant patents is found in Article I, Section Eight of the Constitution, which grants Congress the power to “promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”\textsuperscript{10} Consistent with this constitutional power, Congress is permitted to establish a course of action that implements the constitutional objective in accordance with what Congress considers the most effective means.\textsuperscript{11} As a result, Congress is authorized to determine the

\textsuperscript{4} GOLDSTEIN, supra note 3, at 1.

\textsuperscript{5} Id. Patent law fosters the development of new technology by granting to an inventor of new technology the right to exclude others from making, using or selling an invention. DONALD A. GREGORY ET AL., INTRODUCTION TO INTELLECTUAL PROPERTY LAW 8 (1994). By granting the right to exclude others, the inventor is sufficiently compensated for the public disclosure of the invention. Id. Were no rights granted to the inventor, the inventor would likely not be induced to invest in the development of the invention. Id. Instead, the inventor would be inclined to keep the invention secret, resulting in the public being deprived of the invention and its technological advances. Id.

\textsuperscript{6} GOLDSTEIN, supra note 3, at 1. With some exceptions, the typical duration of a copyright in the United States is the life of the author plus an additional fifty years. See 17 U.S.C. § 302 (1994).

\textsuperscript{7} GOLDSTEIN, supra note 3, at 1.


\textsuperscript{9} GREGORY, supra note 5, at 3.

\textsuperscript{10} U.S. CONST. art. I, § 8, cl. 8.

terms under which a patent will be granted and the duration of the patent via a statutory scheme.\(^{12}\)

In response to its constitutional grant, Congress enacted the Patent Act of 1790\(^{13}\) (the "1790 Act") during the First Congress.\(^{14}\) The 1790 Act established an agency within the Department of State overseen by the Secretary of State, the Secretary of the Department of War and the Attorney General, who as a group became known as "Commissioners for the Promotion of Useful Arts."\(^{15}\) Any two of the commissioners could issue a patent for a term not surpassing fourteen years from the date the patent issued.\(^{16}\) Issuance of a patent was contingent on proof that the claimed invention was a "useful art, manufacture, engine, machine, or device, or any improvement therein not before known or used" and shown to be "sufficiently useful and important."\(^{17}\) During the period in which the 1790 Act was effective, Thomas Jefferson served as Secretary of State and served as an "administrator of the patent system under the 1790 Act."\(^{18}\) Subsequent to the 1790 Act, a new act authored by Jefferson was promulgated in 1793 as the 1793 Patent Act.\(^{19}\) The 1793 Patent Act served to ease the burden of examining patent applications by requiring mere registration of an invention without requiring an examination, and the 1793 Act eliminated the requirement that an invention be "sufficiently useful and important."\(^{20}\) The Patent Act of 1836\(^{21}\) (the "1836 Act") reintroduced the examination system and set the patent duration period at fourteen years from the issue date of the patent with a renewal period of seven years.\(^{22}\) While the Patent Act has been amended over the years, the 1836 Act remains the basis under which

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16. Id.
17. Id.
18. Id.
22. GOLDSTEIN, supra note 3, at 365.
United States patent law is practiced today.\textsuperscript{23}

Copyright law originated in England with the invention of the printing press and the resulting desire to regulate printing through "royal grants of patents for printing."\textsuperscript{24} Over two-hundred years after the invention of the press, the Statute of Anne\textsuperscript{25} was enacted by the English Parliament in 1709 and was the first copyright act in England.\textsuperscript{26} American colonists recognized the importance of protecting copyrights and desired to implement a statutory system similar to the English system. Consequently, the Framers of the Constitution, in addition to considering incorporating protection for patents, considered incorporating copyright protection as well.\textsuperscript{27} As a result, the Intellectual Property Clause also gives Congress the power to fashion copyright law,\textsuperscript{28} first promulgated as the Copyright Act of May 31, 1790.\textsuperscript{29} The Copyright Act was revised in 1909, 1976 and 1988, when Congress enacted the Berne Convention Implementation Act of 1988 (the "Berne Act").\textsuperscript{30} The Berne Act provides automatic copyright protection in foreign countries to publications of U.S. authors, thereby addressing a deficiency in the 1976 Act.\textsuperscript{31}

