

**Promoting Transparent Use of the Grace Period**  
**Group B+ Subgroup on Harmonization**  
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## I. Introduction

### a. Overview of Concepts

The general rule in a first-to-file system is that information made available to the public before the filing date of a patent application constitutes prior art to that application. Thus, for instance, if an inventor were to publish details of the invention in a trade or academic journal before filing an application for it, that published disclosure of the invention would be novelty-defeating prior art against the later-filed application.

The “grace period” refers to a period of time prior to the filing date of the application within which certain disclosures of the invention will not impair the applicant’s ability to obtain a patent. Because such disclosures do not prejudice rights, they are sometimes also referred to as “non-prejudicial disclosures.”

There are many policy reasons advanced for providing a grace period. One is that it allows an inventor to avoid a harsh penalty—permanent loss of patent rights—for what may have been an accidental disclosure of the invention. Another is that it allows earlier dissemination of new technologies and research results than would otherwise be the case in a system without a grace period, where the public would have to wait until the application published. A third reason is that it allows applicants to test the market for the invention before filing or attract venture capital funding before undertaking the considerable expense of preparing and filing the application.

The main argument against a grace period is generally that it increases uncertainty on the part of third parties that see a disclosure of the invention, but will not know for some length of time whether that disclosure is or will be the subject of a later-filed patent application. This legal uncertainty lasts throughout the term of the patent granted, as pre-filing disclosures may be discovered by third parties post-grant, which may lead them to believe that the patent is invalid when in fact, the disclosure has been graced.

In order to alleviate concerns that a grace period introduces legal uncertainty into the patent system, some suggest that applicants wishing to take advantage of these provisions should be subject to some type of formal requirement for invoking the grace period. The grace periods in Japan and Korea, for example, have such a requirement. A declaration requirement obligates an applicant to provide descriptive information concerning a pre-filing disclosure at or near the time of filing in order for the grace period to apply to his application. Those supporting a declaration requirement suggest that it provides better transparency to third parties and provides important information to the patent office in terms of determining whether a particular disclosure is prior art or not. However, others argue that such requirements introduce additional administrative burdens into the patent system; that for disclosures in evident abuse of the applicant, through breach of confidence or theft of information, which the grace period is clearly intended to

capture, a declaration does not make sense because one cannot declare what one does not know; and a mandatory declaration may result in harsh penalties to some of the very applicants a grace period is designed to benefit, e.g., the relatively unsophisticated patent applicant or those who have accidentally disclosed. These arguments, as well as others, will be explored in more detail in Section II below.

#### b. Summary of Group B+ Work

In April 2015, the Group B+ Subgroup on Harmonization met in London to discuss differences in national legal provisions and a “draft principles” document, which includes principles on the abovementioned items, as well as higher level objectives for the patent system. While some progress was made, certain areas of disagreement lend themselves to further study. One such issue is how to best balance the need for legal certainty in terms of the use of the grace period with increased applicant and administrative burdens. Accordingly, this paper will explore various mechanisms for promoting transparent use of the grace period and consider policy issues associated with the application thereof.

### II. Policy Issues

As will be discussed in more detail in section III, jurisdictions have taken very different approaches when determining suitable mechanisms for operation of the grace period in their respective patent offices. Many argue in support of their current systems based on a balance of policy issues which are covered in turn below.

#### a. Legal Certainty

One of the main arguments against the adoption of a grace period is that it creates legal uncertainty for third parties who may find it difficult to determine the state of the art in regard to an application or patent, particularly in cases where a pre-filing publication which would defeat novelty is later found to be a graced disclosure. Such legal uncertainty lasts throughout the term of the patent. Some argue that in order to lessen this concern and introduce more certainty into the system applicants wishing to invoke the grace period should be required to submit a statement or declaration detailing prior public disclosures of which the applicant is aware, which the applicant claims to be non-prejudicial.

However, those who do not favor the use of mandatory declarations question the impact declarations would have on the issue of legal uncertainty in the pre-grant period. If an applicant files a declaration with their application citing that a particular disclosure is subject to the grace period, that information is not made public until the application is published provided that the office makes the entirety of the application file available to the public upon publication of the

application. At that point in time, the application itself provides the necessary notice to the public that an application has been filed on the given subject matter.

