



# FICPI Position on Patent Law Harmonization (Group B+)

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## Introduction

FICPI recognizes the potential benefits that may flow from the international harmonization of certain aspects of substantive patent laws. FICPI therefore monitors closely and contributes to efforts to achieve such benefits. Accordingly, the current work being carried out by the Group B+ to achieve harmonization in relation to some specific areas of substantive patent law is of great interest to FICPI. The specific areas being currently considered by Group B+, or at least the Sub-Group of Group B+ set up for this task, include the following:

- Grace period;
- Prior user rights; and,
- Conflicting applications.

While FICPI has previously developed positions in relation to grace period and prior user rights, the work being carried out by Group B+ has given FICPI cause to review and reconsider those positions. While FICPI previously attempted to reach a position on conflicting applications in the early 2000s, those efforts were unsuccessful. However, the work of Group B+ has given FICPI cause to also revisit this important area of substantive patent law.

FICPI is particularly encouraged by the recent efforts made by Group B+ to obtain extensive input from users and stakeholders, and presents the following positions and views to assist Group B+ in this important work.

## FICPI's prior work on patent law harmonization

When discussions started in 1983 on an international scale at WIPO in Geneva, in the "Committee of experts on the harmonization of certain provisions in law for the protection of inventions", FICPI actively followed the developments as an observer. Procedural as well as substantive provisions were on the table. The EPC had been in operation for some five years, and the basic EPC provisions on novelty, inventive step and industrial application constituted a starting point. Since the US also took part, some further draft provisions were also introduced, viz.

- a requirement for novelty and inventive step for the claims of a later application in relation to an earlier, not yet published application;
- an anti-self-collision provision; and
- a grace period provision for exempting an applicant's pre-filing disclosures.



At the time, virtually all government delegations, except the US, opposed the option of considering the whole contents of an earlier application to be prior art when determining inventive step as well as novelty. The US argued that this option was the only way to achieve true harmony, whereas the German delegation held that it would be particularly unfair to deny patentability on the grounds of obviousness based upon prior art that the inventor could not have known about.

FICPI, with representatives from Germany and the US, supported a grace period provision as a part of a Patent Law Treaty. FICPI passed several resolutions relating to a novelty grace period during the 80's, emphasizing:

- the importance of a grace period to SMEs and the overall economy;
- international acceptance of an agreement, among all industrialized countries including all EPC member states;
- support for a balanced package solution including a first-to-file system and an international grace period; and,
- harmonized provisions on enforcement at the application stage of a patent application.

Following the US withdrawal from the 1991 Diplomatic Conference in The Hague because the US did not accept a first-to-file system, the procedural aspects of the Treaty were taken up again at WIPO. Again, FICPI was very active and supported the user-friendly provisions that were introduced, such as remedies for loss of rights and simplified formalities.

After the signing of the Patent Law Treaty on procedural aspects of patent law, in 2000 the substantive patent law provisions were again subject of discussion at WIPO. For a few years, a "Substantive Patent Law Treaty" was discussed, with FICPI and a number of other user groups taking part as observers. During the period 1997 – 2011, FICPI passed 13 resolutions relating to substantive patent law provisions, many of them dealing with the first-to-file principle, an international grace period, a harmonized prior art effect of patent applications before publication, and clear definitions of prior art, novelty and inventive step.

After the "Tegernsee" study of some of the key aspects of substantive patent law, and the US patent law reform ("AIA"), FICPI revisited the grace period issue and issued a position paper in early 2013. As appears from the position paper FICPI/WP/2013/01 (attached hereto as Annex 1), FICPI confirmed its support for an internationally widespread and uniform novelty grace period for patent applications and set forth a general justification for a grace period as being beneficial for

- the society and the public at large;
- third parties and competitors; and obviously also for
- inventors and their assignees and licensees.

In conclusion, FICPI summarized its updated position on grace period, including the following features:

- a term of 12 months, running up to the priority date or to the filing date, recognizing good arguments for both alternatives;



- a safety net type, with incentives for those who disclose an invention to file a patent application as soon as possible;
- coverage of any form of prior disclosure caused by or derived from the inventor, and recognizing that disclosures by others are not covered and that a pre-filing disclosure does not constitute a priority right;
- any declaration or statement to invoke a grace period should not be mandatory at the time of filing a patent application, and recognizing that procedures may be adopted to determine whether or not a specific disclosure drawn to the attention of an applicant/patentee is derived from the inventor and that the burden of proof should initially be on the applicant/patentee; and,
- third parties may acquire prior user rights irrespective of a disclosure made by the inventor before the filing date under the grace period, provided that all other criteria for obtaining prior user rights are met.

In another white paper issued three years later, WP/2016/CET/001 (copy attached as [Annex 2](#)), FICPI again urged the relevant authorities to come to an agreement, at the earliest possible time, on the institution of a global grace period of the “safety net” type, for a period of 12 months, without any requirement for a statement.

After the US patent law reform (AIA) and the Tegersee Consolidated Report, which was published in 2014 it was clear that the issue of Prior User Rights (PUR) had become an issue of increased importance, in the discussions on the possible harmonization of certain aspects of international patent law. Accordingly, FICPI formed a working group on PUR. This working group highlighted that while most countries have PUR provisions, they have widely varying content, from very general to very specific. Its conclusions, as will be apparent from the position paper FICPI/WP/2015/001 (copy attached as [Annex 3](#)), were basically that PURs should be awarded to a party, despite the existence of a patent application owned by some other party, if:

- 1) the prior user legitimately started commercial use, or had made significant preparations for such use prior to the priority date of the other party's patent application, provided that one of the following conditions are also met:
  - 2a) the prior user conceived the invention quite independently of the applicant/patentee;
  - 2b) the prior user exploited the invention based on knowledge which was in the public domain at the time the prior user started commercial use or had completed significant preparations for such use: or
  - 2c) the prior user derived non-public knowledge of the invention from the applicant/patentee and started the prior use with the direct or implicit consent by the applicant/patentee (“implicit license”), there being no abuse in relation to the later.

In essence, the proposed provision is very similar to the current provisions in the patent laws of Australia and New Zealand, but it is somewhat broader because of the implied license situation in item 2c.



FICPI considers that prior user rights (PUR) constitute an important element of any patent system based on the first-to-file or first-inventor-to-file principles. This is regarded as especially important where the patent system includes an effective grace period provision of the “safety net” type. Indeed, if any third party can acquire prior user rights up until the date of filing of a patent application by an applicant, including when the applicant has made a pre-filing disclosure (PFD) of his invention, the grace period available to the applicant for the PFD is limited to a “safety net” and the applicant is incentivized to file his patent application as early as possible. FICPI furthermore considers that to strike an appropriate balance, the prior user should not be able to exploit the invention based on non-public information derived from the applicant, without the consent of the applicant.

Also, a party claiming PUR should have the burden of proof regarding its prior activities to justify a continued exploitation, within a territory being geographically limited to the particular jurisdiction where the activity took place.

As indicated above, FICPI has not previously reached any conclusive position on the issue of conflicting applications.

### **Work of Group B+, industry representatives and other user groups**

After the gradual termination of the SPLT negotiations at WIPO, and the continued discussion of the harmonization issues within the industrialized countries in the Group B+, FICPI followed developments with great interest, albeit with concern that there was hardly any input or participation from the users during the first ten years. Fortunately, some industry representatives, and a few NGOs including epi, AIPPI and FICPI, were invited to take part as observers as from 2014. At about the same time, a sub-group on substantive patent law harmonization was formed by the Group B+, and some progress was indeed made in respect of various principles and objectives governing the issues under consideration.

On 20 June 2017, a full day “user symposium” was hosted by the EPO in Munich, and a background document “Cornerstones for patent law harmonisation: a B+ Sub-Group / Industry Symposium” was prepared and made available by the B+ sub-group before the symposium.

This background document summarized the substance of the work carried out by the sub-group in separate “workstreams” on the grace period, conflicting applications and prior user rights. In this document, the sub-group concluded as follows.

- There was no consensus among the B+ government delegations in respect of the grace period. Some preferred a “safety net” type and others favored a system giving additional benefits to the early discloser. In addition, some delegations held the view that a grace period could be considered only in a package involving other key features of an internationally harmonized patent law system.
- With respect to conflicting applications there were many different options to consider in respect of how “secret prior art” should be used when determining patentability, and also on the issue of a possible anti-self-collision provision.
- There were a wide range of different views on the accrual of prior user rights, including the critical date of accrual, and on the issue of derivation, possible exceptions and the scope of prior user rights.



This symposium allowed the “Industry Trilateral” (or “IT3” - composed of IPO, AIPLA, Business Europe and JIPA) to present its views regarding the key elements of a possible harmonization package, namely grace period, prior user rights and conflicting applications. These views, which included many aspects which were still in discussion within the IT3, were set out in a working document entitled “Policy and Elements for a Possible Substantive Patent Harmonization Package” by the IT3, available shortly before the symposium. This working document also contained a proposal for a new right, the “Defense of Intervening User” (DIU), the purpose and function of which were explained by the IT3 during the symposium.

Regarding the grace period (GP), the IT3 supported a GP, extending from the date of a PFD to the priority or filing date, whichever was earlier. Discussions on the optimal duration of the grace period (12 months, or 6 months) were still ongoing. According to the IT3, the GP should include derived disclosures or “re-publications” of a PFD by a third party. However, if such re-publication includes a portion which is based on independent developments, then that portion would be potentially prejudicial (i.e. not graced).

In the view of the IT3, filing a statement containing information about a PFD should be required in order to claim the benefit of the GP. The statement would trigger an accelerated publication of the patent application at 18 months from the first PFD. Generally, the IT3 wanted to encourage the filing of the statement, and it proposed some incentives to achieve this. One incentive was a sliding scale of administrative fees when a statement of a PFD is filed, increasing the longer the applicant delayed filing a statement.

Another incentive proposed by the IT3 is a new proposed right that may be acquired by a third party, which is referred to as a Defence of Intervening User (DIU).

The substantive elements of the DIU were presented as follows:

- if an applicant (a) made a PFD within the GP; (b) failed to timely file a statement providing public notice that the PFD was graced; and (c) later claimed the benefit of the GP,
- and if a third party had begun serious and effective preparations for commercialization of the invention during a “critical period” extending after the date of filing of the application, and up to the date of publication of the application (the starting point of the critical period may be the filing date of the application, or 18 months after the disclosure date of the PFD – the later option being the preferred approach for the IT3),
- under such circumstances, the third party would enjoy rights of DIU, which are similar to PUR, i.e. essentially a license to continue using the invention without any royalty.

The IT3 indicated that the DIU would provide to applicants an incentive to file a patent application as soon as possible after a PFD, by filing a statement along with the application and/or by requesting early publication. In such case, the applicant could shorten or eliminate the critical period that would enable third parties to qualify for the DIU.

Several aspects of DIU are still under discussion within the IT3, including definition of the start and the end of the critical period, and a possible requirement that the third party must have relied on a PFD made by the applicant to qualify for the DIU.



Regarding Prior User Rights, representatives from the IT3 explained that the requirements regarding third party activities needed to be defined – a fundamental qualification being that the third party had to have actually used or made serious and effective preparations to use the invention covered by the claim of a patent prior to the effective filing date of the patent. The IT3 had not reached an agreement on whether activities based on a PFD by/for/from the patent owner or inventor accessed in good faith would entitle the third party to the PUR defence. According to the IT3, the scope of the PUR should be limited to what was reasonable to protect the investment in the use or serious and effective preparations made by the third party.

Regarding conflicting applications, representatives from the IT3 indicated that a number of aspects remained to be discussed within the IT3.

The IT3 were still discussing whether a first filed application should have prior art effect against a later filed application, in the situation where both applications had been filed by the same applicant. If not, anti-self-collision provisions would not be required. If the first filed application from the same applicant should have prior art effect, there was discussion on whether there should be equal treatment when considering the effect of a first filed application on a later filed application in the situation where the applications are by the same applicant, or in the situation wherein one application is by one applicant, and the other application is by a third party.

There was agreement within the IT3 that the distance for patentability between conflicting applications should go beyond common general knowledge based on the earlier application. The distance should be no less than novelty, possibly novelty plus common general knowledge.

Further measures needed to avoid double-patenting were still under discussion within the IT3. Areas of discussion included terminal disclaimers, which would bring a need for common ownership requirements between the two applications. Whether an explicit double-patenting prohibition should be included was also being discussed.

Another area still under discussion was the treatment of PCT applications. There were two options considered: PCT Applications being treated as prior art in all offices for which there was an active designation at the time of publication of the PCT application; or treated as prior art only in offices in which there had been entry into the national or regional phase.

This symposium also gave an opportunity to hear views of representatives from industry from Australia/New Zealand, Korea and Canada. Other user representatives, including epi, FICPI and AIPPI made presentations as well. A long discussion followed with a large number of disparate comments and points of view.

### **FICPI's response to the work of Group B+ and input from other user groups**

When FICPI became aware that Group B+ had decided to work towards achieving an internationally harmonized approach to conflicting applications, a working group ("Working Group on Conflicting Applications") was immediately assembled to study this issue. The working group consisted of members from Australia, Canada, Sweden, France, China, Germany, Israel, Brazil, Japan, the United Kingdom and the United States. FICPI had previously conducted an extensive international study of approaches to double patenting which led to the passing of a resolution (copy attached as Annex 4) on double patenting at its Executive Committee meeting in Barcelona in November 2014. However,



that resolution was limited to double patenting where the conflicting applications or patents are filed on the same day or share the same priority date. Further work was needed to reach an agreed position in relation to double patenting between applications or patents with different filing dates or priority dates. The focus of Group B+ on such conflicting applications provided the impetus for FICPI to continue this work.

However, the work being carried out by Group B+, and the input received from user groups, and in particular, the IT3, also raised new issues and ideas in relation to grace period and prior user rights that required FICPI's detailed consideration. FICPI responded at a meeting of its Study and Work Commission (CET) in Venice in October 2017 by extending the terms of reference for the working group to include grace period and prior user rights, in addition to conflicting applications. The membership of the group was also extended, and the group was renamed the Working Group on Patent Law Harmonization. The positions reached by the working group are elaborated below.

In short, FICPI reacted to the various recommendations put forward by the IT3 by formulating positions on the three topics which would constitute a package solution, which:

- is relatively simple and easy to understand;
- is based on well-established principles of patent law; and,
- strikes a proper balance between the interests of applicants, third parties and the general public, and also between large companies and small entities, including individual inventors.

In particular:

- An applicant should not be favoured and be given a dominant position just because the applicant was the one who filed first: the second filer should have a fair chance to get protection for their invention as well, as long as it is patentable over the prior art, and the second filer does not claim exactly the same subject matter as a prior filer.
- Third parties should recognize and accept that patent applicants who have inadvertently disclosed the invention before the patent filing still deserve a patent on their contribution as long as the invention is patentable in relation to the prior art (except for the inventor's pre-filing disclosure) and nobody else has independently disclosed the invention before the priority or filing date.
- Prior user rights should be recognized for third parties who have started commercial use, or have made significant preparations for such use before the patent filing.
- Those who make patentable inventions should be entitled to a temporary exclusivity, irrespective of any inadvertent pre-filing disclosures up to a year before the patent filing, otherwise the technological progress will be impaired and valuable inventions will be lost unnecessarily.
- It is in the interest of third parties and the public at large that the patent system will give inventors and assignees an incentive to file a patent application as soon as possible after making a patentable invention.
- A "first-to-disclose" system should be avoided.





### Positions reached by FICPI, concerning a grace period (GP)

Having seriously considered the various proposals discussed within Group B+ for the filing of a statement, and for early publication based on the date of a PFD, which publication would be triggered by such a statement, FICPI has now reaffirmed that the principles stated in the FICPI position paper from 2013, with a grace period of the “safety net” type, are still valid. Thus, FICPI confirms the positions stated in the grace period white paper FICPI/WP/2013/01. See [Annex 1](#).

Accordingly, FICPI does not believe that the filing of any statement concerning a pre-filing disclosure (PFD) at the time of filing a patent application should be mandatory.

FICPI indeed believes, as set forth in our white papers on the grace period, that a mandatory obligation to make a statement on a PFD at the time of filing a patent application would give rise to a great risk that third parties will initiate litigation, in particular nullity proceedings, in case the patent applicant has not filed a statement, especially in jurisdictions where litigation is frequently used to resolve conflicts. In addition, there could be a substantial administrative burden involved in tracking disclosures and matching them to patent applications to determine when a statement may be required. If a statement had to be filed in each country in which a patent application is filed, then this would also increase the cost of seeking patent protection. If, as has been suggested by IT3, the date of publication should be based on the date of a PFD, then this would also create an administrative burden for the patent offices in which the application is filed.

On the other hand, FICPI would not be adverse to a system involving a voluntary statement giving details of a PFD, and a system also giving an applicant who voluntarily files such a statement certain advantages. For example, after the filing of a voluntary detailed statement there should be a presumption that the PFD is to be exempted from the prior art when assessing novelty and inventive step, until a third party proves the opposite.

The following illustrates how introducing a presumption that a PFD is graced will motivate an applicant to file a voluntary statement concerning a PFD. In the case in which a PFD is cited as potential prior art by a Patent Office or a third party, e.g. in connection with a third party observation or a formal opposition, the applicant who has not filed a statement would then have to check all the prior activities of the inventor/applicant, including dates, persons involved and all the relevant circumstances, and confirm that the inventor himself, or any successor in title, was the source of the PFD. That would be difficult to do, and even more difficult after a relatively long time has elapsed. The persons involved may have left the organization and may be difficult to reach. Hence, the applicant will have a strong incentive to make a voluntary statement if the applicant is aware of a PFD.

FICPI believes that such a system would give most applicants an incentive to voluntarily file a statement at the time filing the patent application, or when an applicant becomes aware that a statement should be filed.

In order to give third parties a somewhat better possibility to assess the activities of patent filers, FICPI proposes that Patent Offices should give notice of filing activities to the public (“public filing notice”) no later than 6 months from the filing date, which would contain the following

- Bibliographic data of the application, including the title of the invention (as approved by the office and the applicant) and the IPC classification.
- Any priority claim.





- Any voluntary statement of a PFD, including the earliest date of the PFD and the kind of disclosure (document, open testing, oral presentation, exhibition, etc.). This statement should correspond to the contents of the PFD only; it does not have to reveal the entire contents of the patent application. Even if a statement is not filed, the basic bibliographic data of the applicant will give third parties a possibility to watch the regular publication of the application and then act, shortly after publication, for example, by filing a third party observation with reference to a PFD, thus forcing the applicant to invoke the GP with a statement relating to the PFD.

FICPI believes that such measures would strike a proper balance of interests and would avoid a serious trap for applicants in case a PFD is not declared, such as by the person responsible for directing or handling the filing of a patent application not being aware that there has been a PFD or in the case of a mistake.

In re-assessing its position, FICPI also considered the concern expressed by the IT3 that the adoption of a universal grace period would result in applicants relying upon the grace period and delaying filing of patent applications for up to one year, thereby delaying the publication of pending applications for a year, with an associated uncertainty for third parties. FICPI does not share this concern. On the contrary, FICPI believes that the broad adoption of a grace period of a safety net type will provide a motivation for a patent applicant to file early.

Basically, any first to file system is designed to motivate applicants to file early to secure a priority date. The key advantage of a priority date is that it limits the prior art which may be considered in assessing novelty and inventive step. This is a significant factor when deciding when to seek patent protection.

A grace period implemented in a first-to-file system will enable an applicant to seek patent protection even if an invention has been disclosed, whether on purpose or inadvertently. While this is an important safety net, delaying filing during a grace period will inevitably result in a later priority date and, therefore, potentially more prior art being available to prevent an application from being granted. Importantly, by delaying filing during a grace period, a disclosure by a competitor may be published before an applicant files a patent application. As the grace period does not prevent third party disclosures from becoming part of the prior art, the use of a grace period to delay filing may result in a third party disclosure barring an applicant from obtaining patent protection. Therefore, even if a grace period becomes universal, the threat of not obtaining patent protection would remain a significant motivation to file early. Therefore, FICPI believes that the concern in relation to an increased uncertainty for third parties is not warranted, at least not when also taking into account the benefits of a grace period to all stakeholders.

