

Comparative Analysis of the Results of the National Consultations on Users proposals on Substantive Patent Law Harmonisation

Group B+ Working Group on Substantive Patent Law Harmonisation

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Executive Summary

At the Group B+ Plenary meeting on 21 September 2022, it was decided to create a working group (WG) to analyse the outcomes of consultations of stakeholders' views on the Industry Trilateral (IT3) Elements paper on a package of norms for international substantive patent law harmonisation (SPLH). These national and regional consultations had been conducted in some jurisdictions (AU, CA, Europe, JP) following a decision of the Plenary meeting of 5 October 2021.

The WG analysed the results of the various national and regional consultations taking into account the IT3 Elements paper, the International Federation of Intellectual Property Attorneys (FICPI) "Position on Patent Law Harmonisation (Group B+)", and relevant resolutions of the International Association for the Protection of Intellectual Property (AIPPI). The analysis also drew upon previous work of the Group B+ and the Tegernsee Experts Group as well as relevant documents of the WIPO Standing Committee on the Law of Patents. The WG also took account of an informal summary of users' views from the Korean Intellectual Property Association (KINPA) conducted earlier this year, and forwarded to the WG

The purpose of this report is to:

- (i) provide an overview of the different existing systems;
- (ii) compare the results of the national consultations and related reports, and identify areas of convergence and areas requiring further work where areas of convergences could help to initiate the core of a common package; and
- (iii) for areas requiring further work, identify the different possible options for each issue, taking into account existing legislation and consultation results, as well as the work which has already been done by the Group B+ and the B+ Sub Group to analyse and comment up on the options

There are inherent limitations in this analysis in that the scope of the consultations was different depending on the jurisdiction in terms of the subject-matter consulted upon and the methodology. Moreover, the level of detail of the reports varied significantly so that some issues cannot be addressed comparatively for lack of data. Finally, no consultation reports on the views of KR and US users were initially available (although some indications of American user positions could be deduced from the Elements Paper, and KINPA forwarded an informal report of views of some of its members). Nevertheless, this remains a useful exercise in gauging stakeholder positions in those jurisdictions that are represented.

Key findings

In all jurisdictions, there appears to be great support amongst stakeholders for SPLH although they are concerned about increasing the complexity of patent systems and consistently express a preference for existing systems. The analysis also strongly suggests that stakeholders support SPLH as a package of harmonised norms covering a grace period, conflicting applications, prior user rights, the definition of prior art, and publication at 18 months.

Grace Period

At a high level there appears to be a consensus that an SPLH package should include a grace period with a majority of users conditionally supporting its inclusion. There is also widespread stakeholder agreement that the grace period should cover all types of disclosure by, for or derived from the inventor or their successor in title, regardless of medium or forum and regardless of whether the disclosure was intentional or not. Stakeholders also largely agree that, as a general principle, the initial burden of proof should lie with the party invoking the benefit of the grace period. Finally, there is universal rejection of the concept of the Defence of Intervening User and this feature of the IT3 Elements paper should not be considered further.

The comparative analysis identified several elements of a grace period where there is currently no consensus of stakeholder views. The first element is the duration of the grace period. Many jurisdictions currently have a 12-month grace period but in Europe, under the EPC, the period for non-prejudicial disclosures is 6 months. It is suggested that 6-month and 12-month options remain “on the table” while discussion in Europe continue. No further discussion in Group B+ is suggested at this time.

The analysis of the consultation responses was inconclusive regarding the date as of which the grace period is calculated: either (i) filing date or (ii) the earlier of filing or priority date. This issue should be explored in further detail, in conjunction with the issue of the duration with which it is linked.

This study also shows a clear divergence of views on the requirement for a statement or declaration that a disclosure is to be graced. Options for further consideration are:

- (i) Applicants are not required to file a statement.
- (ii) Applicants may file a statement voluntarily.
- (iii) Applicants are required to submit a statement without a strict deadline, with incentives to encourage timely submission of such statements.
- (iv) Applicants are required to file a statement with strict filing deadlines.

There was no convergence of views on accelerated publication. The inclusion of a system of accelerated publication requires there to be a system that requires the filing of a statement. Therefore, it is suggested that any further discussion of accelerated publication should occur after the issue of a statement requirement is resolved.

Stakeholder opinion is split on whether prior user rights should be able to accrue where knowledge of the invention was derived from a pre-filing disclosure (PFD) during the grace period made by the applicant or with their consent. This should be discussed further and is further addressed below.

Conflicting Applications

There was not enough specific input from some jurisdictions to draw conclusions on convergence and divergence of views on some important elements because of the

differences in the consultations conducted in different jurisdictions. Thus, it was not possible to identify options regarding conflicting applications.

All that may be concluded from the consultations is that it is likely there is convergence of views around the need to prevent double patenting and a whole contents approach, neither of which are contentious issues.

This is an area which will require further work. A possible next step could be a detailed discussion between Group B+ delegations and key industry representatives at working level, before the Group B+ embarks on any further work in this regard.

Prior User Rights

From the stakeholder consultations there is general support for prior user rights (PURs) and reasonable convergence on some of its features.

Existing patent systems define PURs either as a defence against infringement, an exception to infringement, or a non-exclusive license. None of the consultations discussed this issue. However, as there may be little practical difference in outcome, the nature of PURs could be left to national legislation, their substance is consistent with any agreed international norms.

There appears to be a consensus that PURs accrue where a third party has made actual commercial use of the invention or made serious and effective preparations to commercially use the invention, before the critical date. Most Group B+ jurisdictions are already convergent around the critical date for accruing PURs being the earlier of the priority or filing date. There is also consensus that the burden of proof should fall on the third party to show that they qualify or acquired the business from a third party that qualifies for a PUR.

For a PUR to accrue, qualifying activities must occur within the territory covered by the applicable patent. As far as can be determined, this condition is harmonised throughout Group B+ members. Some stakeholders expressed an interest in international PURs. However, the B+ Sub-group has already agreed in principle that rights would be limited to the country in which use (or preparations for use) occurred.

The three proposals only allow rights to be transferred with the whole of the business or line of business in which they arose. PURs may not be licensed or transferred in isolation, which also generally reflects the national law of the Group B+ members. This approach was generally supported by stakeholders.