The protection of trademarks first began to emerge in the early nineteenth century, emanating from the common law action of deceit and the resulting tort of "passing off," which became enforceable in English and American courts.\textsuperscript{32} If a plaintiff could show that the defendant was using the plaintiff's trademark to mislead customers into believing their goods were produced by the plaintiff, an action for "passing off" would lie.\textsuperscript{33} The first United States trademark statute was passed in 1870\textsuperscript{34} and was subsequently declared unconstitutional by the Supreme

\begin{itemize}
  \item 23. Id.
  \item 24. Id. at 537.
  \item 25. Statute of Anne, 8 Ann., ch. 19 (1709).
  \item 26. GOLDSTEIN, supra note 3, at 537.
  \item 27. Lasercomb Am., Inc. v. Reynolds, 911 F.2d 970, 975 (4th Cir. 1990).
  \item 28. Lasercomb Am., Inc., 911 F.2d at 975.
  \item 31. GREGORY, supra note 5, at 167.
  \item 32. GOLDSTEIN, supra note 3, at 200. Deceit is defined as a "fraudulent and deceptive misrepresentation, artifice, or device, used by one or more persons to deceive and trick another, who is ignorant of the true facts, to the prejudice and damage of the party imposed upon." BLACK'S LAW DICTIONARY 405 (6th ed. 1990).
  \item 33. GOLDSTEIN, supra note 3, at 200.
\end{itemize}
Court in the *Trade-Mark Cases*.\(^{35}\) Congress, while staying within the mandates of the Court's decision in the *Trade-Mark Cases*, enacted several revisions to the Act, culminating in 1946 with the passage of the Trademark (Lanham) Act (the "Lanham Act").\(^{36}\) The Lanham Act represented a significant advancement in the development of federal trademark legislation in the United States.\(^{37}\) Although Congress amended it several times over the ensuing years, the Lanham Act remains the trademark statute currently in force.\(^{38}\)

Early in American history, the founding fathers recognized the importance of protecting intellectual property rights. Initial methods of protection focused on the protection of these rights within the confines of American borders. Today, the advent of a complex global economy has brought to the forefront the goal of exploiting new global markets while increasing protection from a growing worldwide threat of unlawful exploitation of products. Recognition of this goal and the necessity to create worldwide agreements for the protection of intellectual property led to intellectual property rights being included in the GATT negotiations.

**SECTION II: GATT HISTORY**

The genesis of the GATT negotiations occurred at the conclusion of World War II when nations recognized the desirability of mutual agreements concerning various aspects of international trade. In 1947, over fifty countries began drafting a charter for the International Trade Organization (the "ITO") in order to decrease the chances of a return to the form of protectionism\(^{39}\) practiced in the 1930's.\(^{40}\) The draft charter for the ITO was to

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35. 100 U.S. 82 (1879).
39. Protectionism was displayed in the form of increasing tariffs imposed worldwide. U.S. Gen. Acct. Off., The General Agreement on Tariffs and Trade—Uruguay Round Final Act Should Produce Overall U.S. Economic Gains, GAO/GGD-94-83B, July 29, 1994, available in LEXIS, Banking Library, GAOFIN File [hereinafter U.S. ECONOMIC GAINS]. As the U.S. raised tariffs on foreign goods, foreign trading partners reciprocated by raising their tariffs, thus reducing international trade. *Id.* The increasing worldwide tariff rates were seen as a contributing factor to the severity of the worldwide depression of the 1930's. *Id.*
encompass, in addition to trade relations, rules "concerning employment, commodity agreements, restrictive business practices, international investment, and services."  