#### b. Applicant Burden

Critics of the declaration requirement argue that it creates an unnecessary burden on applicants and a trap for the unwary or less-sophisticated. An applicant may not always know of a prior disclosure or be savvy enough to know that such disclosures must be identified and declared. In addition, declaration requirements will force corporations to spend capital that could otherwise be used to fund innovation to introduce new monitoring and disclosure protocols to insure it is aware of any disclosures by employees or research partners. Thus, such a requirement could have an adverse impact not only on large companies that may have several subsidiaries or people in geographically diverse locations working on similar projects, but also on small inventors, who tend to be less knowledgeable in matters of patent law and who would be among the primary beneficiaries of the grace period.

The U.S. system does not have a declaration requirement, and the majority of users there feel that this is best practice. During the Tegernsee Survey, 71% of respondents in the US were against a mandatory declaration (See Tegernsee Final Consolidated Report (2014), p.31.) Likewise, the Europe Economics Report on the Economic Analysis of the Grace Period mandated by the ESAB (2014) showed that only 38% of US respondents were in favor of a mandatory declaration within the context of a grace period. (See Europe Economics' Report, p.70.)

However, those in favor of mandatory declaration requirements argue that given that the applicant is the primary beneficiary of this relief measure under the first-to-file system and not third parties, it is fair and reasonable that applicants should bear any burden associated with the use of the grace period.

In Japan, which has a mandatory declaration system, the Tegernsee Survey showed that a majority of respondents (64%) supported the provision. (See Tegernsee Final Consolidated Report (2014), p.31.) In Europe, 62% of respondents are in favor of a mandatory declaration, which forms part of the definition of a safety-net grace period given by European users within the Tegernsee Consultation in 2013. The ESAB Study on the Grace Period showed that 72% of respondents in Japan and 66% of those in Europe were in favor of a mandatory declaration. (See Europe Economics' Report, p.70.) It should also be noted that a sizable proportion of the current support for a grace period in Europe is tied to the assumption that this modality will be included in the definition.

### c. Patent Examination Process Efficiency

Departing from an absolute novelty system by providing a grace period adds additional complexities to the patent examination process. Where offices do not require declarations, extra office actions may be necessary to determine and demonstrate that particular prior art meets the requirements in that jurisdiction to be considered a graced disclosure. For example, the examiner issues an office action refusing the application based on a disclosure by the applicant, applicant later responds and argues that the disclosure should be graced, which in turn, leads the examiner to withdraw the refusal and issue another office action, thereby delaying the process. This increases both pendency and costs, which impact on all users of the system. It may also make it impossible for an office to provide applicants with a solid first office action identifying the applicable prior art on a first filing, giving the applicant the information he needs in time to work out his international filing strategy within the priority period

However, some believe increasing examination efficiency need not be accomplished solely through mandatory declarations. Instead, other mechanisms may be adopted to notify the office in advance of existing pre-filing disclosures which can be used to promote compact prosecution.

## III. Overview of Grace Period Provisions and Associated Requirements in Select Jurisdictions

### a. Japan

#### i. Summary of Grace Period

Article 30 of the Japan Patent Act provides that disclosures are not taken into consideration in determining novelty and inventive step if the disclosure occurred within six months before the filing date in Japan by the person having the right to obtain a patent in the case of an invention which has fallen under any of the items of Article 29(1)<sup>1</sup> as a result of an act of the person having the right to obtain a patent (excluding those which have fallen under any of the items of said paragraph through the publication in the bulletin pertaining to inventions, utility models, designs or trademarks. In addition, disclosures within six months before the filing date in Japan against the will of the person having the right to obtain a patent will not be taken into consideration in determining novelty and inventive step.

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<sup>1</sup>(i) inventions that were publicly known in Japan or a foreign country prior to the filing of the patent application;  
(ii) inventions that were publicly worked in Japan or a foreign country prior to the filing of the patent application; or  
(iii) inventions that were described in a distributed publication, or inventions that were made publicly available through an electric telecommunication line in Japan or a foreign country prior to the filing of the patent application.

