

AN ANALYSIS OF PATENT TERM ADJUSTMENT FOR ADOPTION IN THAILAND^{*}

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Received 01 January 20

Revised 7 September 20

Accepted 9 December 20

Abstract

This article focuses on the measure to compensate for the time taken to issue a patent by the Department of Intellectual Property by providing an extension of the term of a patent. In issuing each patent following an application filed to the patent office, the time period to examine and grant a patent could vary depending on a number of factors including complexity and fields of the invention. Moreover, in most cases, the long process results in a loss of revenue.

The patent term adjustment system does exist and is enforced in several countries. Thailand does not provide a similar measure to adjust the term of a patent issued later than a specified period.¹ According to the existing law, there are no specific provisions as to the time within which the whole process of registration and each step of the process must be completed. Although Thailand's administrative law affirms the right of individuals to bring a case before the Administrative Court where an administrative agency or a state official neglecting official duty required by

^{*} This article is summarised and rearranged from the thesis “An Analysis of Patent Term Adjustment for Adoption in Thailand” Faculty of Law, Thammasat University, 2019.

¹ There is an extension limited to period for court proceedings under Section 16, 74 or 77 sexies, as provided in Section 35 of the Thai Patent Act which is not the same as the point of this article.

the law to be performed or performing such duties with unreasonable delay, there exist no determinative indication as to present that what exactly amounts to unreasonable delay. Hence, there is no guarantee that there will be no unreasonable delay in the patent registration process. Other laws cannot apply to this kind of cases because of the nature of patent. Therefore, individuals should also be able to receive a proper remedy for the delay in the patent registration process when such delay is not attributable to them.

This article presents the concepts and regulation of the United States, Singapore, and South Korea concerning the patent term adjustment system, and legal analysis in response to the ongoing problems in Thailand. The author suggests that Thailand's patent law should provide a remedy for patentees affected by procedural delay caused by the Patent Office. To this end, patentees should be compensated for the delay in the patent registration process by receiving an extension of the term of a patent.

Keywords: Patent, Term, Adjustment, Protection, Period, Issue, Process, Intellectual Property, Unreasonable Delay

1. Introduction

The news reported back in 2017 shows that more than 36,000 patent applications in Thailand were still pending, and more than 12,000 applications have been pending for more than 5 years due to lack of competent officials in the patent registration process, said the Minister of the Ministry of Commerce.² The inability to complete the process in a reasonable time period needs a solution, and it is necessary to look into Thai laws at the moment.

An exact period of time within which officials must complete the process of patent registration is not provided in the Patent Act, nor Ministerial Regulations and Notifications of the DIP. The right of an individual to file a case concerning unreasonable delay due to the conduct of administrative agencies could be inconvenient since it shall proceed in the Administrative Court, and administrative law does not fit for all disputes. Rights of persons are protected, and Thai people are treated equally before the Constitution of Thailand, and people are allowed to follow up and urge the State to perform the acts which directly benefit the people, according to Chapter 5, Duties of the State. However, no provision under this Chapter can be interpreted to deal with wait times in the patent registration. The Royal Decree on Good Public Governance still needs some time for the DIP to work with. Moreover, Section 29 of the Patent Act is one factor that leads to delay.

² Apiradee Tantraporn, 'Ekkachon Whan Dab Song Khom Chai Matra Sisibsi Taluang Panha Jod Sittibat Lasha [Individuals' Concerns Over Application of Section 44 For Delayed of Patent Grant]' (*Prachachat Turakij*, 5 March 2017) (อภิรดี ตันตราภรณ์, 'เอกชน หวั่นดาบสองคม ใช้ม.44 ทะลวงปัญหาจดสิทธิบัตรล่าช้า' (*ประชาชาติธุรกิจ*, 5 มีนาคม 2560) <https://www.prachachat.net/news_detail.php?newsid=1488708365> accessed 7 March 2018).