There is convergence of stakeholder views around the option that PURs will not accrue where the use of the invention or the preparation for its use has stopped (not temporarily) prior to the relevant date. Consultation reports also indicated broad agreement on the principle that PURs should apply without exceptions which is consistent with the existing national laws of all Group B+ members but one.

In relation to PURs there are three areas where stakeholder views diverge. The first is whether PURs can accrue from knowledge derived from the patentee.

Options which should be discussed further are:

- (i) PURs are available where the knowledge of the invention was derived from information made available to the public by the patentee or with their consent during the grace period.
- (ii) PURs are not available when the knowledge of the invention forming the basis for qualifying activities has been derived from the applicant or their predecessor.

The second area of diverging view on PURs relates to the requirement of good faith. While it is generally accepted that PURs should not arise where knowledge of the invention has been obtained through abuse of the inventor/applicant, such as theft or breach of confidence, there are differing views on whether good faith should be specifically required. If the package provides for PURs when the information has been derived from the patentee, it is essential that there be some requirement that the prior user has acted legitimately or in good faith. Options for further discussion are:

- (i) Require that the third party has acted in 'good faith' and not define it
- (ii) Require that the third party has acted in 'good faith' and attempt to define the term
- (iii) Require that the third party has not acted contrary to law or breached confidentiality or other contractual obligations
- (iv) Require that the third party has acted in good faith or has not acted contrary to law or breached confidentiality or other contractual obligations.

The third area for further discussion relates to the scope of PURs and the changes to existing or planned activities that fall within that scope. The proposals and the consultations did not expressly deal with some aspects of scope including changes to the volume of use, embodiment or modes of working of the invention. However, these issues have been considered by the B+ Workstreams in a report on PURs in 2016.

It is suggested that it should be agreed that changes in the volume of use of the invention after the critical date should be permitted. Regarding changes to the embodiments and changing modes of working the invention, additional work on the details of the limitations in each jurisdiction is required before identifying options.

Definition of Prior Art

There is widespread agreement that the IT3 proposal provides a good starting point for harmonising the definition of prior art as part of an SPLH package. Therefore, it is suggested that Group B+ consider the inclusion of a prior art definition based on and consistent with the IT3 proposal in any SPLH package. This issue should be considered settled.

Publication at 18 Months

18-month publication is already largely harmonised across Group B+ jurisdictions. There is widespread agreement amongst stakeholders that 18-month publication consistent with the IT3 proposal should form part of an SPLH package. This issue should be considered settled.

Conclusions

This analysis has identified several areas where there already exists convergence in stakeholder views across jurisdictions. These areas of convergence should be included in an SPLH package, and further discussion of these elements should be stayed for the moment so that work on areas of divergence may be prioritised.

Through this comparative analysis, the working group has identified several areas where there is still divergence of stakeholder views and possible options for each of the issues have been identified. It is proposed that the options identified in these areas of existing divergent stakeholder views should be the focus of future discussions of Group B+.

Introduction

1. There is currently no such thing as a global patent system. At a global level, a patchwork of national and regional patent systems present users of the patent system and the public more widely with a fragmented landscape which is complicated and difficult to navigate, especially for small and medium sized enterprises and universities. Users of the current systems have often expressed their needs for international harmonisation of substantive patent law.
2. While there have been successful attempts to streamline the administrative requirements of obtaining patent protection in more than one country, the goal of harmonising substantive patent law at a global scale has so far proved elusive. Efforts on international substantive patent law harmonisation have been ongoing for several decades. The Group B+ is an informal forum composed of around 45 industrialised countries as well as the European commission and the EPO which has been working on substantive patent law harmonisation (SPLH).
3. Since 2014, pursuant to a mandate from the Group B+, the Industry Trilateral (IT3)¹ has been working on a proposal for a package of norms which could form the basis for international SPLH through a working group which has been meeting regularly in person and online. In September 2020, the IT3 presented its 'Elements Paper'² to the Group B+. Released for public distribution in October 2021, the Elements Paper contains IT3's unfinished and not-yet-agreed draft proposal for a package of norms
4. At the Group B+ Plenary meeting on 5 October 2021, some delegations expressed strong willingness to conduct consultations with domestic stakeholders on the IT3 proposal. In the months that followed, national and regional consultations were carried out in Australia, Canada, Europe³ and Japan.
5. The delegations that consulted their stakeholders (AU, CA, Europe, JP) reported on the outcome of their consultations the Group B+ Plenary Meeting held on 21 September 2022. It was decided at that Plenary Meeting to create a voluntary working group to analyse the outcomes of the national and regional consultations on user association proposals for substantive patent law harmonisation.

¹ Composed of representatives from the American Intellectual Property Law Associations (AIPLA), the Intellectual Property Owners Association (IPO), BusinessEurope, and the Japan Intellectual Property Association (JIPA)

² "Policy and Elements for a Possible Substantive Patent Harmonization Package", Industry Trilateral (IT3), September 2020

[https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/\\$File/industry_trilateral_elements_paper_of_september_2021_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/$File/industry_trilateral_elements_paper_of_september_2021_en.pdf)

³ Consultation of European stakeholders was based on a common consultation document prepared by the EPO. National consultations were carried out by 20 EPC member states: BE, CH, CZ, DE, DK, ES, FI, FR, GR, HR, HU, IE, IS, IT, NL, PL, PT, SE, SI, UK and the results were consolidated.