### **Position reached by FICPI, concerning Prior User Rights (PUR)**

FICPI also maintains the positions taken in the white paper on Prior User Rights, FICPI/WP/2015/001. See [Annex 3](#).

In particular, according to FICPI, a PUR can be acknowledged even if the prior user has acquired his knowledge of the invention from a PFD by another party, in a legitimate way, provided that all other criteria for obtaining PUR are met. Also, a PUR can only be acquired on the basis of commercial use



or significant preparations made prior to the filing or priority date of another party's patent application. Moreover, the use of a grace period does not prevent third parties from acquiring a prior user right based on activities occurring up to the applicant's filing date. Therefore, the risk of a prior user right being acquired by a competitor does act to encourage an applicant to file early.

Accordingly, the universal adoption of a grace period of a safety net type wherein prior user rights may be developed during the grace period does not change the basic principle of how a first-to-file system operates and does not provide any motivation for an applicant to delay the filing of a patent application after a pre-filing disclosure, beyond the necessary time to prepare proper application documents.

### **Position reached by FICPI, concerning Conflicting Applications (CA)**

FICPI has studied in great detail the various proposals for dealing with conflicting applications that have been considered within Group B+ and the IT3. FICPI has taken the position that the best approach to dealing with conflicting applications within a first to file system is the so-called "whole of contents novelty" approach, which forms part of the European Patent Convention. This approach appears to FICPI to be the simplest and fairest approach for dealing with conflicting applications, and an approach that has stood the test of time since the commencement of the European Patent Convention in 1977. By treating all applications the same regardless of the identity of the applicant, and by recognising multiple and partial priorities within a single claim, the European approach avoids the need for terminal disclaimers or protection against self-collision. The whole of contents novelty approach also encourages applicants to more fully describe their inventions in their applications, as under this approach, any subject matter not included in an application could potentially be the subject of a patent filed by a later applicant.

Within the first-to-file system it is important to recognise that earlier filed but later published applications (conflicting applications) do not represent prior art against which the contribution made by the later applicant should be judged. The information disclosed in such applications is not available to the public at the time the second application is filed. This is in contrast to a first to invent system where such an application constitutes secret prior art, in the sense that the information in the earlier filed application constitutes evidence of an earlier act of invention. Accordingly, while it is considered acceptable to judge the contribution made by a later inventor over subject matter described in a patent application filed by an earlier inventor in a first to invent system, it is not acceptable to do so in a first-to-file system. The reason for this has been explained in detail in a paper "the problem with secret prior art" (copy attached, Annex 5) and will be summarized below.

In a first-to-file system where the order in which inventions are made is irrelevant, an earlier filed but later published application does not represent publicly available information as of the priority date or filing date of the later application. Accordingly, approaches to dealing with conflicting applications in first-to-file countries are not based on a desire to identify what, if any, contribution has been made by the later filer over and above the subject matter described by the earlier filer. In a first-to-file system the only issue which needs to be addressed between the first and second filers is avoidance of double patenting.

Accordingly, instead of looking forward from the filing date of the earlier application and assessing what novel or inventive contribution has been made by the later filer over and above the earlier filer, all one needs to do to avoid double patenting is to look back and subtract from the claims of the later



filer subject matter which was ultimately claimed by the patent granted to the first filer. This is effectively the "prior claiming" approach to dealing with conflicting applications which was popular in Europe prior to commencement of the European patent Convention. FICPI recognises that the prior claiming approach to conflicting applications is effective at avoiding double patenting between first and second filers.

It also must be recognised that under a prior claiming approach, if the first filer abandoned their application, or if the earlier application was refused, the later filer would not be required to delete any subject matter from the scope of their claims, obtaining full protection for the invention they have disclosed and claimed in their application. In this way, the prior claiming approach to dealing with conflicting applications recognised that both the first and second filer have made patent worthy contributions over and above the state of the art, and, but for double patenting, are both deserving of patent protection.

However, as noted, the prior claiming approach to dealing with conflicting applications had its problems, and these problems ultimately led to the adoption of a whole of contents novelty approach to conflicting applications in the European Patent Convention 1973. Since the subject matter to be subtracted from the later claims could only be identified after grant of the patent to the first filer, examination of the later applications was deferred pending completion of the examination and allowance of the earlier applications. Since examination of applications can take significant time, particularly allowing for divisional applications, the prior claiming approach resulted in unacceptable delays in examination of later filed applications. The only action available to the later filer to allow their application to proceed to grant before finalisation of examination of the earlier application was for the later filer to subtract from their claims the entire disclosure (whole of contents) of the earlier application. Subtracting the entire disclosure of the earlier application from the claims removed any potential for a prior claiming objection and allowed the later application to proceed to grant.

Although prior to the commencement of the European Patent Convention 1973 several European countries, including the United Kingdom, France and Germany, had prior claiming approaches to the treatment of conflicting applications, the 19 nation working party agreed to adopt the current whole of contents novelty approach to the treatment of conflicting applications in the European Patent Convention. In this way, later filers were required to subtract from their claims all subject matter that could potentially be claimed by the first filer.

FICPI recognises that the whole of contents novelty approach to the treatment of conflicting applications is not an actual assessment of novelty. Rather, it is an approach which allows the identification of the subject matter disclosed in the earlier application which must be subtracted from the claims of the later application to avoid any potential for double patenting. Because it is an exercise in subtraction, rather than identifying what is being added by the later application, it is considered by FICPI to be inappropriate to consider inventive step or to enlarge the novelty assessment with reference to common general knowledge in the art.

Another advantage of the European system for the treatment of conflicting applications is that it does not produce a gap or "distance" between the claims of the first and second applicants. Although some groups contributing to discussions within Group B+ believe that distance between the claims of first and second applicants is important, FICPI is of the view that such distance should be avoided. Any distance or gap between the claims of the later applicant relative to the disclosure of the first applicant is likely to represent subject matter disclosed and enabled by the later applicant, but for which protection has not been obtained. Accordingly, subject matter in this gap is effectively dedicated to the public, and this subject matter can be exploited by third parties without infringing



the patents of either the first or second applicant. Such activities have the potential to interfere with the commercial exploitation of the inventions claimed by the first and second applicants.

FICPI is not convinced that allowing patents for incremental inventions represents such an "international" problem that it should be addressed in an international treaty or agreement. FICPI does not believe that the whole of contents novelty approach, whether applied to the applications of the same applicant or different applicants, has caused significant problems. Any such problems within a particular jurisdiction, should they arise, could be dealt with by other means, such as by increasing the fees associated with patent applications and patents. Other approaches might include introduction of strict rules for the conduct of litigation to ensure that it is carried out in good faith.

Since FICPI recognises that the whole of contents approach to the treatment of conflicting applications is aimed at avoiding the potential for double patenting, it follows that FICPI believes that it should not be applied in respect of earlier filed international patent applications which do not enter national phase in a particular jurisdiction. Such earlier filed applications cannot give rise to patents in jurisdictions in which national phase has not been entered, and accordingly there does not appear to be any sound basis for treating such earlier applications under the whole of contents novelty approach. This position is completely consistent with an earlier 2002 resolution of FICPI in relation to the Prior Art Effect of Prior Applications (copy attached, [Annex 6](#)).

In summary, FICPI believes that Group B+ should focus its efforts on the whole of contents novelty approach as a model for harmonizing the treatment of conflicting applications.

### **Conclusions – FICPI's proposal for a package solution for patent law harmonization**

FICPI proposes a straightforward package solution, providing a fair balance of interests for the stakeholders of the patent system as follows.

- A grace period of a safety-net type, as set forth in our white papers from 2013 and 2016 ([Annexes 1 and 2](#)) and also allowing for a voluntary statement regarding a PFD, and Patent Offices giving public notices of patent applications having been filed within 6 months from the filing date. Such a regime will strike a proper balance between the various stakeholders and will also form an incentive for an inventor to file a patent application soon after a PFD, thereby keeping the period of uncertainty for third parties at an acceptable level. A pre-filing disclosure should not give rise to any priority rights.
- Prior user rights as presented in our white paper from 2015 ([Annex 3](#)). PURs should be available to third parties who have independently made a similar invention or have acquired knowledge in a legitimate way from an inventor, the qualifying period running up the filing date or priority date of the patent application.
- A whole of contents approach to the treatment of conflicting applications, as explained in [Annex 5](#) and summarized above, this approach being relatively simple and also providing:
  - equal rights to early and later filers when assessing novelty and inventive step,
  - no need for anti-self-collision provisions,
  - no need for terminal disclaimers,



- a solid system having been tested in practice (EPC) for some 40 years.

FICPI looks forward to a continued participation in the process of developing a harmonized, well-balanced global patent system.

*[End of document, Annexes follow]*



## FICPI WHITE PAPER (EXCO MEETING CARTAGENA, 20-24 JANUARY 2013)

TITLE: *FICPI White Paper on Grace period*  
 DRAWN UP BY: *Members of the working group on Grace Period, particularly:  
 Jan Modin, Michael Caine, Ivan Ahlert, John Orange  
 (executive summary by Mark Wilson)*

### **Introduction – FICPI's traditional position on a novelty grace period**

At least since 1983 FICPI has been expressing, through the approval of more than a dozen resolutions, its support for an internationally widespread and uniform novelty grace period. In most instances, this support has been linked to a desire to achieve substantive patent law harmonization. See Appendices I, II and III for these resolutions, a FICPI statement in 2002 (Crump) at a WIPO SPC meeting, and a position paper (Ahner) from 2004 (EXCO SG04/CET/1302).

### **Revisiting the issue**

Now, because of international developments, notably the study carried out by the Tegernsee Group (2011-2012), patent law reforms in the US (2012), Japan (2012) and Korea (2013), and practical experiences by FICPI members during recent years, FICPI has revisited the grace period issue in order to update its position. The current views on various aspects of the grace period are presented below, following discussions in the Work and Study Commission (CET) of FICPI, and a special Grace Period Working Group within the CET, as well as a workshop in Cartagena (See Appendix IV).

### **Updated position and general justification of a grace period in the patent system, including benefits to various stakeholders**

Generally, FICPI still favours an internationally widespread and uniform novelty grace period for patent applications, being defined basically as proposed in our position paper from 2004 (applicant's own disclosure being excluded from the prior art for the assessment of both novelty and inventive step) and subject to certain conditions as will be explained below in this document. These conditions should be such that there is an incentive for an applicant to file a patent application as soon as possible after a pre-filing disclosure, so that the grace period works as a safety-net, particularly for an inadvertent or accidental disclosure by a true inventor.

The general justification for a grace period in the patent system is as follows, according to FICPI:

For the society and the public at large, there are a number of benefits of a novelty grace period provision in the patent system. In particular, a grace period will encourage or permit innovators to publish at an early stage and still enable them to validly file a patent application on the same subject matter, and thereby:

- promote and encourage technological innovation, which in turn will have a positive impact, at least in most



technical fields, on social and economic welfare,

- foster a system that allows innovators to disclose their contributions and increase the public knowledge at an early stage,
- facilitate transfer of technology and dissemination of technological information,
- provide, or at least improve, the balance of rights and obligations among the stakeholders in the patent system, *inter alia*, by leveling the playing field for both informed and uninformed innovators,
- stimulate innovators to reduce their inventive ideas to practice and to develop commercial embodiments. In this way, both small and large entities will have an incentive to transform the ideas into products available on the market, and
- give the innovators an extended possibility to protect inventions and thereby enable investments in production capability and marketing,
- these benefits being largely in line with Art 7 of the TRIPS agreement.

For third parties and competitors, a grace period will also bring about some advantages, at least in the long run:

- increased legal certainty, in that the nature of applicant's disclosure immediately prior to filing, e.g. by way of an abstract of a paper or a submission to a working group, will not be determinative of the validity of a patent. Third parties may thus evaluate validity with greater certainty, and this

in turn will increase the confidence of those third parties wishing to invest in emerging technologies. Also, third parties will be made aware earlier of any new technology in case applicant makes a public disclosure before filing,

- by channelling the disclosed inventions through the patent system (under certain conditions), the invention will be systematically classified. This will in turn enable others to recover and make use of the technological contributions in an easier, more uniform and centralized manner,
- a subsequently filed patent application will invoke presentation of pertinent prior art, a comprehensive disclosure of the invention in a patent specification and an indication of the new features of the invention in the patent claims, thus contributing to increase the overall knowledge in the particular field of technology.

Obviously, the inventors (and their assignees or licensees) will obtain the most tangible and direct benefits:

- by way of a grace period, the inventor/applicant will be awarded exclusive rights even after disclosure, so that the invention can be exploited and provide an economic return on the efforts made,
- a grace period will allow the patent drafter to expand on an idea, which was disclosed e.g. inadvertently or accidentally, so as to obtain a reasonable scope of protection and to meet the disclosure requirements,
- a grace period will also allow the inventor/applicant to finalize the invention by working out specific





embodiments, constructing prototypes, collecting data showing utility, carrying out validation trials and cooperating with other technical advisers, all such measures involving a risk of being regarded as disclosing the invention to the public,

- the inventor will be protected from self-collision also in case additional features are disclosed after the first patent filing and then later included in a subsequent application, even if it turns out that the priority is invalid (provided that the subsequent application is filed within the grace period),
- for certain categories of applicants, there are some special benefits which are generally regarded as fair and in the public interest, e.g., for
  - those who must test the invention openly while developing the invention and considering all aspects that should be included in a patent application,
  - academic individuals, universities and public research institutions that are under pressure to share their research results in an open environment and to publish early, in line with academic tradition to advance the science and also in order to get sufficient funding and support,
  - joint inventors and joint applicants working geographically apart or in different entities in collaborative projects, in particular because of the difficulties involved in communicating with each other and avoiding inadvertent disclosure to the public, and

- small and medium-sized entities (SMEs) that have limited knowledge of the novelty rules and also limited financial resources. Small companies often realize the need to file a patent application only after sales of their invented products have been increasing.

### **Importance of uniform rules in all jurisdictions**

Today, as indicated above, the laws and practice concerning exceptions to the novelty requirements vary widely across the world, causing an undesired imbalance. In spite of the fact that many countries have grace period provisions, these cannot be used by globally active applicants, since a subsequent application in e.g. Europe will be rejected for lack of novelty.

As in many other aspects of patent law and practice, it is desirable, out of fairness and reciprocity, to have uniformity, in particular in terms of

- the existence of a grace period,
- the duration of a grace period,
- the provisions relating to third party disclosures and activities occurring during a grace period after a pre-filing disclosure, and
- a voluntary or mandatory declaration at the time of filing.

Otherwise, there will be severe imbalances in the global patent system, with associated further costs and complications during the prosecution of parallel patent applications in various jurisdictions. These consequences will involve all stakeholders, including patent applicants, third parties and patent



authorities.

Accordingly, FICPI favours a largely uniform system where there are at least some minimum provisions on the grace period that apply in all jurisdictions. Only then is it possible for an inventor, who has made an inadvertent disclosure, to validly file a patent application in all jurisdictions where there is a market for the invention.

### **Positive experiences in various jurisdictions**

Novelty grace period provisions exist today in a large number of jurisdictions, and such provisions have also existed in the past, even in Europe. Thus, Germany had a grace period exception in its patent law before the implementation of the European Patent Convention in 1978, and the experiences of these provisions are generally said to be positive, without any major drawbacks to patent applicants, third parties or the public at large.

In the current patent law systems being in force, it has been reported that they operate without any major problems in, e.g., the US, Canada, Brazil, Australia, Russia, Estonia, and recently also in Japan and Korea. However, it has been observed that the lack of uniformity across the jurisdictions reduces the effectiveness of the grace period offered in only some, but not all jurisdictions.

Accordingly, where a grace period has been a reality for many years, it appears to be generally accepted (but not used very much) by patent applicants and other stakeholders.

Notably, after the introduction of a grace period with much broader scope in Japan from April, 2012, it has been reported, in the Tegernsee report (September 2012), that the grace period has been relied upon

in an increasing number of cases, especially for university related applicants, SMEs and also, to some extent, even for large companies. The increase has been most pronounced in respect of disclosures on the internet, at exhibitions and in the form of sales.

In most other countries, there are no statistical data available.

### **Concerns of third parties, uncertainty, and possible need for a Declaration**

In Europe, when the EPC was worked out some 40 years ago, it was agreed to have very limited exceptions to the absolute novelty provision. When discussing a possible grace period at the Diplomatic Conference in Munich 1973, most delegations favoured legal certainty. At the time, the concern was for the inventor/applicant. The inventors should be advised to patent the inventions before disclosing them in any way, and they should not be given a false sense of security leading them to lose their rights if they filed in other countries not having a grace period.

Today, however, the concern for uncertainty is not for the inventor/applicant, but for third parties. Thus, most representatives of European Industry have been rather negative or skeptical to introducing a novelty grace period, primarily because of the perceived uncertainty for third parties when deciding whether a certain technology, having been made publicly available by somebody else, is free to be used or not. Especially large companies hold the view that freedom to operate analyses will be more difficult or complex to make, adding costs and increasing the risk of infringing the patent rights of others.



Of course, modern patent systems, with publication of pending applications at 18 months, involve a certain imbalance or asymmetry as regards granting a monopoly in exchange for a comprehensive disclosure of the invention to the public. Certain rights are given from the filing date to the applicant, e.g. priority rights in relation to subsequently filed applications by others on similar subject matter, whereas the public at large and competitors obtain no information at all on the new technology, during a first, secret phase of the patent application (typically 18 months from the filing date of a first patent application).

This asymmetry, in terms of knowledge given to third parties concerning a possible protective right, will be changed with the introduction of a grace period. On the one hand, the technology itself becomes known at an earlier stage when compared to the regular publication of a patent application at 18 months. On the other hand, however, a longer period will elapse between such earlier disclosure and the moment at which a corresponding patent application will be published. Also, the applicant is the only one who is in control of the information. The applicant knows exactly what is contained in the patent application, even subject matter not included in the first disclosure, whereas third parties have to wait until 18 months after filing of the first patent application.

A further problem relates to determining if a certain previous disclosure originates from the inventor and should thus be graced. Possibly, a Declaration by the applicant, at the time of filing the first patent application, may assist third parties in determining whether or not the disclosure affects the novelty of a claimed invention in the patent application.

However, if such a declaration is made mandatory, it may also be a trap for the

inventor/applicant. Indeed, there are situations where the inventor/applicant cannot be quite sure whether the pre-filing activities will be of such a kind as to make the invention available to the public, and the applicant may also be unaware of accidental or inadvertent disclosures or acts made within a company. It is likely that invalidation attacks will be made a routine practice applied by third parties after receiving information on any pre-filing activity that might be considered to make the invention known to the public and which was not declared. Then, the uncertainty may be shifted to the inventor/applicant, a situation that may have to be resolved in time-consuming and costly litigation.

On the issue of imbalance, there is also a different perspective, applied especially in the US and Canada, where the publication of a patent application long before grant is regarded to be unfair in case the application does not lead to a patent. Then, the detailed and comprehensive knowledge is given to the public without any compensation.

It should be remarked that uncertainty concerning applicant's pre-filing activities exists even now in patent systems having no grace period provision, notably in Europe. Thus, with an absolute novelty provision, even inadvertent or accidental disclosures, perhaps even unknown to the applicant, may invalidate a European patent. Often, the situation is not possible to assess, and there is then an inherent uncertainty as to the validity of a patent application or a patent.

As to freedom-to-operate searches, the added complications due to a grace period are said, by searchers, to be fairly limited, especially considering the fact that such freedom to operate searches are inevitably uncertain.