At a United Nations conference in Havana, Cuba in 1948 the ITO charter was agreed upon. However, the United States Congress was not in favor of creating the ITO, primarily because of political reasons emanating from the Cold War and, therefore, the United States did not participate in the ITO agreement. The United States did, however, participate in simultaneous negotiations among twenty-three nations with a goal of reducing tariff barriers. The negotiations resulted in the adoption of rules pertaining to trade that were contained in the draft ITO charter. The rules were designated as the "General Agreement on Tariffs and Trade" and became effective in January 1948. However, due to the failure in creating a permanent ITO, GATT was deemed a "provisional arrangement," and its members were designated as "contracting parties." Since its inception GATT's basis was the understanding that free trade meant economic development and GATT has continued to be "the only multilateral instrument governing international trade."

Prior to the recent round of GATT negotiations, known as the "Uruguay Round," which led to the changes to intellectual property law in this country, the GATT signatory countries constitute the GATT signatory countries:

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ducted several rounds of trade negotiations. The earlier rounds primarily focused on the reduction of tariffs and related concerns. However, in response to concerns about unauthorized appropriation of patented and copyrighted goods in international markets, Congress enacted the 1988 Omnibus Trade and Competitiveness Act (the "Omnibus Act"), which sought increased

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The signatures of the following governments were subject to ratification:

- Algeria
- Senegal
- Belgium
- Sweden
- Germany
- Tunisia

**AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994, ARTS. 2, 3, reprinted in United States Trade Representative, Final Text of the GATT Uruguay Round Agreements Including the Agreement Establishing the World Trade Organization as Signed on 15 April 1994 at Marrakesh (1994).**

50. U.S. ECONOMIC GAINS, supra note 39. The signatory countries were involved in seven prior rounds of trade negotiations. *Id.* The first five rounds of negotiations took place between 1947 and 1962 and were primarily concerned with the issues of "reducing tariff rates and eliminating quantitative restrictions on trade in manufactured products." *Id.* From 1962 to 1967 the sixth round, also known as the "Kennedy Round," dealt with issues of tariff rate reductions and other barriers to trade unrelated to tariffs such as antidumping practices. *Id.* The seventh round, known as the "Tokyo Round," produced further agreements on the reduction of tariffs and produced agreements that set in place rules which addressed nontariff barriers to trade. *Id.* Because there were still issues unresolved, in 1986 a new round of GATT negotiations, known as the "Uruguay Round," was started in Punta del Este, Uruguay. *Id.* The Uruguay Round was to last seven years and in addition to the previously addressed tariff related negotiations, encompassed an enlargement of GATT coverage to areas not previously accounted for, including intellectual property rights. *Id.*

protection for intellectual property rights.\textsuperscript{52} A further objective of the Omnibus Act was achieved by United States representatives when the subject of increased protection of intellectual property was included in the GATT negotiations.\textsuperscript{53} This area of negotiation became known as the Trade Related Aspects of Intellectual Property Rights (the "TRIPS").\textsuperscript{54}

\textbf{SECTION III: THE IMPACT OF GATT ON INTELLECTUAL PROPERTY LAW}

The resulting TRIPS agreement is considered to have met many of the objectives sought by the United States in its desire to bolster protection of intellectual property rights. The changes to U.S. intellectual property law necessary to implement the GATT-TRIPS Agreement were included in the Uruguay Round Agreements Act signed by President Clinton on December 8, 1994.\textsuperscript{55} The subsequent paragraphs provide a summary of the significant changes occurring in the patent and copyright fields of intellectual property law. The area of trademark law, however, will undergo relatively minor changes as a result of the GATT implementing legislation. Briefly, the major changes in trademark law are the increase in the time of non-use that provides evidence of the abandonment of a trademark from two years to three years\textsuperscript{56} and a ban on the registration of trademarks for wines and spirits that have misleading geographical indications of their origins.\textsuperscript{57} Trade secret law, because it relies so heavily on state common law and state statutes, is largely unaffected by the GATT implementing legislation.