6. The aim of the working group was to identify areas of convergence in the opinions of users across jurisdictions, as well as areas where additional work and discussions would be necessary. Seven delegations participated in the working group: Australia, Czech Republic, Germany, the European Patent Office, Japan, Poland, and the United Kingdom with France observing. The working group was chaired by Mr. Julyan Elbro from the UK delegation.
7. In order to discern the positions of stakeholders, the results of the various national and regional consultations, as well as the IT3 Elements paper, the International Federation of Intellectual Property Attorneys (FICPI) paper, “FICPI Position on Patent Law Harmonisation (Group B+)”⁴, and relevant resolutions of the International Association for the Protection of Intellectual Property (AIPPI)⁵ were taken into account. The working group also drew upon the previous work of the Group B+ and the Tegernsee Experts Group as well as WIPO Standing Committee on the Law of Patents documents which were relevant in determining details of existing systems⁶.
8. The purpose of this report is to:
 - (i) provide an overview of the different existing systems;
 - (ii) compare the results of the national consultations and related reports, and identify areas of convergence and areas requiring further work where the areas of convergences could help to initiate the core of a common package; and
 - (iii) for areas requiring further work, identify the different possible options for each issue, taking into account existing legislation and results of consultation, as well as the work which has already been done by the Group B+ and the B+ Sub Group to analyse and comment up on the options

⁴ FICPI Position on Patent Law Harmonization (Group B+), FICPI (2018), https://ficpi.org/system/files/FICPI-WP-2018-001-Patent_Law_Harmonization.pdf

⁵ [Grace period for patents \(soutron.net\)](#) (2013), [Prior user rights \(soutron.net\)](#) (2014), [Publication of patent applications \(soutron.net\)](#) (2016), [Conflicting patent applications \(soutron.net\)](#) (2018)

⁶ [Certain Aspects of national/regional patent laws. Revised Annex II: SCP/12/3 Rev.2 \(wipo.int\)](#), [Questionnaire on Exceptions and Limitations to Patent Rights \(wipo.int\)](#)

The Consultation Process

9. Before proceeding to analyse the results of the consultations, it is necessary to explain the different approaches that were adopted and the consequences those differences have in the preparation of this analysis. It was agreed that delegations would be free to consult as they wished (or not), and in doing so they would follow their national consultation procedures.
10. Consequently, there was no coordination as to the methodology or format of consultation, nor was it sought to create a common survey across all B+ delegations. Therefore, unlike in the Tegernsee process, the consultations did not yield comparable numerical data. Moreover, the reporting styles also differed. AU, CA and JP provided summaries of their user responses, whilst Europe produced a lengthy report that consolidated the responses of the participating 20 delegations, giving full access to statistical data.
11. Thus, in this comparative exercise, there are inherent limitations in that the scope of the consultations was different depending on the jurisdiction in terms of both the subject-matter consulted upon and the methodology. Moreover, the level of detail of the reports also shows significant variations, so that some issues cannot be addressed comparatively for lack of data.
12. Most of the consultations (CA, Europe, and Japan) did not specifically cover the issues of the definition of prior art and 18-month publication as these issues were already considered to be largely convergent across jurisdictions. Only the Australian consultation specifically sought stakeholder views on these issues.
13. Two large jurisdictions are missing: no official reports are available on the views of KR and US users. Nevertheless, this remains a useful exercise in gauging the position of stakeholders in those jurisdictions that are represented.
14. While drafting this comparative analysis, the WG received a document from the Korean Intellectual Property Association (KINPA) which had gathered views on the IT3 Elements paper, AIPPI and FICPI proposals from some of its member companies. KINPA provided the WG with a summary of the views they had collected in the hope that it would provide a useful reference for future discussions on SPLH. It is emphasised that the summary is not an official KINPA opinion nor does it represent the majority opinions of KINPA members. The WG also recognises that the KINPA document does not have the same standing as the consultations carried out in other jurisdictions. Nevertheless, it provides useful information and the WG is grateful to KINPA for conducting a survey and for

agreeing to include reference to the information provided in this report. The original summary from KINPA is annexed to this report⁷.

a. Australia

15. IP Australia consulted 4 key stakeholder associations (FICPI Australia, the Intellectual Property Committee of the Business Law Section of the Law Council of Australia (LCA), the Institute of Patent and Trademark Attorneys of Australia (IPTA) and the New Zealand Intellectual Property Attorneys Incorporated (NZIPA)) via the circulation of an “Overview Paper” on the IT3 Proposals. In addition to the summary of consultations⁸ issued by IP Australia, the LCA⁹ made its written response to the consultation available on the internet.

b. Canada

16. CIPO posted a consultation paper and questionnaire on its website, along with a summary of Canadian patent law on the three main issues of grace period, conflicting applications and prior user rights as well as links to the user proposals. It received 41 responses¹⁰ to their questionnaire and one written submission from the Intellectual Property Institute of Canada (IPIC)¹¹, the professional association of patent agents, trademark agents and lawyers practising in all areas of intellectual property law.

c. Japan

17. In view of the complexity of the elements of the harmonisation packages, the JPO selected several user organisations believed to have the necessary expertise on their own patent system as well as those of other countries to give informed opinions¹². Individual meetings were held to consult on the three user packages on the table, the IT3 Elements Paper, the FICPI Proposal and AIPPI Resolutions. At these meetings, the JPO gave a brief explanation of the substance of each package and asked users for their opinions.

⁷ See Annex I

⁸ “Summary of Australian consultations on Industry Trilateral proposals for substantive patent law harmonisation”

[https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/\\$File/consultation on SPLH 2022 report of australia.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/$File/consultation%20on%20SPLH%202022%20report%20of%20australia.pdf)

⁹ Overview Paper – Consultation on IT3 Proposals for Substantive Patent Law Harmonisation, Law Council of Australia, 20 June 2022. <https://www.lawcouncil.asn.au/resources/submissions/overview-paper-consultation-on-it3-proposals-for-substantive-patent-law--harmonisation>

¹⁰ Consultation on Substantive Patent Law Harmonization Issues, What we heard, CIPO (2022), [https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/\\$File/consultation on SPLH 2022 report of canada.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/$File/consultation%20on%20SPLH%202022%20report%20of%20canada.pdf)

¹¹ IPIC Response to CIPO and ISED’s Consultation on substantive patent law harmonization issues (2022), [https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/\\$File/consultation on SPLH 2022 report of canada.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/$File/consultation%20on%20SPLH%202022%20report%20of%20canada.pdf)

¹² Results of User Consultation on Substantive Patent Law Harmonization in Japan, [https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/\\$File/consultation%20 on SPLH 2022 report of japan.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/$File/consultation%20on%20SPLH%202022%20report%20of%20japan.pdf)

d. Europe

18. In Europe, it was decided that a common European consultation should take place on the basis of an agreed common consultation document summarising the proposals and containing a questionnaire, which would allow European outcomes to be consolidated into a single response. The methods of consultation varied, from round-table discussions to posting the common consultation document on national patent office websites or sending it to selected entities.
19. Twenty one delegations participated in the common European consultation (BE, CH, CZ, DE, DK, EPO, ES, FI, FR, GR, HR, HU, IE, IS, IT, NL, PL, PT, SE, SI, UK), and national reports¹³ were produced, giving a nuanced view of stakeholder positions throughout Europe. For the sake of simplicity, the present comparative work will be carried out based on the European Consolidated Report¹⁴. A total of 62 individuals and 45 user associations throughout the participating countries (including the epi) responded to the consultation, and their outcomes were aggregated and reported on separately.

