

SUMMARY REPORT

Question 233

Grace Period for Patents

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This Question examines national and international laws relating to “grace periods” for patents. The term “grace period” refers to a length of time before the filing date of a patent application during which certain disclosures of the invention are not considered to be prior art to the application. These types of disclosures also may be referred to as “non-prejudicial disclosures.” The Question examines the scope and term of existing grace period provisions in the various jurisdictions, and investigates the underlying public policy considerations both for and against the grace period. In addition, the Question examines national and regional views on the effectiveness and utility of existing laws, and considers national and regional opinions on potential avenues for international harmonization. In order to focus this Question on the grace period itself, this study does not consider the related issue of prior user rights.

The Reporter General has received Group Reports from the following 38 countries (in alphabetical order): Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, China, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Israel, Italy, Japan, Mexico, Norway, the Netherlands, New Zealand, Peru, the Philippines, Poland, Portugal, Rep. of Korea, Romania, Singapore, South Africa, Spain, Sweden, Switzerland, Trinidad & Tobago, Turkey, the UK, and the United States. Any report received after June 15, 2013, is listed above but its content is not included in this Summary.

The Reports provide a comprehensive review of national and regional laws and policies relating to the grace period. This Summary Report cannot attempt to reproduce the detailed responses given by each National Group. If any question arises as to the exact position in a particular jurisdiction, reference should be made to the original Group Reports.

I. Analysis of current law

- 1) Does your country or region provide a grace period of any kind for patent applicants? As used in these questions, “grace period” includes any situation where a disclosure prior to a patent filing date that would normally qualify as prior art to the patent application is disqualified as or removed from the prior art.**

All Group Reports indicate that a grace period of some kind is provided in their jurisdiction. South Africa notes that their law does not provide a grace “period” per se, because no specific time period has been included in South African legislation.

2) If the answer to Question (1) is yes, please answer the following sub-questions:
a. What is the duration of the grace period?

A wide variance in the term of existing grace period provisions was noted in the Group Reports:

Ten countries provide for a grace period of 12 months: Argentina, Brazil, Estonia, Mexico, Peru, Philippines, Rep. of Korea,¹ Singapore, Turkey, and the U.S.;

Twenty-two countries provide for a grace period of 6 months: Austria, Belgium, Bulgaria, China, Egypt, Finland, France, Germany, Greece, Hungary, Israel, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, and the U.K.;

Four countries provide for a grace period of variable duration: Australia (6 months or 12 months, depending on circumstances),² India (12 months or no specific duration, depending on circumstances),³ Indonesia (6 months or 12 months, depending on circumstances),⁴ and New Zealand (12 months for trial use in New Zealand; 6 months for disclosure at an official exhibition).

As noted previously, South African law does not provide for a specific duration of the grace period.

¹ For applications filed on or after March 15, 2012; 6 months if filed prior to that date.

² The Australian Group explains as follows:

There is a 'general' or 'overarching' grace period in Australia for any publication or use of the invention by or with the consent of the patentee or without consent if the information is derived from the patentee. There is also a grace period for inventions disclosed in specific circumstances, including recognized exhibitions, papers read before learned societies, and reasonable trial. For the following questions, where applicable, the various grace period circumstances will be numbered and referred to as follows:

Circumstance (i) – 'overarching' grace period for intentional or unintentional disclosures by or with the consent of the patentee, or without consent if the information is derived from the patentee;

Circumstance (ii) – showing, use or publication of the invention at a recognised exhibition;

Circumstance (iii) – publication of the invention in a paper read/published before a learned society; and

Circumstance (iv) – public working of an invention for reasonable trial.

The grace period is 12 months for circumstances (i) and (iv) and 6 months for circumstances (ii) and (iii).

³ The Indian Group explains as follows:

The duration of the grace period varies in different situations as discussed below:

(i). Subject matter published without the consent of the inventor – Section 29(2): No specific duration of the grace period is provided for availing grace period under this provision.

(ii). Applicant for patent filed by a third party in contravention of the rights of the inventor – Section 29(3): No specific grace period is prescribed under this Section.

(iii). Previous communication to Government of India – Section 30. No specific grace period is prescribed under this section.

(iv). The invention is displayed or published by the applicant in an exhibition notified by the Government or read before a learned society- Section 31. The duration of grace period is 12 months after opening of the exhibition or reading/publication of the paper.

(v). The invention is worked publicly for reasonable trial, where the nature of invention is such that it is necessary to do so – Section 32. Under section 32, the grace period is one year before the priority date of the relevant claim of the specification.

⁴ The Indonesian Group explains the duration of the grace period is:

6 months, under conditions:

if the Invention has been exhibited in an official or officially recognized international exhibition in Indonesia or abroad or in an official and officially recognized national exhibition in Indonesia; or

if the Invention has been exploited in Indonesia by its Inventor in relation to experimentation for purposes of research and development; but

12 months, if it was announced by any other person by way of breaching an obligation to preserve the confidentiality of the relevant invention.

b. From what date is the grace period calculated? Please indicate the effect, if any, of an international filing date and/or a Paris Convention priority date.