A problem with a mandatory Declaration is that there needs to be an exception at least in case the pre-filing disclosure is not known to the applicant, or in case the date of such an accidental disclosure cannot be determined.

On balance, FICPI is not in favour of a Declaration, however if a Declaration is introduced it should not be mandatory. Nevertheless, it may be appropriate to provide a mechanism to determine whether or not a specific disclosure drawn to the attention to the applicant/patentee is derived from the inventor.

#### **Effect of third party activities between applicant's disclosure and filing of patent application, including prior users rights**

Clearly, information disclosed by third parties, being directly or indirectly derived from the inventor making a pre-filing disclosure, should be regarded in the same way as the inventor's direct disclosure, and should therefore be graced.

On the other hand, FICPI maintains the position that any subject matter that a third party has acquired independently of the applicant and disclosed prior to applicant's filing date, should be regarded as novelty-destroying prior art, not being graced, and should not be included in a patent granted to the applicant who has made a pre-filing disclosure.

Also, any third party who acquires knowledge from a pre-filing disclosure and starts using the invention, or makes substantive preparations for such use, may be awarded prior user rights, in accordance with the FICPI position in 2004. Thus, FICPI also maintains the position that prior user rights should be granted independently of any pre-filing disclosure, provided of course that the use or substantial preparations for use occurs before the date of filing the

patent application, and that all other criteria for obtaining prior user rights are met. Thus, even in case the applicant is entitled to a grace period before filing, the grace period award should not affect the prior user rights of third parties. The only condition should be that the use occurs before the patent filing date.

#### **What disclosures and acts should be graced or scope of the disclosures to be graced**

From the above, it follows that FICPI recognizes the following acts to be eligible for a grace period:

- ☐ all kinds of disclosures made by the inventor/applicant,
- ☐ disclosures derived directly or indirectly from the inventor/applicant and then made available by third parties, including public authorities,
- ☐ any act performed by the inventor/applicant before the filing date, during a grace period, even sales and exhibitions.

This is in line with the recent law changes in Japan and Korea, where the tendency has been to include more and more kinds of disclosures and acts to be graced.

#### **Burden of proof**

FICPI maintains the position that the burden of proof (for invoking the grace period or not) is initially on the applicant/patentee, and in general on the person who will benefit from or contest the benefit of the grace period.

#### **Grace period to be calculated prior to the priority date or prior to the filing date?**



In most drafts on a grace period provision made in connection with patent law harmonization discussions, the term was proposed to be counted from the date of disclosure up to the date of the first patent application filed by the same person (or successor in title), i.e. the grace period should run up to the priority date, and the patent applicant should then have another 12 months within which to file subsequent applications claiming priority under the Paris convention. Of course, this approach will allow applicants and their attorneys, being accustomed to work in a system (such as the European patent system) without a grace period, to use basically the same filing strategies that they are familiar with and that have proven to be effective and advantageous in many respects.

On the other hand, in many jurisdictions that already have grace period provisions, such as Australia, Canada, Japan, Korea and China, the grace period is calculated up to the actual filing date of any regular application, e.g. a national application, possibly claiming priority from a first application, a complete application based on a provisional first application, or a PCT application, possibly claiming priority from a first application. In other words, the grace period starts from the filing date of the application from which the 20 year term is calculated, not from the filing date of any earlier priority setting application. Both the priority date and filing date approaches to the grace period will generally result in the same 18 month publication date, unless the complete/PCT application filed under the filing date approach claims an even earlier priority date, for example from a priority setting application (e.g. a provisional application) filed soon after the initial disclosure. In this respect, the two approaches are substantially equivalent for third parties. When PCT applications are

filed under both approaches, the national phase entry date will generally be the same, and in this respect both approaches are substantially equivalent for applicants.

Experience from some of the latter jurisdictions, in particular Australia and Canada, has indicated that there are certain advantages if the grace period is calculated from the date of disclosure up to the actual filing date of a regular or complete patent application or PCT application, rather than up to the priority date (the date of the first patent application on the invention). Accordingly, after disclosing the invention in public, the applicant will have to file a PCT application or regular or complete patent applications in jurisdictions of interest, within the grace period (e.g. 12 months). Then, the full 12 months priority term of the Paris convention cannot be used, but the advantage would be that there will be no further opportunity to add new subject matter to these applications, and even if the priority claim turns out to be invalid, the pre-filing disclosure will be no more than 12 months before the filing date, and would be excluded from the prior art by the grace period.

Moreover, there is a fear that, if the grace period is calculated up to the priority date, as suggested in the patent law harmonization discussions and as implemented in the US AIA patent law, there may be problems for the applicant if new features are added in a subsequent application filed in other jurisdictions within 12 months from the priority date, but after 12 months from the pre-filing disclosure. Claims referring to features, or combinations of features, not disclosed in the priority setting application would be regarded as having no valid priority claim and would therefore be likely to lack inventive step over the pre-filing disclosure, since that disclosure will have occurred





more than 12 months prior to the filing date of the subsequent application. Thus, if the priority date approach is applied, the applicant would not be able to add any new subject matter at all when filing the second or subsequent application after 12 months from the pre-filing disclosure. The lack of harmonization in the way priority entitlement is assessed also makes it difficult for applicants, and their attorneys, to craft claims which will be entitled to priority, and hence grace period protection, in all jurisdictions.

A grace period which is calculated from the priority date will also have the effect of deferring the final expiry date of the subsequently granted patent, due to the 12 month delay in initial filing, which may be considered an advantage by some patent applicants. On the other hand, a grace period calculated from the filing date will require the regular or complete application or PCT application to be filed a year earlier, and more in line with the date the application would have been filed if the priority setting application was filed prior to initial disclosure.

Accordingly, there are pros and cons with both approaches, and there are indeed different views on the best practice in this respect.

### **“Safety net” aspect**

FICPI regards the grace period as a limited exception to the absolute novelty provisions existing in virtually all patent systems. Thus, the rules should be such that the applicant will have an incentive to file a patent application as soon as possible after a public disclosure or after performing an act that may make the invention available to the public. The incentive is provided by the impact of possible third party activities, such as use or substantive preparations for such use, invoking prior user rights, or

independent disclosures by third parties of similar subject matter being regarded as prior art.

### **Overall balance of interests and conclusion**

A grace period provision in the patent system will strike a proper balance between the interests of the public at large, inventor/applicants and third parties, *provided that*

- *it is provided as a strictly limited exception to the novelty requirements of any patent system,*
- *it is applied so as to recognize the prior art effect of a third party disclosure constituting an independent contribution to the particular technology during the grace period prior to applicant's filing date, and*
- *it will not exclude possible prior user rights being awarded to third parties that start using the invention, or make substantial preparations for such use, after a pre-filing disclosure but before the date of applicant's filing of a patent application, provided that all other criteria for obtaining prior user rights are met.*

Therefore, under these conditions, FICPI takes the position that the above-identified benefits of a grace period outweigh the disadvantages and is still in favor of an internationally wide-spread and largely uniform novelty grace period in the global patent system.



### Summary of the FICPI position

In summary, and including previously presented views, FICPI believes that an internationally wide-spread and largely uniform grace period is justified, preferably with the following features:

1. Term: 12 months;
2. Counted from: priority date (according to previous resolutions), or filing date only – FICPI has recognized good arguments for both alternatives;
3. Purpose: safety net;
4. Coverage: any form of prior disclosure caused by or derived from the inventor. Hence, independent disclosures by others are not covered, and a pre-filing disclosure does not constitute a priority right;
5. Declaration: should not be mandatory;
6. Proving entitlement to grace period: procedures may be adopted to

determine whether or not a specific disclosure drawn to the attention of an applicant/patentee is derived from the inventor, and the burden of proof should initially be on the applicant/patentee;

7. Prior user rights: third parties may acquire prior user rights irrespective of a disclosure made by the inventor before the filing date under the grace period, provided that all other criteria for obtaining prior user rights are met.
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Appendix I. FICPI resolutions 1983 - 2011

Appendix II. FICPI statement 2002, and

Appendix III. FICPI position paper 2004

Appendix IV. History of FICPI position paper 2013





## Appendix I

## Resolutions 1983 -2011

(cf. annex with following resolutions in English/French/German, when available)

### VIENNA - 1983

#### 2. Resolution - Grace period Bis

The FICPI ExCo Meeting in Vienna. 10 - 14 Oct. 1983, taking notice of the draft Program and Budget for 1984-85 of WIPO welcomes the proposal that the International Bureau prepares a study concerning the effects of public disclosure by or derived from the inventor before a patent application is filed and the effect of accepting such public disclosure as not being prejudicial to patentability if within a defined period before filing of the application.

The FICPI considers this matter to be of major importance not least to small and medium sized industries and to the overall economy and urges that the proposed study be implemented in depth and with urgency in order to promote a uniform and general solution of the problem.

### FUNCHAL 1986

#### Resolution on Harmonization of Patent Laws

The Executive Committee of THE INTERNATIONAL FEDERATION OF INDUSTRIAL PROPERTY ATTORNEYS, FICPI assembled in FUNCHAL, MADEIRA 13 to 17 January 1986

HAVING CONSIDERED the results achieved at the first session of the WIPO Committee of Experts on the Harmonization of Certain Provisions in Patent and Utility Model Laws,

EXPRESSES its support for the positive actions taken by WIPO to achieve greater international harmonization of differing provisions in patent laws,

CONFIRMS the support of FICPI for the introduction of a general grace period on the international level and underlines the need for a widespread international acceptance of grace period provisions extending to all major industrialized countries including all member states of the European Patent Convention

AGREES to the application of a requirement of naming the inventor at the international level with the reservation that such a requirement should not be imposed as a condition for granting a filing date, and

#### RECOMMENDS

— that harmonization in respect of requirements for granting a filing date be limited to the following requirements:

- 1) an indication that patent or utility model protection is sought
- 2) an identification of the applicant, and
- 3) a disclosure of the invention which may consist in a mere reference to a prior application (not limited to priority cases) disclosing the same invention.

— that efforts for harmonization with respect to manner of claiming and unity of invention be concentrated on areas in which differences exist between national requirements for the form of the claims, bearing in mind that such efforts should include adaptation of national requirements to a common liberal standard, and

— that the need for a uniform international solution with respect to remedies available for an applicant to cure the failure to observe a priority term when such a failure is unintentional and caused by circumstances outside the applicant's control be added as a further subject for harmonization within the framework of the ongoing WIPO project.

### HILTON HEAD – 1987

#### Resolution on Harmonization of Patent Laws

The Executive Committee of THE INTERNATIONAL FEDERATION OF INDUSTRIAL PROPERTY ATTORNEYS, FICPI assembled at Hilton Head Island, USA 18 to 23 October 1987.



REFERRING to the resolutions on Harmonization of Patent Laws adopted during the Executive Committee Meetings in Funchal in January 1986 and in Melbourne in October 1986.

EXPRESSES its support for the proposal for a balanced package solution including as core elements universal adoption of the first-to-file system and an international grace period as made by the US delegation at the third session of the WIPO Committee of Experts in March 1986, and

CONSIDERING that attempts to harmonize provisions on enforcement of patent rights should not be made out of context with the work already performed and still going on in the WIPO Expert Committee, and that a need exists at the international level to improve access to enforcement in the period between filing and grant,

RECOMMENDS that harmonization of provisions concerning enforcement of patent rights including access to enforcement at the application stage be taken up within the WIPO harmonization project.

### **COPENHAGEN - 1997**

#### **Resolution No. 1 - "Substantive Harmonization"**

FICPI, the International Federation of Industrial Property Attorneys, internationally representative of the free profession of more than 60 countries, assembled at its World Congress in Copenhagen September 7 to 12, September 1997,

NOTING the increased international use of patent protection;

NOTING the efforts to facilitate exchange of information and data between patent offices and between the offices and users of the patent system by increased use of advanced computerized information technology;

NOTING the recent initiatives of major patent offices to standardise novelty search procedures to avoid unnecessary duplication of work with the aim that the result of a search conducted by any one office should be given full faith and credit by other offices; and

NOTING that the continuing work within the WIPO Committee of Experts on the Patent Law Treaty, limited to formal and procedural aspects of patent law, is likely to be finalized using the PCT provision as a basis;

TAKES THE VIEW that achievement of the full benefit of these efforts and initiatives will be frustrated while fundamentally different standards of patentability continue to prevail and that such benefit can be fully achieved only by further harmonization of patent laws in order to create common worldwide standards for assessment of patentability; and

THEREFORE RESOLVES that the further work of the Committee of Experts should include harmonization of substantive law on the basis of

- (i) the first-to-file principle possibly with an adequate transitional period,
- (ii) an international grace period, and
- (iii) a harmonized prior art effect of a patent application before publication.
- (iv) Sufficiency of disclosure.

#### **Resolution No 6 - "European Community Directive to Harmonize National Laws on Utility Model Protection"**

FICPI, the International Federation of Industrial Property Attorneys, internationally representative of the free profession in more than 60 countries assembled at its World Congress in Copenhagen September 7 to 12, 1997,

HAVING TAKEN NOTE that utility model systems already exist in many countries of the world;

HAVING TAKEN NOTE of the likely content of the forthcoming Draft Directive that would introduce a harmonized form of utility model protection in the European Union (EU) countries; and

WELCOMING the prospect that the forthcoming Draft Directive will provide only for minimum rights of utility model protection and thus permit the Member States to grant additional rights to applicants; however

CONSIDERING that such a Draft Directive will not include certain provisions which are of particular importance for individual applicants, university researchers, and small and medium sized enterprises (SME's), more so than for certain other applicants seeking IP protection;



AND TAKING INTO ACCOUNT that legal systems should develop towards establishing a novelty grace period rather than in the opposite direction, so that an inventor would not deny himself the possibility of IP protection by his own prior publication;

URGES the European Legislative Bodies to include in the forthcoming Directive on utility model protection in Europe :

- a mandatory novelty grace period of 12 months preceding the filing or priority date of the utility model application;
- the availability of utility model protection for inventions in all fields of technology;
- a right of the applicant to create a utility model application by branching-off from an international, regional or national patent application before the end of a given term after the disposal of the patent application or after the end of any post-grant opposition proceedings; and
- a right of the applicant to obtain national utility model protection in any EU member state by designation of that member state in a PCT application.

#### VANCOUVER - 2000

##### **RESOLUTION G - INTERNATIONAL GRACE PERIOD**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession of more than 70 countries, assembled at its World Congress held in Vancouver from June 12 to June 16, 2000, passed the following Resolution :

Taking note of the successful conclusion of the Patent Law Treaty on June 2, 2000 and welcoming the future implementation of the Treaty in national and regional patent legislation world-wide as a vital instrument to further harmonization of formalities and procedural provisions for the filing and prosecution of patent applications,

##### Having considered

- 1) the development of patent law at the national and regional level to meet the needs of business caused by the rapidly increasing use of information technology, including in particular the use of the Internet for exchange of information within the scientific and technological community, and
- 2) the forthcoming revision of the European Patent Convention to be concluded at the Diplomatic Conference from 20<sup>th</sup> to 29<sup>th</sup> November, 2000,

Confirms its previous and continued support for a harmonized international grace period,

Resolves that urgent reconsideration of the introduction of an international novelty grace period into the laws of as many territories as possible should be undertaken as an initial step to further the development and harmonization of substantive patent law in step with the development of technology and industry, and

Urges the Commission of the European Community and the Administrative Council of the European Patent Organization to take appropriate and urgent measures to promote such reconsideration.

#### PRAGUE - 2002

##### **RESOLUTION 1 - Grace period**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession of more than 70 countries, assembled at its Executive Committee meeting held in Prague, Czech Republic from October 7 to 9, 2002, passed the following Resolution

Having considered the model for possible introduction of a novelty grace period into the European patent system resulting from the expert workshop organized by the European Commission in Brussels, June 24, 2002;



**Reiterating** its position in favour of a harmonized international grace period covering any form of prior disclosure caused by or derived from the inventor or his successor in title during 12 months preceding the filing or priority date of a patent application, as expressed in resolutions adopted in Edinburgh in 1981, Vienna in 1983, Funchal in 1986 and Hilton Head in 1987;

**Resolves** that the proposed model for a grace period and in particular the 6-month duration and the proposed mandatory requirement for the applicant to submit a declaration on prior disclosures of the invention when filing a patent application is inconsistent with the grace period concepts as contained in the SPLT and made available by the Community Design Regulation and would be likely to become a trap for an applicant who, in order to avoid the detrimental effect resulting from an incomplete declaration, would be compelled to include in such a declaration any prior disclosure within his knowledge, but may not have complete and detailed information as to the actual extent and scope of the prior disclosure, in particular for a prior disclosure in a non-written form, its potential relevance to the claimed invention and even whether it would be considered to be public.

#### SINGAPORE - 2004

#### **RESOLUTION - EXCO/SG04/RES/2002 - "SPLT Harmonization"**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession of nearly eighty countries, assembled at its Executive Committee held in Singapore from February 1 to February 3, 2004, passed the following Resolution :

**Supporting** the development, and subsequent ratification, of an effective Substantive Patent Law Treaty ("SPLT") under the auspices of WIPO for reasons of harmonization, legal certainty, efficiency, and economy;

**Considering** in detail all the issues contained in the current drafts of the SPLT within its national groups and Executive Committee;

**Seeing** a significant and valuable role for itself and its sister organizations in guiding and informing the discussions of the national governments and intergovernmental organizations ("IGOs") within the Standing Committee on the Law of Patents ("SCP"); and

**Preferring** to take a lead rather than becoming a party to an unsatisfactory compromise that would weaken its ability to argue strongly both within and outside the SCP in order to influence the thinking of the national governments and IGOs;

**Seeing**, however, the merit in attempting to unlock the deliberations of the SCP which have presently stalled by urging the SCP to focus its efforts for the time being on a reduced set of provisions where there is agreement between NGOs;

**FICPI considers** that the harmonization of the Substantive Patent Law should continue on the basis of a "reduced package" of the following provisions :

- \* the first-to-file system,
- \* a harmonized international grace period,
- \* a clear definition of the state of the art that is compatible with a first-to-file system including an international grace period, affording certainty for all users of the patent system, and solving *inter alia* the "double patenting" problem.

3 February 2004

#### **RESOLUTION - EXCO/SG04/RES/2003 - "Harmonization not Centralization"**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession of nearly eighty countries, assembled at its Executive Committee held in Singapore from February 1 to February 3, 2004, passed the following Resolution :

**RECOGNISING** the potential benefit of international harmonization and cooperation in certain areas of IP law,

**BUT CONSCIOUS** that such increased harmonization risks leading to over-centralization and a consequent concentration of IP expertise in a limited number of countries and its depletion elsewhere

**URGES** the competent authorities to focus harmonization on areas of practical benefit to the users and especially individual inventors, universities and SMEs, achieving at least :



- harmonized rules for the drafting of patent specifications, and especially the claims,
- agreement on what constitutes prior art, including agreement on a harmonized grace period and an end to the dichotomy between “first to file” and “first to invent” systems, and
- the sharing between patent offices of search and examination results in a non-binding manner;

**AND URGES** those authorities to avoid over-centralization of IP expertise by for example :

- recognising the importance to users and third parties of having IP rights presented in a local language
- recognising that different countries may desire to provide forms of IP protection not required universally, for example, revalidation patents, utility models, petty patents, or *sui generis* systems for the protection of traditional knowledge or genetic resources
- recognising the need for users, especially individual inventors, universities and SMEs, to have at hand local expert advice on IP matters
- recognising the continuing need for national patent offices
- and recognising that national and regional authorities must retain the sole right to decide on the grant of IP rights that will be effective in their own countries and regions.

