



6th September 2017

Reaction of epi to the Industry Trilateral position

Our Institute (**epi**) has always been in favour of international patent law harmonisation: this is natural for us, as our Institute results from harmonisation in Europe. When our forefathers thought of creating a European patent system after WWII, they quickly realised that harmonisation was a prerequisite. **epi** considers that harmonisation of substantive patent law could be of great advantage to innovative companies in Europe as this could lead to less distortion in the market and greater legal certainty, **provided that** the package as a whole is coherent. **epi** would prefer no harmonisation to bad harmonisation.

The Industry Trilateral Initiative: in general, **epi** welcomes the initiative as a means of hopefully moving harmonisation forward.

Basically, **epi** always inclines to harmonisation that leads to the prior art being identical in all States and with respect to all applicants, thus aiming at the same patent being granted to the same applicant in as many States as possible. Thus, **epi** favours a harmonised whole contents approach, with no provision for anti-self-collision. Also, **epi** always prefers the options that offer the highest level of legal certainty for third parties. In particular, it is the **epi** view that that the introduction of a grace period complicates the procedure and leads to legal uncertainty.

epi supports the view that conflicting applications should be prior art for novelty only, because this option offers better legal certainty; whether the approach to novelty is sometimes too strict at the EPO is another debate.

epi further supports international applications being prior art as from their date of priority/filing date, as soon as they are published, without requiring entry in a national phase or publication of a translation.

International applications are published after 18 months and **epi** supports the position that publication should take place at 18 months worldwide, as much as possible associated with provisional protection.

Thus, whilst **epi** remains opposed to the introduction of a grace period, it has long indicated that it could consider a grace period as a *true* safety net, as part of a harmonised system comprising a *true* first-to-file system with the following features:

- a duration of 6 months preceding the priority date;
- a formal declaration should be mandatory;

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- third party rights should be mandatory;
- wrongful publication of an application by a patent office should be included.

It should be noted that abuses are dealt with separately by regional/national patent laws.

Looking now at the Industry Trilateral position.

We note that there appears to be no agreement on the definition of prior art, although the definition in WIPO's document SCP/10/4 is an obvious starting point: it is clear that what is important is the definition of non-prejudicial disclosures (in other words, whether and to what extent disclosures should be graced).

Looking at Exhibit 1, we can basically support the Objectives and principles, which include to "Provide a Safety-Net Grace Period that Discourages a Publish-First Priority". However, we note that the individual elements proposed are far from resulting in this principle. Our understanding of Exhibit 1 is that the proposed system is engineered to work to the advantage of the inventor/applicant disclosing his invention, leading away from the very principle of a safety net grace period. In particular, **epi** opposes the notion of presumptions working in favour of an applicant confronted with an intervening disclosure. Should a harmonised grace period be adopted, **epi** favours a mandatory declaration supporting the benefit of the grace period, and does not view an administrative fee for late filing as an option, because to be effective it would have to be set at a high level hurting SMEs and universities.

As to Exhibit 2, **epi** generally agrees with the Objective and principles. However, **epi** is strongly opposed to any anti-self collision provisions – as stated above, **epi** considers that the prior art should be identical in all States and with respect to all applicants. **epi** also supports the view expressed during the Symposium that anti-self-collision creates problems under competition law in favouring one party over others.

With regard to Exhibit 3, **epi** generally agrees with the Objective and principles, but only if the language in italics is omitted. Prior user rights should be absolute worldwide rights. This is to provide a disincentive for relying on a grace period. **epi** considers that agreement on prior user rights is an essential element of any harmonisation package because it is linked to the grace period. This being said, prior user rights need to be provided as a balance, as explained in that Exhibit. **epi** believes that prior user rights are what characterises a grace period as being a safety net: the mere possibility of third parties acquiring rights encourages the filing of an application at the earliest possible date. Thus, increasing prior user rights will encourage the use of a grace period **only as a safety net**. **epi** supports the view expressed during the Symposium that the scope of prior user rights should be predictable without intervention of the courts. It would be of



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great benefit to all users of the patent system if the scope of prior user rights were harmonised in general but particularly relating to any grace period regime that may be agreed.

As always, **epi** will be pleased to participate in any harmonisation discussions, whether formal or informal.

Finally, **epi** refers to two previous papers on its positions on various harmonisation issues, namely CA/PL 18/06 and CA/PL 18/07.

UNTIL ALL IS AGREED, NOTHING IS AGREED.

John D Brown
Chairman, **epi** Harmonisation Committee

Exhibit 1

Grace Period

Notice: Language that appears in *italic and between brackets, [example]*, is still under discussion by the Industry Trilateral. Language in adjacent brackets represents possible alternative language.

