3510-16-P

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 5

[Docket No. PTO-P-2019-0033]

RIN 0651-AD43

Facilitating the Use of the World Intellectual Property Organization's ePCT System to Prepare International Applications for Filing with the United States Receiving Office

AGENCY: United States Patent and Trademark Office, Department of Commerce.

ACTION: Final rule.

SUMMARY: The United States Patent and Trademark Office (USPTO or Office) is amending the foreign filing license rules to facilitate the use of ePCT (a World Intellectual Property Organization (WIPO) online service) to prepare an international application for filing with the USPTO in its capacity as a Receiving Office (RO/US) under the Patent Cooperation Treaty (PCT). While the former foreign filing license rules authorized the export of technical data to ePCT for purposes of preparing an international

application for filing in a foreign PCT Receiving Office, they did not authorize the export of technical data to ePCT for purposes of preparing an international application for filing with the RO/US. As a foreign filing license addresses the export of technical data, the USPTO is amending the foreign filing license rules to further provide that a foreign filing license from the USPTO authorizes the export of technical data abroad for purposes related to the use of ePCT to prepare an international application for filing with the RO/US under the PCT.

DATES: This final rule is effective on [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Michael Neas, Deputy Director, International Patent Legal Administration, at 571-272-3289, or Boris Milef, Senior Legal Examiner, International Patent Legal Administration, at 571-272-3288.

SUPPLEMENTARY INFORMATION:

Executive Summary: *Purpose:* The rules of practice in 37 CFR part 5 are amended to expand the scope of a foreign filing license from the USPTO to allow U.S. applicants to use WIPO's ePCT web-based service to help prepare their international applications for filing with the RO/US, as they are already permitted to do for filing with foreign ROs.

Summary of Major Provisions: Under former 37 CFR 5.11(b), a foreign filing license from the Commissioner for Patents authorized the export of technical data abroad for

purposes related to the preparation, filing or possible filing, and prosecution of a foreign application, including an international application for filing in a PCT Receiving Office other than the RO/US. See 37 CFR 5.1(b)(2). Former 37 CFR 5.11 did not authorize the export of technical data abroad for purposes related to the preparation of an international application for filing with the RO/US. As a foreign filing license addresses the export of technical data, the provisions of 37 CFR 5.11(b) are amended to further provide that a foreign filing license from the Commissioner for Patents authorizes the export of technical data abroad for purposes related to the use of WIPO's online service for preparing an international application for filing with the RO/US.

Costs and Benefits: This rulemaking is not economically significant under Executive Order 12866 (Sept. 30, 1993).

Background: The notice of proposed rulemaking, published January 30, 2020 (85 FR 5362), provides background information on this rulemaking. That information is not repeated here.

This final rule updates the foreign filing license rules to provide that a foreign filing license from the USPTO, which are routinely applied for and granted as a matter of course in new application filings, would authorize the export of technical data abroad for purposes relating to the use of ePCT to prepare an international application for filing with the USPTO in its capacity as a Receiving Office under the PCT.

Applicants who are residents and/or nationals of the United States and its territories can file international applications directly with the Receiving Office of the International Bureau via ePCT or other means, provided that any national security provisions have been met prior to filing, *including obtaining any required foreign filing license*. See 37 CFR 5.11 and Manual of Patent Examining Procedure 140. The provisions of former 37 CFR 5.11(b) authorized U.S. applicants having a foreign filing license to export technical data abroad to servers located outside the United States hosting ePCT to prepare international applications for filing with the International Bureau as a Receiving Office, without having to separately comply with the regulations contained in 22 CFR parts 120 through 130 (International Traffic in Arms Regulations of the Department of State), 15 CFR parts 730 through 774 (Export Administration Regulations of the Bureau of Industry and Security, Department of Commerce), and 10 CFR part 810 (Assistance to Foreign Atomic Energy Activities Regulations of the Department of Energy). *Id*. The provisions of former 37 CFR 5.11(b), however, did not authorize the export of technical data to such servers for the purpose of preparing international applications for filing with the RO/US.

