



WORKING GUIDELINES

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Q233

Grace period for patents

Introduction

- 1) The AIPPI Executive Committee decided, at the 2012 meeting in Seoul, Korea, to undertake a study of 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.” National and regional laws differ significantly with respect to the scope and duration of grace periods. Harmonization of laws relating to grace periods has long been a goal of the international IP community. Recent events, including the passage of the AIA in the United States, revisions to the grace period law in Japan, and the Tegernsee Group meetings, have reinvigorated interest in this topic. Thus, the study of this Question by AIPPI is both timely and important.
- 2) In order to focus the Question on the grace period itself, this study will not consider the related issue of prior user rights.

Previous work of AIPPI

- 3) AIPPI has studied grace periods for patents in two prior Working Questions. However, the passage of time, significant changes in relevant national laws, and a renewed focus on harmonization in this area since the time of the last AIPPI study make this topic ripe for reconsideration at this time.
- 4) Q75, Prior disclosure and prior use of the invention by the inventor, was considered at the Buenos Aires Congress of 1980. A resolution was reached that declared in favor of the principle of a grace period, but referred the question back to the Executive Committee for further consideration of the implementation details:

1. a) [AIPPI] is concerned that an inventor may publicly disclose his invention before filing a patent application, thereby depriving himself of the ability to obtain valid patent protection;
b) recognizes that Article 11 of the Paris Convention provides very limited protection for a disclosure made by an inventor at certain international exhibitions;
c) considers that it is in the public interest that the inventor should be given greater protection from the consequence of a prior disclosure by himself, and
d) therefore considers it desirable that where a public disclosure of an invention originates from an inventor, such public disclosure shall not be taken into consideration in assessing the patentability of the invention, if the first patent application is filed by the inventor or his successor within a certain period beginning from the disclosure,

and declares in favour of the principle of introducing such a period of grace under terms and conditions to be determined.
 2. refers the question back to the Executive Committee for further consideration.
- 5) Q75 was again considered at the Moscow ExCo of 1982, which resulted in a resolution favoring a 6 month grace period for all disclosures originating or derived from the inventor, without a declaration requirement:

[AIPPI] declares in favour of the principle of introducing such a period of grace under the following terms and conditions:

1. A disclosure originating or derived from the inventor shall not by itself establish a right of priority but rather shall not be considered as part of the state of the art as against the inventor or his successor in title if it occurs within the grace period.

2. Such disclosure shall include all acts of disclosure to the public by means of a written or oral description, by use, or in any other way, not withstanding where such disclosure takes place.

3. The grace period shall be six months preceding the filing date of the patent application, or, if a Union priority is claimed, the date of the first filing according to Art. 4 of the Paris Convention.

4. The burden of proof shall be on the applicant or patentee to prove that such disclosure originated with the inventor or was derived from the inventor.

5. The inventor or his successor in title shall benefit from the grace period without being required to deposit a declaration of such disclosure.

6. The grace period shall apply to patents of invention, inventor's certificates and utility models.

- 6) The question of grace period was taken up again at the Lucerne ExCo of 2003, as part of the study of the Substantive Patent Law Treaty (Q170). The ExCo reached a resolution in favor of a 12 month grace period, including a permissive provision regarding declarations:

Whereas:

* * *

the principle of a grace period system has been already accepted in previous Resolutions (Buenos-Aires in 1980 and Moscow in 1982 - Q75), but specific conditions have to be determined;

the safety net provided by such grace period must respect both the interests of the party disclosing the invention before the filing of any patent application and those of third parties;

the term for the grace period is a key issue;

another key issue is whether the filing of a declaration by the party invoking such a grace period should be required;

the prior users rights have also to be considered; in this respect, the provisions of the Resolution on Q89D adopted at the Amsterdam Executive Committee in 1989 shall apply.

[AIPPI] adopts the following Resolution:

* * *

the term for the grace period shall be 12 months before the filing date or, if a priority is claimed, the priority date, i.e. the patent application shall be filed no later than 12 months after the public disclosure coming directly or indirectly from the inventor;

a declaration by the applicant confirming that he is entitled to benefit from such grace period may be required.

Substantive Patent Law Treaty

- 7) Grace period was one of the issues under consideration for harmonization as part of the Substantive Patent Law Treaty ("SPLT") negotiations conducted the Standing Committee on the Law of Patents ("SCP") of the World Intellectual Property Organization ("WIPO"). Discussions of the SPLT began in 2001 and continued until 2006 when, due to difficulty in reaching agreement, SPLT negotiations were put on hold. The SCP has since resumed its sessions, but has not returned to the issue of the SPLT or to the grace period in particular. Although no agreement was reached, review of the language relating to grace

period (Article 9) of the last draft of the SPLT is informative. Information in brackets indicate alternative proposals:

Article 9

Information Not Affecting Patentability (Grace Period)

1) *[General Principle] An item of prior art with respect to a claimed invention shall not affect the patentability of that claimed invention, in so far as that item was included in the prior on a date during the [12][six] months preceding the priority date of the claimed invention,*

(i) by the inventor,

(ii) by an Office and the item of prior art was contained

(a) in another application filed by the inventor [and should not have been made available to the public by the Office], or

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

or

(iii) by a third party which obtained the information contained in the item of prior art directly or indirectly from the inventor.