Considerable divergence is found in the responses to this question:

Thirteen countries calculate the grace period from the earliest claimed priority date: Argentina, Brazil, Bulgaria, China, Estonia, France,⁵ India (for cases where a specific duration applies), Mexico, Peru, Philippines, Switzerland, Turkey, and the U.S. (post-AIA cases);

Four countries calculate the grace period from the earlier of a national and an international (PCT) filing date, but exclude Paris Convention priority dates: Finland, Romania, Singapore, and Sweden;

Fourteen countries calculate the grace period from the national filing date or, for EPC members, the European filing date: Australia, Austria, Belgium, Greece, Indonesia, Israel, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Spain, and the UK; and

Three countries have variable provisions: Germany (national filing date for patents; international priority date for utility models), Hungary (priority date for Hungarian national patents and utility models, national filing date for European patents valid in Hungary), and New Zealand (priority date for grace period relating to trial use in New Zealand; filing date for grace period relating to disclosure at an official exhibition).

c. What types of intentional acts, disclosures, or exhibitions by the applicant (including the inventor or co-inventor) qualify for the grace period?

Eight Group Reports indicate that any type of act or disclosure will qualify in their country: Argentina (except PCT publications); Brazil; Estonia; Japan (excluding JPO publications); Mexico, Philippines; Rep of Korea; and Turkey.

Sixteen Group Reports indicate that only displays at an international exhibition falling within the terms of the Convention on International Exhibitions will qualify: Austria; Belgium; Finland; France; Germany; Greece; Hungary (for EP applications); Italy; Netherlands; Norway; Poland; Portugal; Romania; Sweden; Switzerland; and the U.K.

Six Groups limit qualifying disclosures to those that occur at official or officially recognized exhibitions, but without limiting such exhibitions to those falling within the terms of the Convention on International Exhibitions: Bulgaria; Egypt; Hungary (for Hungarian patents),⁶ Indonesia; New Zealand; and Spain (for Spanish patents). The Australian Group notes that the type of qualifying disclosure depends on the circumstances.⁷ The Chinese,⁸

⁵ The French Group notes there is some uncertainty on this point, as well as a difference between national and European law.

⁶ The exhibition should be specified in an announcement published in the Hungarian Official Gazette by the President of the Hungarian Intellectual Property Office.

⁷ (Referring to the definitions in Footnote 2, supra.) For (i): any and all intentional acts, disclosures, exhibitions or information made publicly available by the applicant or its predecessor in title (including an inventor or co-inventor) within 12 months before the filing date of the complete application

For (ii): showing or use of the invention at a recognised exhibition, or the publication of the invention during a recognised exhibition at which the invention was shown or used. 'Recognised exhibition' means:

Indian,⁹ and Israeli¹⁰ Group Reports refer to exhibitions recognized by the national government, as well as disclosures to or by academic societies or meetings. The Report from Singapore refers to international exhibitions falling under the Convention, but also includes disclosures to learned societies. The South African Report mentions only technical trials and experiments as being disqualified as prior art.¹¹ The U.S. Group provides the following definition: “printed publications, patents, and public uses or sales/offers for sale of the invention by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.”

d. What types of unintentional acts, disclosures, or exhibitions by the applicant (including the inventor or co-inventor) qualify for the grace period?

A strong majority (25) of reporting Groups indicate that no unintentional acts, disclosures, or exhibitions by the inventor or co-inventor qualify for the grace period. Some of these Groups note, however, that an unintentional display at an exhibition that would qualify under the Convention on International Exhibitions could fall under the grace period, *i.e.*, that there is no distinction between intentional and unintentional in this regard. Five groups indicate that any disclosure by the inventor or co-inventor, whether intentional or unintentional, would qualify for the grace period. The Indonesian and Israeli Groups state that their law is silent on this issue. Australia, Spain, and the U.S. do not distinguish between intentional and unintentional acts or disclosures. The Report from Peru references interviews or meetings carried out in connection with the invention. The Japanese Group Report notes that its standard of “acts, disclosures, and exhibitions made against the will of the applicant” may encompass unintentional acts by the inventor or co-inventor:

Compared to Europe, less strict criteria are used to determine whether such acts were done "against the will" and; not only disclosures made due to the involvement of criminal acts but also a wide range of acts caused by the applicant's error or fault are considered to be within the scope of the exception (e.g., publication in a research paper, exhibit at an exhibition, sale of goods, etc.). The types of acts

(a) an official or officially recognised international exhibition within the meaning of Article 11 of the Paris Convention or Article 1 of the Convention relating to International Exhibitions done at Paris on 22 November 1928, as in force for Australia on the commencing day; or
(b) an international exhibition recognised by the Commissioner of Patents by a notice published in the Official Journal before the beginning of the exhibition.

For (iii): the publication of the invention in a paper written by the inventor and read before a learned society, or published with the inventor's consent by or on behalf of a learned society

For (iv): the working in public of the invention within the period of 12 months before the priority date of a claim for the invention for the purposes or reasonable trial and if, because of the nature of the invention, it is reasonably necessary for the working to be in public.

⁸ There are two types of such activities:

- i) where the invention-creation was first exhibited at an international exhibition sponsored or recognized by the Chinese Government; and
- ii) where it was first made public at a prescribed academic or technological meeting.