The provisions of former 37 CFR 5.11(b) were last revised prior to the date the RO/US began accepting international applications prepared using ePCT and thus did not address whether applicants having a foreign filing license from the USPTO could use ePCT to prepare an international application for filing with the RO/US. Therefore, the USPTO updates the regulations in this final rule to permit applicants having a foreign filing license from the USPTO to use ePCT to prepare an international application for filing with the RO/US without having to separately comply with the regulations set forth in

37 CFR 5.11(b).

Discussion of Specific Rules

The following is a discussion of the amendments to 37 CFR part 5.

Section 5.1: Section 5.1(b)(2) is amended to change the text "foreign patent office, foreign patent agency, or international agency" to "foreign or international intellectual property authority," for consistency, as the term "intellectual property authority" is generally used in the patent statutes and other patent rules. See, e.g., 35 U.S.C. 111(c) and 119(b)(1) and (b)(3), and 37 CFR 1.55, 1.57(a), and 1.76(b)(6).

Section 5.11: Section 5.11(a) is amended to change the text "foreign patent office, foreign patent agency, or any international agency" to "foreign or international intellectual property authority," consistent with the change to § 5.1(b)(2).

Section 5.11(b) is amended to provide that a license from the Commissioner for Patents under 35 U.S.C. 184 referred to in § 5.11(a) ("foreign filing license") would additionally authorize the export of technical data abroad for purposes related to the use of a WIPO online service for preparing an international application for filing with the RO/US under the PCT.

The amendment would authorize applicants having a foreign filing license from the

USPTO to use ePCT to prepare an international application for filing with the RO/US without having to separately comply with the regulations identified in § 5.11(b), i.e., the regulations contained in 22 CFR parts 120 through 130 (International Traffic in Arms Regulations of the Department of State), 15 CFR parts 730 through 774 (Export Administration Regulations of the Bureau of Industry and Security, Department of Commerce), and 10 CFR part 810 (Assistance to Foreign Atomic Energy Activities Regulations of the Department of Energy).

Section 5.11(e)(3) is amended to change "foreign patent application" to "foreign application" for consistency with the definition of foreign application in § 5.1(b)(2).

Section 5.12: Section 5.12(a) is amended to clarify that for an application on an invention made in the United States to be considered to include a petition for license under 35 U.S.C. 184, the application must be filed in the USPTO. An application that is filed abroad on an invention made in the United States but that comes to the United States for examination, for example, in the case of an international design application designating the United States that is filed abroad, would not be considered to include a petition for a foreign filing license. Where an application was filed abroad through error without the required license under § 5.11 first having been obtained, applicants should consider filing a petition for retroactive license under § 5.25.

Section 5.15: Section 5.15(a) is amended for clarity to include a reference to § 5.11(b) concerning the export of technical data. In addition, "foreign patent agency or

international patent agency" is changed to "foreign or international intellectual property authority." See discussion of § 5.1(b)(2), *supra*. Section 5.15(a) is also amended to clarify that the grant of the license also covers material submitted under § 5.13, where there is no corresponding U.S. application.

Paragraphs (b) and (e) of § 5.15 are amended consistent with the amendments to § 5.15(a).

Comments and Responses to Comments: The USPTO published a notice of proposed rulemaking on January 30, 2020, proposing to change the rules of practice to facilitate the use of WIPO's ePCT system for U.S. applicants. See *Facilitating the Use of WIPO's ePCT System To Prepare International Applications for Filing With the United States Receiving Office*, 85 FR 5362 (Jan. 30, 2020). The USPTO received three comments from five submitters—more particularly, from a law firm, individual patent practitioners, and the general public—in response to the notice of proposed rulemaking. The summarized comments and the USPTO's responses to those comments follow:

Comment 1: While all the written submissions received supported the proposed rule changes, several submitters also requested that the USPTO expressly state, in this final rule, that the warnings set forth in the notice titled *Use of WIPO's ePCT System for Preparing the PCT Request for Filing as Part of an International Application with the USPTO as Receiving Office*, 81 FR 27417 (May 6, 2016) (hereafter "2016 notice") no longer apply. Those comments explained that such a statement would help in training and outreach efforts to encourage the use of ePCT, which, in turn, would benefit applicants,

patent practitioners, and offices.

