



Grace Period

Cornerstones for Harmonization: a B+ Sub-Group / Industry Symposium

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This Presentation is meant to reflect the Industry Trilateral's positions provided in the "Policy and Elements for a Possible Substantive Harmonization Package," which is a work in progress and remains subject to approval by each organization's relevant bodies.

Language in brackets and italics is under further discussion and might include alternative proposals.













Introduction

- Policy
 - Inventors & Applicants
 - Third Parties
 - Public
 - All
- Elements—Including Issues Under Discussion
 - Duration & Scope
 - Prejudicial Effect of Intervening Disclosures
 - Statement
 - Administrative Fees
 - Early Publication









- Inventors & Applicants:
 - Protect Inventors and Applicants Against Loss of Rights Due to Pre-Filing Disclosures (PFDs)
 - To encourage innovation as engine of economic growth, need to protect inventor's
 - <u>unauthorized</u>, <u>unintentional</u>, and <u>intentional</u> PFDs of patentable information from later being asserted as patentability-destroying prior art against his subsequently filed applications
 - Avoids the time, expense, and uncertainty of determining an applicant's mental state concerning PFD
 - o Discovery often unavailable, further complicating the mental state inquiry
 - o Intentional PFDs might be necessary for encouraging continued investment in inventions especially for less affluent applicants









- Why Protect Inventors/Applicants Against Loss of Rights Due to PFDs?
 - Graced publications accelerate innovation by making info publicly available earlier others can immediately build upon PFD
 - Without potential patent rights, the innovator who is most likely to invest to develop and commercialize the invention will not pursue
 - A reasonable time is needed to prepare a patent application
 - SMEs, University staff, and individuals might be untrained or unsophisticated
 - More collaborations taking place with unsophisticated entities/partners
 - Social media allows news of advances to leak or go viral









- Third Parties:
 - Provide Legal Certainty for Third Parties
 - Third parties aware of a pending patent application claiming an invention of interest and a PFD about the invention, will want to know whether the PFD is prior art to the application
 - Conduct "freedom to operate" analyses and design around
 - Legal uncertainty might exist for third party where grace period is permitted and relationship between PFD and pending application is unknown
 - Third parties should not have a false sense of security that a PFD means no one is seeking patent protection, or that an application is unpatentable or a patent is invalid based on the PFD









- Public:
 - Discourage a Publish First Policy
 - A grace period is an exception to absolute novelty and should include mechanisms that encourage inventors/applicants to file first or promptly after a PFD and discourage intentional PFDs becoming a norm
 - No separate or additional patent rights should arise from the graced disclosure









- All:
 - Look For Best Practices and New Approaches
 - Numerous competing interests—not all can be satisfied
 - In a global economy applicants' patent strategies are necessarily global; grace period protections should be uniform and applicable world-wide
 - 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









• Duration:

- Grace period should extend up to [6][12] months from PFD to the filing date or priority date, whichever is earlier, of the patent application
 - Most existing grace periods are 12 months
 - Longer duration preferred by SME's, individuals, and universities
 - Shorter duration preferred by certain jurisdictions without existing grace period









• Scope:

- Grace period is limited to PFDs by, for, or from the applicant/inventor and includes derived disclosures
- All types of public disclosure by, for, or from the applicant/inventor, regardless of medium or forum, may be graced









• Scope:

- Disclosures of a claimed invention that are made prior to the filing of a patent application may be graced only if they originate with:
 - (1) applicant/inventor, whether they are made due to inadvertence or necessity;
 - (2) third party who has obtained access to the invention directly or indirectly from the applicant/inventor;
 - (3) third party who has obtained access to the invention through an abuse in relation to the applicant/inventor.









- Prejudicial Effect of Intervening Disclosure:
 - No grace period for independently developed and published subject matter
 - Intervening disclosures of subject matter that resulted from the independent work of third parties are always considered potential prior art









- Prejudicial Effect of Intervening Disclosure:
 - Where a portion of a third party intervening disclosure is derived from the applicant/inventor and a portion is the result of a third party's independent work that is different from the PFD,
 - the re-disclosed derived portion would be non-prejudicial, and
 - the different portion would be <u>potentially prejudicial</u> depending on how significant the difference was from the re-disclosed derived portion









- Prejudicial Effect of Intervening Disclosure:
 - Presumptions and Burden of Proof for Derived Publications
 - Recognizing it might be difficult to prove an intervening disclosure was derived from a PFD, certain presumptions are made, subject to rebuttal
 - Notwithstanding a listing in a timely filed "Statement," qualification of a PFD to be nonprejudicial can be challenged by Offices and third parties
 - Third parties can file a third party observation or an opposition-type proceeding during prosecution or after patent grant, or raise independent development in litigation









Statement:

- Applicant must file a Statement identifying the [unique]* PFDs to be graced
 - Creates notice to third parties that PFD is not prejudicial to applicant
 - Ideally Statement will be filed together with patent application
 - Provides Offices with info important to examination
 - [May be filed at any time during the life of the patent]
 - Best practices and certain penalties would encourage early filing of Statement

*relevant to patentability









Administrative Fees:

- There will be opportunities during prosecution, in response to a third party observation up to grant of a patent [and throughout the life of the patent] to file Statement
- Applicant [or Patentee] will pay administrative fees, which may increase over time, to encourage prompt filing of Statement claiming the benefit of a grace period
 - Discourages applicant's intentional PFD's or withholding of Statement by imposing financial consequences
 - Details of such fee would be determined by the Offices









- Early Publication:
 - [Upon timely filing of Statement, or on request, publication of patent application will be accelerated to 18 months after PFD]
 - [Early publication ensures same notice to third parties about potential rights as if the application was filed the day before disclosure allowing parties to conduct freedom to operate studies and design around]