\textsuperscript{52} U.S. ECONOMIC GAINS, supra note 39.
\textsuperscript{53} Id.
\textsuperscript{54} Id. The primary concern prompting the inclusion of these areas was the realization by U.S. industry of mounting losses due to unauthorized uses of intellectual property. United States Int'l Trade Comm'n Pub. No. 2065, Foreign Protection of Intellectual Property Rights and the Effect on U.S. Trade, 4-2 (Feb. 1985). Estimated losses to the U.S. economy have been reported to be as high as $23.8 billion dollars per year. Id.
Patent Law

A major change as a result of GATT occurred in the field of patent law. The TRIPS agreement required countries to become members of the fledgling World Trade Organization (the "WTO"), which will allow for the protection of new devices and processes via patent law, without regard to where a product is invented, produced or implemented. The WTO will have authority to settle disputes between WTO member countries over intellectual property rights.

A further requirement, and perhaps the most controversial, is the requirement that the term of a patent in each signatory country must be no less than twenty years from the date a patent application is filed. The TRIPS agreement also provides for a limitation on the use of mandatory licensing by signatory countries and provides that if mandatory licensing is implemented, appropriate remuneration is to be provided to the patent holder. The twenty-year term from the date of filing of a patent application will require a significant change in patent practice in the United States. Prior to the change, a patent in the United States was valid for seventeen years from the date it issued. As a result, the duration of a patent term in the United States may be shortened, because in some cases the patent review process may take longer than three years.


59. Van Horn, supra note 58, at 233.

60. Id.

61. Id. Article 33 of the TRIPS agreement provides that "[t]he term of protection available shall not end before the expiration of a period of twenty years counted from the filing date." THE AGREEMENT FOR TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS, INCLUDING TRADE IN COUNTERFEIT GOODS, ANNEX 1C TO THE AGREEMENT FOR THE ESTABLISHMENT OF THE WORLD TRADE ORGANIZATION, April 15, 1994, reprinted in 33 I.L.M. 1125, 1210 (1994) [hereinafter "TRIPS"].

62. Mandatory licensing involves the "use of the subject matter of a patent without authorization of the right holder, including use by the government or third parties authorized by the government...." TRIPS, supra note 61, Article 31, reprinted in 33 I.L.M. 1125, 1209 (1994).

63. Id.

64. Prior to GATT, the applicable patent term provided that "[e]very patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years,.... of the right to exclude others from making, using, or selling the invention throughout the United States...." 35 U.S.C. § 154 (1988).

65. deKieffer, supra note 58. The GATT implementing legislation amends §
iversity researchers and independent inventors will be most af-
fected because in cases involving breakthrough technology, a patent can take ten years or more to issue, resulting in short-
ened protection periods.\textsuperscript{66}

The twenty-year term became effective on June 8, 1995, which was six months from the date of enactment of the implementing legislation.\textsuperscript{67} However, a provision of the implementation of the GATT legislation provides that “the term of a patent that is in force or that results from an application filed [prior to June 8, 1995] shall be the greater of the 20-year [from filing] term . . . or 17 years from grant [term].”\textsuperscript{68} After June 8, 1995, the effective term is twenty-years from the filing date.\textsuperscript{69} As a result, in the period preceding June 8, 1995, there was a flood of patent applications filed in the Patent and Trademark Office culminating in over five thousand (or five times the number normally filed on a particular day) applications being filed on June 7, 1995.\textsuperscript{70}

In order to account for possible delays in the patent examin-
ing procedure, a patent term extension has been provided for in two cases: (1) where the delay occurs due to an extended review prior to issuance of a patent; and (2) where there is a lengthy “premarketing regulatory review of the product after the patent [is issued].”\textsuperscript{71} In the first case, the extension term is limited to five years regardless of the actual length of the delay or the cause of the delay.\textsuperscript{72} In the second case, an extension is granted for “the length of time to be measured from the date such stay of regulation of approval was imposed until such proceedings are finally resolved and commercial marketing is permitted.”\textsuperscript{73}

In addition to the change in patent terms, GATT also permits

\begin{verbatim}
154(a) to read as follows:
Subject to the payment of fees under this title, such grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application was filed in the United States or, if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, from the date on which the earliest such application was filed.