## ii. Means for Promoting Transparency

### 1. Mechanism

Except in the case where an invention has been published against the right holder's will, if an applicant wishes to invoke the grace period, at the time of filing of the patent application, he must submit a written statement to that effect with the application and, within thirty days from the date of filing of the patent application, a document ("Proving Document") proving the fact that the invention has otherwise fallen under any of the items of Article 29(1) is an invention to which the grace period may be applicable.

The Proving Document must include information demonstrating that the following two requirements are met: 1. a patent application has been filed for the invention within six months from the date on which the invention was published, and 2. the invention was published as a result of an act of the right holder(s), and the right holder(s) filed the patent application.

As an example, to prove that an application has been filed for the invention within six months from the date on which the application was published, the applicant should include the following information: (i) date of publication, (ii) place of publication, (iii) name(s) of the person(s) who published the invention, and (iv) the contents of the invention published (stated in enough detail to specify the subject to be proved).

Where the invention has been published against the right holder's will, the applicant is eligible for the application of the grace period if he files a patent application within six months from the date of publication of the invention. The applicant is not required to submit a document stating to the effect that he is seeking the grace period nor a "Proving Document." Proof as to the fact that the invention was published against the will of the right holder(s) can be submitted by written opinion or written report at any time (e.g. at the time of responding to the notice of reasons for refusal from the examiner).

For additional information, please see JPO's Operational Guidelines on this subject available at: [https://www.jpo.go.jp/tetuzuki\\_e/t\\_tokkyo\\_e/pdf/e\\_pae\\_paa30/e\\_tebiki.pdf](https://www.jpo.go.jp/tetuzuki_e/t_tokkyo_e/pdf/e_pae_paa30/e_tebiki.pdf).

### 2. Penalty

If the "Proving Document" is found insufficient in proving the requirements listed above, there is a possibility that the disclosure will not be graced and a notification of reasons for refusal or an invalidation trial decision denying the novelty or inventive step of the invention pertaining to the patent application based on the disclosure may be made.

Nevertheless, in such case, the applicant may submit supplementary materials, such as objective evidentiary material or a certificate by a third party, to attest the truth of the matters stated in the

certificate previously prepared and submitted by him through a written opinion or written report, even after 30 days have passed from the filing date of the patent application.

Where, due to reasons beyond the control of the person responsible for submitting the Proving Document, the person is unable to submit the Proving Document within 30 days from the date of filing of the patent application, the person may file the Proving Document with the Commissioner of Patent Office within 14 days (where overseas resident, within two months) from the date on which the reasons cease, but not later than six months following the expiration of the original time limit.

b. United States

i. Summary of the Grace Period

The America Invents Act provides exceptions to the prior art provisions of 35 U.S.C. 102(a)(1). These exceptions limit the use of an inventor's own work as prior art, when the inventor's own work has been publicly disclosed by the inventor, a joint inventor, or another who obtained the subject matter directly or indirectly from the inventor or joint inventor not more than one year before the effective filing date (including any claim of priority) of the claimed invention.

U.S. law goes beyond this basic grace period standard, however, and also exempts certain third party activities that would normally qualify as prior art provided the inventor/joint inventor discloses the invention first (within the grace period). For example, if inventor A discloses and within one year files the application, an intervening, non-derived publication of the subject matter by B may, under certain circumstances, be exempted as prior art.

ii. Means for Promoting Transparency

1. Mechanism

Under US law, the grace period applies by operation of law; there is no requirement to declare entitlement. That said, the USPTO has encouraged applicants in an AIA-related rulemaking to identify disclosures subject to the grace period at the time of filing as a means of avoiding unnecessary office actions and replies and prolongation of the prosecution process.

Applicants can include a statement designating any grace period inventor disclosures in the specification; however, this statement is not required. Identifying any prior disclosures by the inventor or joint inventor may expedite examination of the application and save applicants (and the USPTO) the costs related to an office action and reply. If the patent application specification contains a specific reference to a grace period inventor disclosure, the USPTO will consider it apparent from the specification that the prior disclosure is by the inventor or a joint inventor, provided that the prior disclosure does not name additional authors or joint inventors and there is no other evidence to the contrary. The applicant may also provide a copy of the grace period

inventor disclosure (e.g., copy of a printed publication). Manual of Patent Examining Procedure §2153.