3 February 2004

#### KOREA – 2005

#### RESOLUTION – EXCO/KRO5/RES/2003 - “Progress Towards Harmonisation”

FICPI, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the World, assembled at its Executive Committee held from 1 — 3 May 2005 in Seoul, passed the following Resolution:

Emphasising that FICPI has always supported and continues to support efforts towards the international harmonisation of substantive patent laws;

Conscious of the fact that the negotiations within WIPO’s Standing Committee on the Law of Patents (SCP) towards completion of a Substantive Patent Law Treaty (SPLT) have become stalled;

Noting proposals made by various groups of member states of the SCP and NGOs to conclude an early agreement on the basis of a “reduced package” of measures comprising “prior art”, “grace period”, “novelty” and “inventive step”, and believing that such an agreement would be to the benefit of all active and passive users of the patent system wherever they were situated;

Noting with approval recent initiatives to introduce a “first-to-file” system in the United States;

Noting the concerns raised by some member states during the negotiations on harmonisation regarding certain public policy issues, including the protection of genetic resources;

Recognising the proposal to establish a development agenda for WIPO for utilising the patent system to promote industrial development in developing and least developed countries;

Acknowledging the recommendations adopted at the end of the Casablanca Informal Consultations of 16 February 2005 and supporting initiatives taken by certain member states to address development issues separately from the reduced package; FICPI urges the members of the SCP to work expeditiously towards the conclusion of an agreement on such harmonisation at least initially on the basis of such a reduced package of measures comprising:

- ☐ first-to-file;
- ☐ a twelve months’ grace period recognising prior user rights in respect of any use of an invention begun before the priority date and without any declaration requirements;
- ☐ a definition of prior art that deems all information that has been accessed or was lawfully accessible before the priority date by any person not bound by an explicit or implicit obligation of confidentiality to be prior art, but excludes information for which there existed only a purely theoretical possibility of being accessed; and
- ☐ clear definitions of novelty and inventive step;

Urges the developing and least developed countries to appreciate that if progress is not made in the SCP then the governments of the Trilateral Patent Offices may independently enact the reduced package, and that they may lose the opportunity to pursue their interests and express their concerns in the harmonization process;



And reiterates that if any rules are adopted in relation to declaration of the origin of genetic resources in or in connection with a patent application then such rules must:

- ☐ be clear, precise and non-onerous for the applicant;
- ☐ not be applicable retrospectively;
- ☐ give the applicant an opportunity to rectify any deficiencies; and
- ☐ be such that the consequence of any ultimate failure to meet such rules shall not, in the absence of fraudulent intent, be invalidation or unenforceability of the patent;

And if there is a requirement to share any benefit accruing from an invention then there must be an appropriate authority in the country from which the genetic resources were obtained that the applicant can contact to enter into negotiations.

#### **AMSTERDAM – June 2007**

##### **RESOLUTION 1 - "PRIOR USER RIGHTS AND A NOVELTY GRACE PERIOD"**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee in Amsterdam, The Netherlands, from 3 to 6 June 2007, passed the following Resolution:

**Continuing to emphasize** that any patent system must provide a fair balance between the rights of patent owners and those of third parties;

**Continuing to support** the introduction of a harmonised world-wide 12-month novelty grace period, whereby a disclosure of an invention derived directly or indirectly from the inventor during that period shall not be considered as comprised in the state of the art, as urged in earlier FICPI Resolutions;

**Stressing** that the sole purpose of such a grace period is to provide an equitable remedy in the case of an invention that has been the subject of such a disclosure;

Therefore **urging** that the relief provided to an applicant as a consequence of any such grace period should be limited so as to discourage its deliberate use by a potential applicant wishing to preserve the option later to file a patent application for the disclosed invention;

**Resolves** that if prior user rights are available in the territory concerned, then these should also be available to persons who have become aware legitimately of an invention as a result of a disclosure excused by such grace period.

#### **SYDNEY – April 2008**

##### **RESOLUTION EXCO/AU08/RES/1 - "Grace period for Unregistered Community Designs"**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee held in Sydney, Australia from 13 April to 17 April, 2008, passed the following Resolution:

**Recognising** the benefit of the Unregistered Community Design Right, **Noting** the apparent desire of the legislators to avoid the creation of unregistered rights in Europe for designs that are never disclosed within the geographical area of the European Union; and

**Noting** the frequent need for the first disclosure of designs, even by European design owners, to be outside the geographical area of the European Union;

**Urges** the European Union Legislators to amend the Council Regulation (E.C.) No. 6/2002 of December 12, 2001 on Community Designs to provide a novelty grace period for an unregistered Community design, similar to that allowed for a registered Community design, during the three month period preceding the commencement of the unregistered Community design right.

##### **RESOLUTION EXCO/AU08/RES/2 - "Grace period and Declaration for Patents"**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee held in Sydney, Australia from 13 April to 17 April, 2008, passed the following Resolution:

**Continuing to support** the introduction of a harmonized world-wide 12-month novelty grace period before the priority date, whereby a disclosure of an invention derived directly or indirectly from the inventor during that period shall not be considered as comprised in the state of the art, as urged in earlier FICPI resolutions;

**Continuing to oppose** the requirement for a mandatory declaration of such a disclosure in order to benefit from the grace period;

**Recognizing** that in the course of the current discussions on substantive patent law harmonization some countries maintain that any such disclosure should be considered as not comprised in the state of the art only if it is the subject of a mandatory declaration, while

other countries are opposed to any kind of declaration;

**Noting** that some countries already impose on applicants the duty to identify prior art;





**Resolves** that any country may adopt procedures to determine whether a specific disclosure drawn to the attention of an applicant/patentee is derived from the inventor, but may not require a general mandatory declaration.

#### **BUENOS AIRES – January 2010**

##### **EXCO/AR10/RES/Pre-Grant Publication**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee Meeting held in Buenos Aires, Argentina from January 10 to 14, 2010, passed the following Resolution:

**Having** considered the limited exemption in the United States of America (USA) from pre-grant publication at 18 months from the filing date or first priority date;

**Reiterating** its position in favour of a harmonized world-wide 12-month novelty grace period before the priority date of a patent application, whereby a disclosure of an invention derived directly or indirectly from the inventor during that period shall not be considered as included in the state of the art, as expressed in FICPI Resolution EXCO/AU08/RES/2, which was passed by the FICPI Executive Committee in Sydney, Australia in April, 2008;

**Recognizing** that one of the concerns expressed by users of the limited exemption is that examination and grant currently often do not occur until a considerable period of time after publication would have occurred;

**Reiterating** its position in favour of the introduction of a "first-inventor-to-file" system in the USA as part of efforts at international harmonization of substantive patent laws, as expressed in FICPI Resolution EXCO/KR05/RES/3, which was passed by the FICPI Executive Committee in Seoul, Korea in May, 2005;

**Urges** the USA to remove the limited exemption on pre-grant publication and publish all applications for patent in the USA no later than 18 months from the filing date or first priority date, and to establish a system of expedited examination and grant to address the concerns of those currently using the limited exemption; and further

**Urges** that discussion on harmonization between the USA and the other Group B+ countries proceed on the issues of the harmonized world-wide 12-month novelty grace period and the introduction of a "first-inventor-to-file" system in the USA, without regard to whether the USA removes the limited exemption from pre-grant publication.

#### **CAPE TOWN – March 2011**

##### **Resolution of the Executive Committee, Cape Town, 13-17 March 2011 "Grace Period"**

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee held in Cape Town, South Africa from 13 to 17 March, 2011, passed the following Resolution:

**Recalling** that certain countries had, but no longer have, a novelty grace period, whereby disclosure of an invention derived directly or indirectly from the inventor for a limited time before the filing of a patent application filed by or on behalf of the inventor was not considered to be comprised within the state of the art for such patent application,

**Observing** that in practice the experience with grace periods is generally positive,

**Continues to support** the introduction of a harmonised world-wide 12-month grace period, as urged in earlier FICPI resolutions.





## Appendix II



Report by **Julian Crump**, reporter CET Group 3

### **FICPI's statement on the GRACE PERIOD**

As you probably know, FICPI is one of the main advocates in favour of a Grace Period, and in this FICPI represents patent attorneys all over the world, most of whom suffer with their clients under legislation incorporating the absolute novelty concept.

All patent attorneys have a responsibility for their clients, which include sole inventors as well as SMEs (which, as a recent survey showed, employs 70% of all working people).

Under this responsibility, FICPI has passed several Resolutions over the years asking for a worldwide Grace Period. We have reacted to the injustice of the absolute novelty concept, which we experience in our daily work, and to the perennial needs of our clients for such exceptional grace. It is simply incomprehensible and illogical for an inventor, that in publishing, testing or practising his own invention, should turn against himself, giving the public a tool to withhold his justified reward for his invention, namely a patent, and to open the field to copy the invention by others.

Many inventions are made by inventors under time pressure. They often have to develop their products and processes in view of a trade show or other public exhibition in order to get a feeling for commercialisation and its success. Frequently, only at the last moment, or sometimes even later, they think of the formality of patenting. This is even more true for scientists in Universities who are forced to publish their work as early as possible, mostly before they can even conceive of or plan for commercialisation, which is of course a prerequisite for patenting.

Any patent attorney who has experienced the horrified disappointment of an inventor or scientist when he is confronted with the fact of losing all patent rights for what he thought to have done a benefit to the public by early publishing, will understand and join our plea for a Grace Period.

It is true, that some (but not all) European industry, namely some big companies, represented by UNICE and others are set firmly against the Grace Period. That is self-evident, because they consider, that their R & D departments are so close to their patent departments that they can usually avoid undue early publication.



Naturally, in the absence of a Grace Period, they can also more easily benefit from the good ideas of other inventors who, for whatever reason, failed to consult a patent attorney early enough. Do we want to accept and promote this ?

The enemies of the Grace Period argue an alleged legal uncertainty, because a Grace Period may prolong the time before another, who wants to use a new development, knows of the existence of a corresponding patent application. Consider, who is it that is kept in uncertainty? Only those that want to copy the development of the inventor!

Do you think that this is a justified reason to withhold a patent from his author? We are here to protect inventors, not the copyists!

Moreover: Ask anyone in a country, which has or had a Grace Period, whether there has ever been any problem with the use of the Grace Period. You will hear that there is no problem at all. The only problem, of which you will hear, is that the Grace Period was, up to now, not worldwide accepted, but we are now here to solve this problem.

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## Appendix III

### **INTERNATIONAL GRACE PERIOD (FICPI position paper 2004)**

#### **1. YARDSTICK FOR APPRECIATION OF PATENTABILITY CRITERIA**

##### **1.1. The definition of the state of the art is essential for the patent validity appreciation**

No IP professional will need any kind of detailed explanation to be convinced that the Prior Art to be taken into account for novelty and nonobviousness appreciation is **essential**.

##### **1.2. The general principle: everything publicly disclosed anywhere and in any form, can be opposed as prior art**

But it is difficult to find a counterexample without any exception.

##### **1.3. Exceptions**

###### **1.3.1. Topical differences from one country to another, such as**

- imitation to national prior art
- imitation to printed documents
- technical content approach of prior claim in approach

###### **1.3.2. Non prejudicial disclosures**

In most laws and patent conventions, it is explicitly stated that disclosures which are:

- due to, or
  - a consequence of an evident abuse in relation to the applicant or his representative, or
  - displayed at an officially recognised international exhibition,
- are not taken into consideration.

###### **1.3.3. Prejudicial disclosures added by the applicant or derived from the applicant**

These additional and not isolated exceptions to the absolute novelty criteria precisely correspond to our cause for concern.

#### **2. GENERAL CONCEPT OF THE GRACE PERIOD**

Primarily, the Grace Period is the period of time preceding the filing date of a patent application, during which disclosures by the inventor or the invention or which the patent application is filed, will be considered as a non prejudicial disclosure in respect of said patent application.

This basic fundamental legal concept has brought its supporters and detractors into conflict for quite a few decades, both sides appearing on arguments which are more or less the same throughout the various national and international fora.

#### **3. BRIEF HISTORIC REMINDER**

##### **3.1. The Paris Convention**

I would just like to remind you that there have been several attempts to introduce a novelty Grace Period in the Paris Convention for the Protection of Industrial Property of 1883, such as a Grace Period intended to offer in unity, against such disclosures, to the inventor who publicly disclosed his invention before filing a patent application. These attempts were meant to be introduced into articles providing for the so-called Union Priority right.

This failed at the London Revision Conference in 1900 and in the Lisbon Revision Conference in 1980.



### 3.2. Patent Law Treaty

The basic proposal for the treaty supported the Paris Convention as far as patent law is concerned, which was submitted to the Diplomatic Conference for the conclusion of the Patent Treaty, in June 1981, included in Article 12 which stated that disclosure of a disclosure not affecting patentability.

As you know, this article was neither accepted nor included in the framework of the first Patent Treaty.

### 3.3. UPOV Convention and Community Plant Variety Rights Regulation

In 1981, the International Convention for the Protection of New Varieties of Plants established a grace period of four years during which the marketing of the new variety is not considered as novelty destroying.

In 1988, the UPOV Convention was revised, and the notion of grace Period was broadened for specific plant varieties.

Finally, in 1991 the UPOV Convention Act contained a mandatory one-year grace Period in the territory of the European Union. This was adopted in the Council Regulation on Community Plant Variety Rights, which was a provision for a grace Period of one, four or six years depending on circumstances.

One of the main arguments in favour of the grace Period in the specific field was based on the fact that such a kind of variety is not only liable to be tested in trials or put on the market or registered or entered into official registers before the application for the Plant Breeders' Certificate was filed.

### 3.4. The intergovernmental Conference of the member states of the European Patent Organisation on the reform of the patent system in Europe (Paris June 24, 25, 1999)

The Conference officially mandated the European Patent Organization to examine under which conditions the effects of disclosure prior to filing could be taken into account in European Patent law.

The Intergovernmental Conference observed that research institutes, universities and companies have to practice certain forms of disclosure, and even more so considering that modern means of communication such as internet increase the risk that the results of research might be disclosed involuntarily.

### 3.5. The last draft Substantive Patent Law Treaty

The document dated September 30, 2000 contained the revised version of the draft Substantive Patent Law Treaty. It took into account the views expressed in the standing Committee on the Law of Patents during the ninth session held from May 12 to May 14, 2000, the next standing committee being expected to take place on May 10 to May 12, 2001.

The draft treaty contained an article containing the following revised content:

"Article 1: Information not affecting patentability grace Period

1. The general Principle: Information which otherwise would affect the patentability of a claimed invention in the prior art with respect to a claimed invention shall not affect the patentability of that claimed invention, in so far as the information was made available to the public anywhere in the world in any form during, or that it was included in the prior art under Article 8.2 on a date during the 12 months preceding the priority date of the claimed invention.

2. by the inventor,

3. by an official and the information in the prior art was contained

in another application filed by the inventor and could not have been made available to the public by the official, or



been in an application filed without the knowledge or consent of the inventor by a third party which obtained the information contained in the itself or prior art directly or indirectly from the inventor,

or,

by a third party which obtained the information contained in the itself or prior art directly or indirectly from the inventor

## 2. ~~No time limit for Information Grace Period~~

~~Information~~

~~shall not constitute paragraph 1 of any binding at any time~~

~~End of Information~~

~~Information~~

~~Contracting Party may require that the applicant submit a declaration in order to the effect of paragraph 1 as prescribed in the regulation~~

~~End of Information~~

~~Id ne. Where the applicability of paragraph 1 is contested, the party in order to the effect of that paragraph shall bear the burden of proof, or, alternatively, that the conditions of that paragraph are fulfilled. Contracting Party may require that id ne be filed with the office by the party in order to the effect of paragraph 1, where that id ne raises any doubt the applicability of that paragraph~~

~~"Inventor"~~ For the purpose of paragraph 1, "inventor" also means any person who, at or before the filing date of the application, had the right to the patent

## ~~Third Party Rights~~

~~Information~~

~~person who in good faith had, between the date on which the information was made available to the public, the prior art was included in the prior art under paragraph 1 and the earliest priority date of the claimed invention, used the claimed invention for the purpose of business or started activities and serious preparation or such use shall constitute the right to start or continue to use the invention for that purpose. claimed invention shall be considered to be used where the person prior to any act that would otherwise constitute an infringement under the applicable law~~

~~End of Information~~

~~Information~~

~~No provision in the Treaty and the regulation~~

~~Practical guidance would clarify that the issue concerning third party rights remain a matter for the applicable law of the Contracting Party concerned~~

~~End of Information~~

## 4. OUTSTANDING SITUATION IN DIFFERENT COUNTRIES

status of a number of countries which accepted the principle of Grace Period is clarified in the table appended in Annex 1, according to the main specific conditions or application

## 5. MAIN ARGUMENTS IN FAVOUR OF GRACE PERIOD

It should be noted, a lot of arguments have been raised for or against the Grace period, remain open or actively the fact that throughout a long discussion which has been taking place for decades in national and international fora

In a lot of fields, included in biotechnology, the basic inventions remain unprotected only due to the culture of the academic and scientific world which encourages early publication of their innovative activity



It has always been considered that an invention had to be completely finalized prior to the filing of a patent application. It is still carried out validation trials, construction of prototypes, cooperation with other technical advisers, circuit planning in which it is difficult to avoid premature disclosure. It is still true and true nowadays. Additionally, scientific and technical information is not yet fully disclosed before making the decision on filing the patent application. Such a premature procedure requires scientific and technical outside advice. It requires not increasing the risk of disclosure.

Cooperation between universities or Public or Academic Research Institutions and Industry, has recently increased, due to technological and economic requirements.

In practice, it poses problems:

- on the one hand in view of the obligation of the universities or other institutions to generate and disseminate their technical or scientific knowledge
- and on the other hand, in view of the willingness of the Industry to obtain an exclusive right through filing a valid patent application.

The new information and communication technologies, more specifically the internet and internet communication, has widely increased the risk of an uncontrolled publication with a very rapid spreading which becomes possible because of the electronic information disclosed on the internet.

More and more often, before each scientific and/or technical seminar or conference, the text of communication or at least its abstract, is put on the web in an uncontrolled way.

On the other hand, it has become compulsory to get the informed consent of patients and counterparts in the framework of clinical trials and biotechnological research which these entities are compulsory in order to obtain the Marketing Authorization for a medicine or vaccine.

More and more, the current trend in the world is to request the withdrawal of the content in order to respect the freedom and dignity of the patients and/or the circuit planning, it is obvious that the information given to the patient has to be a complete and possible in order to obtain consent without any restraint.

Moreover, the patient subjected to the clinical trials, signs a document in which he/she duly admits having received the withdrawal of the treatment. It is often specially stated that he/she must turn to an expert to complete the information.

In conclusion, the disclosure has not been confidential and any expert can control it at the patient's desk and.

It is clear that it is often at the end of clinical trials that the final evaluation of the medicine will be adopted. In most cases, the patent application will be filed later on.

Furthermore, we should not forget that a patent application is normally published only 18 months after its priority date or after its filing.

Under these circumstances, one could consider that an early publication would put the competitor in a more favorable position because they become quickly informed about the new technical developments. It is earlier than in case of waiting for a patent application to be published.

Thus, the publication of a patent application published 18 months after its filing is delayed.

## 6. MAIN ARGUMENTS AGAINST GRACE PERIOD

The main argument was, initially and I hope no longer will be, that introduction of a Grace Period would create legal uncertainty for third parties. This point is easy to understand, since third parties who have the knowledge of the disclosed subject matter may believe that it is not protected and thus can be freely developed. It does not seem to us to be such a convincing argument, since in any case, even in a premature disclosure, the publication of a patent application can occur later on.



One second argument against Grace Period is that it is in fact against the inventor's own interest since it could encourage an increase in the number of disclosures which in turn, could increase the risk for the inventor to be deprived of his right.

## **7. LISTING OF SEVERAL POSSIBLE CRITERIA FOR THE DEFINITION OF GRACE PERIOD**

### **7.1. Harmonisation at international level**

It is essential that, if such a harmonization could be taken into account, it should take place at an international level.