66. deKieffer, supra note 58.
67. Van Horn, supra note 58, at 239.
70. Teresa Riordan, Patents, N.Y. TIMES, June 12, 1995, at D2.
71. Van Horn, supra note 58, at 241.
72. Id.
\end{verbatim}
foreign inventors (those domiciled in a WTO or a North American Free Trade Agreement ("NAFTA") country) to use activities taking place in their own countries to establish the date of invention of a product. Until GATT, foreign inventors (other than those domiciled in a NAFTA country) could not use any "inventive activity" which took place before filing a foreign patent application to establish a date of invention in a United States patent application. The change in proving the date of invention promises to cause great consternation in patent disputes because the United States has not adopted a "first to file" rule for the granting of patents, continuing instead to rely on determining the "first to invent." Thus, factual disputes concerning the first inventive activity will become global in scope. In addition to consideration of worldwide activity, further problems are likely as a result of language barriers and the distances separating parties involved in disputes.

Another change to patent practice resulting partially from GATT is that under proposed legislation, beginning in 1996, all United States patent applications will be published no later than eighteen months after the filing date of the application. Under the current statute, patent applications are not published and remain secret until the Patent and Trademark Office takes action on the patent. If a patent application is denied, the invention is never made public and the contents are returned to the applicant. By never disclosing the invention to the public, an inventor retains the option to protect the invention by main-


75. Van Horn, supra note 58, at 232. Illustrative of this point is the amendment to 35 U.S.C. § 104 which reads:

In proceedings in the Patent and Trademark Office, in the courts, and before any other competent authority, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country other than a NAFTA country or a WTO member country, except as provided in sections 119 and 365 of this title.


77. Van Horn, supra note 58, at 232.


80. Chandler, supra note 78, at 322.
taining it as a trade secret. The proposed requirement to publish all applications within eighteen months will destroy the confidentiality of an inventor, thereby giving the product to the public without any reciprocal benefit to the inventor.

Proponents of the eighteen-month publication requirement and the new twenty-year patent term view the disclosure requirement as an improvement because it will preclude the existence of “submarine patents.” A “submarine patent” is an unfortunate pitfall of the secrecy of patent applications. Because a patent application can remain under review in the Patent and Trademark Office for a number of years prior to its grant, subsequent applicants who independently invent the same technology may spend valuable time and effort developing a product only to find that an earlier applicant has become the valid patent holder as a prior inventor.

Another change to patent practice introduced by the GATT implementing legislation is the establishment of a procedure whereby an applicant can file a provisional application. Provisional applications will be given a cursory review by the Patent and Trademark Office to ensure that formal statutory requirements have been met. Within twelve months of the filing of
the provisional application, an applicant must file a complete application. The provisional application is an easy, low-cost application which provides several benefits to applicants. Provisional applications give applicants an additional year before the start of the twenty-year patent term while establishing the date of invention for disputes with foreign countries that follow a first-to-file system and establishing the inventor as a first inventor of a disputed invention in any interference proceedings brought in the United States. Provisional applications also defer examination by the Patent and Trademark Office for one year, thereby allowing an applicant to garner additional funding prior to initiating the more costly formal prosecution of a patent application. Also, an applicant can "update[] the content of an application within one year of the original filing date before presenting a . . . [continuation in part] application for examination." A "continuation in part" application is a filing in which an applicant incorporates new matter into a pending application.