Importance of Substantive Patent Law Harmonisation

20. In all jurisdictions, there appears to be great support amongst stakeholders for SPLH although they are concerned about increasing the complexity of patent systems and consistently express a preference for their respective existing systems. In AU, users “support efforts to achieve SPLH and are keen to contribute to the discussion”. In CA, a majority of respondents (74%) responded that harmonisation was either “very important” or “important”. In Europe, overall, 80% of user associations believed SPLH was either “very important” or “important”, whereas amongst individual respondents, that figure was 84%.
21. JP stakeholders understand that SPLH discussions are difficult, but they “would appreciate if the Group B+ would continue these discussions”, reiterating how important SPLH is for stakeholders. They argued that “if patent systems are harmonised internationally, users will be able to adopt globally consistent patent strategies”, and multiple opinions in different countries would no longer be necessary. Moreover, users experience different outcomes in different jurisdictions, which complicates the management of IP rights and renders them more costly. These costs and complications would be reduced if SPLH were achieved.

¹³ European Common Consultation on User Proposals for Substantive Patent Law Harmonisation, Part II: National Reports (2022), [https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/\\$File/european_common_consultation_on_SPLH_2022_part_II_national_reports.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/$File/european_common_consultation_on_SPLH_2022_part_II_national_reports.pdf)

¹⁴ European Common Consultation on User Proposals for Substantive Patent Law Harmonisation, Part I: Consolidated Report (2022), [https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/\\$File/european_common_consultation_on_SPLH_2022_part_I_consolidated_report.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/9EF8B11CA78E51E8C1257E6D005706F4/$File/european_common_consultation_on_SPLH_2022_part_I_consolidated_report.pdf)

22. Likewise, Korean users support SPLH. Almost all who replied to KINPA's survey responded that international substantive patent law harmonisation was 'important', with some deeming it 'very important'.

Grace Period

23. A grace period can be defined as a period of time prior to the filing or priority date of a patent application during which the applicant can disclose their invention without losing the possibility of obtaining a patent right. Many, but not all, jurisdictions have provision for grace periods in their patent laws and these grace periods are different in their design and scope.

24. At the outset, it is important to point out that AU, CA, US and JP all have a national 12-month grace period, whereas Europe does not, and its provision on non-prejudicial disclosures under Art. 55(1) EPC only has a 6-month duration that applies only in specific circumstances. This is a significant difference which needs to be considered in the SPLH process, as introduction of a broad 12-month grace period in Europe would involve a sea-change in its patent system, compared to the detailed elements of the design of the grace period which are discussed from the vantage point of the other jurisdictions.

25. All discussions take place on the assumption that SPLH will be realised on the basis of an internationally harmonised grace period, and European stakeholders recognise that this would be a significant change with widespread impacts that should not be underestimated.

26. An overview of existing systems of grace periods in tabular form is included in Annex II.

e. Comparative Analysis of National Consultations Results

a. Views on a Grace Period in Principle

27. In AU, all respondents supported a grace period. Whilst JP stakeholders did not address this issue specifically, some comments implied not just a support of the grace period in principle, but a support of the grace period as it exists in JP, including its strict declaration requirement. In CA, 85.4% of respondents were in favour of the grace period in principle, whilst only 14.6% were against it. When asked whether they supported the grace period regardless of its definition, 16.7% of respondents replied positively. All those who replied to KINPA's survey were in favour of a grace period, provided that it is harmonised internationally or defined as a safety-net, explaining that the grace period should be used exceptionally.

28. In Europe, as can be expected from a jurisdiction without a grace period, the situation with respect to the grace period in principle is more complex and nuanced. Of the 45 user associations in Europe which responded, 28 or 62% were in favour of a grace period in some form. The positive response of 23 or 51% of the associations overall was conditional on the grace period being defined as a "safety net" grace period, and the positive response of 17 or 38% overall was conditional on the grace period being itself internationally harmonised. Eleven or 25% were against a grace period altogether and only one association was unconditionally in favour of a grace period, regardless of its definition.

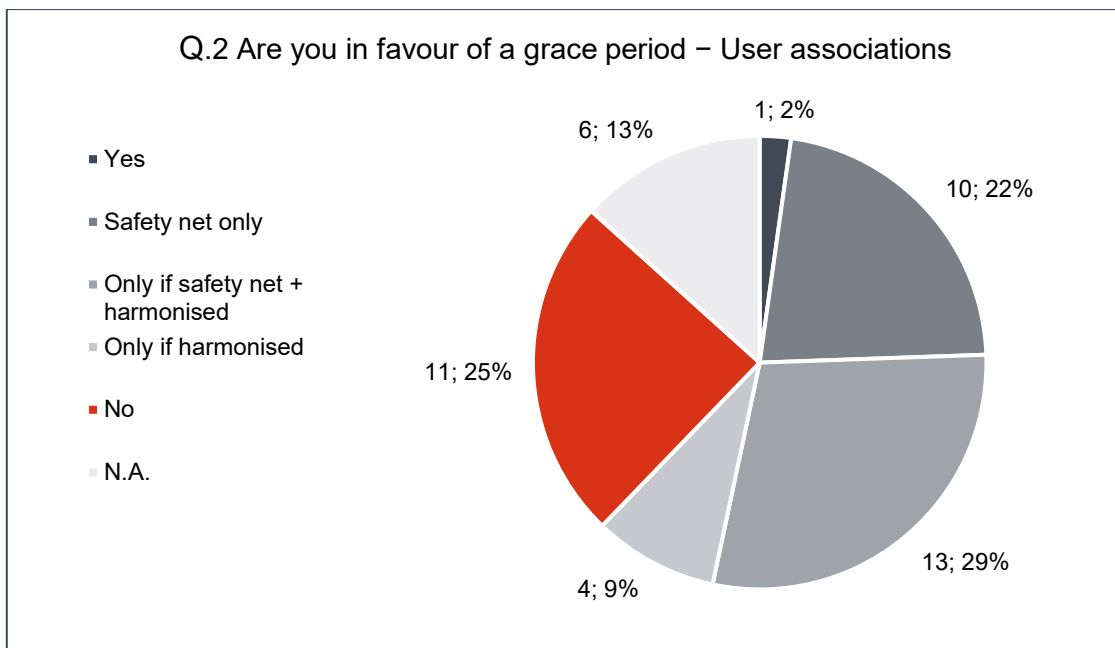


Figure 1 User associations views on a grace period. Source: Consolidated Report of the European Common Consultation, 2022, p. 13