Indeed, nowadays, for a Canadian inventor, it is very difficult to find out that despite being able to discontinue his invention before filing the corresponding Canadian patent application, he will not be able to validly claim its priority later on in Europe. It is unnecessarily to insist on the fact that the existing patent law situation is no longer satisfying in the framework of a worldwide economy.

### **7.2. Who is entitled to benefit from grace period ?**

Generally speaking, it will be the applicant or the owner of the patent application or patent who will be able to benefit from this exception.

In practice, the applicant is not necessarily the inventor, or one of the inventors as is commonly and reasonably the intention.

Quite often, the right to the invention will be automatically or contractually transferred to a person, for example the company employing the inventor. It is then a matter of recognizing the benefit of this exception to the successor in title.

### **7.3. Direct or indirect disclosure**

On the one hand, direct disclosures are the first disclosures coming from the inventor himself.

On the other hand it is clear that indirect disclosures are those coming from the first disclosure issued from the inventor but which is not accepted by a third party.

In order to benefit from this exception, it is clear that the person who makes the first disclosure will have to demonstrate the relation between the derived disclosure and the first disclosure issued from the inventor. In case such a demonstration could not be undoubtedly shown, the exception would not be recognized.

### **7.4. Different types of disclosure**

No restriction should exist.

It can be in the course of conferences, oral disclosure, disclosure contained in posters exhibited during scientific conferences and public use of the invention. It is acceptable and of disclosure should also include publication of uncontrolled patent application from the applicant or patent application which could not have been disclosed by an office and which were filed without the knowledge or consent of the inventor.

### **7.5. Location of the disclosure**

It is possible to consider that no restriction could be seriously taken into account as far as the location of the disclosure is concerned.

It is even true nowadays with the internet generally speaking, a disclosure which took place anywhere in the world could be considered.





## 7.6. Duration of the grace period

different provisions have already existed and for quite a long time between 12 months and 18 months period of grace was usually considered as a compromise concluded to the detriment of the system for the grace period.

It was also understood that the shorter the period, the more security for third parties.

It is argued that does not seem relevant because of the blind 18 months for the time of the patent application.

There is also another very strong argument in favour of a grace period of 12 months over the world and more specifically in Europe, the requirement for claiming priority for the same invention is becoming stricter and stricter. The decision of the Enlarged Board of Appeal 02/08 fixed the rule: "the requirement for claiming priority of 'the same invention', is to be acknowledged only if the same person can derive the subject matter of the claim directly and unambiguously, using common general knowledge, from the previous application as a whole".

The decision stated that a narrow or strict interpretation of the concept of the same invention referred to in Article 8(1) EPC is perfectly consistent with paragraph (2) of Article 8 EPC and with Article 1C of the Paris Convention.

Furthermore, the decision also mentions that an extended or broad interpretation of the concept of the same invention referred to in Article 8(1) EPC is inappropriate and prejudicial to a proper exercise of priority rights.

Some patent practitioners now indeed state that an invention is never really achieved at the time of filing the first patent application.

On the contrary, it has been noted, especially in the chemistry and biology fields, that the research will go on after the filing date, and that complementary trials will be carried out to refine the invention or will simply confirm the general expected character of the invention. The complete definition of which was not always entirely confirmed by the experimentation at the first filing date.

Various problems can occur in practice in the latter cases.

Therefore a first patent application can for example define an invention as a family of new compounds represented by a general formula allowing quite a number of variations which are obviously not all described. New compounds corresponding to the general formula are synthesized in the priority year, the description of the original application filed under priority, will quite often be completed by addition of supplementary exemplary examples.

None of these additional examples must be interesting and must need to be protected by a specific subclaim. But, if the inventor has published or results in connection with the specific compound within the year of priority, he will not be allowed the specific subclaim corresponding to the compound due to its disclosure.

A 12 months grace period would be the only way to overcome this problem.

## 7.7. Starting date for calculation of the grace period

The 02/08 decision has decided that for the calculation of the 12 months period of an unlawful disclosure provided for by Article 1C EPC, the date which has to be taken into account is the filing date of the European application and not the priority date.

It can be seen that such a disclosure is only considered as non prejudicial in the case of the first application and the disposition cannot be in favour of an application filed under priority.

Therefore, the only starting date in order to lead to an advantageous situation as regards the grace period, is indeed the priority date when such a priority has been claimed.



## 7.8. Need for an applicant's declaration

If one considers that such an applicant's declaration would be necessary, it would lead to a lot of questions and problems.

### 7.8.1. One should first find out when such a declaration should be filed

The following possibilities could be indicated:

- priority date
- filing date
- publication date
- when the prior disclosure is cited or opposed: one could wonder whether such a declaration could be independently filed before a national, regional or international office or yet again before a tribunal in case of the validity of the title or the patent
- before grant

### 7.8.2. Form of the declaration

In case such a declaration is requested, it or they would need to be specified. It could be a unilateral declaration filed by the applicant. It could also be a witnessed declaration or it could only consist in ticking a box in the filing request or the patent application.

### 7.8.3. Content of the declaration

If such a declaration is requested, the details of its content would also need to be specified. It could for example provide a description of the disclosure.

Generally speaking the identification of the disclosure should specify the description, date, location and circuitance of the disclosure.

It can occur to be a scientific publication together with its detailed references. The situation could be more complicated in case of prior use. The disclosure would imply a technical description of the information which has already been disclosed through this use, but of course, it would imply the specification of the date, place and precise circuitance of the disclosure. For example, in order to illustrate the circuitance, it would be best to specify how the clinical trials have been done, at which place, how long for, how were the results worded, etc.

Through this analysis, we note that requesting a declaration from the inventor only complicates the situation without ensuring any juridical security to either user of the patent system, either the patentee or third parties.

Furthermore, the obligation to request such a declaration cannot be a drawback to exclude from the exception the prior disclosure which occurred without the applicant's knowledge, such as a patent prior, uncontrolled publication on the internet, which happens before and after prior to a scientific publication, or presentation in the trade show or a seminar or conference.

### 7.8.4. No request for declaration would be preferable

Finally, the best solution would be the easiest, that is, not to request any declaration from the applicant, bearing in mind that, when the time has come, we will have to prove that we fulfil the required conditions for applicability of the exception.

## 7.9. Simple exception to the principle of prior art disclosure

It must be quite clear for everybody, that the grace period is not a priority system. It is unity against any later independent disclosure from third parties.



It is another good reason not to request a declaration from the inventor at the time of obtaining the patent application as it is to be done in case of a unitary priority claim in

Moreover, the grace period system does not generate any right but is only an exception with a limited consequence at its application stage, especially the fact that an exception away has to be interpreted in a restrictive way.

### 7.10 .Possible extension to confidentiality or secrecy violation

It can be added that an unprejudicial disclosure can be issued directly from the inventor or can indirectly result from a first disclosure issued from the inventor, it is then obvious that this arrangement covers the traditional non prejudicial disclosures which are the consequence of an abuse in relation to the applicant or of a pre-disclosure.

Under these circumstances, the best would be to harmonize the corresponding arrangements, especially regarding the duration of the time in it to be taken into consideration.

In practice, we are once again confronted with specific situations where the obligation to request a declaration at the time of obtaining the patent application in order to benefit from the grace period, is completely unrealistic.

### 7.11. Burden of proof

There is no need to elaborate too much on this subject.

Traditionally, the burden of proof is on the person who intends to benefit from or contest the benefit of the grace period.

On the one hand, therefore, during prosecution, the applicant will not have to prove that the prior disclosure is directly or indirectly issued from him or the inventor.

On the other hand, if the patent is attacked before a tribunal, the plaintiff will have to contest that a prior disclosure did not satisfy the conditions required by the legal disposition and have to demonstrate or establish that it has occurred independently from any intervention from the inventor.

### 7.12. Prior user rights derived from the disclosure

It is not first but is expected to answer negatively since the grace period system is an exception and an exception has to be interpreted in a limited way and therefore the period of grace can only waive the disclosure from the opposable state of the art.

As a consequence, one must consider that there is no possibility for third parties to acquire any prior user right from the prior disclosure.

If this possibility is admitted, additional questions will have to be answered :

Direct / indirect intervention of the prior user

Could the possible third party acquiring the right, be intervened directly by the inventor or can it be indirectly intervened by a third party having received the intervention from the inventor?

Is it a third party acting in preparation to use the invention or to a third party already started a commercial activity of the invention?

It is a traditional question which has already been asked in the framework of prior user rights in France. The solution of the prior person's position does not seem to have such a bright future at an international level. The solution continues in authorizing to pursue a commercial or industrial activity, as the traditional advantage to be characterized, serious and genuine preparation for the use of the invention could not be put aside systematically.



Once again, the practical situation and the circumstances in which the invention can be used should be taken into account.

On the one hand, the use of an invention might be easy to control, whereas it is difficult to control the process which is the product of an invention. On the other hand, the use of an invention can also lead to the construction of a completely new production in which it occurs a highly beneficial

### iii) burden of proof

Once again, the burden of proof is on the shoulders of the person who intends to benefit from the prior user right, or of the person who contests such a right.

Depending on the conditions which might be required, it is clear that the demonstration will be concerned with the prior use or preparation for that use and with the conditions in which the information was acquired by the prior user.

It comes out from the above observations that the right cannot be established because the practical solution would consist in referring to the question of prior user right in a way completely independent from the grace period system.

In other words, it does not seem necessary to provide any strict prohibition of intervening prior user right due to a non pre-judicial disclosure issued from the inventor. It does not seem necessary either to demonstrate the link between the non pre-judicial disclosure coming from the inventor and the use by a third party. Acquisition in good faith of the information concerning the invention would be the only condition which might exist in order to allow the recognition of prior user right.

Accepting the right of an intervention of third parties without any other special condition, seems to be in favour of the acceptance of the system. It first moderates quite considerably the arguments of the detractors of the grace period who consider that one of the drawbacks would be that the inventor could be tempted to camouflage the invention.

In other words, an uncontrolled provision of a non pre-judicial disclosure can anyway occur and the grace period is meant to waive its detrimental effects.

Nevertheless, showing that third parties do have the complete possibility to benefit from intervening right without the inventor or their successors in title to limit their first patent application as quickly as possible.

\*\*\*\*\*

On the other hand, the presentation of this question, it is possible to start thinking about a definition which does not really show any new characteristic but which could be used as a tool for a discussion on this particular question which nevertheless is a burning topic.

## 8. PROPOSED DEFINITION OF GRACE PERIOD

**8.1.** Any disclosure of information relevant for the patentability of an invention claimed in a patent application shall not be taken into consideration when determining the state of the art relevant for that invention where the information was disclosed, during the 12 months preceding the filing date or, where priority is claimed, the priority date of the patent application,

i) by the inventor, or

ii) by a third party which acquired the information direct or indirect from the inventor or in consequence of an act performed by the inventor, or

iii) by a Patent Office, the information being contained in :

a) another patent application filed by the inventor, which could not have been disclosed by the Office, or

b) a patent application filed, without the knowledge or consent of the inventor, by a third party which obtained the information as stated in ii)



**8.2.** For the purpose of paragraph 1., inventor can be any person who, at the filing date of the application, had the right to the patent.

Inventor also can be the original owner of the invention other than the inventor itself, and any successor in title of the inventor or of such original owner.

**8.3.** The subject of paragraph 1. may be included at any time.

**8.4.** The burden of proof will be on the shoulders of any person who intends to take benefit of the grace period stated in paragraph 1.

Francis N  
President



## Appendix IV– History of the FICPI Position paper on Grace Period, 24 January 2013

At the FICPI World Conference in Melbourne, in April 2012, a Working Group on the Grace Period was formed at a meeting with the World and Study Commission (CSC), Group 1 Group 2 Group 3 Group 4 Group 5 Group 6 Group 7 Group 8 Group 9 Group 10 Group 11 Group 12 Group 13 Group 14 Group 15 Group 16 Group 17 Group 18 Group 19 Group 20 Group 21 Group 22 Group 23 Group 24 Group 25 Group 26 Group 27 Group 28 Group 29 Group 30 Group 31 Group 32 Group 33 Group 34 Group 35 Group 36 Group 37 Group 38 Group 39 Group 40 Group 41 Group 42 Group 43 Group 44 Group 45 Group 46 Group 47 Group 48 Group 49 Group 50 Group 51 Group 52 Group 53 Group 54 Group 55 Group 56 Group 57 Group 58 Group 59 Group 60 Group 61 Group 62 Group 63 Group 64 Group 65 Group 66 Group 67 Group 68 Group 69 Group 70 Group 71 Group 72 Group 73 Group 74 Group 75 Group 76 Group 77 Group 78 Group 79 Group 80 Group 81 Group 82 Group 83 Group 84 Group 85 Group 86 Group 87 Group 88 Group 89 Group 90 Group 91 Group 92 Group 93 Group 94 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995 Group 996 Group 997 Group 998 Group 999 Group 1000

After an initial brainstorming session, and in order to further interested persons, the following FICPI members were invited to participate in the work:

Alan Modin, CSC  
 Ian Wright, CSC  
 Andrew Munn, CSC  
 Alain Mercier, CSC  
 Robert Collins, FICPI  
 David Wright, DSC  
 Robert Watson, CSC  
 Charles Wright, CSC  
 Liaoning Cai, CN  
 Ray Collins, FICPI, and  
 Bryan Collins, FICPI, and FICPI

They followed an intensive brainstorming session within the Working Group, with contributions from a number of other FICPI members. Additionally, a number of FICPI members provided valuable input, including:

John Wright, CSC  
 David Wright, DSC  
 Michael Cain, CSC  
 Eric Forster, FICPI  
 Julian Cruickshank, CSC  
 Danny Huntington, CSC  
 David Collins, FICPI, and  
 David Collins, CN

After some preliminary findings, various aspects of the Grace Period were discussed at a meeting in Saint Paul de Vence, France, in October 2012.

Finally, at a meeting with the Executive Committee of FICPI in Cartagena, Colombia, 20-21 January 2013, the Grace Period was discussed again at a Workshop, on the basis of a briefing paper which was structured as a draft position paper. The Executive Committee thereupon suggested a new agenda and unanimously approved the present position paper on 21 January 2013.

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### **FICPI URGES THE ADOPTION OF A GRACE PERIOD CREATING A LEVEL PLAYING FIELD FOR INVENTORS**

*Authored by:* Robert Watson, United Kingdom; Jérôme Collin, France; Ivan Ahlert, Brazil; Philip Mendes da Costa, Canada; Michael Caine, Australia; Jan Modin, Sweden; and James Pooley, USA.

Inventors often lose patent rights in Europe and many Asian countries by mistake. These losses happen because those jurisdictions impose an “absolute” novelty requirement: the invention must not have been made “available to the public” in any way at any time before an application is filed. Many inventors, particularly individuals and small entities engaged in commercialisation, are not aware of the requirement or misunderstand the nuances of its application, and as a result inadvertently lose their rights. This is much less likely to happen in countries such as Japan and the United States of America, which allow disclosures during a specific time before filing, called a “grace period”.

Although most of Europe has insisted on absolute novelty since 1963, and all of it since 1973 with adoption of the European Patent Convention, before then some individual countries, such as Germany, Switzerland, the United Kingdom, Austria and Italy, had included grace periods in their national laws.

Countries which currently provide a grace period include some of the most productive and innovative national economies. The largest of these, the United States, applies a one-year grace period in advance of filing for disclosures made by an inventor or by someone who obtained the information from him. (Before the U.S. moved to first-to-file in 2013 it also recognised a one-year grace period for publications or public use of the invention.) Japan provides a six-month grace period so long as the inventor files a declaration that disclosure during that time was not in a patent journal or was made without authorisation. The Republic of Korea allows a full year grace period, and also requires a declaration by the inventor who wishes to take advantage of it. Australia provides a one-year grace period but does not require an inventor’s declaration. Brazil also allows a one-year period before filing, and its law permits its patent office to require a declaration; however, it has declined to do so. Canada’s grace period is one year, and does not require a declaration.

A common argument in opposition to a grace period is that it would create uncertainty for industry. However, this abstract assumption has not been supported by empirical proof. In contrast, studies carried out in jurisdictions with a grace period demonstrate no substantial prejudice to commercial interests, certainly not comparable to the permanent loss of inventor rights that results from imposition of absolute novelty. And absolute novelty itself is not absolutely predictable, but creates legal uncertainties, for example resulting from pre-filing experimentation, or disclosure within a standards body.



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In a global economy where inventors wish to file in multiple jurisdictions, the benefits of a national grace period cannot be fully realised at present, because inventors must follow any stricter foreign standards. Therefore, harmonised acceptance of a grace period among all industrialised countries must be a high priority.

Efforts to establish a harmonised grace period began at WIPO in 1983, as part of more general patent harmonisation efforts. A “Basic Proposal” including a grace period was rejected in 1991, but not because of its merits. Rather, the problem was that the U.S. at that time remained committed to its “first-to-invent” patent system. The consensus at the time was that a grace period made sense, but could be achieved politically only when the U.S. moved to the otherwise universally accepted “first-to-file” system. In the meantime, WIPO continued to recommend grace period as a best practice for countries developing their patent law frameworks.

Within Europe, consultations over the grace period went on, informed largely by a pair of studies commissioned by the EPO in 2000. Professor Joseph Straus’ report urged that Europe follow the 38 countries that had already adopted a grace period. He pointed out that the experience of those countries had been uniformly positive. He argued that absolute novelty did not significantly increase legal certainty and that in any event the consequence of lost rights was clearly disproportionate. A grace period would provide substantial benefits to universities and research institutions, as well as small entities and individual inventors, while causing no discernable harm to large enterprises that could afford to closely police their pre-filing disclosures.

A second report by Mr. Jan Galama argued primarily that unilateral allowance of a grace period would be premature, with no guarantee of “reciprocity” from other countries. A grace period, he added, would create a false sense of security within industry and might allow third parties to acquire intervening rights from early disclosure. He suggested instead that Europe pursue the possibility of allowing “provisional” applications and in general increase public education and awareness of the requirements of the patent system.

Back at WIPO, the successful conclusion in 2000 of the Patent Law Treaty on formalities raised hopes for progress on substantive patent law harmonisation. By 2003 a draft treaty had been prepared that included a grace period, although agreement had not been reached on whether it should be six or twelve months and whether a declaration of the inventor should be required. Unfortunately, negotiations on substantive harmonisation then stalled, for political reasons unconnected to the grace period issue.

Since that time, political discussions have continued in the plurilateral context, for example among the B+ group of industrialised countries, and among the three largest (Trilateral) and later five largest (IP5) patent offices. During 2012-14 the Tegernsee Group was formed by the U.S., Japan and Europe, to conduct a comprehensive user-based study of patent law harmonisation issues, including grace period. It issued its report in 2014. Although their systems differed to an extent, users in Japan and the U.S. reported positively on the effects of the grace



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period, as well as pointing out the tragic results, for global filing purposes, of mistakes in pre-filing disclosures. Within Europe, the study indicated a slight majority in favor of a grace period, but substantial skepticism remained due to the concern over legal uncertainty.

While the Tegernsee Group process was ongoing, the EPO's Economic and Scientific Advisory Board decided to take up the grace period issue. Following a study and workshop, the ESAB issued recommendations in March 2015. While it believed that a complete assessment of the economic effects was "not feasible at this point", it concluded that Europe should consider introducing a grace period only if (1) it was a "safety-net" type, covering disclosures by the inventor and others deriving from him, but not third party disclosures, and (2) it was harmonised at least with the other major patent systems in the IP5. And the twelve countries participating in the Trans-Pacific Partnership negotiations have recently announced, in Article 18.38 of their draft agreement, endorsement for a "safety net" kind of grace period.

While all of these governmental efforts were in progress, global professional organisations representing the user community, particularly FICPI and AIPPI, continued to survey and study the grace period issue. Their independent reports, issued in 2013, each urged the embrace of a global grace period of the "safety net" type. The reports recommended a twelve-month period using the filing date or the priority date as a reference, no mandatory inventor declaration, and recognition of third party rights for independent disclosures. See e.g. the FICPI White Paper on the Grace period at [www.ficpi.org](http://www.ficpi.org).