Response: The USPTO agrees that as a result of this rulemaking, the warning in the 2016 notice regarding exporting subject matter, pursuant to a foreign filing license from the USPTO, into ePCT for preparing an international application for filing with the RO/US no longer applies. However, applicants are cautioned that the warnings in the 2016 notice are still applicable in the limited situations where the applicant either does not have a foreign filing license or would be exporting additional subject matter not included within the scope of the foreign filing license from the USPTO.

Comment 2: Several submitters requested the USPTO develop a mechanism to facilitate updating bibliographic data in PCT applications, similar to the mechanism available through ePCT.

Response: The USPTO notes the request to develop a mechanism to facilitate updating of bibliographic data in PCT applications. While such a mechanism would provide some benefits to PCT users, the process for evaluating and prioritizing information technology projects within the USPTO is beyond the scope of this final rule. The USPTO intends to consider the request raised in the comment through the appropriate internal process.

Comment 3: One submitter, while supporting the proposed rule changes stated that the changes would make it easier for foreign filers to file their PCT applications in the United

States, and said that this was necessary because U.S. inventors already have this benefit when filing a PCT application in the other member states.

Response: The commenter appears to have misunderstood the purpose of this rule. The revised rules change neither who may file a PCT application with the RO/US, nor who may represent such applicants before the RO/US. See 35 U.S.C. 361 and § 1.421 regarding who may file a PCT application with the RO/US, and § 1.455 regarding who may represent a PCT applicant before the USPTO.

Rulemaking Considerations:

A. Administrative Procedure Act: This document makes changes to the rules of practice to facilitate the use of WIPO's ePCT system to prepare international applications for filing with the RO/US. The changes being made in this document do not change the substantive criteria of patentability. These changes involve rules of agency practice and procedure, and/or interpretive rules. See *Bachow Commc'ns Inc.* v. *FCC*, 237 F.3d 683, 690 (D.C. Cir. 2001) (rules governing an application process are procedural under the Administrative Procedure Act); *Inova Alexandria Hosp.* v. *Shalala*, 244 F.3d 342, 350 (4th Cir. 2001) (rules for handling appeals are procedural where they do not change the substantive standard for reviewing claims); *Nat'l Org. of Veterans' Advocates* v. *Sec'y of Veterans Affairs*, 260 F.3d 1365, 1375 (Fed. Cir. 2001) (rule that clarifies interpretation of a statute is interpretive).

Accordingly, prior notice and opportunity for public comment for these changes are not required pursuant to 5 U.S.C. 553(b) or (c) (or any other law). See *Cooper Techs. Co.* v. *Dudas*, 536 F.3d 1330, 1336-37 (Fed. Cir. 2008) (stating that 5 U.S.C. 553, and thus 35 U.S.C. 2(b)(2)(B), do not require notice and comment rulemaking for "interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice") (quoting 5 U.S.C. 553(b)(A)). The USPTO, however, published the proposed changes for comment because it sought the benefit of the public's views on the USPTO's implementation of the proposed rule changes.

B. Regulatory Flexibility Act: For the reasons set forth herein, the Senior Counsel for Regulatory and Legislative Affairs in the Office of General Law of the USPTO has certified to the Chief Counsel for Advocacy of the Small Business Administration that changes in this document will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b).

The changes made in this document will facilitate the use of WIPO's ePCT system to prepare international applications for filing with the RO/US and will apply to any entity, including a small or micro entity, that uses ePCT to prepare an international patent application under the PCT for filing with the RO/US. The changes made in this document will not result in a change in the burden imposed on any patent applicant, including a small entity.