A patent is effective and enforceable only upon issuance, it is unenforceable after it expires.³ According to the Thai Patent Act, the term of a patent starts from the application filing date which no one knows when exactly the patent will be granted and if a delay occurred at all. Although the protection is granted retroactively from the filing date, it will not change the fact that the time left for exploiting in the invention with the protection of an enforceable patent is less than the period granted by law. It is true that during patent-pending, there are many ways to make use of the invention even it has not been presented yet, but that reason is not enough to not look into other measures when possible.

As the problems presented, providing deadlines for the DIP in issuing a patent and addition of patent life for patented invention in case of delays due to the DIP's conducts will establish proper protection for patentees and set a standard in conducting the procedure.

2. Patent term adjustment

Patent term adjustment (PTA) is the term and concept existed in U.S. laws originally. The PTA system works when the patenting process delays due to causes stated by law, usually the conducts of the United States Patent and Trademark Office (USPTO). When the term of a patent is adjusted under the PTA system, an additional term will be added which means the extension of the life of a patent. However, delays due to the applicant shall be excluded. This article presents the PTA system in the United States and the other two countries that adopted the system; Singapore and South Korea.

³ Robert Ashbrook, 'Patent Term and Patent Term Adjustment' (*Oppedahl Patent Law Firm LLC*, 9 May 2014) <<http://www.oppedahl.com/images/dechert.pdf>> accessed 21 August 2018.

2.1 United States

According to the U.S. Code, there are three types of guarantees which are, firstly, guarantee of prompt patent and trademark office responses (A delay)⁴, secondly, guarantee of no more than 3-year application pendency (B delay),⁵ and lastly, guarantee of adjustments for delays due to derivation proceedings, secrecy orders, and appeals (C delay).⁶ These guarantees mean the law guarantees that the patenting process shall be conducted in the time limits as imposed by the law, and the patentee shall receive some remedy if the Office has failed to fulfill the tasks as guaranteed. The formula for calculating additional patent term is:

$$PTA = [A \text{ delay} + B \text{ delay} + C \text{ delay}] - [Overlapping \text{ Delay}] - [Applicant \text{ Delay}]$$

The data of traditional total pendency presented by the Data Visualization Center of the USPTO shows that pendency tends to decrease over time. In the fiscal year 2016, total pendency varies between 24.2-26.6 months, in the fiscal year 2017 it is between 24.2-25 months, and the pendency decreases to between 23.8-24.4 months. As of February 2019, pendency is at 23.8 months.⁷ According to the data, the U.S. patenting process is finished under 3 years.

2.2 Singapore

As a result of the FTA between the United States and Singapore signed on 6 May 2003,⁸ PTA can be requested for applications filed on or

⁴ 35 U.S.C., s 154(b)(1)(A).

⁵ *ibid*, s 154(b)(1)(B).

⁶ *ibid*, s 154(b)(1)(C).

⁷ United States Patent and Trademark Office, 'Pendency' (*The United States Patent and Trademark Office*) <<https://www.uspto.gov/corda/dashboards/patents/main.dashxml?CTNAVID=1004>> accessed 17 April 2019.

⁸ SIEC, 'Trade Policy Developments: USA-Singapore' (*Foreign Trade Information System*) <http://www.sice.oas.org/TPD/USA_SGP/USA_SGP_e.ASP> accessed 17 April 2019.

after 1 July 2004.⁹ The time frame for processing a patent application in Singapore typically varies from 2-4 years.¹⁰ The Registrar or the Intellectual Property Office of Singapore (IPOS) shall grant PTA if there are any of these following circumstances:¹¹

Firstly, an unreasonable delay has occurred due to the Registrar in granting a patent,¹² which is when it takes more than 4 years from the filing date or more than 2 years from filing specific requests to issue a patent, but the delay caused by an applicant shall be excluded.¹³

Another scenario is when there has been a delay in granting the corresponding patent or related national phase patent, and the patent has received an extension of its term on the basis of such delay. So, the patent in Singapore may also get an extension if the Registrar allows, but it cannot exceed 5 years.¹⁴