All of this recent activity is evidence of an emerging consensus both on the wisdom of a global grace period, as well as its terms.

Providing relief to inventors who have made an honest mistake is a natural and important part of any patent system that seeks to encourage innovation from all sources. Indeed, continuing to maintain the requirement of absolute novelty risks reinforcing public cynicism about the law, because users may see it as promoting only the convenience and opportunism of large corporations who can effectively mitigate their own risk of losing rights by inadvertent disclosure, while benefiting from the mistaken disclosures by smaller entities. Whether or not this is true is not the point; rather, it is the perception of this asymmetric situation that matters.

In response to the fundamental fairness of a grace period and the unequal effects of the status quo, the classic argument about legal certainty is insufficient. It is an abstraction that fails to account for the very substantial uncertainty that already exists, independently of whether a grace period is provided, in any patent search. No empirical evidence has demonstrated that a grace period creates any significant incremental uncertainty. And the abstract concern stands in stark contrast to the clear and existential harm to innocent inventors, who can lose all their rights.

Requiring an inventor declaration would effectively maintain a variation of the status quo, because it would put the inventor at risk of an insufficient statement. The declaration would become the focus of inquiry: did the inventor think of everything that might destroy novelty?



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If an argument can be made that he has missed something, then the risk remains that he will be stripped of his invention. In this regard, the declaration would provide very little benefit while setting a trap for the unwary inventor.

Although a proper concern for fairness and simplicity has led most stakeholders to conclude that a grace period is desirable, there also seems to be agreement that the inventor should not be rewarded for delay and should be encouraged to enter the patent system at the earliest reasonable time. For that reason, the majority viewpoint is that a “safety net” type of grace period should be provided, in which third parties would be able to preserve their intervening rights.

Consequently, FICPI urges the relevant authorities to come to an agreement, at the earliest possible time, on the institution of a global grace period of the “safety net” type, measured from the filing date or the priority date for a period of twelve months, without any requirement for an inventor declaration.

*[End of document]*



## FICPI Position on Prior User Rights

### INTRODUCTION

FICPI has generally supported the concept of Prior User Rights (PUR) as an essential element of a patent system based on a first-to-file or first-inventor-to-file system. FICPI has studied the issue in connection with other questions, especially in connection with a novelty grace period for patents, but this is the first systematic review made by FICPI on this matter.

A FICPI Working Group on PUR was formed in Sorrento in October 2013. Thereupon, the issue was discussed at a number of FICPI meetings in 2014, viz. a Work and Study Commission (CET) meeting in Marrakesh in January 2014, at an Executive Committee (ExCo) meeting in Kyoto in April 2014 (including a Workshop with ExCo delegates), at a further CET meeting in Reykjavik in July 2014, an ExCo meeting in Barcelona in November 2014, within the Australian FICPI group in December 2014, at yet another CET meeting in Oxford in January 2015, and during a final round of correspondence in March 2015.

### GENERAL DEFINITION OF PRIOR USER RIGHTS (“PUR”) AND EXISTING LAW AND PRACTICE IN VARIOUS JURISDICTIONS

In broad terms, a Prior User Right (“PUR”) is the right of a party to continue the use of an invention when that use has begun, or the knowledge of the invention has been acquired, before a patent application was filed by another party. Provisions on such rights, governing PUR, exist in the legal systems of most countries. There are a few exceptions, e.g. Argentina, Chile and South Africa.

In the countries having PUR provisions, the legal definitions for those provisions vary from very general to very specific. France has a rather short and general provision (Article L613-7) stating that any person, who...was, in good faith, in possession of the invention...shall enjoy a personal right to work that invention...; not unlike in Germany where a patent shall have no effect against a person (for his own business) who has already begun to use the invention ... or made the necessary arrangements to do so, whereas Australia has a lengthy and detailed provision (Section 119) awarding PUR to a person: “...who was exploiting the product, method or process in the patent area, or had taken definite steps...to exploit the product, method or process...”. The Australian provision has a number of specific limitations, e.g., concerning derivation from the patentee. PUR is awarded on condition that the information source from which it was derived had been made publicly available by or with the consent of the patentee. Thus, a PUR according to the Australian provision can only be based on derived information which is in the public domain. The Australian Section 119 is reproduced, in its entirety, in Appendix 1. It should be observed that this provision does not include the requirement of “good faith”.

### PREVIOUS FICPI COMMENTS ON PUR

A PUR is often considered to be a necessary complement to a novelty Grace Period (GP). For example, a significant question concerning GP is whether third parties may acquire PURs in the time





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interval between the initial disclosure of an invention by an inventor, and the subsequent filing of a patent application, within the GP, by the same inventor.

FICPI has confirmed its position several times on the GP, and in the White Paper FICPI/WP/2013/01 published in 2013, it was stated that “Third parties may acquire prior user rights irrespective of a disclosure made by the inventor before the filing date under the grace period, provided that all other criteria for obtaining prior user rights are met”. Thus, FICPI supports the coexistence of a GP regime and a PUR regime.

### **“PUR” AS AN ELEMENT OF PATENT LAW HARMONIZATION**

In jurisdictions based on the first-to-file principle, PURs are generally regarded as an essential component serving to strike an appropriate balance between those who file patent applications and those who wish to maintain their invention as a trade secret. Now that the United States has shifted from a first-to-invent to a first-inventor-to-file system, it has accepted the need to introduce PUR provisions into its law. Also, in the patent law harmonization discussions, which have been underway in various fora during the recent decades, the concept of PUR has been seen as an important part of any harmonization scheme. For example, in the Tegernsee Consolidated Report, published in 2014, PUR was one of the four major topics being analyzed.

Furthermore, AIPPI, a FICPI sister organization, has studied the issue of PUR and has passed a resolution at its Toronto Congress in September 2014.

Accordingly, PUR has become an issue of high importance, at least as a symbolic element, in current discussions on the possible harmonization of international patent law.

### **IMPORTANCE OF “PUR” TO VARIOUS STAKEHOLDERS, ARGUMENTS THAT JUSTIFY “PUR”**

A basic justification of the patent system is to stimulate innovators to protect their inventions by filing patent applications and to subsequently disclose the invention comprehensively to the general public. However, some innovators prefer to keep the invention, or at least some aspects of the invention or related innovations, as a trade secret.

It is generally agreed that innovators should not be forced to use the patent system in order to allow them to use what they have started to do legitimately.

Also, it is considered fair that a commercial enterprise that has made investments in an innovation of a new technology, should be allowed to pursue its efforts, and that it should have a right to carry on with its business, based on its innovation, irrespective of the subsequent activities of third parties who may file patent applications at a later stage.

A secondary effect of PUR, in jurisdictions having effective GP provisions, is that the mere existence of PUR will encourage (other) innovators to prepare and file patent applications early on, rather than relying on the GP. Thus, PUR will have an indirect effect of stimulating use of the patent system. Those who make a pre-filing disclosure to the public, relying on the GP, should file a patent





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application as soon as possible, otherwise third parties might obtain patent rights to the invention. This aspect is often referred to as a “safety net”, when considered from the perspective of the party having made a pre-filing disclosure.

Moreover, a PUR will give the prior user an opportunity to develop their ideas before they would otherwise become disclosed if filed under the patent system. A prior user, who is an inventor, can defer the decision as to whether or not to file a patent application for their invention, for some time, with the comforting knowledge that if another party files a patent application for the invention they will still be able to continue using the invention under a PUR. Such reliance on PUR could be seen as an alternative to the filing of a patent application, as long as the prior user starts the use before the third party files a patent application on similar subject matter. Also, as long as the use is performed without being disclosed to the public, the prior user can also file a patent application at a later date, at least in most jurisdictions.

### BASIC ASPECTS OF “PUR” SUPPORTED BY FICPI

#### Who may be entitled to prior user rights, and what kind of use is necessary to create PUR?

The actual person, or business unit (which may be a part of a legal entity), that has commercially exploited an innovation, or has made serious and definitive preparations for such commercial exploitation, including a substantial financial investment, is entitled to PUR. Such rights can only be transferred to others together with the business unit that was entitled to PUR.

In case the use is based on knowledge being derived from others, special conditions should apply, as set forth below under “Good Faith Requirement, Derivation”.

Generally, the PUR cannot be licensed to others.

#### Is there a time limit for acknowledging PUR?

The prior user has to start the commercial exploitation, or must have completed significant preparations for such exploitation, before the priority date of any patent application filed by a party. Moreover, the exploitation must be on-going immediately before the priority date of any such patent application.

#### What kind of use should be permitted under PUR?

Only minor modifications should be permitted, but they must not affect the essence of the invention being exploited. Thus, all embodiments within the scope of a patent may not necessarily be permitted to be exploited by a prior user, only the embodiments or modes of use that the prior user had enabled before the priority date.

#### Proof of right when relying on PUR

Any party, who relies on PUR vis-a-vis a patent holder, has the burden of proof with respect of its previous activities to establish the right to continue exploiting the innovation.



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### SOME SPECIFIC ASPECTS OF “PUR” OF SPECIAL INTEREST TO FICPI

#### Good faith Requirement, Derivation

Many patent laws, in various jurisdictions, specifically require “good faith” for the prior user to be awarded PUR. However, it is also recognized, in some countries, that the good faith requirement is difficult to assess in practice. Therefore, in some northern European countries, the requirement is more permissive in that the only condition is that the exploitation should not constitute an “evident abuse” in relation to the applicant/patentee. In other countries, e.g. in Russia, PUR is awarded only if the prior user has conceived the invention independently of the patentee. In yet other countries, as indicated above in the introductory paragraph, in particular in Australia and New Zealand, there is a provision that PURs be given if and only if:

- the prior user exploited the invention already before the priority date of the patent application,
- in case of derivation, the applicant had made the invention publically available, and
- the prior user had not stopped or abandoned the invention at the priority date.

Within FICPI, the latter Australian provision has been discussed as a possible legal provision that would be relatively easy to assess in practice in court proceedings. However, arguments have also been raised in favor of a somewhat broader or more permissive criterion that would be fairer to a prior user acting in good faith.

Accordingly, FICPI now proposes that PURs should be awarded to a party, despite the existence of a patent application owned by some other party, if:

- 1) the prior user legitimately started commercial use, or had made significant preparations for such use prior to the priority date of the other party’s patent application, even in case the other party, relying on a grace period provision in the particular jurisdiction, had already disclosed the invention publicly before said priority date, provided that:
- 2) one of the following conditions are also met:
  - 2a. the prior user conceived the invention quite independently of the applicant/patentee;
  - 2b. the prior user exploited the invention based on knowledge which was in the public domain at the time the prior user started commercial use or had completed significant preparations for such use; or
  - 2c. the prior user derived non-public knowledge of the invention from the applicant/patentee and started the prior use with the direct or implicit consent by the applicant/patentee (“implied license”), there being no abuse in relation to the latter, in particular no contractual or implicit obligation for the prior user to refrain from using the invention or disclosing it to third parties or to the public. Conversely, PURs should not be recognized in case the prior user



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derived non-public knowledge from the applicant/patentee and started to exploit the invention without consent by the applicant/patentee.

In essence, this proposed provision is very similar to the provisions in the patent laws of Australia and New Zealand, but is somewhat broader because of the implied license situation in item 2c.

FICPI believes that the above proposed requirement strikes a proper balance between the interests of the stakeholders involved, including patent applicants, parties developing technology in cooperation with patent applicants, third parties and the public at large.

### Territorial considerations

It is broadly agreed that continued use by the prior user should be permitted only within the jurisdiction where the prior use took place. However, in regional systems, such as within the territory where the European Patent Convention (EPC) is implemented, it is not clear whether the principle of PURs should have effect only in the particular national state, where the prior use took place, or within the whole territory of the particular regional patent system.

On balance, FICPI believes that the territorial scope of PURs should provide a proper balance between the interests of the patentee and the prior user, taking into account the existence or not of a regional patent system having uniform effect in a plurality of states encompassing the prior use and the existence or not of a single market of multiple states encompassing the prior use.

### CONCLUSIONS

FICPI considers Prior User Rights (PURs) - the right to continue exploiting an invention after having started exploitation without infringing any patents held by others - to constitute an essential element of any patent system based on the first-to-file or first-inventor-to-file principle. This is especially important in case the patent system includes an effective Grace Period (GP) provision of the “safety net” type. In such a system, the existence of PUR will provide a proper balance.

However, the PUR should be limited to preserve the balance by providing conditions for the prior user. Primarily, PUR should be acknowledged for independently created inventions. On certain conditions, however, even derived knowledge may form the basis of a right to start and continue the use of an innovation for which another party subsequently files a patent application, but the prior user may not exploit the invention on the basis of non-public information, derived from another party, without the consent of the latter party.

A party claiming PUR has the burden of proof regarding its prior activities to justify a continued exploitation, within a territory being geographically limited to the particular jurisdiction where the activity took place.

*[Annex 1 follows]*



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### Annex 1: Australian provision on Prior User Rights (Section 119)

#### *Infringement exemptions: prior use:*

(1) A person may, without infringing a patent, do an act that exploits a product, method or process and would infringe the patent apart from this subsection, if immediately before the priority date of the relevant claim the person:

- (a) was exploiting the product, method or process in the patent area; or
- (b) had taken definite steps (contractually or otherwise) to exploit the product, method or process in the patent area.

(2) Subsection (1) does not apply if, before the priority date, the person:

- (a) had stopped (except temporarily) exploiting the product, method or process in the patent area; or
- (b) had abandoned (except temporarily) the steps to exploit the product, method or process in the patent area.

#### *Limit for product, method or process derived from patentee:*

(3) Subsection (1) does not apply to a product, method or process the person derived from the patentee or the patentee's predecessor in title in the patented invention unless the person derived the product, method or process from information that was made publicly available:

- (a) by or with the consent of the patentee or the patentee's predecessor in title; and
- (b) through any publication or use of the invention in the prescribed circumstances mentioned in paragraph 24(1)(a).<sup>1 2</sup>

#### *Exemption for successors in title Definition:*

(4) A person (the **disposer**) may dispose of the whole of the disposer's entitlement under subsection (1) to do an act without infringing a patent to another person (the recipient). If the disposer does so, this section applies in relation to the recipient as if the references in subsections (1), (2) and (3) to the person were references to:

- (a) the disposer; or

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<sup>1</sup> There is currently a bill before the Senate including an amendment to delete "through any publication or use of the invention" so that it corresponds to the wording defining the amended grace period.

<sup>2</sup> There is currently a bill before the Senate including an amendment to delete "through any publication or use of the invention" so that it corresponds to the wording defining the amended grace period.



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*(b) if the disposer's entitlement arose because of one or more previous applications of this subsection – the first person:*

- (i) who was entitled under subsection (1) (applying or its own force) to do an act without infringing the patent; and*
- (ii) to whom the disposer's entitlement is directly or indirectly attributable.*

### **Definition**

*(5) in this section:*

***exploit*** includes:

- (a) In relation to a product:*
  - (i) make, hire, sell or otherwise dispose of the product; and*
  - (ii) offer to make, hire, sell or otherwise dispose of the product; and*
  - (iii) use or import the product, and*
  - (iv) keep the product for the purpose of doing an act described in subparagraph (i), (ii) or (iii); and*
- (b) in relation to a method or process:*
  - (i) use the method or process; and*
  - (ii) do an act described in subparagraph (a)(i), (i), (ii) or (iv) with a product resulting from the use of the method or process.*

***[End of Annex 1 and End of Document]***



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### Resolution of the Executive Committee, Barcelona, Spain, 2 to 5 November 2014

#### “Double Patenting”

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee held in Barcelona, Spain, 2 to 5 November 2014, passed the following Resolution:

**Recognising** that a fundamental principle underlying the patent system is that an applicant receives a time limited monopoly for the full scope of an invention as disclosed and claimed in one or more patent applications in exchange for disclosing the invention;

**Observing** that for various legitimate reasons an applicant may wish to pursue two or more patent applications for different variants or embodiments of an invention, for example by filing the applications simultaneously or by filing one or more applications divided or otherwise derived from their previously filed parent application, and the claims of these two or more applications may at least partially overlap in scope, and/or may relate to similar or related subject matter that is not considered to be patentably distinct;

**Noting on the other hand** that, in some jurisdictions, the patent authorities (patent office and/or courts) raise “double patenting” objections where co-pending applications and/or patents filed by the same applicant contain claims having at least partially overlapping scopes or relating to subject matter that is not patentably distinct, with the objective of avoiding a perceived possible harm to the public or third parties, which it is believed could result from granting the applicant multiple patents claiming similar or related inventions;

**Observing** that, in direct conflict with the fundamental principle underlying the patent system mentioned above, double patenting rejections may have the detrimental result that an applicant does not receive patent protection for certain variants or embodiments of the invention even though such variants or embodiments have been disclosed to the public in at least one of the patent applications, or the scope of protection obtained by an applicant might not be commensurate with the applicant’s full contribution to the art;

**Believing** that such resulting detriment to applicants significantly outweighs any perceived possible harm to the public or third parties which may result if multiple patents are granted to the same applicant;



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**Further noting** that the removal of the basis for such a double patenting objection by amending the claims to remove overlap between one patent application and another, or to render the claims of one patentably distinct with respect to the other, can often be difficult or impossible, and, if attempted, can leave substantial gaps in protection provided by the resultant amended claims;

**Urges**, in jurisdictions including specific provisions that prohibit double patenting:

- (1) that laws should be reviewed and, if necessary, amended in order to limit such provisions only to claims that have identical scope in co-pending applications and/or patents that have been filed by the same applicants, with the same effective filing date; or
- (2) if other types of double patenting objections must continue to be raised, including in circumstances where the claims of the two patents or applications are not patentably distinct or where claims simply overlap, that laws should be reviewed and, if necessary, amended so that an applicant or patentee can overcome the objection by a simple mechanism, such as offering to maintain common ownership between the two patents, without requiring amendment of the claims;

**Also urges**, in jurisdictions that do not include specific provisions to prohibit double patenting, but where double patenting objections are nonetheless raised:

- (1) that the patent authorities refrain from issuing double patenting rejections, and
- (2) that the patent authorities take steps to ensure that patents are not invalidated based on double patenting.



### **THE PROBLEM WITH SECRET PRIOR ART**

#### **Key points:**

- It is generally agreed that the International patent system would benefit from some harmonisation of substantive patent laws, particularly in relation to the definition of prior art and the treatment of earlier filed but later published applications ("conflicting applications").
- Although in concluding the European Patent Convention in 1973 it was possible to reach a consensus among the 19 member countries in relation to the treatment of conflicting applications, no such consensus has been reached in WIPO forums involving the United States.
- The descriptors "first to file" and "first to invent" as applied to patent systems are short hand references to the way conflicting applications are treated in those systems. It is therefore not surprising that principles and practices developed in a first to invent system may not be readily transposable into a first to file system. In particular, while conflicting applications represent actual prior art in a first to invent system they do not represent prior art in a first to file system.
- Although the United States has abandoned its first to invent system in favour of a new "first inventor to file" system, the new system borrows several elements from the earlier first to invent system, particularly in relation to the treatment of conflicting applications and application of the grace period. The system introduced into the United States with the America Invents Act is new, and it remains to be seen over time whether this hybrid system will work well in practice.
- The European "whole of contents novelty" approach to the treatment of conflicting applications represents a further extension of the "prior claiming" approaches popular throughout Europe prior to commencement of the EPC in 1977. These approaches acknowledge that both first and second applicants have made inventions over the prior art and are deserving of patent protection, but require the later applicant to subtract subject matter disclosed (or claimed) in the earlier application from their claims to avoid double patenting. There is no assessment of whether the later applicant has made a novel or inventive contribution over the disclosure, or claims, of the earlier applicant. The whole of contents is only deemed to be part of the state of the art for novelty so that the subject matter to be subtracted from the later claims can be identified.
- The European whole of contents approach, while going further than necessary to avoid double patenting, has the advantage that it avoids the need to defer examination of the later application until the claims of the earlier application are finalised.
- The whole of contents approach also avoids creating a gap or "distance" between the claims of the patents granted on the earlier and later applications. Any such gap is likely to include subject matter enabled by the later patentee, but for which protection is not obtained by either patentee. The subject matter in the gap could be exploited with impunity by third parties to the detriment of both patentees.
- Group B+ should look more closely at the benefits (including simplicity) of the European whole of contents approach as a model system for international harmonisation of the treatment of conflicting applications. Adopting a system that has stood the test of time within a first to file system is preferable to adopting any new hybrid system that has not previously been put to the test.