The USPTO has also provided a mechanism for filing an affidavit or declaration (under 37 CFR §1.130) to establish that a disclosure identified in an Office action is not prior art under 35 U.S.C. §102(a) due to an exception in 35 U.S.C. §102(b).

c. Europe

i. Summary of the Grace Period

The European Patent Convention provides a grace period of 6 months, albeit a very restricted one, which does not apply to disclosures by the inventor/applicant or his successor in title, other than in the narrow setting of a recognized international exhibition.

Article 55(1) EPC graces two types of disclosures which typically would fall under the novelty provisions captured in Art. 54 EPC, but are nevertheless excluded from the scope of that provision where the disclosure was due to or a consequence of (1) an evident abuse in relation to the applicant or his legal predecessor (Art. 55(1)(a) EPC), or (2) a displaying of the invention “at an official, or officially recognized international exhibition” falling within the terms of the Paris Convention on international exhibitions (Art. 55(1)(b) EPC).

ii. Means for Promoting Transparency

1. Mechanism

Where the invention has been displayed in an international exhibition falling within the narrow purview of Art. 55(1)(b) EPC, Art. 55(2) EPC requires that the applicant make a declaration to that effect upon filing. Pursuant to Rule 25 EPC, the applicant must then file within 4 months of the filing of the European application, a certificate of exhibition in support of his statement, issued by the authority responsible for IP at that exhibition, which must identify the invention, state that the invention was in fact displayed at the exhibition and indicate the date on which the invention was first disclosed. The Examining Division will assess the matter of the identity between the invention displayed and the application under examination (Guidelines for Examination in the EPO, B VI-3, 5.5).

There are no declaration formalities associated with the application of Art. 55(1)(a) EPC, disclosure due to, or in consequence of evident abuse. Where an examiner finds a reference which might fall within the purview of this article, this reference must be cited in the search report. The matter of evident abuse in relation to the applicant pursuant to Art. 55(1)(a) EPC will generally only be raised after the search report and written opinion have been transmitted to the



applicant, and the Examining Division will then investigate the matter (Guidelines for Examination in the EPO, B VI-3, 5.5).

## 2. Penalty

Failure to file a certificate of exhibition in due time results in the disclosure forming part of the prior art for the assessment of novelty and inventive step (Art. 55(2) EPC). The consequence of failing to file a certificate in due time can be avoided if the certificate is filed and the fee for further processing is paid within two months of notification of loss of rights. (See Art. 121 and Rule 135 EPC).

### d. Korea

#### i. Summary of the Grace Period

Article 30 of the Korean Patent Act provides that disclosures are not to be taken into account in determining novelty and inventive step if the disclosure occurred within twelve months before the filing date in Korea (a) by the person with the right to obtain a patent or (b) contrary to the intention the person with the right to obtain a patent. Under the Korea Patent Act, the phrase ‘a person with the right to obtain a patent’ is employed in relation to the grace period and includes an inventor, co-inventor or his/her successor entitled to the invention.

#### ii. Means for Promoting Transparency

##### 1. Mechanism

For applications prior to July 29, 2015, in the case of disclosure by the person with the right to obtain a patent within twelve months of the filing date in Korea, the applicant must submit a written statement to the Korean Intellectual Property Office Commissioner stating his intention to invoke the grace period when filing a patent application. The applicant must also submit supporting documents relevant to the disclosure within thirty-days of filing the patent application. No post-filing request is allowed for an applicant who fails to claim the grace period at the time of filing.

For applications filed on or after July 29, 2015, Article 30(3) of the revised Korean Patent Act, however, allows filing a request for claiming the benefit of such grace period even after the filing date, provided that such request is made within: (i) The time period during which an amendment to the claims/specification may be made; or (ii) Within 3 months from the receipt of Notice of Allowance or before payment of the registration fee, whichever is earlier. Evidentiary documents may also be submitted during the above periods.