29. These results were mirrored in the results of individual respondents, with 43 or 70% in favour of a grace period, 21 or 49% of them provided it was defined as a safety net, and the same proportion provided if it is itself internationally harmonised, with 15 or 24% against the grace period.
30. As the term “safety net” grace period has given rise to confusion in the past, the common consultation document provided a definition: *“A ‘safety-net’ grace period can be generally defined as a grace period which provides measures balancing the advantages of the grace period for applicants with protections for third parties, such as a statement and/or prior user rights, so as to provide disincentives to the use of the grace period, thus discouraging a strategic use of the grace period and enhancing legal certainty”.*
31. From these figures, it can be deduced that a grace period without safety net features (i.e. without a declaration requirement and/or prior user rights) would be opposed by the 25% of stakeholders opposed to the grace period in principle, as well as by the 51% who are in favour provided it be defined as a safety net. Also, the safety net nature of the grace period was more important to respondents than it being harmonised, but without harmonisation, there would be no majority in favour of a grace period in Europe.
32. In contrast, in CA, IPIC clearly articulated that it favoured flexibility regarding the grace period, as stricter and more complex rules would impose undue burden and costs, especially on under-financed start-ups, SMEs and academic researchers. Only 10% of CA respondents to the questionnaire supported the grace period only if it was itself internationally harmonised.
33. It can be noted that there is a solid majority of users which conditionally support the grace period in principle. This constitutes significant progress vis-à-vis the past, but the devil will lie in the details, and the divergences between the stakeholders from different regions are apparent in the assessment of outcomes in relation to individual elements below.

b. Duration of a Grace Period

34. Japanese stakeholders are not recorded as taking a position on whether they favour a 6-month or 12-month grace period. Users in AU and the IPIC in CA support a 12-month grace period. The IPIC in CA expressly opposes a 6-month grace period.
35. AU stakeholders all prefer a 12-month grace period consistent with current AU national law. In some situations, an applicant relying on an earlier application can claim the grace period up to 24 months from a pre-filing disclosure (PFD). Some

stakeholders indicated that a simplified 12-month grace period would be preferable.

36. In contrast, in Europe, there is no consensus on the duration of the grace period. Some stakeholders favour a 6-month grace period, including the biggest stakeholder association, on the grounds that it would suffice for “safety net” purposes. On the other hand, it is accepted by some that the international trend is 12 months, and that this additional concession would likely be necessary for an international agreement on the grace period to be achieved. In this regard, it is noted that many non-European delegations have existing free trade agreement obligations that mandate a 12-month grace period e.g., CPTPP.

c. **Date as of which the grace period is calculated**

37. Both the IT3 and AIPPI propose that the grace period should be calculated from the filing or, if applicable, the priority date. This allows the applicant to cumulate the full benefit of the grace period, followed by the full benefit of the 12-month priority period, so that, given a 12-month grace period, they may file applications in some jurisdictions up to 24 months after their first PFD. This is supported by the IPIC in CA, which appears to be concerned with alignment with the US.

38. In Europe, this issue was not specifically addressed, but there were more comments in favour of calculating the grace period from the filing or priority date than in favour of the filing date only.

39. Within FICPI, there was no consensus on this point. Having the grace period run concurrently with the priority period means that an applicant must choose between invoking the benefit of the grace period or enjoying the full term of the priority period. If the grace period is used, all applications must be filed within the grace period. One advantage, however, is that, assuming a grace period has a 12-month duration, if there is an invalid priority claim, any prior disclosure by the applicant during the priority period will be caught by the grace period and thus save the subsequent application. In all participating jurisdictions, the grace period or the time period where non-prejudicial disclosures may be disregarded is calculated from the filing date. However, there appear to have been no particular stakeholder comments on this issue.

40. In AU, some respondents expressed support for the grace period being calculated from the filing date, not the priority date.

41. There was no input from JP on this point.

d. Scope of application/gracing re-disclosures

42. The consultation in CA explored the issue of the scope of the grace period in detail, yielding interesting results with 76.7% of respondents agreeing that it should cover PFDs resulting from breach of confidence or theft of information (both of which constitute non-prejudicial disclosures under Art. 55 EPC, which enshrines a strict novelty requirement). Internationally, this has not been a contentious issue.
43. In CA, the same proportion, 76.7% of respondents, agreed that a grace period should also cover PFDs made by or for the applicant for any reason, including intentional disclosures. Interestingly, in the LCA written submission in AU, it is reported that there were “strong competing views about whether inventor’s patent rights should be protected against deliberate PFDs”. However, LCA concluded that there was a compelling argument for protection against inadvertent PFDs and the complexities of determining intention in different jurisdictions meant that, on balance, protection against all PFDs by or for the inventor or applicant was preferable, as it also created more legal certainty for third parties who came across PFDs.
44. In CA, 53.3% agreed that the grace period should also cover re-disclosure by third parties of information contained in the applicant’s original PFD. Some respondents in AU also expressed support for this approach.
45. Finally, in CA, the grace period covers disclosures resulting from the proper publication of an application by an office at 18 months, and this is supported by IPIIC, but was not mentioned elsewhere in the consultation report. In AU, the LCA expressly rejects the application of the grace period to patent filings, failing to see any “policy justification”. However, none of the user proposals, nor do the discussions within the Group B+ in the past, suggest that there is support for this approach.
46. There was no input on the issue of the scope of application of the grace period from stakeholders in Europe or JP.

e. Presumptions/Burden of Proof

47. The IT3 proposed a set of presumptions to the effect that where an intervening disclosure only showed “insignificant differences” over the PFD of the applicant, it should be presumed to be derived from the applicant and thus graced. Neither the AIPPI nor FICPI proposals contained presumptions, specifying on the contrary that the burden of proof that a PFD should be graced should initially lie with the applicant or patentee.