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provides in part:

(b) Provisional Application.—

(1) Authorization.—A provisional application for patent shall be made or authorized to be made by the inventor, except as otherwise provided in this title, in writing to the Commissioner. Such application shall include—

(A) a specification as prescribed by the first paragraph of section 112 of this title; and

(B) a drawing as prescribed by section 113 of this title.

(2) Claim.—A claim, as required by the second through fifth paragraphs of section 112, shall not be required in a provisional application.


89. Van Horn, supra note 58, at 236.

90. Id.

91. GREGORY, supra note 5, at 17. "New matter is matter involving a departure from or an addition to the original disclosure [in a patent application]." BLACK'S LAW DICTIONARY 1043 (6th ed. 1990).
Copyright Law

In the area of copyright law the changes as a result of GATT are not as significant as those in patent law. However, there are some modifications that intellectual property practitioners will encounter. First, computer programs will be protected as literary works. Second, there will be at least a fifty-year period of protection for sound recordings. Third, musicians and other individuals who create live performances are given protection against unauthorized recording of performances and subsequent reproduction of recordings, also known as "bootlegging." Finally, and perhaps the most controversial change arising from GATT in the field of copyright law, is the provision for copyright restoration. Under pre-GATT law in the United States, if a copyright owner failed to observe the requirements of United States copyright laws, its product would fall into the public domain. Under GATT, works that fall into this category are taken out of the public domain and their copyright protection is restored, provided the copyright holders are citizens of Berne Union or WTO countries and the works are not in the public domain of the originating country. Thus, foreign authors with valid copyrights in their countries can recapture copyrights lost in the

92. ‘GATT and Intellectual Property: Joint Hearings Before the Subcomm. on Pat., Copyrights and Trademarks of the Senate Comm. on the Judiciary and the Subcomm. on Intell. Prop. and Judicial Admin. of the House Comm. on the Judiciary, 103d Cong., 2d Sess., reprinted in FDCH CONG. TESTIMONY, Aug. 12, 1994 [hereinafter Hearings] (testimony of Ira S. Shapiro, General Counsel, Office of the United States Trade Representative). Previously, computer programs were not internationally protected as literary works. Id.

93. Hearings, supra note 92.

94. Id. In the past, bootlegging was fought through a combination of state anti-bootlegging laws, unfair competition laws and common law copyright actions. Id. The implementation of GATT provides a federal anti-bootlegging statute which will enhance current state law actions, provide performers with a more uniform right and give performers a greater weapon in deterring the importation of bootlegged recordings. Id.

95. Id. (testimony of Ira S. Shapiro, General Counsel, Office of the United States Trade Representative). Once a work falls into the public domain, the public is free to copy and use the product without having to remunerate the owner of the product. GOLDSTEIN, supra note 3, at 539.

96. Berne Union countries are those countries which have agreed to implement the mandates of the Berne Convention which was established in 1886 at a diplomatic conference by Swiss Federal Council "as a union of states for the protection of literary and artistic works." Marshall A. Leaffer, Protecting United States Intellectual Property Abroad: Toward a New Multilateralism, 76 IOWA L. REV. 273, 293 n.95 (1991). See supra notes 30-31 and accompanying text.

United States. As the foregoing indicates, the enactment of the GATT implementing legislation will have immediate ramifications in all areas of intellectual property law. In the areas of patent and copyright law, the effects will be more significant than those on trademark law.

SECTION IV: ANALYSIS AND CONCLUSION

While GATT enhances protection of intellectual property worldwide, which was a primary objective of the United States in the negotiations, it also has created undue problems because of the United States' failure to adopt a "first to file" patent system. The fact that the United States is the only signatory country without a "first-to-file" patent system combined with the new requirement making the protection of patent rights available without regard to place of invention, results in GATT implementation having the greatest impact on United States patent practice. Because the date of invention, and not the date of filing, is paramount in determining invention rights in the United States, the inventive activities of foreign inventors in WTO member countries will now be used to establish invention dates. As alluded to previously, this will cause many problems and prolonged disputes among native and foreign inventors and will likely be a source of great debate in intellectual property law practice.