The need for international harmonisation of substantive patent law was recognised by WIPO's Standing Committee on the Law of Patents (SCP) in November 2000, leading the SCP to focus its efforts on concluding a *Substantive Patent Law Treaty* (SPLT). Despite numerous meetings and the preparation of a number of drafts of a possible SPLT, the negotiations were put on hold in 2006. In view of the continued interest of many WIPO

member countries in progressing negotiations in relation to substantive patent law harmonisation, including all members of WIPO's Group B, the Group B+ was established to move forward on substantive patent law harmonisation.

One topic currently being considered by Group B+ is conflicting applications. A conflicting application is a patent application having a filing date (or priority date) earlier than that of an application or patent under consideration, but which was published later. Efforts towards consensus in respect of the treatment of conflicting applications have thus far failed.

In the past, one of the main areas of contention in relation to the way conflicting applications should be treated was the insistence by United States delegates that such applications should be considered as prior art for the purpose of assessing inventive step in addition to novelty. Such treatment of conflicting applications was considered to be unacceptable to all other countries operating under first to file principles.

However, with the commencement of the *America Invents Act* (AIA) in 2011, and the replacement of the old first to invent patent system with a new "first inventor to file" regime, it might be expected that one of the major stumbling blocks to reaching an agreement in relation to the treatment of conflicting applications would be removed. Unfortunately, this is not necessarily the case. Although the United States has introduced a new patent law based primarily on first to file principles, the AIA carries with it some elements and principles from the old first to invent system. This includes the way conflicting applications are treated. Under the AIA not only are earlier filed but later published applications considered relevant for the assessment of both inventive step and novelty, but the grace period provisions included in Section 102(b)(1)(B) and (2)(B) also appear to import first to invent principles.

While the AIA is referred to as a "first inventor to file" system, owing to the grace period provisions the patent is not always awarded to the first inventor to file. An inventor who publishes his invention and then seeks to rely on the grace period will prevail over an independent inventor of that same subject matter who files an application first, but within that grace period. Publication of the invention by the independent inventor during the grace period will also not interfere with the ability of the inventor who published earlier to obtain a patent. Both of these grace period provisions accord a right of priority to an inventor based on their publication of details of the invention, rather than the filing of an application in respect of that invention. Non-statutory obviousness-type double patenting is another carryover from the first to invent system, as well as being a carryover from the old pre-TRIPS law according to which patents received a 17 year term from the grant date.

In order to have a meaningful and productive discussion in relation to the treatment of conflicting applications, it is important for those involved in the negotiations to have a comprehensive understanding of the fundamental differences between "first to invent" and "first to file" systems, particularly in relation to the way approaches to deal with conflicting applications have developed within these systems. It is important to note that the descriptors "first to invent" and "first to file" are in fact references to the way conflicting applications are treated according to the respective systems. It should therefore come as no surprise that laws and principles which have been developed to satisfy one of these systems may not function as well in the other system.

#### First to invent system

As the name suggests, a first to invent system, such as the previous United States system, accords priority to the first inventor. Various practices and principles were developed over the years to ensure that first inventors received full protection for the inventions they had conceived and for which they sought protection. An earlier filed application that was unpublished at the time a later application was filed was true prior art, in the sense that it represented evidence that someone other than the later applicant had made the same or

similar invention at an earlier time. Of course it was also possible to "swear behind" such earlier filed applications if the applicant could evidence having made the invention prior to the filing date of the earlier application. These earlier filed applications were considered to be "secret" prior art because they were not available to the public (or to the later inventor) at the time of filing the later application. The term "secret prior art" is an apt term to describe such earlier applications.

Accordingly, in the first to invent system, it was necessary to find some inventive advance in the later application over and above the disclosure of the earlier filed application before the later applicant could be awarded a patent. This all seems fair and reasonable in a system designed to award patent rights to a first inventor.

According to information published by Ladas and Parry LLP on its website on 7 May 2014, the United States patent system has operated on first to invent principles for well over a hundred years, and possibly since the first *United States Patent Act* of 1790. In fact, according to the Ladas and Parry commentary, a mechanism was set up in 1870 for resolving disputes as to who had invented a particular invention which involved creating a new post of "Examiner in charge of interference". Based on this long history of applying first to invent principles when dealing with conflicting applications, it is not unexpected that United States practitioners had, and continue to have, difficulty accepting that such earlier filed but later published applications are not considered prior art at all in a first to file system. Once this important fact is appreciated, the approaches adopted in first to file countries or regions, such as Europe, should make far more sense to these practitioners.

#### First to file system

It may come as a surprise to many that the United Kingdom only adopted a first to file system in 1883. Prior to 1883 patents were granted, not to the first applicant, but to the first applicant to prosecute their application through to grant. Once this patent was granted, it was no longer possible to grant another patent for that invention to an earlier applicant. This was the result of a decision *In Re Bates and Redgate's application*, L.R. 4 Ch. 577. However, where both applications were filed on the same day, separate patents could be granted to both applicants. See *In Re Dering's patent* 13 Ch 393.

In view of the perceived injustice to the earlier applicant, the Patents Act was amended in 1883 to include a provision which accorded priority to the first applicant. According to Section 13 of the *Patents Act 1883*, the granting of an initial patent to a later applicant did not prevent the granting of a patent for the same invention to an earlier applicant. However, it appears that once the patent was granted to the later applicant, the earlier applicant could not take any action to have that patent revoked.

This situation was clarified in the *Patents Act 1907* which introduced a prior claiming approach to conflicting applications. According to this prior claiming approach, the later applicant was required to subtract from their claims subject matter claimed in a patent granted on an earlier application. However, if the earlier application or patent was abandoned, or the claims amended to remove the overlap, there was nothing to prevent the full scope of protection to be granted to the later applicant. This type of prior claiming approach to the assessment of conflicting applications was also applied in France and Germany up until the commencement of the *European Patent Convention* (EPC). The same approach was also used by other countries such as Australia, New Zealand and India.

Under a prior claiming approach, earlier filed but later published applications are not considered to be part of the state of the art or prior art base against which novelty and inventive step are assessed. In fact, according to a prior claiming system, both the first and second applicants are considered to have made patentable inventions over and above the state of the art and, but for the avoidance of double patenting, are deemed equally deserving of patent protection. The problem, however, is that once a patent is granted to

one of the applicants for a particular invention it would undermine the value of that patent if another patent for that same invention was granted to another party.

Accordingly, under the prior claiming approach prosecution of the later application was placed on hold pending the outcome of examination of the earlier application and the finalisation of the claims to be granted. Only then could the Examiner determine the extent of the subject matter that needed to be subtracted from the claims of the later application. If the earlier application did not proceed to grant, or if the granted claims did not include subject matter within the scope of the claims of the later application, then nothing needed to be subtracted and the later applicant could obtain full protection for the invention they made.

This system for dealing with conflicting applications was considered to strike the correct balance between the first and second applicants, allowing the second applicant to pursue protection for all subject matter included within the scope of their claims that was not claimed by the earlier applicant. Since the earlier application was not part of the state of the art, there was no need to conduct any assessment as to whether the second applicant made any novel or inventive contribution over and above what was disclosed in the first applicant's patent specification.

While the prior claiming system was popular in Europe before commencement of the EPC, it did have some drawbacks. One of the main drawbacks was delay. The later filing applicant was required to wait until the fate of the earlier application (or applications) was known before examination could be completed. The problem was compounded if serial divisional applications were filed. Another disadvantage, although not considered to be of great significance, was that the prior claiming system did not allow an earlier applicant to dedicate their invention to the public by abandoning the patent application since there was always the danger that the subject matter could be monopolised by a later inventor who filed an application in respect of the same or a similar invention. These disadvantages of the prior claiming system ultimately led to the adoption of the so-called "whole of contents" novelty approach to the assessment of conflicting applications found in the EPC. More recently other countries such as Australia and New Zealand have replaced "prior claiming" with European-style whole of contents "novelty" systems for the same reasons.

However, prior to commencement of the EPC in 1977, there were earlier attempts to harmonise substantive patentability requirements throughout Europe, including approaches to the treatment of conflicting applications.

#### Strasbourg Convention on Unification of Certain Points of Substantive Law on Patents for Inventions 1963

From 1961 to 1963 the Council of Europe, through the Bureau of the Committee of Experts on Patents, carried out work on the development of a *Convention on Unification of Certain Points of Substantive Law on Patents for Inventions*.

#### *Preliminary draft Convention*

Attached to the report of a meeting held in Paris on 16 and 17 March 1961 was a preliminary draft of such a Convention which included three possible provisions for dealing with conflicting applications. These versions were proposed by experts from Scandinavia, the Federal Republic of Germany and the United Kingdom respectively. The three proposals were criticised as they extended consideration of the "prior arts" to the whole contents of the application from which they were derived instead of limiting consideration to the protection afforded by the patent granted on the earlier application.

### *Second draft Convention*

The next draft Convention attached to the report of the Committee of Experts on Patents dated 8 May 1961 included two provisions for dealing with conflicting applications, one in which the claims in a patent granted on an earlier application were considered to be comprised in the state of the art, and another optional provision by which the whole contents of the application or patent could be considered to be comprised in the state of the art. In either case, inventive step or obviousness was judged with reference to the state of the art without exception. In justifying inclusion of the broader optional clause the report indicated that it was merely an option for the States which they were in no way bound to exercise.

There was a significant objection to the inclusion of the broader clause by Scandinavian experts who preferred limiting the provision to the granted claims of the earlier application. This concern was emphasised in particular by the Swedish Society of Patent Agents who were "strongly opposed" to the broader alternative.

Various proposals and suggestions were made by representatives of European countries including an option suggested by the United Kingdom delegation to not just consider the subject matter claimed in an earlier filed patent, but to also consider obvious equivalents and modifications of the claimed subject matter. This option was not adopted.

The Committee of National Institutes of Patent Agents (CNIPA) was particularly concerned about any attempt to include unpublished matter in the state of the art. In a submission dated 7 May 1963 they argued:

*"no attempt, as in the draft of August 1962, to deal with the problem by artificially including unpublished matter in the state of the art can lead to a satisfactory result. If, for instance, everything disclosed in a patent of earlier date forms part of the state of art, then it becomes impossible to obtain a later patent protection for matter which, those so disclosed, is not the subject matter claimed in the earlier patent."*

In other words, the CNIPA was strongly in favour of a prior claiming approach to the treatment of conflicting applications.

### *Final Convention*

Eventually on 27 November 1963 the member state of the Council of Europe agreed to the following wording of Articles 4 and 5 (with bolding added) which deals with earlier filed but later published applications:

#### **Article 4:**

1. *An invention shall be considered to be new if it does not form part of the state of the art.*
2. *Subject to the provisions of paragraph 4 of this article, the state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of the patent application or of a foreign application, the priority of which is validly claimed.*
3. ***Any Contracting State may consider the contents of applications for patents made, or of patents granted, in that State, which have been officially published on or after the date referred to in paragraph 2 of this article, as comprised in the state of the art, to the extent to which such contents have an earlier priority date.***

4. *A patent shall not be refused or held invalid by virtue only of the fact that the invention was made public, within six months preceding the filing of the application, if the disclosure was due to, or in consequence of:*

a. *an evident abuse in relation to the applicant or his legal predecessor,*  
*or*

b. *the fact that the applicant or his legal predecessor has displayed the invention at official, or officially recognised, international exhibitions falling within the terms of the Convention on international exhibitions signed at Paris on 22<sup>nd</sup> November 1928 and amended on 10<sup>th</sup> May 1948.*

#### **Article 5:**

*An invention shall be considered as involving an inventive step if it is not obvious having regard to the state of the art. **However, for the purposes of considering whether or not an invention involves an inventive step, the law of any Contracting State may, either generally or in relation to particular classes of patents or patent applications, for example patents of addition, provide that the state of the art shall not include all or any of the patents or patent applications mentioned in paragraph 3 of Article 4.***

Accordingly, it became optional whether or not a contracting State chose to consider the whole of contents of an earlier filed later published application as being part of the state of the art. Even if a country did decide to include it as part of the state of the art, there was a further option to exclude it from any assessment of inventive step or obviousness.

#### European Patent Convention

During the period in which the *Strasbourg Convention 1963* was negotiated a number of other conventions were under discussion dealing with harmonisation of classification, unity of invention, patent term and the like. Eventually work focused on establishing a European system for the grant of patents.

#### *Preliminary draft Convention*

At its meeting in Brussels on 21 May 1969 the Inter-Governmental Conference for the setting up of a European system for the grant of patents decided to draw up a draft Convention. The first preliminary draft of the Convention included Article 11(3) which stipulated that the contents of an earlier application for a European patent published on or after the filing date or priority date would be considered as comprised in the state of the art. Article 13, which related to the assessment of inventive step, included two variants. The first variant specified that earlier filed but unpublished European applications were not to be considered in deciding whether or not there has been inventive step. The second variant indicated that such earlier filed applications could be used in the assessment of inventive step provided that each document was considered separately.

The report published in association with the first preliminary draft Convention specified that the rules of patentability in the draft convention had been taken from the *Strasbourg Convention 1963*. However, the report mentioned that some modification of the provisions dealing with earlier filed but later published applications had been made by the working party. One of the modifications was to specify that such prior applications are only taken into consideration when intended for the same country as the application that is being examined, while the other modification was to totally or partially exclude such applications

from being considered in deciding whether or not there was an inventive step. Despite these modifications the report by the British delegation on Articles 11 and 13 pointed out that Article 11(3) was *"of course more severe than that adopted in, for example, the UK, German and French laws which adopt the test of prior claiming"*.

#### *Second preliminary draft Convention*

Following a meeting in Luxembourg from 20 to 28 April 1971, the Inter-Governmental Conference published a second preliminary draft of the Convention. While there was no change to Article 11(3), Article 13 was amended to remove the second variant. Accordingly, earlier European patent applications of the type referred to in Article 11, paragraph 3, were not to be considered in deciding whether there has been an inventive step. It appears from a report published in relation to the activities of the working party of the Inter-Governmental Conference that the decision to remove the second variant was made in a meeting held earlier in April 1970.

#### *Preparatory documents for Munich Diplomatic Conference*

The versions of Articles 11 and 13 (renumbered as Articles 52 and 54), as they appeared in the preparatory documents drawn up for consideration at the Munich Diplomatic Conference for the setting up of a European system for the grant of patents to take place from 10 September to 6 October 1973, were in substantially the same form as they appeared in the second preliminary draft of the Convention. A slight change was made to Article 52(3), to specify that it was the content of the European patent applications (as filed) that was to be considered, and that the filing date of the European patent application must be prior to the filing date or priority date of the European patent application under consideration. No changes were made to Article 54, other than to take into account the renumbering of the Articles.

In the official compilation of submissions made on behalf of various countries and non-Governmental organisations in advance of the Munich Diplomatic Conference in relation to the various provisions of the draft European Patent Convention, it is notable that few submissions were made regarding Articles 52 and 54.

However, concern about the whole of contents approach was expressed by COPRICE (Comité pour la Protection de la Propriété Industrielle dans la Communauté Économique Européenne). They stated:

*"the majority of COPRICE considers that the "prior claim approach" is clearer and more equitable. This approach has been adopted in several laws which have recently entered into force, particularly in France. It represents a development which has taken place since the signing of the Strasbourg Convention. It is true that the Convention adopted the "whole content approach" but it is felt that subsequent developments which have led, instead, to the "prior claim approach" being adopted in several national laws could be applied in the European Convention."*

They also indicated that a minority within COPRICE remained concerned that under a prior claim approach "the state of the art can only be defined with certainty when the first European patent is granted since it is only then that the terms of the claims can be defined." This minority also acknowledged that *"its difficulty is removed by the application of the "whole content approach" since the content of the first European patent application is determined when the application is filed."*

Accordingly, while the majority of COPRICE had reservations in relation to the whole contents approach, a minority recognised the shortcomings of the prior claiming approach and appreciated the benefits of moving to a whole contents approach.



Of particular note and importance was a warning provided by CPCCI (Standing Conference of the Chambers of Commerce and Industry of the European Economic Community). While they could see the benefits associated with applying the whole contents approach, they could also see that it could be a source of confusion. In this regard, they stated:

*"In the view of the Standing Conference, the state of the art must remain strictly defined by what has been made available to the public before the date of filing of the European patent application. The situation created by Article 52, paragraph 3, could be a source of confusion, in particular since there is a danger that it will influence the application of Article 54. The problem which Article 52, paragraph 3, sets out to cover does not relate to the assessment of novelty but to a conflict between two applications; it is as such that it should be dealt with."*

This warning is just as important today as it was back in 1973. It is clear that the only reason that the whole of contents of the earlier European application is to be considered to be part of the state of the art is to provide a mechanism for ensuring that the subject matter disclosed in the earlier European patent application is subtracted from the claims of a later application. This is to ensure that the patent granted to the later applicant does not claim subject matter disclosed in the earlier application.

Although double patenting could be avoided by merely excluding the subject matter claimed in the patent granted on the earlier application, the whole of contents approach goes broader than this and requires the later applicant to effectively exclude all subject matter that could have been claimed in the earlier application. This approach is justified on the basis of expediency, because it avoids the need to wait for the earlier patent or patents to be granted before finalising the scope of the claims of the later application. However, it is important to appreciate that application of the whole of contents approach is not a true assessment of novelty.

A parallel can be drawn with the "reverse infringement test" which is used in some jurisdictions, including Australia, for the assessment of novelty. The test is applied by considering whether carrying out the teaching of an earlier disclosure would inevitably result in infringement of a claim of a later filed patent. If there is infringement, then the earlier disclosure is considered to destroy the novelty of the claim. Accordingly, while the test applied is an infringement test, it is actually novelty which is being assessed. In a similar manner, applying the whole of contents approach to an earlier filed later published application is simply a mechanism for ensuring that any protection granted in respect of the later application does not encompass subject matter taught in the earlier application. It is not an assessment of whether the second applicant made a novel contribution over the disclosure of the earlier application.

Interestingly, the majority of the Standing Conference was of the opinion that any conflict between European patent applications filed on different dates should be limited to "the claims in the form in which they existed on the date on which the conflict arose".

#### *Final Convention*

Ultimately, the only further amendment made to Articles 52 and 54 before the European Patent Convention was finalised was renumbering them as Articles 54 and 56.

Accordingly, in 1973 the 19 nation working party, comprising Austria, Belgium, Britain, Denmark, Finland, France, Germany, Greece, Holland, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and Yugoslavia, came to an agreement in relation to the way conflicting applications would be treated under the proposed European patent system. Of particular importance, a solution was found which treated earlier filed later published applications the same regardless of who filed them, and did not require any protection against self-collision or terminal disclaimers.

## Patent Law Treaty

It appears from the records of WIPO that between June 1983 and June 1991 considerable work was carried out by a "committee of experts on the harmonisation of certain provisions in laws for the protection of inventions" to conclude a proposed *Patent Law Treaty*. The preparatory work in respect of this *Patent Law Treaty* was completed in November 1990, and a diplomatic conference took place in The Hague from 3 to 21 June 1991 in an attempt to conclude this Treaty. Unfortunately, it is evident that agreement was not reached and the Treaty was not concluded.