For the foregoing reasons, the changes made in this document will not have a significant economic impact on a substantial number of small entities.

C. Executive Order 12866 (Regulatory Planning and Review): This rulemaking has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993).

D. Executive Order 13563 (Improving Regulation and Regulatory Review): The USPTO has complied with Executive Order 13563. Specifically, the USPTO has, to the extent feasible and applicable: (1) made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, and provided online access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

E. Executive Order 13771 (Reducing Regulation and Controlling Regulatory Costs): This final rule is not expected to be an Executive Order 13771 regulatory action because the final rule would not be significant under Executive Order 12866.

F. Executive Order 13132 (Federalism): This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

G. Executive Order 13175 (Tribal Consultation): This rulemaking will not: (1) have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

H. Executive Order 13211 (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

I. Executive Order 12988 (Civil Justice Reform): This rulemaking meets applicable

standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

J. Executive Order 13045 (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

K. Executive Order 12630 (Taking of Private Property): This rulemaking will not affect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

L. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.), prior to issuing any final rule, the USPTO will submit a report containing the final rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this document are not expected to result in an annual effect on the economy of $100 million or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in

domestic and export markets. Therefore, this document is not expected to result in a "major rule" as defined in 5 U.S.C. 804(2).

M. Unfunded Mandates Reform Act of 1995: The changes set forth in this document do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of $100 million (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of $100 million (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 et seq.

N. National Environmental Policy Act of 1969: This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 et seq.

O. National Technology Transfer and Advancement Act of 1995: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions that involve the use of technical standards.

P. Paperwork Reduction Act of 1995: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires that the USPTO consider the impact of paperwork and other information collection burdens imposed on the public. This rulemaking involves information collection requirements that are subject to review by Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3549). The collection of information involved in this rulemaking has been reviewed and previously approved by OMB under control number 0651-0021. This rulemaking does not impose any additional collection requirements under the Paperwork Reduction Act that are subject to further review by OMB. The collections of information already approved under control number 0651-0021 support the actions proposed in this rulemaking. Therefore, no changes are required in the collection.

Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects in 37 CFR Part 5

Classified information, Exports, Foreign relations, Inventions and patents.

For the reasons set forth in the preamble, 37 CFR part 5 is amended as follows:

PART 5—SECRECY OF CERTAIN INVENTIONS AND LICENSES TO EXPORT AND FILE APPLICATIONS IN FOREIGN COUNTRIES

1. The authority citation for 37 CFR part 5 is revised to read as follows:

Authority: 35 U.S.C. 2(b)(2), 41, 181-188; 22 U.S.C. 2751 et seq.; 42 U.S.C. 2011 et seq.; 22 U.S.C. 3201 et seq.; and the delegations to the Director in 15 CFR 370.10(j), 22 CFR 125.04, and 10 CFR 810.7.

2. Section 5.1 is amended by revising paragraph (b)(2) to read as follows:

§ 5.1 Applications and correspondence involving national security.

* * * * *

(b) * * *

(2) Foreign application as used in this part includes, for filing in a foreign country or in a foreign or international intellectual property authority (other than the United States Patent and Trademark Office acting as a Receiving Office for international applications (35 U.S.C. 361, 37 CFR 1.412) or as an office of indirect filing for international design applications (35 U.S.C. 382, 37 CFR 1.1002)) any of the following: an application for patent; international application; international design application; or application for the registration of a utility model, industrial design, or model.

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3. Section 5.11 is amended by revising paragraphs (a), (b), and (e)(3) introductory text to read as follows:

§ 5.11 License for filing in, or exporting to, a foreign country an application on an invention made in the United States or technical data relating thereto.

(a) A license from the Commissioner for Patents under 35 U.S.C. 184 is required before filing any application for patent, including any modifications, amendments, or supplements thereto or divisions thereof, or for the registration of a utility model, industrial design, or model, in a foreign country or in a foreign or international intellectual property authority (other than the United States Patent and Trademark Office acting as a Receiving Office for international applications (35 U.S.C. 361, 37 CFR 1.412) or as an office of indirect filing for international design applications (35 U.S.C. 382, 37 CFR 1.1002)), if the invention was made in the United States, and:

(1) An application on the invention has been filed in the United States less than six months prior to the date on which the application is to be filed; or

(2) No application on the invention has been filed in the United States.