2.3 South Korea

The PTA system was introduced in South Korea in 2012 as a result of the Korea-US FTA and can be requested for the applications filed on or after 15 March 2012.¹⁵

There are two circumstances that can include in PTA which are, firstly, when patent registration takes more than 4 years from the date a patent application has been made or, secondly when 3 years have passed

⁹ IPOS, 'Patents Infopack' (*Intellectual Property Office of Singapore*, 25 April 2017) <[https://www.ipos.gov.sg/docs/default-source/resources-library/patents/infopacks/patents-infopack-\(final\)_25042017.pdf](https://www.ipos.gov.sg/docs/default-source/resources-library/patents/infopacks/patents-infopack-(final)_25042017.pdf)> accessed 17 April 2019.

¹⁰ *ibid.*

¹¹ Patents Act of Singapore, s 36A(1).

¹² *ibid.*, s 36A(1)(a).

¹³ Patents Rules of Singapore, s 51A(5)(a)-(b).

¹⁴ Patents Act of Singapore, s 36A(1), (4).

¹⁵ Khushi Ram, Rajani Rajan, Krishna Rao Chintada, Ashok Arige and Ramesh Chakka, 'An Insight on The Patent Term Adjustment Provisions in Various Countries' (*IAEME Publication*) <https://www.iaeme.com/MasterAdmin/uploadfolder/IJIPR_09_01_001/IJIPR_09_01_001.pdf> accessed 4 July 2018.

from the date a request of examination of an application has been made. Between these two periods, the law takes into account only the latter period.¹⁶ The periods of delay due to an applicant shall also be excluded from PTA.

3. Patent law in Thailand and legal issues

One of the many factors causing delays in Thailand's patenting process is the Patent Act itself.¹⁷ Section 29 of the Patent Act allows up to 5 years after the publication of application to files for substantive examination.

The study¹⁸ shows that, according to Section 29, after publication has been made, an applicant has to file a request for examination so to be confirmed that the invention is as described in Section 5, the examination request shall be submitted within 5 years from publication date. This means the maximum period of 5 years for filing examination request opens for research obstruction because, as shown in the research, 13.6% of applications were filed for examination on the last day of their rightful period. Moreover, most applications had no documents concerning examination results from foreign countries, even though more than 3 years already passed. The research analyses that the application filed for examination near the end of the 5-year period were not intended for patent, or the applicants might predict that their inventions were not

¹⁶ Patent Act of Korea, art 92-2.

¹⁷ Usawadee Sutapak, Kannikar Kijtiwatchakul, 'Tum Mai Karn Anumut Sittibat Nai Prated Thai Chai Wayla Narn: Preuttikum Brisut Ya Karm Chard Lae Chong Wang Thang Kot Mai [Why Patent Grant in Thailand Takes So Long: Conducts of Multinational Pharmaceutical Companies and Legal Loopholes]' (*Medicine-related Blog - Medical Monitoring and Development Center*, 28 December 2015) (อุษาวดี สุตะภักดิ์, กรรณิการ์ กิจติเวชกุล, 'ทำไมการอนุมัติสิทธิบัตรในประเทศไทยใช้เวลานาน: พฤติกรรมบริษัทยาข้ามชาติและช่องว่างทางกฎหมาย' (*Blog สถานการณ์ระบบยา - ศูนย์วิชาการเฝ้าระวังและพัฒนาระบบยา*, 28 ธันวาคม 2558)) <<http://www.thaidrugwatch.org/blog/?p=1059>> accessed 25 July 2019.

¹⁸ *ibid*.

patentable but filed for examination just to keep other people away. Finally, the research's conclusion is that Section 29 shall be revised by reducing the 5-year period to 6 months or 1 year.¹⁹ Even though Section 29 is the right of an applicant to file for examination any time before 5 years end, the author would like to present it as an interesting issue to discuss along with an extension of the patent term that this article focuses on which shall be granted only for delays from the DIP excluding delays from applicants. In the case that an applicant has done or neglected anything to slow down the patenting process, it will amount to applicant delay that a period of adjustment will not be granted for it.