With respect to disclosures contrary to the intent of the applicant, a person claiming the safe harbor has the burden of proving that the disclosure occurred against his/her intention.

## 2. Penalty

Failure to file requisite documents in due time results in the disclosure forming part of the prior art for the assessment of novelty and inventive step.

### e. Canada

#### i. Summary of the Grace Period

Articles 28.2 and 28.3 of the Canadian Patent Act provide that disclosures are not to be taken into account in determining novelty if the disclosure was made more than one year before the filing date by the applicant, or by a person who obtained knowledge, directly or indirectly, from the applicant, in such a manner that the subject-matter became available to the public in Canada or elsewhere.

#### ii. Means for Promoting Transparency

No statement or declaration is required under the Canadian Patent Act.

### f. Australia

#### i. Summary of the Grace Period

Under section 24 of the 1990 Patents Act (Compilation No. 34), for the purpose of deciding whether an invention is novel or involves an inventive step, the person making the decision must disregard (a) any information made publicly available in the prescribed circumstances, by or with the consent of the nominated person or patentee, or the predecessor in title of the nominated person or patentee; and (b) any information made publicly available without the consent of the nominated person or patentee, through any publication or use of the invention by another person who derived the information from the nominated person or patentee or from the predecessor in title of the nominated person or patentee; but only if a complete application is made within the prescribed time period (12 months before the filing of the complete specification).

#### ii. Means for Promoting Transparency

##### 1. Mechanism

Under current Australian Patent Law, it is not necessary to invoke the grace period when filing, or to otherwise notify the patent office that the grace period is being relied upon.

However, applications based on inventions made public at an exhibition prior to April 15, 2013 must include, at the time of filing, a notice stating that the invention has been exhibited. Prior to the publication or within 6 months of the filing date of the complete specification of an innovation patent application, the applicant must also file a statement issued by the authority responsible for the exhibition in which: the invention and the exhibition are identified, the opening date of the exhibition is given, and where the first disclosure of the invention during the exhibition did not take place on that date, the date of the initial disclosure.

## 2. Penalty

With respect to applications based on inventions made public at an exhibition prior to April 15, 2013, failure to file requisite documents in due time results in the disclosure forming part of the prior art for the assessment of novelty and inventive step.

## IV. Potential Options for Promoting Transparency

It is clear from the above descriptions that grace period provisions and associated requirements vary greatly from one jurisdiction to the next. Some jurisdictions impose strict requirements in order for applicants to invoke the grace period. Systems like these are established to add transparency to the process and provide for increased examination efficiency. Other systems with more flexible or no requirements at all instead are more focused on lessening the burden on the applicants and ensuring protection of those less knowledgeable about the patent system.

The Group B+ Subgroup on Harmonization has agreed that if a grace period is introduced which covers disclosures by the applicant, then the system should encourage transparency of the fact that the grace period has been invoked. This must be accomplished while balancing the need for increased legal certainty while managing the burden placed on the applicant. There are a number of mechanisms which are currently in use in terms of claiming the benefit of the grace period: declaration requirements (statements, proving documents, certificates of exhibition), optional submissions to the office prior to examination, and finally, no formal requirements, but instead the issue is dealt with through the course of examination. Each of these has both positive and negative aspects which will be explored below.

### a. No Declaration

Where no declaration or formal statement is necessary to invoke the grace period, applicant burden is at its lowest. This allows applicants with less understanding of the patent system to rely on the grace period without being subject to strict requirements that if not abided by could result in loss of patent rights. Having no formal declaration requirement also protects large corporations from necessarily expending additional resources to monitor for potential disclosures relative to applications filed naming the company as assignee or inventive entity.

Setting aside the benefits to applicants, having no declaration requirement can lead to some examination inefficiency. The examiner, having no notice that a prior disclosure should be graced, will likely reject the claim based on that disclosure. If later presented with information that the disclosure should be graced, the examiner may be required to issue another office action, leading to an additional response by the applicant, in which case the examination period may be prolonged.