48. Users in JP found the definition of “insignificant differences” unclear and concluded that it would increase legal uncertainty, be burdensome for users and was thus unacceptable from a practical point of view.
49. In Europe, several user associations opposed the presumptions on principle, stating that the burden of proof should initially lie on the applicant. One respondent association observed that the vague language of “insignificant differences”, in the absence of further clarification, would certainly not lead to harmonization. One stakeholder believed that it was only when the PFD was indicated in a statement filed with the application that there could be a presumption of grace for a later PFD “with the same content” (as opposed to one showing “insignificant differences”).
50. In most jurisdictions, it appears that the burden of proof to show that a PFD is graced rests on the applicant invoking the benefit of the grace period.

f. Statement Requirement

51. It is noteworthy that JP has a strict declaration requirement with a timely filing requirement, and that despite the consequence of loss of rights in case of error or failure to list a PFD, the system is supported by JP users “as an example of a well-functioning system”. The declaration should list all PFDs made by or for the applicant and should be submitted upon filing the application. JP users perceive their own system as being well-balanced, as applicants enjoy the benefits of the grace period, while the statement filed in a timely manner can be checked by third parties. A comment on the IT3 proposal was made that if the submission of the statement was mandatory, it was contradictory to have the proposed systems intended to encourage the timely submission of the statement.
52. KR is the other major jurisdiction where there is currently a strict declaration requirement. In the survey of some of its members, KINPA reported that the mandatory statement system was working well in Korea. Almost all respondents to the survey opined that the system is not an excessive burden and that while it can be a source of litigation, such litigation is rare. It is interesting that when asked to rate the norms relating to grace period, the responses favoured the AIPPI proposal ahead of FICPI with IT3 placed third. This is unexpected given that the AIPPI proposal does not include a declaration while the proposal of FICPI has a voluntary declaration and IT3 proposes a mandatory declaration. It must be stressed that the KINPA survey is not an official view on KINPA nor a majority view of KINPA members. Therefore, not all views of Korean stakeholders are represented.

53. Here, there appears to be convergence with a significant number of European stakeholders. A statement requirement is considered by many, including the largest respondent stakeholder association in Europe, to be a feature of a “safety net” grace period. In the consultation, the IT3 package, despite being abundantly criticised, was nevertheless the preferred package in Europe. According to the comments of the stakeholders, this appears to be largely ascribable to the fact that it was the only one of the three user proposals which included a statement requirement.
54. There is no numerical data on support of the statement requirement in Europe, but the wealth of comments in favour, combined with criticisms of the AIPPI and FICPI packages which did not contain this feature, suggests that there must be a substantial level of support for a statement requirement. On the other hand, the level of acceptance of the AIPPI and FICPI packages – providing robust prior user rights, another possible feature of a safety net grace period – would suggest that for around a third of stakeholders in Europe, the absence of a statement requirement would not be a dealbreaker.
55. In CA, respondents were presented with statements about the grace period and asked to check all which applied. Only one respondent supported the grace period only if the applicant were required to file a statement of all PFDs. However, it cannot be deduced from this that only this respondent supported a statement requirement. Others may well have varying degrees of acceptance for the statement, without considering it an essential element of the design of a grace period, which was the focal point of the question.
56. On the other hand, IPIC in CA does not support a declaration requirement, which it considers “imposes a burden without any corresponding benefit”, on both applicants, particularly start-ups and SMEs, as well as on patent offices. It is also argued that the applicant may not be able to differentiate which PFDs need to be listed, and which are not relevant to the filing. “An applicant who makes a good faith determination against filing a statement or declaration may subsequently find the validity of their patent challenged simply because they failed to satisfy a complex administrative rule”.
57. All respondent user associations in AU opposed a mandatory statement, which they also considered imposed unnecessary administrative burdens presenting “little benefit for third parties”. However, some support was expressed for a “voluntary statement being accepted and published within 6 months of the filing of the application”. It was opined that the 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”. The view is that applicants should not be required to guess and pre-

empt when certain disclosures are citable in each jurisdiction this should be a decision from the relevant Office.

g. Accelerated Publication

58. As a means to alleviate legal uncertainty, the IT3 proposed that the publication of applications invoking the grace period be accelerated, to 18 months after the first PFD, (i.e., potentially within 6 months of filing, should the grace period have a 12-month duration). This innovation was controversial in Europe, with some stakeholder associations against it, as it seemed not to be in line with some established mechanisms of the patent system. However, other European stakeholders supported it, with some deeming it essential to optimise legal certainty, as it would shorten the period of legal uncertainty created by a 12-month grace period from potentially 30 to 18 months. It is possible that this element allowed some stakeholders in Europe to adopt a more accepting attitude towards the grace period, but its ramifications have not been thoroughly explored, so that further discussions on the matter might be helpful.

59. Users in JP did not support accelerated publication, although it is presumably acceptable to JIPA in some form as it featured within the framework of the IT3 Elements Paper. In particular, it was observed that the date of the PFD was a question of fact which was open to dispute, and could be challenged in court, which could increase legal uncertainty. It was also argued, within the context of the IT3 proposal without a hard time limit for the filing of a statement, that uncertainty existed insofar as the publication date of the application could not be determined until the statement was submitted. (This latter issue would disappear if the statement had to be filed with the application.)

60. In CA, the IPIC did not support the statement requirement, and thus also expressly rejected the concept of accelerated publication.

61. Although this is not specifically mentioned, since AU's stakeholders also rejected a mandatory statement, it can be assumed that they would also reject accelerated publication, as it would be impossible to introduce it without a statement.

62. All those who responded to KINPA's survey disagreed with the IT3 proposal to publish a patent 18 months from PFD instead of from the priority date.

h. Defence of Intervening User

63. One of the innovations contained in the IT3 Elements Paper was the Defence of Intervening User (DIU). The DIU provides a defence for third parties having used the invention after the publication of the application, where a statement should have been filed, but was not. The aim of this complicated provision was to act as

an incentive for applicants to file the statement in a timely manner, rather than to protect the interests of third parties. In addition, should the grace period have a 12-month duration, it would not be in line with Art. 4B of the Paris Convention, as it would allow third party rights to arise during the priority period.