⁹ The following intentional acts, disclosure or exhibitions by the applicant qualify for the grace period:

- (i). Communication of the invention to the Government or any person authorized by the Government to investigate the invention or its merits;
- (ii). Display of the invention by the inventor or applicant in an exhibition notified by the Government or published as a consequence of display in such exhibitions;
- (iii). Reading of the invention before learned society or published in the transactions of such society; and
- (iv). Publicly working the invention for reasonable trial, where the nature of invention is such that it is necessary to do so.

¹⁰ To qualify for the six month grace period, the disclosure has to have occurred at an industrial or agricultural exhibition in Israel or at a known exhibition in one of the member states/countries about which the Registrar has already been told before its opening day. The disclosure and/or use of the invention is 1) by the owner of the invention during the exhibition or 2) by someone else without permission from the owner, during the exhibition or outside the exhibition. The six month grace period starts at the opening of the exhibition. The inventor is also covered for a six month grace period if the disclosure was by way of a lecture delivered by the inventor to an audience of scientists belonging to a scientific society or by way of publication of a lecture in one of the official scientific journals of the society, providing notification was received by the Registrar concerning the lecture before its commencement.

¹¹ Several other Group Reports also mention trials and experimental use in the context of the grace period.

caused by the applicant's error or fault are: the applicant had no intention to disclose an invention but he/she mistakenly gave instructions or performed communication that led to its disclosure; the applicant had intention to disclose something but mistakenly thought that what's disclosed was not the invention based on which he/she was planning to file a patent application.

Specific examples include: Disclosure caused by error (wrong transmission by e-mail, fax or post); the applicant disclosed an invention at a meeting based on an understanding that all participants had signed a non-disclosure agreement (NDA), but the invention was made public by some of them who had not signed the NDA. An example of disclosures made due to the involvement of criminal acts is an act carried on by the applicant under duress (e.g., threats) from a third party.

e. What types of acts, disclosures, or exhibitions by a third party who is not the applicant, inventor, or co-inventor qualify for the grace period?

A strong majority of Groups (28) report that the only acts, disclosures, or exhibitions by a third party that would qualify for the grace period are those resulting from evident abuse or against the wishes of the applicant. Three Groups, Egypt, Mexico, and Portugal, indicate that no third party acts can qualify for the grace period. Two Groups, Korea and Turkey, state that any third party act will qualify. Brazil, Peru, and the Philippines indicate that third party disclosures derived from the inventor/applicant, and unauthorized or inadvertent patent publications by a patent office, would qualify for the grace period. The U.S. Group provides the following explanation of the effect of third party disclosures in both the pre- and post-AIA contexts:

For pre-AIA applications, a disclosure by a third party prior to the applicant's filing date is generally prior art unless applicant is able to "swear behind" it with evidence of an earlier date of invention. For applications subject to the AIA, third party disclosures prior to the inventor's earliest effective filing date generally count as prior art unless derived from the inventor.

f. To the extent not already answered in Question (2)(e) above, is there any situation where a disclosure by a third party who did not learn of or derive the invention from the inventor(s) can be covered by the grace period?

All Groups answered, "no" or were silent in response to this question. The Group Report from Brazil provided the following commentary:

If a third party achieves information about a subject matter analogous to the invention in question independent from any teachings that have been provided by the inventor or that cannot be considered "derived" from said invention, then the disclosure made by that third party would not be included in the legal grace period provision.

g. Is any type of statement or declaration by the applicant required to invoke the grace period?

Sixteen Groups report that a statement or declaration must be made by the applicant to invoke the grace period. Eleven Groups indicate that a declaration is required only with

respect to disclosures at exhibitions, and not with respect to disclosures resulting from evident abuse. Nine Groups indicate that no declaration is required, and one Group notes that its law is silent on this point.

h. If yes:

i. What are the requirements for the statement/declaration?

A strong majority of the 27 Groups having some type of declaration requirement indicate that the declaration must provide proof of the disclosure, e.g., the identity and date of an exhibition. The French Group provides this explanation:

Pursuant to Article R. 612-22 CPI and Rule 25 of the EPC Implementing Regulations, the benefit of the grace period resulting from disclosure of the invention in the context of an exhibition is conditional upon the filing of a “certificate issued at the exhibition by the authority responsible for the protection of industrial property at that exhibition and which states that the invention was in fact displayed there.” (Art. R. 612-22 CPI). This text adds that “the certificate states the opening date of the exhibition and, where applicable, the date on which the invention was first disclosed if the two dates are not the same. The certificate is accompanied by an identification of the invention, duly authenticated by the above-mentioned authority”. The benefit of the grace period resulting from an abusive disclosure of the invention by a third party is not subject to the presentation of any declaration or certificate.

The Japanese Group explains its requirements as follows:

In the case of an intentional disclosure, the applicant must submit: (1) A request in writing to apply for the exception to lack of novelty (Article 30(2) of the Patent Act), and (2) Proof documents. The request in (1) may be included in the application document, eliminating the need for a separate document. In the case of an unintentional disclosure (made against the will of the applicant), there are no procedural requirements to apply for the exception to lack of novelty.

The Chinese Group indicates that there is simply a box to check on the application form.

ii. When must the statement/declaration be filed?