2) *Invoking Grace Period*

[Alternative A]

The effects of paragraph (1) may be invoked at any time.

[Alternative B]

A Contracting Party may require that the applicant submit a declaration invoking the effect of paragraph (1) [as prescribed in the Regulations].

Tegernsee Group

- 8) During the second meeting of the “Tegernsee Group,” attended by heads of offices and representatives from Denmark, France, Germany, Japan, the UK, the USA and the EPO in April, 2012, grace period was one of four topics identified as being key to harmonization (along with 18-month publication, the treatment of conflicting applications, and prior user rights). The Tegernsee Heads mandated the Tegernsee experts group to prepare reports on each of these topics. The report on the grace period was published on September 24, 2012, and is available on the EPO website. The third meeting of the Tegernsee Group took place on October 4, 2012, during which it was agreed that the next step in the

process would be to conduct broad surveys of stakeholders in each region prior to the next meeting in Spring of 2013.

Current laws relating to grace period

- 9) The patent laws of most countries include a grace period of some form. However, the nature and scope of these grace periods vary widely from one jurisdiction to another. This is problematic for a number of reasons; most notably because a disclosure that is protected by a grace period in one jurisdiction may not be protected in another, resulting in loss of rights of the inventor.
- 10) Article 11 of the Paris Convention provides that member countries shall “grant temporary protection to patentable inventions, utility models, industrial designs, and trademarks, in respect of goods exhibited at official or officially recognized international exhibitions held in the territory of any of them.” However, the practical utility of grace period protection limited to such official events has proven to be limited. In addition, the manner and degree to which countries have incorporated a grace period into their national laws has been highly divergent.
- 11) Article 55(1) of the EPC provides for a grace period of 6 months in two limited cases: 1) a third party disclosure resulting from evident abuse in relation to the applicant, or 2) a disclosure at an international exhibition as defined in the Paris Convention. Other than the limited scope of a disclosure at a qualifying international exhibition, the EPC does not provide a grace period for intentional disclosures by the inventor. In the case of a third party disclosure, the burden of showing evident abuse is on the applicant.
- 12) The U.S. law applying to applications having an effective filing date prior to 16 March 2012 provides for a grace period of one year from the earliest effective U.S. filing date. Foreign priority dates are not considered in this calculation. Under the U.S. law applying to such applications, a person is entitled to a patent unless “the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country more than one year prior to the date of the application for patent in the United States.” 35 U.S.C. 102(b). There is no requirement for filing a declaration or other evidence relating to the prior publication or disclosure.
- 13) The Leahy-Smith America Invents Act (“AIA”), which was passed into law in 2011, will change the U.S. grace period law effective March 16, 2013 for applications filed on or after that date. Under the AIA, two categories of disclosures are excluded from prior art:

*(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION
A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if—*

- A. *the disclosure was made 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; or*
- B. *the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.*

(2) *DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS*

A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if—

- C. *the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;*
- D. *the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or*
- E. *the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.*

- 14) Japan provides a grace period of 6 months prior to the date of filing in Japan. Foreign priority claims are not considered in this calculation. The Japanese grace period, as a result of revisions in 2011, broadly covers: (A) inventions made public as a result of an act by the person having the right to obtain the patent; and (B) inventions that became public against the will of that person. For disclosures that qualify for the grace period under (A), the applicant must submit a request for application of the grace period at the time of filing, and a proof document within 30 days thereafter.
- 15) Canada provides a grace period of 12 months from the date of filing in Canada. No declaration is required, and the scope of the grace period covers any disclosure by the applicant or by a person who obtained the invention from the applicant.
- 16) China provides a grace period of 6 months from the filing or priority date. The filing of a statement is required. The scope covers disclosures by a person without consent of the applicant, and disclosures by the applicant at an international exhibition.
- 17) The Republic of Korea provides a grace period of 12 months from the filing date. This grace period covers i) any disclosure by the person with the right to obtain a patent (excluding patent office publications), and ii) disclosures made contrary to

the intention of that person. For disclosures that fall under i), a statement is required at the time of filing the patent application, and a proof document is required 30 days thereafter.

- 18) As is evident from the examples above (which are intended merely to be illustrative of the types of systems that currently exist and are not an exhaustive listing), significant variation exists as to: duration of grace period; date from which the grace period is calculated; the types of disclosures covered by the grace period; and the requirement for and nature of any declaration or evidentiary statement.

