

PATENT COOPERATION TREATY (PCT) PROTECTION:
WHEN YOUR IP TARGET COUNTRY IS NOT IN THE GROUP OF 152

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Today, on March 9, 2017, the country of Jordan submitted its accession documents to become bound by the Patent Cooperation Treaty (“*PCT*”). In three months, Jordan will become the 152nd country to be bound by PCT.¹ That means there are forty-three (43) other countries² that are not bound. Knowing which countries are not PCT-bound may be imperative in securing patent protection outside of the United States (and avoiding malpractice in the process). In reality, however, regardless of which country may be an intellectual property (“*IP*”) target, PCT protection (and other international agreements) will almost always suffice in preserving the potential for patent protection.³ The bigger issue is having a command on varying procedure.

Fortunately, of the 43 non-PCT members, there will be 25 non-PCT members⁴ by May 14, 2017, who are bound by the Paris Convention.⁵ The Paris Convention, originally adopted in 1883, created the first major international step in ensuring creators of intellectual work had protections in other countries; the Paris Convention applies to industrial property in the widest sense.⁶ The PCT, concluded in 1970, finally provided a unified procedure for filing patent applications in each of the member (or contracting) states. Colloquially, a patent application filed pursuant to the PCT is sometimes referred to as an ‘international application.’ By June 9, 2017, that leaves eighteen (18) countries with which a practitioner must be cognizant.⁷

¹ A list of the member countries can be found at this link, http://www.wipo.int/pct/en/pct_contracting_states.html, last visited March 9, 2017.

² This article focuses on United Nations (“*UN*”) member states plus Vatican City (aka Holy See) and importantly, Taiwan, and will refer to them as countries, which total 195. The UN does not recognize Taiwan as a sovereign state, i.e., the One China Policy.

³ For a document that may become stale, please click [here](#) for a PDF that delineates states that are a party to the PCT, the Paris Convention, and the World Trade Organization (“*WTO*”).

⁴ On May 14, 2017, Afghanistan will become a party to the Paris Convention; currently, foreign priority cannot be obtained. The current Paris Convention members are: Andorra, Argentina, Bahamas, Bangladesh, Bhutan, Bolivia, Burundi, Democratic Republic of the Congo, Guyana, Haiti, Vatican City (Holy See), Iraq, Jamaica, Lebanon, Mauritius, Nepal, Pakistan, Paraguay, Samoa, Suriname, Tonga, Uruguay, Venezuela, Yemen.

⁵ Until Jordan is PCT-bound on June 9, 2017, the Paris Convention will still apply to that country.

⁶ Subsumed under the rubric of industrial property, it includes patents, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition.

⁷ The countries that will be neither PCT- nor Paris Convention bound are: Cabo Verde, Eritrea, Ethiopia, Fiji, Kiribati, Maldives, Marshall Islands, Micronesia, Myanmar (aka Burma), Nauru, Palau, Solomon Islands, Somalia, South Sudan, Taiwan, Timor-Leste, Tuvalu, and Vanuatu.

First, any practitioner should realize that for many countries, even PCT-member states, a patentee may never target those countries for intellectual property protection due to political instability or where a country has barely recognizable borders as a country (e.g., North Korea and Syria, respectively, both of which are PCT-countries!). Second, many of the 43 non-PCT countries will also never be an IP target for some of the same reasons (e.g., Somalia). Really, the main driver in targeting a country for IP protection is, in laymen terms, what will be the return on investment? Without performing any quantitative analysis that computes a net present value of the asset, a simple look at GDP reveals there is only one country that is neither PCT- nor Paris Convention bound that probably deserves attention: Taiwan.

The table below shows, in terms of GDP (in 2016 numbers),⁸ the top fifteen (15) countries worldwide along with the nineteen (19) countries that are currently neither PCT- nor Paris Convention bound (“*Non-Aligned Country(-ies)*”), with the latter highlighted in color:

Country	Nominal GDP (in billions USD (\$))			Projected 2020 Rank
	2016	Share	Rank	
United States	18,561.93	24.7	1	2
China	11,391.62	15.1	2	1
Japan	4,730.30	6.29	3	4
Germany	3,494.90	4.65	4	5
United Kingdom	2,649.89	3.52	5	9
France	2,488.28	3.31	6	10
India	2,250.99	2.99	7	3
Italy	1,852.50	2.46	8	12
Brazil	1,769.60	2.35	9	7
Canada	1,532.34	2.04	10	16
Korea	1,404.38	1.87	11	13
Russia	1,267.75	1.69	12	6
Australia	1,256.64	1.67	13	19
Spain	1,252.16	1.66	14	15
Mexico	1,063.61	1.41	15	11
Taiwan	519.149	0.69	22	21
Ethiopia	69.218	0.092	69	68
Myanmar	68.277	0.0908	72	53
Afghanistan	18.395	0.0245	113	102
Eritrea	5.352	0.00712	149	154
Fiji	4.556	0.00606	151	157

⁸ See INT’L MONETARY FUND WORLD ECO. OUTLOOK (October-2016), <https://www.imf.org/external/pubs/ft/weo/2016/02/weodata/index.aspx>, last visited Mar 7 2017 (generating table with various inputs, including by country, etc.). References to ranking in this article are to global share (and not to absolute value rankings).