Fourteen Groups indicate that a statement or notice must be included with the application filing, and a certificate or other evidence must be filed within a period of months thereafter. Five Groups state that the statement/declaration must be included as of the filing date. Two Groups, Egypt and Israel, indicate that the statement/declaration must be filed before the disclosure.

i. Is the grace period defined by a statute or regulation? If so, please provide a copy of the relevant portion of the statute or regulation.

All but one Group Report indicates that the grace period is defined by statute and/or regulations. The Estonian Group noted that the term grace period has not been defined in any regulation.

- j. **Is there any special situation where only certain types of applicants/inventors are allowed to benefit from graced disclosures? (such applicants/inventors may include SMEs, universities, individuals, etc.)**

No Group Report indicates any difference in application of grace period law based on category of applicant/inventor.

Policy

- 3) **If your country or region provides a grace period for patents, please answer the following sub-questions:**

- a. **What are the policy reasons behind this grace period?**

A significant number (19) of the responding Groups identify protection of the inventor as the primary policy reason behind the grace period. Other reasons given include: harmonization and/or conformity with conventions (11); protection against evident abuse (9); encouraging early dissemination of information (4); and protection for academic institutions, individual inventors, and SMEs (2).

- b. **Is the grace period, as it currently exists in your country or region, considered useful?**

A significant number (19) of the Group Reports consider the grace period as it currently exists in their country or region to be useful. Four Reports note that grace period provisions relating to evident abuse are useful but the provisions relating to exhibitions are not. Six Group Reports indicate that their grace period has only limited usefulness due to overly narrow scope, and five Group Reports indicate that the grace period is not useful. The Australian Group Report notes that usefulness of the grace period is limited by the lack of corresponding provisions in other jurisdictions.

- c. **Is the grace period considered more useful for a certain class of stakeholders (for example, individuals, universities, small businesses, or large businesses)?**

A majority of Group Reports (22) indicate that the grace period is not considered more useful for a certain class of stakeholders. However, a significant number of Reports (12) did find this to be the case. Among these twelve, seven identified research institutions, SMEs, and/or individual inventors as the stakeholders for whom the grace period is most useful. Four of these twelve consider the grace period most useful for those less experienced in IP law. One of the twelve (Singapore) considers the grace period most useful for three classes of stakeholders: larger businesses, who have the funding to present at international exhibitions; academic institutions, who are more likely to present in front of learned societies; and entities that collaborate with third parties for research and development. Similarly, the Japanese Group Report notes that, in addition to SMEs and universities, the grace period may be particularly useful for some industries:

The provision for exception to lack of novelty is also considered to be more useful for a certain class of industries where it is sometimes difficult to ensure confidentiality due to the need for testing and trials. For example, agrochemical

firms need to perform tests in a natural environment, pharmaceutical makers need to conduct clinical trials on humans, etc.

The Report from the Rep. of Korea provides quantitative data on use of the grace period:

9% by individuals; 48% by universities; 16% by small business; 11% by large business; 16% by research institutes and government

d. How often is the grace period used? If you are unable to provide a quantitative answer to this question, please indicate one of: often; occasionally; or almost never.

Three Group Reports provide quantitative answers: Hungary (5 times in the last 10 years); Japan (In FY2011: 1,500 / 345,000 (total number of applications) = 0.44%, however, from April to June 2012 (a quarter just after the revisions of the Patent Act): 588 (1.7 times that of the previous year, and 206 of them were university-related)); and Rep. of Korea (2.4% of applications filed). Among the others, 15 Reports respond “never” or “almost never,” 14 Reports respond “occasionally”; and two Reports respond that the grace period provisions are used “frequently” or “often” (U.S. and Brazil). The French Report notes that the exhibition provisions are never used, but the provisions related to abuse are used occasionally. The German Report notes that grace period provisions are almost never used with respect to patents, but are used occasionally for utility models.

4) If your country or region does not provide a grace period for patents, please answer the following sub-questions:

Because all Group Reports received by the Reporter General indicate that some type of grace period exists in their country or region, most Reports do not answer this question. However, France, Germany, Norway and the U.K. did provide answers, from the perspective of why those countries have a narrowly defined grace period as opposed to a more general one. The South African Group also provides comments on this sub-question.

a. What are the policy reasons behind not providing a grace period?

The French Group Report cites the following policy reasons behind the lack of an extended grace period in France: such a grace period would markedly increase the complexity of the patent system, it would create uncertainty, and would increase costs; it would introduce an imbalance between the interests of the applicant and those of third parties as regards the definition of prior art; it would extend the period of uncertainty; and it would be more difficult to have a clear rule that could be understood by research staff and businesses. On a European level, the French Group Report notes that the policy behind the narrowly defined grace period is the result of negotiations when drafting the Munich Convention on European Patents, and has been retained for simplicity’s sake. The U.K. Group notes that the U.K. grace period is narrower than in other countries to provide legal certainty to third parties. The South African Group notes that when the grace period for exhibitions was enacted, it was rarely used.

The German Group Report explains:

With respect to the German situation, this question applies to patents only. Until

1980, German statutory patent law recognized a general grace period of six months similar to the existing grace periods for utility models (during this grace period disclosures or uses were not considered for the assessment of patentability, if these originated from the applicant or his predecessor). This grace period provision was discontinued in 1980 only in order to harmonize national legislation to the EPC and the Strasbourg Convention. According to Straus, the main, if not the only reason why a general grace period was not introduced in Article 4 of the Strasbourg Convention, was the concern that inventors could be tempted to become careless, which would be detrimental as long as a general grace period was not internationally available.