(b) The license from the Commissioner for Patents referred to in paragraph (a) of this section would also authorize the export of technical data abroad for purposes related to:

(1) The preparation, filing or possible filing, and prosecution of a foreign application; and

(2) The use of a World Intellectual Property Organization online service for preparing an international application for filing with the United States Patent and

Trademark Office acting as a Receiving Office (35 U.S.C. 361, 37 CFR 1.412) without separately complying with the regulations contained in 22 CFR parts 120 through 130 (International Traffic in Arms Regulations of the Department of State), 15 CFR parts 730 through 774 (Export Administration Regulations of the Bureau of Industry and Security, Department of Commerce), and 10 CFR part 810 (Assistance to Foreign Atomic Energy Activities Regulations of the Department of Energy).

* * * * *

(e) * * *

(3) For subsequent modifications, amendments, and supplements containing additional subject matter to, or divisions of, a foreign application if:

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4. Section 5.12 is amended by revising paragraph (a) and removing the parenthetical authority at the end of the section to read as follows:

§ 5.12 Petition for license.

(a) Filing of an application in the United States Patent and Trademark Office on an invention made in the United States will be considered to include a petition for license under 35 U.S.C. 184 for the subject matter of the application. The filing receipt or other official notice will indicate if a license is granted. If the initial automatic petition is not granted, a subsequent petition may be filed under paragraph (b) of this section.

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5. Section 5.15 is amended by revising paragraphs (a) introductory text, (a)(1), (b), and (e) to read as follows:

§ 5.15 Scope of license.

(a) Applications or other materials reviewed pursuant to §§ 5.12 through 5.14, which were not required to be made available for inspection by defense agencies under 35 U.S.C. 181, will be eligible for a license of the scope provided in this paragraph (a). This license permits subsequent modifications, amendments, and supplements containing additional subject matter to, or divisions of, a foreign application, if such changes to the application do not alter the general nature of the invention in a manner that would require the United States application to have been made available for inspection under 35 U.S.C. 181. Grant of this license authorizes the export of technical data pursuant to § 5.11(b) and the filing of an application in a foreign country or with any foreign or international intellectual property authority when the technical data and the subject matter of the foreign application correspond to that of the application or other materials reviewed pursuant to §§ 5.12 through 5.14, upon which the license was granted. This license includes the authority:

(1) To export and file all duplicate and formal application papers in foreign countries or with foreign or international intellectual property authorities;

* * * * *

(b) Applications or other materials that were required to be made available for inspection under 35 U.S.C. 181 will be eligible for a license of the scope provided in this paragraph (b). Grant of this license authorizes the export of technical data pursuant to

§ 5.11(b) and the filing of an application in a foreign country or with any foreign or international intellectual property authority. Further, this license includes the authority to export and file all duplicate and formal papers in foreign countries or with foreign or international intellectual property authorities and to make amendments, modifications, and supplements to; file divisions of; and take any action in the prosecution of the foreign application, provided subject matter additional to that covered by the license is not involved.

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(e) Any paper filed abroad or transmitted to a foreign or international intellectual property authority following the filing of a foreign application that changes the general nature of the subject matter disclosed at the time of filing in a manner that would require such application to have been made available for inspection under 35 U.S.C. 181 or that involves the disclosure of subject matter listed in paragraph (a)(3)(i) or (ii) of this section must be separately licensed in the same manner as a foreign application. Further, if no license has been granted under § 5.12(a) after filing the corresponding United States application, any paper filed abroad or with a foreign or international intellectual property authority that involves the disclosure of additional subject matter must be licensed in the same manner as a foreign application.

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Dated: August 19, 2020.

Andrei Iancu,
Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.
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