Maldives	3.27	0.00435	159	162
South Sudan	2.628	0.00349	161	141
Timor-Leste	2.501	0.00333	162	163
Cabo Verde	1.684	0.00224	169	166
Solomon Islands	1.218	0.00162	174	180
Vanuatu	0.773	0.00103	180	183
Micronesia	0.325	0.00043	186	186
Palau	0.296	0.00039	187	187
Marshall Islands	0.188	0.00025	188	189
Kiribati	0.166	0.00022	189	188
Tuvalu	0.032	0.00004	190	190
Somalia	unranked			
Nauru	unranked			

As can be seen, Taiwan is ranked 22nd in global GDP share while its nearest Non-Aligned Country is 68th (Ethiopia);⁹ for further comparison, Argentina is the highest ranked (21) non-PCT, Paris Convention country. When Taiwan ascended to the World Trade Organization (“*WTO*”) in 2002, Taiwan became a signatory to TRIPs,¹⁰ a treaty which confers priority on patent applications.¹¹ Accordingly, a patentee may obtain priority in Taiwan (particularly for semi-conductor inventions due to its manufacturing base) if, *inter alia*, the applicant is from a peer WTO member.¹²

The table above also shows that ten of the Non-Aligned Countries are in the bottom twenty-one in GDP global share. Thus, most patentees may never seek IP protection in those Non-Aligned Countries even though some of them may permit patent registrations if the

⁹ Though Ethiopia has local laws that allow for a patent grant if the application is based on a patent timely issued in certain other countries, Ethiopia has not signed a number of international IP agreements, also including those concerning copyright, the Berne Convention for Literary and Artistic Works, and the Madrid System for the International Registration of Marks. Contrasted, Cabo Verde, which attempts to enforce intellectual property rights, in 2007, recognized foreign priority, as it is a WTO country.

¹⁰ In 2003, this practitioner authored a white paper on Trade Related Aspects in Intellectual Property Rights. TRIPs obligates all members to comply with the existing conventions regarding the protection for intellectual property rights, including the Paris Convention.

¹¹ Notably, China still refuses to recognize Taiwan's rights notwithstanding its WTO membership.

¹² As of February 2017, the WTO is comprised of 164 members and comprises more than 95% of global GDP.

antecedent patent was granted by certain issuing countries, including the U.S.¹³ And for those countries where patent protection is essentially non-existent,¹⁴ GDP certainly exposes why.

In conclusion, while the procedure may vary (and counsel should take all necessary precautions in understanding local rules and secure local counsel or collaborate with U.S.-based counsel with the various relationships), various international agreements should preserve potential patent protection via U.S. priority. With the pending ascension of Jordan to the PCT,¹⁵ Afghanistan to the Paris Convention, three countries with local laws firmly allowing priority (Taiwan, Ethiopia, and Cabo Verde), and five that should allow priority (Fiji, Kiribati, Nauru, Solomon Islands, and Tuvalu), that totals to 185 countries (out of 195) where a patentee should be able to obtain some sort of patent protection.¹⁶ Indeed, obtaining patent protection in 95% of all of the world's countries is a distinct possibility. However, as a rational economic actor, a patentee would almost never do that. This firm can help you decide what percentage you need in helping to meet your (international) patent needs.

As a coda, Brasil, where this firm has a niche presence, has a GDP share that is expected to jump to seventh by 2020.

¹³ These countries are: Nauru, Kiribati, Tuvalu, Fiji, and Solomon Islands.

¹⁴ These countries currently are: Afghanistan, Eritrea, Maldives, Marshall Islands, Micronesia, Myanmar, Palau, South Sudan, Somalia, Timor-Leste, and Vanuatu. Again, Afghanistan will depart from this group in May, 2017.

¹⁵ The GDP of the PCT's newest member, Jordan, is 90th globally with a projection for stable GDP.

¹⁶ This practitioner has reached out to local counsel licensed in Myanmar (Burma), whose GDP is projected to increase in rank by a staggering 25% by the year 2020, to learn about that country's patent rules. An update will be forthcoming.