Discussion

- 19) Policy arguments can be made both for and against the concept of a grace period. On one hand, from the perspective of the public, a grace period may be considered to reduce transparency as to what is or is not prior art to a patent, thus increasing legal uncertainty. Also, when publication remains at 18 months from the filing date, the grace period may be considered to increase the “waiting period” for the public to become informed of the invention being claimed. Further, from the perspective of patent applicants, grace periods introduce additional complexity into an already complex system, and require additional education to ensure rights are not lost unintentionally. On the other hand, the grace period is considered by many to be an important protection for inventors; individuals, universities, and SMEs in particular. This becomes particularly important as research becomes more global and collaborative. Larger enterprises are frequently working with SMEs and Universities. Thus, it becomes less and less possible to completely control information disclosures. Further, regulated industries, such as the biopharmaceutical industry, are increasingly being required to participate in transparency initiatives related to the disclosure of data submitted to regulatory agencies.
- 20) Thus, these initiatives, while important to the public generally, increase the risk of disclosure of potential inventions before patent application filing. Depending on scope, a grace period may provide a safety net not only for unintentional disclosures, but also intentional disclosures that initially were not deemed worthy of the cost of a patent application, but were later found to be important. Concerns regarding legal certainty can be mitigated with clear legal standards and, possibly, with requirements for statements or declarations by the inventor at or after the time of filing. Further, while the grace period may increase the time to official publication, it may also actually encourage earlier disclosure of the invention to the public at large.
- 21) What types of disclosures by the person with the right to patent should be covered by the grace period is an issue of significant divergence in current national and regional laws. In the Europe, for example, only disclosures at official exhibitions are covered. In countries such as Canada, Korea, Japan, and the U.S., on the other hand, all types of disclosures by the rights holder are covered.
- 22) The degree to which, if at all, derived disclosures by third parties should be covered by a grace period is also an area of divergence. In the U.S., under the

- AIA a third party disclosure is covered by the grace period if the third party obtained the subject matter directly or indirectly from the inventor; there is no requirement that this disclosure be against the inventor's will. In Japan, China, and Korea for example, third party disclosures are covered if they were against the will of the rights holder.
- 23) A further area for consideration is the question of disclosures by third parties who independently arrived at the invention without contact with or derivation from the patent applicant, where that disclosure occurs between the time of the disclosure by the patent applicant and the filing date of the patent application. Under the AIA in the U.S., such third party disclosures may be considered to be within the scope of the grace period. Under the systems of Japan, Korea, and Europe, such disclosures would not fall under the grace period and thus would be considered prior art to the patent application.
 - 24) Term of the grace period is another issue of significance. Many jurisdictions limit the grace period to 6 months, while others including Korea, Japan, Canada, and the U.S., have 12-month grace periods. A longer grace period can be considered to provide greater protection for the rights holder, while the shorter grace period can be considered to provide greater legal certainty and public notice.
 - 25) The question of whether to impose a requirement of a declaration or statement by the patent applicant to invoke the grace period is another area of debate. Most current grace period systems include a requirement for such a statement in the case of intentional disclosures by the rights holder. However, the AIA in the U.S. does not impose such a requirement at least at the statutory level. Since many situations involving the use of the grace period involve accidental or inadvertent disclosures, about which the applicant may have no knowledge, basic fairness would indicate declarations should only be required for references that the applicant is aware of.
 - 26) The date from which a grace period is calculated is another important issue for consideration. Some countries calculate the grace period from their national filing date, regardless of priority claims. Other countries calculate the grace period from the priority date. Thus, there is the potential that a patent applicant who relies on a valid grace period provision in one country could lose rights in another country if a national filing was not made in that country within its grace period.

Questions

The Groups are invited to answer the following questions under their national laws. If both national and regional laws apply to a question, please answer the question separately for each set of laws.

Please number your answers with the same numbers used for the corresponding questions.

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.
- 2) If the answer to Question (1) is yes, please answer the following sub-questions:
 - a) What is the duration of the grace period?
 - 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.
 - c) What types of intentional acts, disclosures, or exhibitions by the applicant (including the inventor or co-inventor) qualify for the grace period?
 - d) What types of unintentional acts, disclosures, or exhibitions by the applicant (including the inventor or co-inventor) qualify for the grace period?
 - 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?
 - 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?
 - g) Is any type of statement or declaration by the applicant required to invoke the grace period? If yes:
 - i. What are the requirements for the statement/declaration?
 - ii. When must the statement/declaration be filed?
 - h) 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.
 - i) 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.)

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?
 - b) Is the grace period, as it currently exists in your country or region, considered useful?
 - c) Is the grace period considered more useful for a certain class of stakeholders (for example, individuals, universities, small businesses, or large businesses)?
 - 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.
- 4) If your country or region does not provide a grace period for patents, please answer the following sub-questions:
 - a) What are the policy reasons behind not providing a grace period?
 - b) Would a grace period be useful for stakeholders in your country or region?
 - c) Would a grace period be considered more useful for a certain class of stakeholders (for example, individuals, universities, small businesses, or large businesses)?
- 5) What are the positive aspects of the grace period law of your country or region?
- 6) What are the negative aspects of the grace period law of your country or region?
- 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?

Proposals for harmonization

The Groups are invited to put forward proposals for the adoption of harmonized laws in relation to grace periods for patents. More specifically, the Groups are 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?
- 9) Is harmonization of laws relating to grace periods for patents desirable?

- 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
 - b) The date from which the grace period is calculated
 - 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
 - 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
 - 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
 - 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
 - g) The requirement for and content of any statement/declaration by the applicant to invoke the grace period
- 11) The Groups are invited to comment on any additional issue concerning grace periods for patents that they deem relevant.