### *Diplomatic conference in the Hague*

Although the draft Treaty considered at the diplomatic conference included in Article 9 a provision which would implement "first to file" principles, Article 13 left open the possibility that the whole contents of an earlier application which was published after the priority date or filing date could be treated as prior art for the purpose of determining whether the invention possessed an inventive step. Article 13 also included a provision providing protection against self-collision in respect of such earlier applications, although a contracting party was free not to include protection against self-collision if the whole contents of the earlier applications was only considered to be prior art for the purposes of determining novelty.

After the Chairman opened up discussion in relation to draft Article 13, the Swedish delegate immediately proposed that the last sentence of paragraph (1)(a) in the text of Article 13 be deleted. This text allowed a contracting party to consider the whole contents of an earlier application for the purposes of determining inventive step. She then indicated that her delegation *"was opposed to considering the whole contents of a former application to be prior art for the purpose of determining whether an invention satisfied the requirements of both novelty and inventive step (non-obviousness), instead of only for the purpose of determining the novelty of the invention."* She also stated that *"the goal of harmonisation would be defeated by the inclusion of optional provisions, such as the one found in the last sentence of sub-paragraph (a)."*

Interestingly, with the exception of the delegation of the United States, all delegations supported the proposal of the delegation of Sweden for the deletion of the last sentence of paragraph (1)(a).

The delegate from the United States expressed the view that retaining the possibility to treat earlier filed but later published applications as prior art for the assessment of inventive step *"was the only way to achieve true harmony in respect of the application of the principles of draft paragraph (1) as a whole."* He also indicated that *"to achieve true harmonisation, an earlier application must be considered as prior art from its filing date for the purpose of determining both novelty and obviousness. Such an approach would avoid patents being granted on inventions having only obvious differences over inventions claimed in earlier-filed patent applications."* None of the delegates expressed support for the stated position of the United States.

The German delegate explained that it would be particularly unfair to *"deny patentability on the grounds of obviousness based upon prior art that the inventor could not have known about."* However, in response the United States delegate countered that it was *"equally unfair to apply it for the purposes of determining the novelty of that invention."* The United States delegate stated that in both cases *"it was secret prior art that was being applied and no distinction should be made in applying it also between novelty and non-obviousness."*

This statement by the United States delegate suggests a misunderstanding of the purpose of treating the whole contents of an earlier filed application as prior art for novelty only in a

first to file system. As discussed above, the purpose is not to assess whether or not the second applicant has made a novel advance over the disclosure of the earlier application. Rather, the purpose is to ensure that a patent granted to the second applicant will not encompass subject matter disclosed by the earlier applicant which may, or may not, eventually become the subject of a patent granted to the earlier applicant. In other words, the purpose is to avoid granting patents in respect of the same invention to different persons, and, as such, is not a matter of fairness. The novelty test, which involves treating information that has not been public as if it had been made public, is a simple method of determining what must be subtracted from the claims of the later applicant to avoid actual or potential double patenting.

This point was made by the United Kingdom delegate who stated:

*"the governing principle was that it was undesirable to have two patents for the invention granted to different persons. In such a case, the applicant who was the second should not get a patent. The question of obviousness raised different considerations. A rough justice was obtained by denying patentability to the second application which was novel over a first application, but there was no need to extend that rough justice to the question of obviousness."*

The delegate from the European Patent Office supported the positions taken by the delegations of the United Kingdom and Germany. He also explained the importance of limiting the application of the "whole contents" doctrine to the assessment of novelty to allow inventors to file later applications in respect of improvements over their initial inventions. The FICPI delegate made the point that experience with the "whole contents" system under the European patent convention *"had shown that such a system worked quite easily"*.

In the end the Chairman concluded that *"with exception of the delegation of the United States of America, all delegations had supported the proposal of the delegation of Sweden which thus would be part of the basis of further considerations in the diplomatic conference."*

When the question of self-collision was discussed, it was pointed out by the Chairman that protection against self-collision may not be needed if the last sentence of the paragraph (1)(a) was deleted. In the end, after much discussion, a decision was made by the Chairman to retain the protection against self-collision in the draft Treaty in optional form.

#### Substantive Patent Law Treaty

In November 2000 WIPO's Standing Committee on the law of Patents (SCP) decided to re-initiate work on harmonisation of matters of substantive patent law in an attempt to conclude a *Substantive Patent Law Treaty* (SPLT). One of the areas where the SCP was seeking to achieve harmonisation was in respect of the definition of prior art. It appears that the starting point for discussions was the 1991 draft *Patent Law Treaty* discussed above. In the final draft of the SPLT discussed in a meeting of the SCP on 14 May 2004 the ability for earlier filed but later published applications to be considered as prior art for the purpose of assessing inventive step was removed. The consideration was limited to novelty. Accordingly, discussions were clearly headed towards the adoption of a European style whole of contents "novelty" approach to the treatment of conflicting applications. However, in 2006 efforts to conclude the Substantive Patent Law Treaty within WIPO ceased.

#### Group B+

In view of the failure of the SCP to conclude the proposed substantive *Patent Law Treaty*, the Group B+ was established to further progress efforts to achieve international harmonisation of matters of substantive patent law. In 2014 a sub-group of B+ was set up

to consider the potential for achieving international harmonisation in relation to a number of areas, one of which was conflicting applications.

With the United States moving to a first inventor to file system, it was hoped that some of the issues which interfered with an agreement on the treatment of conflicting applications might no longer be applicable. In fact, it is now apparent from a review of the various documents relating to conflicting applications on the Group B+ website that, indeed, some progress has been made. However, it also appears that Group B+ is intent on developing a new hybrid scheme for the treatment of conflicting applications, rather than adopting a scheme presently in use, such as the European whole of contents "novelty" approach, to achieve the best solution, or at least to achieve an acceptable compromise.

More recently, Group B+ sought extensive feedback from the Industry Trilateral (IT3) group which was formed by representatives from industry bodies AIPLA, IPO, Business Europe and JIPA. The IT3 appears convinced that there must be some "distance" between the disclosure of an application and the claims of a later application. However, the reasons why there must be such a "distance" have not been clearly articulated, except that it seems to be an accepted fact within the IT3 that multiple patents granted in respect of closely related inventions is undesirable.

#### *The Japanese "enlarged novelty" system*

One potential compromise position considered by Group B+ is the Japanese so-called "enlarged novelty" approach. Under the Japanese enlarged novelty approach the claims in a later application must be amended to exclude subject matter which is substantially identical to subject matter disclosed in an earlier but unpublished application. The Japanese system also includes protection against self-collision in such circumstances.

However, if one examines the Japanese provisions, they appear to be drafted in a manner consistent with the European "whole of contents novelty" approach to the treatment of conflicting applications. Article 29-2, which is the basis for the expanded novelty test, actually only requires the exclusion of subject matter which is "identical" to subject matter disclosed in the earlier application. Article 29-2 does not use the expression "substantially identical". Similarly, the double patenting provisions set out in Article 39 also use the word "identical", not "substantially identical". It is therefore evident that the "substantial identity" test is not statutory, but rather has been derived from jurisprudence and practice of the Japanese Patent Office (JPO).

Clear problems exist with the Japanese approach to the treatment of conflicting applications and double patenting. For example, a claim directed to the free base of a pharmaceutically active agent is regarded as being "substantially identical" to a claim to salts of that active agent. Accordingly, in Japan it is not possible to pursue a first patent directed towards the free base of an active agent and then file a divisional application to obtain protection for salts. By focusing on the technical concept underlying the claims instead of claim scope the JPO considers the claims to be identical in accordance with Article 39, even though the claims do not overlap at all. In most other jurisdictions, with the possible exception of Canada, there will be no difficulty in pursuing this type of divisional strategy. Even in the United States a terminal disclaimer could be offered to obtain the second patent.

The protection against self-collision results in a further anomaly. This protection allows an applicant in Japan to file two identical applications 18 months apart and, depending on whether or not any intervening prior art is identified, decide to continue with the later filed application and gain 18 months extra term, while allowing the earlier application to lapse. The protection against self-collision available in the United States can also lead to this anomaly.

### *Terminal disclaimers*

The issue of terminal disclaimers has been discussed within Group B+. However, terminal disclaimers are not required in patent systems that provide for a 20 year term counted from the original filing date, and which incorporate a whole of contents "novelty" approach to the treatment of conflicting applications. All patents, including any divisional or continuation-type applications, will expire at the same time allowing third parties to exploit the claimed inventions from that date onwards. The United States style "patent term adjustments" that have been springing up in countries entering into free trade agreements with the United States has complicated the calculation of patent term, but these adjustments where they occur can be largely ignored since they do not generally result in a large range of expiry dates within a particular family.

Any additional patents obtained by the patentee for "novel" modifications of those inventions will not include the subject matter described and claimed in the earlier filed patents, and will in any event expire within 18 months of the expiry date of the earlier patents. The introduction of a terminal disclaimer system to reduce the term of these later patents by less than 18 months is not justifiable, and would add unnecessary complexity to an otherwise simple and straightforward system.

The terminal disclaimer system in the United States also requires common ownership of the earlier and later applications to exist at the time the terminal disclaimer is requested, and to be maintained throughout the life of the patents. However, there is no evidence that allowing patentees to assign patents within a family to different parties is an actual, rather than perceived, problem. Again, requiring applicants to maintain common ownership of related applications would introduce an unnecessary complication into an otherwise simple international system for the treatment of conflicting applications.

### *PCT applications*

Group B+ has also given consideration to the way PCT applications which do not enter national phase in a particular jurisdiction should be deemed to be part of the state of the art for that jurisdiction. However, if the internationally harmonised system for treating conflicting applications is based on a desire to prevent actual or potential double patenting, then there is no basis for recognising in a jurisdiction earlier filed PCT applications that do not enter national phase.

After the national phase deadline has expired, such applications will lose their potential to conflict with a later filed application. Unlike the indeterminate, and potentially lengthy, delays in finalising the claims of earlier filed applications in a "prior claiming" system which justified the change in Europe to a "whole of contents novelty" system, the delay in entering national phase is relatively short and predictable. In any event, an examiner considering a later filed application more than 30 or 31 months after its earliest priority date would be readily able to determine whether an earlier filed PCT application had entered national phase in that jurisdiction. Accordingly it is difficult to justify treating earlier filed PCT applications as part of the state of the art unless national phase has been entered.

### What is the preferred approach?

The best approach for dealing with conflicting applications in a first to file system is likely the simple and straight forward European approach, whereby the whole of contents of an earlier filed but later published application must be subtracted from the claims of a later application. Protection against self-collision and terminal disclaimers are not required under this framework.

The B+ sub group on patent harmonisation set out some agreed principles regarding conflicting applications. These agreed principles were as follows:

- (i) the grant of multiple patents for the same invention in the same jurisdiction should be prevented;*
- (ii) the patent system should allow for the protection of incremental inventions while ensuring that patent rights are not unjustifiably extended;*
- (iii) any system which allows incremental inventions to be patented should:*
  - (a) balance the interests of inventors to protect incremental improvements on their own inventions with the interests of third parties to operate in the same field; and*
  - (b) promote innovation and competition.*

The European approach best satisfies these agreed principles.

The European approach is by far the simplest approach devised for resolving conflicts with earlier filed but later published applications. Applying a novelty assessment to the earlier application provides a simple mechanism for identifying the subject matter which must be subtracted from the later claims. There would also be no requirement for examiners to raise or justify inventive step objections based on such earlier applications, and applicants would not have to respond to such objections. Because all applicants are treated the same, there is no need for protection against self-collision. These are very desirable features of any system for dealing with conflicting applications.

Novelty is a straight-forward test and that could be applied relatively consistently across jurisdictions. While the approach involves subtraction of more subject matter from the later claims than required to avoid double patenting, it does not require subtraction of "equivalents", which would complicate the analysis. However, a fair balance between the rights of the two inventors is achieved, and acknowledgment is made that both have made inventions over the actual state of the art. At the same time double patenting is avoided. The need to wait for the grant of claims in respect of the earlier application, as required by a prior claiming approach, is also avoided.

Of the various options proposed with Group B+, the European approach appears to be the one that best balances the interests of all parties. Group B+ may not have been correct in identifying the two "extreme" positions for the treatment of conflicting applications. While one extreme is applying an inventive step assessment to the earlier filed but later published application, the other extreme is not the European approach as suggested by Group B+. Rather, the other extreme is not applying the "fiction" that the unpublished earlier application is prior art, allowing the second application to proceed with its full contents, possibly limited to ensure that the later application does not include claims identical in scope to claims in the earlier application.

The prior claiming approach is less extreme than the European approach, only requiring the later applicant to delete from their claims the subject matter which is the subject of claims granted in respect of an earlier filed but later published application. Accordingly, the European approach which requires the later application to subtract more subject matter than would be required to avoid double patenting could be considered to be a fair intermediate position.

Treating earlier unpublished applications as "prior art" is a fiction. Since the United States abandoned its first to invent system, there is no longer any such thing as "secret" prior art. In a first to file system, earlier applications are only treated as prior art so that a prior art test can be applied to determine what subject matter must be subtracted from the second application. In this regard, expressions such as "secret prior art" and "whole of contents

novelty" are misleading. The inventive step, or obviousness, test is based on a desire to prevent the patenting of things which will be obvious to those in the field at the relevant date due to their knowledge of their art. The earlier filed but unpublished applications are not known to the art at the priority date of the second application and accordingly it is inappropriate to judge the contribution made by the second applicant as if he was aware of the contents of that earlier application. This represents an unjustified and unwarranted extension of the "fiction" that the earlier application is prior art. The European approach avoids extending the fiction beyond what is arguably necessary to avoid double patenting, while allowing examination of applications to be carried out in an expedient manner.

The European approach acknowledges that there may not be much difference between what has been accomplished by the first and second applicants. In fact, in many cases the second applicant could be the first inventor. In a first to file system it does not matter who conceived the invention first. Both first and second applicants have made substantially the same invention over the same prior art. Both have presumably carried out searches and formed the view that their inventions are novel and inventive and likely to receive patent protection. Both applicants have trusted the patent system, paid their attorney fees and official fees and filed their patent applications. They have also both fulfilled their end of the patent bargain by committing full and enabling disclosures of their inventions to the public, the second applicant being unaware of any reason why he should consider withdrawing his application prior to publication. If both filed PCT applications, then both trusted the ISR and IPRP, and for the second applicant, it is unlikely that the first application will have been identified as it is unlikely to have been published at the time the international search was carried out. Both applicants could well have invested in their businesses and the development of their inventions in the belief that they will receive patent protection. Both applicants have spent considerable sums of money entering national phase in respect of their PCT applications. The only significant difference is that the first applicant filed their application before the second applicant.

In some cases the second applicant will only learn of the first application during an opposition or revocation action, unless during national examination a top-up search was conducted to reveal the existence of the earlier application. The European approach minimises the negative consequences for the second applicant in these circumstances by only requiring the second applicant to subtract subject matter actually disclosed by the first applicant.

Applying an inventive step assessment to the first application will mean that the second applicant is in the same position as if the earlier application was published at the time the second application was filed. This favours the first applicant more than can be reasonably supported. The second applicant should at least be able to obtain protection in respect of those features which contribute novelty over the invention disclosed by the first applicant.

If the novel features provide an embodiment that fall within the scope of the claims of the first applicant, then there may be an opportunity for licensing, or cross licensing between the first and second applicants. Where the novel features provide an embodiment that falls outside the scope of the claims of the first applicant, there may be some area for the second applicant to exploit the invention without infringing the patent granted to the first applicant. This represents an acceptable compromise position.

It is also important to take into account that denying the second applicant protection for the invention he has disclosed in his patent application, including his novel contributions over the first applicant's disclosure, will allow the first applicant to adopt and use those contributions, incorporating these into his invention, without needing to compensate the second applicant in any way. This is because the second applicant has published details of the invention without obtaining any protection for it. Accordingly there is no impediment to the first applicant adopting any or all useful improvements or modifications disclosed by the second applicant.



It is advantageous to both the first and second applicants that there is no gap or "distance" between the protection they receive. The gap or distance referred to by the IT3 in their elements paper actually represents subject matter enabled by the second applicant, but for which the second applicant does not receive protection. Any additional subject matter that goes beyond novelty which must be subtracted from the second applicant's claims will represent subject matter effectively dedicated to the public, being available to third parties to exploit without answering to the first or second applicant. There is no need to require "distance" between the protection granted to the first and second applicants provided double patenting is avoided. It seems the IT3 has not given enough consideration to the consequences of requiring a distance or gap between the protection afforded to the two applicants.

Although the European system allows the granting of patents in respect of incremental inventions, and there is no actual limit on the number of such patents that any given applicant may obtain, there is no evidence that this has caused any particular problem which requires an adjustment of the European approach to the assessment of conflicting applications. Similarly, there appears to be no credible evidence that the whole of contents "novelty" approach as applied to the applications of different applicants has caused undue difficulties for users of the system.

If there is indeed a problem in a particular jurisdiction with the number of closely related patents being granted to any given applicant, or to multiple applicants, then perhaps other mechanisms might be employed to address such problems in those jurisdictions. For example, it may be that problems could be resolved by increasing the fees associated with filing and prosecuting patent applications, or renewal fees. It may also be possible to introduce rules dictating the conduct of litigation to ensure that it is carried out in good faith. Requiring "distance" between patents is an unnecessary component of an international approach to dealing with conflicting applications.

Provided it is possible to fully recognise multiple and partial priorities within a single claim, in accordance with the principles of the decision of the Enlarged Board of Appeal in G1/15, there should be no need to include any protection against self-collision. This represents another advantage of the European system.

For the reasons set out above the current European system for treating conflicting applications meets all the agreed principles established by the B+ sub group. Accordingly, Group B+ should look more closely at the benefits (including simplicity) of the European whole of contents approach as a model system for international harmonisation of the treatment of conflicting applications. The approach also has the advantage of being tried and tested in a major jurisdiction. Most practitioners and users of the international patent system will be familiar with this system, and as such implementation as an international standard should be easy. Such a system also acknowledges the reality that so-called "secret prior art" is not prior art at all in a first to file system.

**Michael Caine**  
**DAVIES COLLISON CAVE PTY LTD**

17 November 2017



FÉDÉRATION INTERNATIONALE DES CONSEILS  
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF  
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION  
VON PATENTANWÄLTEN

## Resolution of the Executive Committee, Goodwood Park, England 2 to 7 September 2001

### “Prior Art Effect of Prior Applications”

**FICPI**, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee held in Goodwood Park, England from 2 to 7 September 2001, passed the following Resolution:

**NOTING** the ongoing discussions of WIPO’s Standing Committee on the Law of Patents in connection with a draft Substantive Patent Law Treaty

**IN PARTICULAR NOTING** the proposals within those discussions for a provision that published patent applications shall constitute prior art as of their filing dates for the purposes of novelty (“prior applications”)

**ALSO NOTING** the possibility that such prior applications may constitute prior art **WITH GLOBAL EFFECT AND RECALLING** that Article 11(3) of the Patent Cooperation Treaty 1970 (as amended) provides that an international application shall have the effect of a regular national application in each designated state as of its international filing date

**APPRECIATING** that the underlying purpose of the “whole contents” treatment of prior applications as prior art in first-to-file patent systems with early publication is to avoid patents being granted to different applicants in respect of the same invention in the same jurisdiction

**BELIEVING** that it is economically undesirable to deny the grants of parallel patents for the same invention to different applicants in different jurisdictions

**AND OBSERVING** that before publication of a prior application a different applicant cannot have gained knowledge of the invention from the prior application

**RESOLVES** that the prior art effect of a prior application from its filing date should be limited to the jurisdiction in which the prior application was made

**AND** that an international patent application should not have prior art effect as a prior application in a designated state unless the requirements of Articles 22(1) or 39(1)(a) PCT for that designated state have been completed.