Summary of Australian consultations on Industry Trilateral proposals for substantive patent law harmonization Group B+

IP Australia consulted the following key stakeholders on the IT3 package on substantive patent law harmonization (SPLH):

- Australian Association of the International Federation of Intellectual Property Attorneys (FICPI Australia)
- Intellectual Property Committee of the Business Law Section of the Law Council of Australia (LCA)
- Institute of Patent and Trade Mark Attorneys of Australia (IPTA) and
- New Zealand Intellectual Property Attorneys Incorporated (NZIPA).

In summary, our stakeholders:

- support efforts to achieve substantive patent law harmonization and are keen to contribute to the discussion
- prefer FICPI International's proposal on patent law harmonisation, or the similar AIPPI proposal
- can generally support the IT3 proposals on prior art, grace period, defence for prior use and mandatory publication, although they consider amendments to the proposals would be necessary
- do not support the proposals on conflicting applications and defence for intervening use. They consider these would introduce too much complexity and impose too much burden on applicants by requiring statements of a Pre-Filing Disclosure (PFD), and on third parties. Stakeholders propose a simpler alternative approach to these issues based on Australian law.

1. Prior art

Some Australian stakeholders support the IT3 definition, subject to the stakeholder's comments on the IT3 proposals for conflicting applications and grace period. They consider that the proposed definition had some advantages. These include that it:

- accommodates technological advances in communications by being neutral on the medium via which prior art is published or disclosed,
- accommodates for future developments and ensures that disclosures made in confidence between research partners will not be considered relevant prior art.

However, most stakeholders consider the IT3 proposed definition would need amendment because it would exclude:

- patent applications with an earlier priority date to the application under consideration and which are published after the priority date of the application under consideration (known as 'whole of contents' in Australian law), and
- disclosures prior to the priority date and after the filing date of an application. This is due to the inclusion of "the earlier of the filing or" in the text. This could impact scenarios where later filed subject matter claims a priority date that is after the filing date, e.g. divisional applications with added subject matter. Such information should form part of the prior art.

2. Conflicting applications

All respondents support the prevention of multiple patents being granted for the same invention. Regarding the IT3 proposal, some stakeholders support:

- Secret Prior Art (SPA) being used against later filings of both the same applicant and third parties, upon publication
- SPA forming part of the prior art base for assessing inventive step, in order to prevent the patenting of incremental, non-inventive inventions. This was a minority view.
 - Further view is that SPA can be cited against novelty once published and PCT applications with an earlier filing date should receive the same treatment as national phase applications in all designated states.

However, all stakeholders that responded do not support:

- different rules for SPA originating from the applicant versus from a third party, and
- the proposed 'distance' measure between conflicting applications.

Such elements would unnecessarily increase the complexity and subjectivity of the system and may lead to undesirable consequences. These include:

- an extra 18 months protection for the same subject matter due to additional filings by the same applicant,
- the exclusion of applications on inventions developed by the same research team, but which have different applicants and
- the subjective nature of 'distance' measure that can create unnecessary patent protection gaps that could be exploited by third parties.

Some stakeholders do not support PCT applications that have not entered national phase being included as prior art. The view is that such applications should not be treated as prior art because without a national phase application there is no danger of double patenting.

Most Australian stakeholders consider that the issue of conflicting applications is better resolved by the simpler 'whole of contents' novelty system used in Australia and other jurisdictions such as EPC Article 54(3). Under this approach prior art includes all patent applications with an earlier priority date to the application under consideration and which are published after the priority date of the application under consideration. This prevents patents being granted for the same invention, but is subject to the grace period.

3. Grace period

All stakeholders that responded support a 12 month grace period. However, all consider that a statement of Pre-Filing Disclosure (PFD) should not be mandatory. Statements would be unnecessary administrative burdens on applicants and patent offices and provide little benefit to third parties. Third parties that are able to become aware of a PFD are also able to be aware of a patent application benefiting from the grace period when the application is published, and so understand that the invention in the PFD may be patented. If a third party acted on the disclosure before the application was filed they would have prior user rights, and so not need to know which PFDs are graced. Stakeholders considered that a grace period should only be relied on when a PFD is cited as prior art during examination, as it is difficult for an applicant to know if a disclosure constitutes enabling prior art in a particular jurisdiction.

Some support was expressed for:

- a 12 month grace period before the filing date, not the priority date
- the gracing of re-disclosures by third parties of the original applicant's PFD

• voluntary statements being accepted and published within 6 months of the filing of the application.

4. Prior user rights defence

Stakeholders broadly support this proposal, as prior user rights need to be addressed where there is a grace period, but do not support those parts relating to statements of PFD. Stakeholders noted the following:

- some stakeholders support limiting the defence to specific designs of the invention that were the subject of the preparations, while others consider this not commercially realistic or justifiable
- prior user rights should be freely assignable, rather than limiting disposition of the prior user rights to another person only if they are a purchaser of an entire business and continue the same activity of use
- the defence should only apply to activities that take place before the priority date of the application
- the defence should not be expandable to cover new products and services from which a patentee has created a market or be licensed or transferable unless it is transferred to a purchaser of the entire business and that any defence should be derived knowledge provided it is not contrary to law or via breach of confidentiality
- 'good faith' needs to be defined, or the defence be based on information made public by the applicant or with the applicant's consent.

5. Defence for intervening user

All respondents do not support the proposed defence for intervening user due to its complexity. It would require the filing of a declaration or statement of PFD and place a burden on third parties to actively monitor PFDs and to notify the IP Office when a PDF may be relevant to their activity.

Stakeholders also consider that the proposed defence does not comply with the Paris Convention Article 4B.

6. Mandatory publication of all patent applications

All respondents supported the mandatory publication of an application at 18 months from the priority date, with limited exceptions such as those in the IT3 proposal.

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