Not only the problem in Section 29, but there is also no existence of any specific provision dealing with time limits of some essential steps in the registration process or the whole process. Therefore, it is necessary to look into issues in other laws.

Under administrative law, staff of the DIP who conduct the patent registration process are "officials" who perform administrative acts, so if they neglect the duty required by law to be performed or perform the required duty with unreasonable delay, the Administrative Court has jurisdiction over such case. However, solving a patent case with administrative law is not always suitable due to the nature of patent. Administrative Court orders 45/2547 and 630/2547 show that the Applicant, who is the same person for these cases, believed that the DIP's conduct in the patenting process was unreasonable delay. The Applicant contended that the officials of the DIP exercised administrative power in the way that slowed down the examination process, and thus, caused damage to the Applicant. In the end, the Applicant did not get damages and did not get any other remedy. If there were a law to grant an extension of the term of a patent, the Applicant could be able to have the patent term extended if the requirements for PTA were fulfilled.

¹⁹ *ibid.*

Next, Section 51 in Chapter 5 of the Constitution of Thailand B.E. 2560(2017) provides the right for people to follow up and urge the State to perform the acts which are directly beneficial to the people; therefore only the circumstances provided under Chapter 5 or "Duties of the State" shall raise such right for people. However, there is no provision to be interpreted in the way that this article is finding.

Lastly, Section 6 of the Royal Decree on Good Public Governance B.E. 2546(2003) as amended up to No.2 B.E.2562(2019) presents that the Government has to be responsible for taking care of the State and the people as provided in the Decree. It is undeniable that public tasks, for example, conducting the patent registration process, are for the Government to fulfill, not different from public health care or education. Since the context of Section 6 and some other provisions in the Decree have existed from 2003, it is fair to say that there are problems in law enforcement which is the issue in practice.

As the problems in the lack of laws and enforcement present, the author would like to analyse the PTA system in the U.S., Singapore, and South Korea to find conclusion and recommendation for Thai law.

4. Conclusion and recommendations

As a developing country, Thailand has been targeted by multinationals to seek revenues. Most of the patent applications filed and registered patents in Thailand are from foreign countries, while Thai inventors share only a small proportion. When the patent term is to be adjusted and extended, it will benefit patentees which mostly are foreigners, and that could bring negative effects. However, there are not only foreigners who hold patents in Thailand. Thai people, even with less competitive ability, shall not be neglected and treated poorly because they, as inventors, shall also be rewarded from all the effort they put in creating the inventions.

After a careful study and consideration, the author would like to propose that the Patent Act shall be revised in these following matters:

Firstly, there shall be only one ground for adjustment, that is, an application for which a patent is granted after 5 years pending shall be able to get an extension of the patent term. A patent life shall be extended day-for-day or one day of delay means one day of extension. However, the maximum additional period that can be granted is 5 years. The reason is that where the maximum total pendency in U.S law is at 3 years, 2 or 4 years for Singapore, and 3 or 4 years for South Korea, these countries have a more advanced and effective patent system to manage the issue of a patent in those periods. The period of 3 or 4 years seems ideal for the patent grant but Thailand might not be ready to do it in that period, so the period of 5 years should be appropriate. The news in the Introduction section also shows the number of patent applications pending for more than 5 years, it could be interpreted that the wait time later than 5 years is ineffective. The patent registration process should not take longer than 5 years because it will show the ineffectiveness of the patent system which the PTA system is to improve it and make a solution.

Secondly, grounds for the PTA should be restricted to the delay attributable to officials involved in the patent registration process. Any delay caused by patent applicants should provide no ground for the PTA.

Lastly, an extension shall not be automatically provided by the DIP as this shall be the conduct of patentee. After the patent has been issued, the patentee shall file for an extension of the patent term within 3 months if it is possible to get a PTA for that patent.

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