Objective and principles

- (i) **Protect All Inventors and Applicants Against Loss of Rights Due to Pre-Filing Disclosures** - If innovation is to be encouraged as the engine of economic growth, there is a clear need to protect inventors from inadvertent, unauthorized, unintentional, and even intentional disclosures of their patentable information that may later be asserted as patentability-destroying prior art against their subsequently filed applications.
- (ii) **Provide Legal Certainty for Third Parties** - A third party, who becomes aware of a pending patent application claiming an invention of interest to them, and who also is aware of a public disclosure about the invention prior to the filing date of the application, wishes to know whether the public PFD is prior art to the application. However, where a grace period is permitted and the relationship between the public PFD and the pending application is not known, there is legal uncertainty for the third party.
- (iii) **Provide a Safety-Net Grace Period That Discourages a Publish-First Policy** - A grace period is an exception to the absolute novelty standard and, as such, should be established with criteria and qualifications that encourages inventors and Applicants to "file first," while discouraging the adoption of a "publish first" policy that leads to uncertainty and unpredictability. No separate or additional patent rights should arise from the graced disclosure.
- (iv) **Provide a Global Solution** - Because patent strategies of Applicants are necessarily global in a global economy, the protections provided by a safety net grace period should be uniform and applicable world-wide. Thus, a globally harmonized approach, endorsed by all jurisdictions, will be necessary. Countries currently with no current grace period and countries currently with differing grace periods must change their laws to implement a single international grace period.

Individual elements resulting from the recommended approach:

Feature	Details
Grace period duration	It should extend up to [6][12] months from the pre-filing disclosure (PFD) to the filing date or priority date, whichever is earlier, of the patent application.

Feature	Details
<p>Prejudicial effect of a disclosure arising during grace period</p>	<p>Grace Period is limited to Disclosures by/for/from the Inventor/Applicant and Includes Disclosures Derived from the Inventor/Applicant - Disclosures of a claimed invention that are made prior to the filing of a patent application may be graced only if (1) they originate with the Applicant/inventor himself, whether they are made due to inadvertence or necessity, or (2) they originate with a third party who has obtained access to the invention directly or indirectly from the Applicant/inventor or (3) they originate with a third party who has obtained access to the invention through an abuse in relation to the Applicant/inventor. All types of public disclosure by/for/from the Applicant/inventor, regardless of medium or forum, may be graced.</p> <p>No Grace Period for Independently Developed and Published Subject Matter – intervening disclosures of subject matter, which resulted from the independent work of third parties, are always considered potential prior art.</p> <p>Grace Period for Partially Re-disclosed and Partially Independently Developed and Published Subject Matter - In the case where a part of the third party intervening disclosure is derived from the Applicant/inventor and a part resulted from the independent work of a third party is different from the PFD, the redisclosed derived portion would be non-prejudicial, and the different portion would be potentially prejudicial prior art depending on how significant the difference was from the redisclosed derived portion.</p> <p>Presumptions and Burden of Proof for Derived Publications - Recognizing that it may be difficult to prove that a third party intervening disclosure was derived from a prior PFD of an Applicant/inventor, certain presumptions are made, subject to rebuttal. Notwithstanding a listing in a timely filed Statement, the qualification of a PFD to be non-prejudicial can be challenged by Offices and third parties[, <i>and the Applicant would bear the burden of proving that a particular PFD meets the requirements for it to be considered as non-prejudicial</i>].</p>
<p>Clarifications</p>	<p>Any third party could file a third party observation or an opposition type proceeding or raise the independent development in litigation.</p>

Feature	Details
Statement	Applicant must file a Statement identifying the [unique] PFDs to be graced.
Clarifications	<p>Creates record notice to third parties that the disclosure is not prejudicial to Applicant.</p> <p>Ideally the Statement will be filed together with the patent application.</p>
Administrative fees	<p>There will also be other opportunities during prosecution, in response to a third party observation up to grant of a patent [<i>and throughout the life of the patent</i>] to file the Statement. The Applicant [<i>or Patentee</i>] will pay administrative fees, which may increase over time, to encourage prompt filing of the Statement claiming the benefit of a grace period. The details of such fee would be determined by the Offices.</p>
Clarifications	
Early publication	<p>[<i>Upon timely filing of a Statement, publication of the patent application will be accelerated to be 18 months after the PFD</i>].</p>
Clarification	<p>[<i>Early publication ensures the same notice to third parties about inchoate rights as if the application was filed the day before disclosure allowing parties to conduct freedom to operate studies and design around.</i>]</p>

Exhibit 2

Conflicting Applications

Notice: Language that appears in *italic and between brackets, [example]*, is still under discussion by the Industry Trilateral. Language in adjacent brackets represents possible alternative language.