The Norwegian Group provides this perspective:

The preparatory works of the relevant paragraph of section 2 of the Norwegian Patent Act highlights several general concerns about introducing a grace period into Norwegian patent law.

The paramount concern is the interests of the public at large and their need for foreseeability which is closely related to, and concurrent with, our first-to-file tradition which aims to establish notoriety and publicity for the exclusive rights established by patents. In this regard the point of departure seems to be a fundamental acceptance of a general expectation among the public at large that unpatented technology that has been made publicly available is something that may be utilized without the risk for later patent infringement claims as a consequence of a subsequent patenting.

The preparatory works also point out that the foreseeability of the patent system is, to a significant extent, based on the relatively strict rules regarding the formulation and interpretation of patent claims, making it possible for the public at large to identify the scope of the exclusive rights of patent holders. The public disclosure of an invention may, however, occur under rather different circumstances and does not follow the same clear principles and rules as the disclosure which takes place as a part of the patenting process. Thus the invention that is eventually patented may differ significantly from the disclosed invention. Also this is something that may weaken the foreseeability of the patent system. In addition it is mentioned in the preparatory works that the grant of a grace period could create a false sense of safety among inventors and encourage them to disclose their inventions before the establishment of priority rights. This could in turn have damaging effects for their later attempts to obtain patent protection in countries that does not provide inventors with grace periods to the same extent, or at all.

b. Would a grace period be useful for stakeholders in your country or region?

The French Group Report notes three lines of thinking for why a broader grace period would be useful: for reasons of international harmonization, and thus simplicity; to soften the rule of absolute novelty, which has been deemed to be excessively strict in some cases; and to improve the inventors' situation. The South African Group answers this question in the affirmative. The U.K. Group notes that users are split in their support for a wider grace period.

The German Group notes that a broader grace period could be useful for various classes of stakeholder:

A general grace period is considered particularly useful for scientists in public and academic research who need to exchange their findings with other institutions and who need to publish fast in order to have their results verified, individual inventors who are not trained on IP issues, small and medium sized businesses which cannot afford to train their staff appropriately, which do not have the possibility for strict concealment or rely on constructional support or allocation of knowhow from third parties/cooperation partners, which do not have a testing area being sufficiently isolated from the public or which need to explore the readiness for acceptance of large company customers. Some also see advantages for large businesses, since these companies collaborate more and more with universities and other research institutions, evoking a problem of concealment with a lot of parties and persons who are involved in a project. However, large businesses rather generally decline a general grace period, since they fear legal uncertainty for investments based on knowledge gained from disclosures which later “pop up” as protected subject matter in a technical IP right.

The Group Report from Norway answers:

Yes it could, provided that the interests of the public at large are sufficiently ensured and the foreseeability of the patent system is maintained. Most patent attorneys suffer with their clients under legislation incorporating the absolute novelty concept. Patent attorneys have a responsibility for their clients, which include sole inventors as well as SMEs. It is incomprehensible and illogical for an inventor, that publishing, testing or practising his own invention, may turn against him, giving the public a tool to withhold his “justified reward” for his invention, namely a patent. Moreover this might open the field to copy the invention by others.

c. Would a grace period be considered more useful for a certain class of stakeholders (for example, individuals, universities, small businesses, or large businesses)?

The German Group’s answer to this question is incorporated into the quotation in 4(b) above. The South African Group indicates that a grace period would be considered more useful to SMEs, universities, and individuals. The U.K. Group similarly identifies SMEs and universities as the stakeholders for whom a broader grace period would be more useful. The French Group answers,

A grace period would more particularly be useful for certain classes of stakeholders:

- i. Researchers and public research bodies*
- ii. Technical RDI (research, development, industrialization) partners and development partners – Collaborative research*
- iii. Individual inventors/Start-ups/SMEs/ETIs*
- iv. Players whose inventions have to be tested in an open environment during development or that are subject to harmonization*
- v. Players against the grace period*

The Norwegian Group notes,

Firms which have separate R&D departments and in particular those having a patent department and a well organised patent policy is not likely to suffer under the doctrine of absolute novelty, however the opposite is likely to be the case for individuals and SME’s. Within academia it is a pressure on scientist to publish this causes a significant degree of frustration regarding loss of right due to premature publication of patentable inventions.

5) What are the positive aspects of the grace period law of your country or region?

This question elicited a variety of responses from the Groups. The most common positive aspects cited by the Groups are: protection of the inventor from novelty-destroying disclosures (11); protection against abuse (9); and themes around simplicity, predictability, and legal certainty (9). Other positive aspects noted by the Groups include: protection of those without IP knowledge (3); encouragement of early disclosure (4); unlimited definition of types of disclosures protected (Rep. of Korea); one-year length (Argentina); harmonization (Portugal); and providing additional time to evaluate invention before expending costs (Bulgaria). The Chinese Group identifies three positive aspects of its grace period law: better balance between the public and the applicant; providing one more special type of disclosure for the grace period that is not seen in other jurisdictions; and providing a convenient procedure for invoking the grace period.

6) What are the negative aspects of the grace period law of your country or region?