64. There was unanimous rejection of the DIU concept by users in JP, CA, as well as in Europe. The concept was considered by users in JP to be “complex and difficult to implement in practice”. In CA, as IPIC rejected the statement requirement, they also rejected the DIU. In AU, the stakeholders rejected the statement requirement and the DIU, which was part of the statement proposal, was not commented upon.

65. In Europe, users refrained from commenting on the DIU, except to state that the concept was complicated and would not be necessary if there were a hard time limit for the submission of the statement.

66. Thus, stakeholders’ views align with those of the Group B+ delegations on this point. A DIU should no longer be considered as part of the SPLH package.

i. [Prior User Rights in the Context of the Grace Period](#)

67. In AU, respondents stated that “if a third party acted on the disclosure before the application was filed, they should have prior user rights, and so do not need to know which PFDs are graced. This view has a basis in the AU patent system which has robust prior user rights, and it was a major reason given for why respondents rejected a statement requirement as unnecessary.

68. In Europe, the European Patent Institute (epi), the largest respondent user association in the consultation, has repeatedly clarified that in its’ view, a safety net grace period would comprise both a statement requirement, and robust prior user rights. The prior user rights provided for in the FICPI (Australian model) and AIPPI proposals (mainstream prior user rights with a good faith requirement but no exclusion based on derivation from the applicant/patentee) both received high levels of support from European stakeholders. The FICPI proposal was supported by 48% of user associations and 51% of individual respondents, whereas the AIPPI proposal was favoured by 47% of user associations and 58% of individuals. Discounting the large number of “no answers” to these questions, these form a clear majority of European respondents who provided committed answers to the questions.

69. In CA, respondents were given a set of statements regarding the grace period and requested to check which applied. In this context, for prior user rights, another element considered as potentially forming part of the design of a safety net grace period, only 13.3% supported prior user rights accruing to “anyone who

begins using an invention prior to the filing/priority date”. The prior user rights provision in CA was amended in 2018 to broaden its scope on the one hand but prohibited the accrual of prior user rights when the knowledge of the invention was derived from the applicant during the grace period and the third party knew that the applicant was the source of the knowledge. The IPIC responded that it felt it was “premature to commit to any particular model for prior user rights” at this time.

70. There was no input from JP users on this point.

f. Possible Options

71. Based on the comparative analysis above, it is possible to identify areas where there is widespread convergence of users’ views and areas where views are still largely diverging. It is suggested that the areas of convergence should be included in an SPLH package, and that further discussion of these elements be stayed for the moment so that work on areas of divergence may be prioritised. Options for those areas where divergences of views remain are provided below.

a. Areas of Convergence

a. SPLH & Grace Period In principle

72. There is broad stakeholder support world-wide for substantive patent law harmonisation in principle with a large majority of stakeholders in the different jurisdictions consulted reporting that SPLH is either “important” or “very important”. At a high level, there also appears to be a consensus that an SPLH package should include a grace period with a majority of users conditionally supporting its inclusion. Therefore, it is concluded that an SPLH package should include a grace period, subject to its definition which is still to be agreed – and bearing in mind that nothing is agreed until everything is agreed. It should be noted that while the working group considered the option of not including a grace period in the SPLH package, this option was not seen as viable given the high level of consensus that a grace period should be included.

b. Scope of application & gracing of re-disclosures

73. It also appears that there is widespread stakeholder agreement that the grace period should cover all types of disclosure by, for or derived from the inventor or their successor in title, regardless of medium or forum and regardless of whether the disclosure was intentional or not. Therefore, the grace period should cover pre-filing disclosures:

- resulting from a breach of confidence or theft of information;
- Made by or for the applicant, anywhere, for any reason and in any form;
- Resulting from a re-disclosure by a third party of the applicant’s original PFD.

74. On the specific issue of gracing disclosures resulting from the proper publication of an application by an office at 18 months, only one Canadian stakeholder (IPIC) supported the option of gracing such disclosures. This issue was not included in any of the industry proposals which suggests that there is little support for it amongst users worldwide. This issue should be discussed further.

c. Presumptions/Burden of Proof

75. The comparative analysis further shows convergence of stakeholder views that, as a general principle, the initial burden of proof should lie with the party invoking the benefit of the grace period (i.e., the applicant/patentee).

d. Defence of Intervening User (DIU)

76. Finally, there is universal rejection of the concept of the Defence of Intervening User. The working group does not consider the inclusion of a DIU in the SPLH package as a viable option given widespread concerns raised by delegations and the clear rejection of the concept by users.

b. Areas of Divergence

a. Duration of the Grace Period

77. The first issue of divergence on the grace period is in its duration. There is currently a 12-month grace period system in countries such as AU, CA, JP, KR and the US. However, the period under EPC Art. 55 for disclosures to be non-prejudicial is 6 months.

78. There is consensus in Australia and Canada on a 12-month grace period. At present, in Europe there does not appear to be a consensus on what constitutes best practice in relation to the duration of a grace period.

79. Discussions amongst European stakeholders on the duration of a grace period are ongoing. It is suggested that both options remain “on the table” while those discussions continue. No further discussion in Group B+ is suggested at this time. Group B+ should return to the issue of duration once other features of the grace period have been addressed.

b. Date as of which the grace period is calculated

80. The comparative analysis of the consultation responses is inconclusive regarding the date as of which the grace period is calculated. There is simply not enough information gathered on this issue and the isolated comments which have been gathered are not sufficient to determine if there is consensus on this issue.

81. There are two options to be considered:

- (i) calculating the grace period from the filing date; or
- (ii) calculating the grace period from the filing or priority date, whichever is the earlier.

82. This issue should be explored in further detail.

c. Statement Requirement

83. The comparative analysis results indicate that there is a clear divergence in stakeholder views according to jurisdiction. AU and CA stakeholders, operating in jurisdictions without a statement requirement, are opposed to introducing such a requirement. On the other hand, JP users embrace their system comprising a strict declaration requirement. In Europe, it appears that a statement requirement would enjoy a significant level of support, and important stakeholder associations consider it an essential part of a “safety net”, but the level of flexibility on this issue is difficult to gauge.