Furthermore, the modification of the effective patent term from seventeen years from the date of issue to twenty years from the date of filing is causing even greater discomfort to American inventors. The debate has pitted small inventors, who believe that the GATT changes will greatly reduce their patent longevity, against large corporate inventors who depend on the newest technologies to provide them with a competitive advantage. Large corporations are in favor of the twenty-year term because it will provide a standardized term worldwide and lessen the probability of "submarine patents." Prior to GATT, many developing countries had patent terms of fifteen years or less from the filing date of a patent application. Under

98. Sales, supra note 97, at 15.
100. Divney, supra note 99, at 1071.
101. Id.
102. Lacey, supra note 84, at 1A.
103. Id.
104. Hearings, supra note 92 (testimony of Ira S. Shapiro, General Counsel,
GATT all signatories are required to become members of the WTO and thus are required to abide by not only the twenty-year patent term, but by any WTO resolution of disputes between nations.105

In support of small inventors, United States Representative Dana Rohrabacher introduced legislation in January of 1995 that would change the term requirement and allow inventors to choose between the twenty-year system and the seventeen-year system, depending on which gives their patent greater longevity.106 The bill appears to be receiving support in Congress, and may be subject to additional debate in the future.107

Although not directly contained in the GATT implementing legislation, the proposed legislation requiring the publication of patent applications after eighteen months, which emanated from the GATT negotiations, has also proved to be particularly contentious.108 If enacted, this requirement will be especially egregious to those inventors unable to obtain a patent from the Patent and Trademark Office who may wish to pursue protection of their intellectual property through trade secret law.

The resulting changes to copyright law as a result of GATT and the corresponding changes worldwide appear particularly favorable to United States copyright owners. Although copyright protection will ultimately be restored to some foreign works now in the public domain in this country, GATT extends copyright protection to computer programs, which will have the same copyright protection as literary works.109 Furthermore, performers will be protected against “bootlegging” and the term of

105. The requirement to abide by WTO dispute resolutions alone caused a dispute in Congress between the Clinton Administration and Senator Robert Dole, who voiced objections to the provision. President Signs GATT Bill and Intellectual Property Owners Ponder Impact of Changes, PAT., TRADEMARK & COPYRIGHT L. DAILY (BNA), December 8, 1994. The administration assured Senator Dole that the United States would “withdraw from the WTO instead of submitting to unacceptable rulings in dispute resolution.” Id.


107. The bill was referred to committee on January 4, 1995 and currently has one hundred and thirty co-sponsors in the House of Representatives. LEXIS 1995 Bill Tracking H.R. 359.


109. Specifically, the TRIPS agreement provides that “[c]omputer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971).” TRIPS, supra note 61, Article 10, reprinted in 33 I.L.M. 1125, 1201 (1994).
copyright protection will be no less than fifty years. The changes to trademark law are relatively minor and do not appear to significantly alter current trademark law practice.

The changes to intellectual property law as a result of GATT will primarily have an effect on the field of patent law. The changes are significant and promise to fuel further debate in the ongoing "first-to-file" versus "first-to-invent" issue. The United States has remained adamant in its protection of its "first-to-invent" system against all previous challenges. However, with the change to the twenty-year from the date of filing patent term and the proposed legislation adopting eighteen-month from the date of application disclosure requirements, it appears that the first significant steps toward a "first-to-file" system have been taken.

Overall, GATT and its subsequent implementing legislation are a positive step for the protection of intellectual property rights in the United States. With the establishment of the WTO and the resulting stricter enforcement of intellectual property rights worldwide, GATT has achieved most of the United States' objectives. While the United States has been forced to compromise in several areas and heated congressional debates evince discord in the acceptance of several of these provisions, the gains realized appear to outweigh the losses.

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110. TRIPS, supra note 61, Articles 14 and 12, reprinted in 33 I.L.M. 1125, 1202 (1994).