Objective and principles

- (i) To prevent the grant of multiple patents on substantially the same or identical invention in the same jurisdiction and to minimize the risk to third parties of multiple enforcement proceedings in the same jurisdiction, while permitting an appropriate scope of protection for incremental inventions, a coherent set of rules with regard to conflicting applications is needed.
- (ii) Consistent with a first-to-file policy, an earlier filed application may serve as a basis for the rejection of a later filed application. Where the earlier filed application is not published before the filing date of the later filed application, however, the earlier filed application does not strictly meet the standard definition of "prior art" against a later filed application. Where the claimed invention in the earlier and later applications is identical, the claims may be rejected for "double patenting." However, where there are incremental differences between the claimed inventions, there is a need for a clear and uniform standard for determining whether both the earlier and later filed inventions can be patented in the same jurisdiction.

Individual elements resulting from the recommended approach:

Feature	Details
Use of Applicant's own work in patentability determinations	Unpublished applications by the same Applicant [<i>should</i>][<i>should not</i>] have prior art effect against their later applications. If adopted, anti-self collision applies for [12][18] months from the priority date of the unpublished application. Published applications by an Applicant are available as prior art against the Applicant and third parties alike.
Further measures needed to deal with double patenting	Possible further measures still to be discussed: <i>Jurisdictions should require:</i> [<i>terminal disclaimers</i>] [<i>anti-double patenting provisions</i>]

Feature	Details
Treatment of PCT Applications	<p data-bbox="467 233 630 260"><u>Alternative 1</u></p> <p data-bbox="467 268 1382 380">[PCT applications should be treated as prior art in all offices for which there is an active designation at the time of publication of the PCT application as of the earlier of the PCT filing date or priority date.]</p> <p data-bbox="467 417 630 445"><u>Alternative 2</u></p> <p data-bbox="467 453 1382 522">[PCT applications should be treated as prior art in offices where there has been a national/regional stage entry]</p>

Exhibit 3

Prior User Rights

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Objective and principles

To fairly balance (1) the interests of a third party, who in good faith has [*independently without reliance on another inventor's discovery and development*] made commercial use of an invention or at least the serious and effective preparation to commercially exploit the invention involving a significant investment (possibly without seeking patent protection for the invention because the third party intends to keep the invention as a trade secret), and (2) the interests of an independent innovator, who later seeks to patent that same invention, a limited Prior User Right (PUR) defense to a charge of infringement by the owner of the patent should be provided.

Individual elements resulting from the recommended approach:

Feature	Details
Requirements for accrual of PURs	<p>PURs accrue with respect to a later patented invention:</p> <ul style="list-style-type: none">(i) where such invention is commercially used by the third partyor(ii) where serious and effective preparations for commercial use have been made by the third party <p>prior to the actual filing date or the priority date, whichever is earlier.</p> <p>PURs do not apply when the third party obtained or used the relevant knowledge of the invention in an illegal way.</p> <p>PURs [<i>do</i>][<i>do not</i>] apply where the third party derived knowledge of the invention from a pre-filing disclosure (PFD) of the patentee, innocently and in good faith.</p>
Loss of PURs	<p>If a PUR accrues but the third party later abandons its use of the invention, the PUR is lost.</p>

Feature	Details
Critical Period for Accrual of PURs	Anytime before the actual filing date or the priority date, whichever is first.
Territorial scope of PURs	PURs are effective over the entire territory covered by the later patent based upon the acts, within any part of that territory, that gave rise to the PUR.
Exceptions to PURs	There should be no exceptions to PURs. PURs apply without discrimination to the type of patentee or subject matter of the claimed invention.
Burden of proof	The third party has the burden of proving PUR.
Changes in third party activity	PURs should allow for the continued practice of any patented inventions. A court determining the ultimate scope of the defense should consider several equitable factors.
	Third party rights are limited to the patent claims covering the product or process for which the third party accrued the PUR. The third party may modify its product or process so long as it does not infringe claims for which it did not accrue PURs. PURs should not necessarily extend to the entire scope of the patent.
	The third party should not be permitted to modify the underlying nature of its business [<i>except on occasions of force majeure or other circumstances beyond the control of the third party</i>].
Transfer of PUR	The PUR defense is not transferable by assignment or license, other than to the patent owner or to a purchaser of the entire business or relevant line of business.