The Group Reports from Brazil, Belgium, Egypt, India, Peru, Philippines, and the U.S. consider that there are no negative aspects of the existing grace period law in their respective countries. Among the other Groups, the dominant themes in the responses to this question are that the existing grace period law is too narrow (10), that it suffers from lack of regional or international harmonization (6), that inventors may lack understanding of its use and risks (5), and that it creates an extended period of uncertainty (3). Other negative aspects noted by the Groups include that the grace period is not calculated from the priority date (Belgium), it does not apply to inventive step (Germany), more consideration of third party rights is required (Japan), the need to “claim” each isolated disclosure (Mexico), term may be too short (Netherlands), problems of proof (Poland), the need to submit a statement within a prescribed period of time (Rep. of Korea), difficulty in complying with formalities (Spain), no protection for accidental disclosures (U.K.), and the absence of a set time period (South Africa).

7) As a practical matter, are the procedures and strategies of patent applicants in your jurisdiction affected by the grace period laws of other countries or regions? If so, in what way?

A majority of Groups (24) report that procedures and strategies of patent applicants in their jurisdiction are affected by the grace period laws of other countries and regions. The Groups note that differing laws in other countries and regions cause confusion and may force an applicant to comply with the strictest standard in order to preserve rights. On the other hand, some Groups with strict standards note that the more lenient standards of other countries may be used strategically to obtain some rights even when those rights have been lost in the home country. The Portuguese Group provides the following comment with respect to the effect of lack of harmonization:

A lack of harmonization in respect of the grace period is highly damaging to patent applicants. They have to take into account, ab initio, the current legislation on the grace period in each of the countries or regions where they may wish to protect the

invention. At the present time, the only safe strategy is not to disclose anything before filing the first patent application, though this is not always possible (for example, compulsory publication required by some universities, need to obtain funds and form partnerships, etc.).

The Report from Israel provides an informative comment on the strategic implications of the broad U.S. grace period on Israeli applicants:

For the most part, we don't take advantage of the grace periods since they differ too much. You cannot set a strategy that takes advantage of all of them, so we go to the common denominator and insist that applications be kept secret until the first filing. The only grace period that we use, and that we use extensively, is the US's grace period. It covers all types of publications and doesn't require notification. As a result, it catches the 'accidental patentee', someone who originally didn't think his invention was patentable but was convinced of its patentability during its first year (maybe because his customers loved the product or because an investor asked if he had filed a patent application, etc). The accidental patentee wasn't careful about his publications, which means that, in the rest of the world, he can't file anything, but he can file in the US and, since the US is such a large market, it is worthwhile to patent there.

The accidental patentee will not send any notifications, since he didn't originally plan to file a patent application. Therefore, the pre-publication notification requirement isn't useful. The accidental patentee will not be careful about only showing his invention at the "official" exhibitions either. With so many exhibitions, conferences, etc., nowadays, it isn't possible for a patent office to consider them all and to determine which ones to allow and which ones not. Moreover, it is not clear why one exhibition should be more favorable than another with respect to the grace period. I believe that this is leftover from the Paris Convention which was written at a time when there were official exhibitions but not many conferences, trade shows, etc.

If the purpose of the patent system is to encourage innovation, then we need as many accidental patentees as possible to enter the patent system. Why? Because, if they are convinced that their inventions are worthwhile, they will build companies and move forward.

The Brazilian Group notes that strategies for Brazilian applicants are affected both because some countries do not recognize the priority date as the date from which the grace period should be calculated. The Norwegian Group notes that international grace period laws do affect strategy, but not in a negative way because patent attorneys and other professionals are well aware of the grace period laws around the world and hence it does not cause any problem.

Nine Group Reports indicate that there is little or no affect on procedures and strategies in their jurisdiction (Argentina, Austria, Belgium (as to local practice, international strategy may be affected), Estonia, India, Italy, Peru, Poland, and Romania).

II. Proposals for harmonization

The Groups were invited to put forward proposals for the adoption of harmonized laws in relation to grace periods for patents. More specifically, the Groups were invited to answer the following questions *without* regard to their national laws.

8) In your view, and assuming a proper balance is struck between the rights of the applicant and the rights of the public at large, is a grace period for patents desirable?

Almost all responding Groups (34) answered this question in the affirmative. The Hungarian and Italian Groups qualified their answers by saying only for exhibitions and in cases of abuse. The Polish Group gave the only negative response, stating that a grace period is not necessarily desirable because “consistent use of the first to file rule makes it possible to avoid problems with most preceding unlawful disclosures.”

9) Is harmonization of laws relating to grace periods for patents desirable?

All responding Groups answered this question in the affirmative. The Report from the Belgian Group provides a useful statement in support of harmonization:

Yes. The current lack of harmonised approach across the different patent systems, despite all being party to the Paris Convention, creates inequality and legal uncertainty for patent holders and third parties. A harmonization of these laws is therefore desirable as it avoids errors by the applicant when applying for a grace period in different jurisdictions. Moreover, the filing strategy of an applicant could be established independently from the presence and scope of the grace period as the latter would be harmonized.