Another consideration is the effect on third parties when a declaration is not required. Third parties bear the brunt of such a rule in terms of legal uncertainty. When a third party discovers an item of potential prior art, absent a declaration, it may not be easy to determine whether or not the disclosure constitutes prior art, in which case the patent granted may be invalid, or whether the pre-filing disclosure may be graced. Determining such a disclosure's status as prior art may require further investigation as to its origin and the circumstances of it becoming publicly available, which may significantly increase the cost of freedom to operate opinions for third parties as well as the cost of litigation.

## b. Declarations

### i. Pros/Cons

Those in favor of mandatory declarations assert that such requirements help to balance the increased legal uncertainty that comes with the adoption of a grace period. Declarations can also help increase examination efficiency in a time when offices are facing large backlogs of unexamined applications, with a positive effect on both pendency and overall costs for the system.

However, mandatory declarations are not without their drawbacks. The burden lies with the applicant to know of and report any pre-filing disclosures, most times at or near filing. In situations where such disclosure is not known until later, depending on the penalties applicable, not filing the declaration may ultimately lead to a forfeiture of patent rights based on the inapplicability of the grace period provision. In addition, where an applicant is new to the patent system or may not have an extensive understanding of patent rules and procedures, a declaration requirement may result in penalization of an applicant that the grace period was intended to protect. One potential method of addressing this issue may be to include appropriate indications and sections on the application form to prompt notification of pre-filing disclosures.

### ii. Formalities and Content

Mandatory declarations can take a number of forms, such as a standardized document or a statement prepared by the applicant. The content of the declarations can also vary. Declarations may serve merely as notice that a pre-filing disclosure exists, while more extensive procedures may require the applicant in the declaration to provide evidence of the disclosure including who disclosed, the date and location of the disclosure, and what exactly was disclosed. More detailed requirements may serve as better notice of the pre-filing disclosures of the applicant's invention for which the grace period will be invoked; however, this would not come without some administrative costs associated with identifying such disclosures, as well as the preparing, filing, and processing of these forms or statements.

Another issue which must be addressed in this context is whether or not applicants should be given the opportunity to correct any defects in their declaration, and if so, how long into the examination process would they have to submit their corrections.

Some users who are in favor of a declaration requirement believe that a simple administrative formality would suffice and the requirement need not be subject to an oath or a sworn statement. In that situation, however, a distinction must be drawn between the obligation to declare a pre-filing disclosure, and the onus of proving entitlement to the benefit of the grace period for a particular item of prior art.

### iii. Scope of the obligation

Some of those in favor of a declaration requirement recommend that applicants be required to identify pre-filing disclosures of the following scope:

- Pre-filing disclosures made by him or with his consent only, and
- Pre-filing disclosures having occurred through breach of confidence or theft of confidential information, of which he has become aware

Outside of this scope are pre-filing disclosures of which the applicant is not aware, such as disclosures having occurred through breach of confidence or theft of confidential information, where he has no notice of the event.

As discussed above, some stakeholders argue that any declaration requirement increases the burden on applicants. This consists of not only the burden of filing any required documents, but also increased need for monitoring protocols. Some may argue, that the burden may not be that great for large entities, as they may already have certain protocols in place to avoid pre-filing disclosures prejudicing patenting in jurisdictions which do not have a grace period or mechanisms for making strategic decisions about whether to protect information through trade secrets, or avoid giving information to the competition about their focal points of R&D, etc.

#### iv. Timing

There is also a question of when during prosecution declarations should be filed. That is, should the declaration be required with the filing of the application, a certain time period from filing, before grant, or when the disclosure becomes known to the applicant. The Industry Trilateral, comprised of representatives from the American Intellectual Property Law Association (AIPLA), BusinessEurope (BE), Intellectual Property Owners Association (IPO), and the Japan Intellectual Property Association (JIPA), in their “Patent Harmonization Policy and Elements Paper” suggest that, if a declaration is required, optimally the declaration should be provided early in the application process such that it can be published along with the publication of the application. This would afford third parties the earliest opportunity to know that a pre-filing disclosure has become the subject of a patent application. Requiring early declaration of the pre-filing disclosure also would help to ensure that the examiner is aware of the reference and how to properly treat it.