A number of Groups stress that harmonization is “highly desirable” (Australia, Germany, Japan), “absolutely necessary” (Sweden), or “essential” (Portugal). The Netherlands Group answers, “Yes, most certainly, even if such would mean no grace period anywhere, this would be better than different laws on grace periods in different countries, because of legal certainty for both applicants and third parties.” The Group Report from Finland stresses the importance of complete international harmonization:

Yes. However, in our view it is an absolute prerequisite for a grace period that there would be a complete international harmonization without country-specific exceptions. The harmonization should include all conditions relating to the grace period. Thus, a grace period system should also include a harmonization of prior user rights so that such rights are available throughout the grace period, up until the priority or filing date of the application, in order to protect third parties.

10) Please provide a standard that you consider to be best in each of the following areas relating to grace periods:

a. The duration of the grace period

The Group Reports from 17 countries support a 12-month grace period term (Argentina, Australia, Austria, Brazil, Estonia, France, Greece, India,¹² Israel, Mexico, Norway, Peru, Philippines, Rep. of Korea, Singapore, Turkey, and the U.S.). Fourteen Group Reports support a 6-month grace period term (Belgium, China, Egypt, Finland, Germany, Hungary, Italy, Japan, Poland, Portugal, Romania, South Africa, Spain, and Switzerland). The Group Report from the Netherlands indicates the Group has not been able to decide as between 6 and 12 months. The U.K. Group Report states, “whether 6 or 12 months is preferred is immaterial provided that all countries apply the same duration.” The Swedish Group states

¹² The Indian Group supports a 12 month grace period for intentional disclosures by the applicant/inventor, but believes there should be no specific duration of the grace period in cases of derived disclosures by third parties, in order to better safeguard the rights of inventors.

that studies regarding the needs of industry should be performed to determine the proper duration.

b. The date from which the grace period is calculated

A strong majority of responding Groups (27) support calculation of the grace period from the earliest filing date, *i.e.*, from the priority date when priority is claimed. The Australian Group supports calculation from the national or international (PCT) filing date, but not from the priority date. The Japanese Group suggests calculation from the home country application filing date. Several groups refer to the “filing date” in their answers, without specifying whether this was meant to include national, international, or priority filing date.

c. The types of intentional acts or disclosures by the applicant (including the inventor or co-inventor) that should be covered by the grace period

A majority of responding Groups (23) feel that any type of intentional act or disclosure by the applicant should be covered by the grace period. The French Group notes that the only exception to this should be the publication of a patent application. The Spanish Group would limit this to any written disclosure, or exhibition with a certificate. The Swiss Group suggests that the grace period should include either all intentional acts or disclosures by the applicant, or none. The Group Reports from China, Egypt, Hungary, Italy, Peru, Poland, Portugal, and South Africa indicate that coverage of the grace period should be limited to exhibitions, qualified meetings, symposia and the like. The Indian Group suggests the acts covered by the grace period should be those defined in the Indian Patents Act. The Japanese Group feels it should be necessary to prove the invention was made public due to a criminal act.

d. The types of unintentional acts or disclosures by the applicant (including the inventor or co-inventor) that should be covered by the grace period

A strong majority of responding Groups (26) feel there should be no difference in standard based upon whether an act or disclosure by the applicant was intentional or unintentional. In the words of the German Group,

The German group is of the opinion that any subjective criteria (in particular the “intention” of the disclosure by the applicant/inventor) for defining certain (intentional or unintentional) types of acts which would qualify for a grace period should be avoided. The German group is further of the opinion that it should not matter whether any disclosure has been made “in writing” or “orally” (or in any other way). Regardless how the disclosure has been provided, any such types of acts – in general – should be privileged by the grace period. After all, the German group takes the position that the grace period should apply to all (intentional and unintentional) acts or disclosures by the applicant (including the inventor or co-inventor).

Therefore, these 26 Groups would support the same standard as that specified in the answer to question 10(c), without giving any import to whether the act or disclosure was intentional or unintentional.

However, the Chinese, Egyptian, Hungarian, Indian, and Portuguese Groups state that no unintentional acts or disclosures by the applicant should be covered by the grace period.

The Peruvian and South African Groups suggest a narrowed standard for unintentional acts versus the standard for intentional acts.

e. The types of acts or disclosures by a third party who learned of or derived the invention from the applicant that should be covered by the grace period

A majority of responding Groups (19) indicate that any, or virtually any, act or disclosure by a third party should be covered by the grace period, provided that the third party learned of or derived the invention from the inventor (Argentina, Australia, Austria, Belgium, Brazil, Germany, Greece, India, Israel, Japan, Mexico, the Netherlands, Norway, Peru, the Philippines, Rep. of Korea, Sweden, Turkey, and the U.S. A significant minority of the responding Groups would limit qualifying third party acts to those occurring without the inventors' permission and/or resulting from abuse (China, Estonia, Finland, Hungary, Italy, Poland, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, and the U.K.) The Portuguese Group notes that third party disclosures that are authorized by the applicant should be treated the same as disclosures by the applicant.

The French Group suggests three categories of third party acts or disclosures that should qualify:

- 1) *disclosure resulting from an evident abuse in relation to an applicant or his predecessor in law;*
- 2) *disclosure resulting from a third party holding the applicant's invention, made in breach of a legal or contractual obligation with respect to the applicant and without the applicant's consent; this may be the case for example for the disclosure of the invention by the applicant's partner in breach of a confidentiality obligation; and*
- 3) *disclosures by third parties resulting from the prior disclosure of the invention by the applicant or his predecessor in law, the teaching of which does not go beyond that of the initial disclosure; this provision may cover third-party disclosures which reproduce or incorporate all or part of the applicant's disclosure, such as for example articles in journals or reviews or scientific exposés reproducing the publication made by the applicant; the aim of this provision is to prevent the grace period mechanism from being rendered ineffective merely because a third party has recopied or even reported the disclosure of the invention made by the applicant. On the other hand, a disclosure by a third party who has substantially supplemented, improved, perfected or modified the applicant's initial disclosure would be opposable.*

f. The types of acts or disclosures by a third party who did not learn of or derive the invention from the applicant that should be covered by the grace period

All responding Groups except Israel indicate that acts or disclosures by a third party who did not learn of or derive the invention from the applicant should not be covered by the grace period. The Israeli Group states that all types of disclosures not under secrecy agreements should be covered.

g. The requirement for and content of any statement/declaration by the applicant to invoke the grace period

A majority of responding Groups (21) support a requirement for a statement/declaration of some type. The suggestions for required content vary significantly among the Group Reports, from, for example, a simple formatted declaration as suggested by the Chinese Group, to the Spanish Group's proposal for a copy of the publication in the case of written disclosures, an exhibition certificate for exhibitions, and a statement of any knowledge of applicant in the case of abuse. The Brazilian Group notes that a statement/declaration should not be mandatory and may be filed later, even after issuance, for example in the case of a nullity action.

A minority of Groups (11) support either no requirement for a statement/declaration, or that the submission of such a statement/declaration be voluntary.

11) The Groups are invited to comment on any additional issue concerning grace periods for patents that they deem relevant.

A number of interesting additional comments are found in the Group Reports.

The Group Report from Argentina notes that the Argentine Patent Office restrictively interprets the grace period to exclude PCT publications. The Argentine Group feels the grace period should encompass all disclosures, whether intentional or unintentional, within one year from the priority date.

The Australian Group notes, "In Australia at least, applicants are discouraged from relying on grace period provisions, particularly because of the inconsistent approach taken across various jurisdictions. Thus, the Australian group strongly believes harmonization is required with conditions as outlined in Question 10."

The Austrian Group summarizes their position as follows: "As the fatal consequences of any disclosure prior to filing are not generally known to inventors not familiar with the relevant provisions, a 12 month grace period should be introduced. The grace period should be calculated from the filing date or, if a priority is claimed, from the priority date. Only disclosures by the applicant (including the inventor) should be covered by the grace period. Disclosures by third parties should only be covered if the third party learned of or derived the invention from the applicant."

The Egyptian Group notes, "Despite the fact of existence and effectiveness of Article 49/6 of the PCT, it is impossible to apply this Article in Egypt."

The Greek Group suggests, "In cases where the applicant files a declaration to invoke the grace period, the patent application could be published earlier, *i.e.*, at 18 months from the first disclosure. While such a solution would require special arrangements by patent authorities, it seems that it would increase legal certainty by maintaining the standard 18 months for publication." The U.K. Group remarked similarly, "the publication date should be calculated by adding 18 months to the declared disclosure date, or if the application relies upon a priority filing and therefore the 18 month period has already elapsed when the national application is filed, that the application should be published immediately on filing."

The Israeli Group notes, "The questions above did not address the 'proper balance between the rights of the applicant and the rights of the public at large.' This was

mentioned in the original question, that the public needs to know whether or not products/ideas that have been publicly disclosed have or will have patent protection. The answer is that, with the current system, the public cannot know for certain about protection until a patent issues, which can be 2 – 7 years from the priority filing. Moreover, the patent system only publishes at 18 months, which is another delay. Finally, the US already has the 12 month grace period and since such a large proportion of patents in the world are filed in the US, applicants are already dealing with this uncertainty.”

III. Conclusions

The Group Reports reflect strong consensus in support of both the concept of a grace period for patents and international harmonization of the grace period. As some Groups have noted, harmonization may be more important in and of itself than any of the particular details of scope and term of the grace period. Indeed, many Groups note the inefficiencies and difficulties that arise from the need to comply with differing standards in different countries, and note the fact that most applicants revert to the lowest common denominator, which is to avoid use of the grace period entirely. Most Groups also recognize and support the need to carefully balance the protections provided to the inventor by a grace period against the interests of the public at large in having reasonable certainty as to what is or is not prior art. Beyond this theoretical framework, however, there is considerable divergence among the Groups as to how to properly adjust this balance. Broad differences of opinion exist particularly on the issues of scope of coverage of acts/disclosures by the inventor (all, or limited to certain venues and cases of abuse), term of the grace period, and the need for a statement/declaration.

Given the above, issues to be debated in the Working Committee should include, *inter alia*:

- 1) Whether a general statement in support of a grace period and harmonization of the grace period can be reached;
- 2) The appropriate definition of acts/disclosures by the inventor/applicant that qualify for the grace period;
- 3) The appropriate term of the grace period;
- 4) Whether agreement can be reached to calculate the grace period from the earliest filing or priority date; and
- 5) The requirement, or lack thereof, for a statement/declaration to invoke the grace period