Different scenarios can be envisaged (some proposed by users):

- (a) Filing a complete mandatory declaration upon filing the application: this is by definition the closest to the time of the pre-filing disclosure, so that the applicant’s recollection will be fresh, and would allow patent offices to have the information prior to beginning the examination process.
- (b) In time for the declaration to be published with the application.
- (c) Prior to grant: the post-grant benefits for third parties would accrue, but the efficiency of the examination process would not be enhanced.
- (d) Notice of intent to claim the benefit of the grace period upon filing (as in Japan and previously, in Korea), with filing of details due at a later date, which could be early enough in the procedure to allow the examination process to benefit from it (as in Japan).

In any event, some believe that if a declaration is required, the system should make it possible for an applicant being made aware of a pre-filing disclosure at a later date to file a correction and add any such disclosures. In the long term, every single item added enhances legal certainty for third parties and thus benefits the system.

#### v. Possible Penalties

Another issue raised by the subject of mandatory declarations is what the appropriate consequences are if an applicant does not comply with the declaration or submission requirement.

Currently, most systems having mandatory declaration requirements impose a strict penalty if the applicant does not file the requisite materials. That is, the pre-filing disclosure is not graced and

remains part of the prior art for novelty and inventive step purposes, which ultimately leads to a loss of patent rights. In such a system, the declaration requirement is constitutive of the right to invoke the benefit to the grace period.

Some argue that such an outcome is harsh, and would suggest instead that the declaration be treated as an administrative requirement. If this is the case, then, failure to disclose a pre-filing disclosure should only be subject to administrative-type penalties, such as fees, or penalties other than those entailing a total loss of rights.

Examples of penalties which have been suggested by users include:

- Additional procedural fees assessed on an applicant that does not declare entitlement to the grace period, or fails to list items falling within the scope of his obligation: for instance, an additional search or examination fee where additional patent office resources are invested in the application as a result of the omission.
- Where the declaration does not list the pre-filing disclosure, and it is deemed to be graced, damages for infringement by third parties could not be collected for the time prior to the date on which the gracing of the item has been recognized, either by a patent office or a court.

One particular issue with respect to assessing penalties when an applicant does not comply with a declaration requirement is how the penalty works when the disclosure occurred in breach of the applicant's rights or the applicant was unaware of the existence of the disclosure. In that situation, compliance with the declaration requirement is extremely difficult or even impossible. Accordingly, penalizing this type of applicant and conduct for which the grace period is designed to protect may not be reasonable, so taking care to appropriately define the scope of the obligation to declare would be of the utmost necessity so as to prevent increased litigation on the issue of whether there was actual knowledge of the disclosure by the applicant or not.

### c. Other Mechanisms

Some suggest a more middle-ground approach may help support the need for increased legal certainty and examination efficiency while still balancing the burden on applicants. For example, applicants may be able to notify the office of known pre-filing disclosures by including the reference in the specification of the application, if they so wish. This benefits the applicant by decreasing the need for additional Office actions to sort out the state of the reference, while also decreasing the burden on applicants to provide statements or extensive evidence in support of their use of the grace period. Once published, this mechanism serves as notice to third parties thereby increasing legal certainty.

## V. Conclusion

While the debate over the adoption of an internationally harmonized grace period continues, even a small part of the issue lends itself to extensive analysis – if a grace period is adopted internationally, should applicants wishing to take advantage of these provisions be subject to formal requirements and if so, what penalty should be assessed in case of non-compliance?

As can be seen from the discussion above, the select jurisdictions covered here address this question in a variety of ways. On balance, some jurisdictions weigh in favor of increased legal certainty and examination efficiency, while others find concerns over applicant and administrative burdens more persuasive. Perhaps middle-ground approaches can be explored wherein applicants who in good faith are unaware of a pre-filing disclosure are pardoned from declaration requirements until they become aware of the disclosure or where other mechanisms are used to notify the office and third parties of any pre-filing disclosures. It should be recalled that this issue does not stand alone, and other elements of the grace period may be factored in to a determination of the appropriate course forward.