84. Options which require further consideration and discussion¹⁵ are:

- (i) Applicants are not required to file a statement.
- (ii) Applicants may file a statement voluntarily.
- (iii) Applicants are required to submit a statement without a strict deadline, with incentives to encourage timely submission of such statements.
- (iv) Applicants are required to file a statement with strict filing deadlines.

85. As a means of reducing legal uncertainty and increasing the efficiency of the patenting process, a strict statement or declaration requirement listing the PFDs made by or for the applicant is required in certain countries, such as JP and KR. The sanction for failing to list a PFD of the applicant prior to the time limit results in that item not being graced.

86. This is a burden placed on the applicant in exchange for the benefit of the grace period. It results in improved legal certainty for third parties who can evaluate the status of a PFD once the application is published. Moreover, if required to be filed at the beginning of the procedure, such a statement may arguably result in an increase in both speed and efficiency in the patent granting process, as examiners can ascertain whether an item which potentially forms relevant prior art should be graced or not, without requiring dialogue with the applicant.

87. Conversely, it is argued by stakeholders in jurisdictions which do not have a statement requirement, that this requirement is unduly burdensome to applicants, who are then forced to keep track of their disclosures. This may be particularly problematic for applicants who are unfamiliar with the patent system and who may unwittingly fail to declare a PFD resulting in a loss of patent rights.

¹⁵ Some further discussion of the options is included in the comparative analysis section.

88. Australia does not have a declaration requirement but provides robust prior user rights. Australian stakeholders have argued that the provision of strong prior user rights means that third parties do not need to know the status of any PFD as any knowledge they derive from a graced disclosure would be protected by prior user rights.
89. Should a statement requirement be agreed upon, the issue arises of the time limit for the filing of the statement. The IT3 Elements Paper attempted to avoid loss of rights as a sanction for the failure to file a complete or timely statement. Thus, it proposed a set of measures to incentivise a timely filing of the statement: a sliding scale of fees, a defence of intervening user or DIU, and prior user rights arising contingent on a late filing of the statement. For the stakeholders in favour of a statement requirement in both Europe and JP, this approach does not appear to have been persuasive.
90. Where a fixed time limit is set for submission of the statement, two models exist: in JP, a declaration must be made upon filing that the grace period is being invoked, and a list of disclosures, along with supporting documents must be filed within a month. In KR, the declaration of intent to invoke the grace period should also be made upon filing, with proving documents filed within 30 days. However, subject to a fee, the declaration of intention to invoke the grace period and the proving documents may also be filed or corrected before the earlier date either of 3 months from the receipt of the notice of allowance (deadline for paying registration/grant fee), or from the registration/grant date. Thereby linking the final deadline for a statement to the point at which the scope of the patent is solidified.
91. Whilst the KR approach is more forgiving for applicants, the JP approach presents several advantages for patent offices. The advantage of the JP model is that at the time the examiner begins the search on the application, the statement is on file. This allows the examiner to evaluate whether a PFD should be graced, and thus, whether further searching is required or whether relevant prior art has been found which is either novelty destroying and/or rendering the invention obvious.
92. Some users have proposed that the statement be allowed to be filed later, suggesting a time limit at 16 months from filing, i.e., in time for the statement to be published along with the application. If so, then the examiner may not have the benefit of the statement at the time of the search, negating the advantages of that instrument for offices and procedural efficiency. Particularly if the application is a second application claiming priority, the application might well be published with the statement, but before the applicant has received a solid first communication from the office of second filing.

d. Accelerated Publication

93. The results of the comparative analysis on a grace period showed no convergence of discussions on accelerated publication. Where stakeholders were in favour of a statement requirement, opinions on accelerated publication were divided. JP stakeholders were against it, pointing out that the issue of which PFD is the first one was a question of fact which might be open to dispute. In Europe, acceleration was controversial, but appeared to enjoy some support. AU and CA users, opposing the statement requirement, also opposed accelerated publication. It is concluded that in Europe, perhaps further discussions on accelerated publication might be helpful. It is also noted that numerous delegations have raised concerns that accelerated publication would create operation difficulties for patent offices.
94. The rationale behind this proposal is that, currently, in Europe, without a grace period, there is an 18-month period of legal uncertainty between the priority or filing date and the date of publication. Thus, it was reasoned, if a grace period were introduced with a similar time span of legal uncertainty, it would be more palatable to European stakeholders.
95. This item should be further discussed. The inclusion of a system of accelerated publication requires there to be a system that requires the filing of a statement. Therefore, it is expected that further discussion of the issue of accelerated publication would occur, if necessary, after a position on statement is agreed.

e. Prior User Rights in the context of a Grace Period

96. It is generally agreed that prior user rights should not be able to accrue where the invention has been obtained through illegitimate means, i.e., theft of information, breach of confidence or other abuse of the applicant or their predecessor. Likewise, when the third party has concluded a licensing agreement with the applicant e.g., at a time at which the invention was being exploited as a trade secret and imparted to a third party subject to an obligation of confidentiality, they will not be able to claim prior user rights.
97. It is also generally the case in most countries that where the third party is exploiting their own independent invention prior to the critical date, prior user rights will accrue.
98. This leaves the issue of whether prior user rights should arise where the third party has derived knowledge of the invention from an applicant's PFD or with their consent during the grace period. In AU, this is the case, while in JP, KR and the US, it is not. In CA, prior user rights may accrue from knowledge derived from a pre-filing disclosure of the applicant only if the third party did not know that the applicant was the source of the knowledge, a clause which apparently has not yet been tested in court.

99. This raises important policy issues, particularly since most of the support for the grace period in Europe is conditional on the grace period being defined as a “safety net” grace period. The safety net means that the grace period system either provides a statement requirement, robust prior user rights applying also in case of derivation of the invention from the applicant, or both.
100. In AU, which does not have a statement requirement, the national provision of robust prior user rights arguably turns the grace period into a “safety-net” grace period. In JP and KR, there is a strict statement requirement, but third parties who have learned of the invention through a pre-filing disclosure of the applicant are prohibited from claiming prior user rights. These systems can also be considered to have “safety-net” grace periods.
101. On the other hand, the US and CA have grace periods which do not have a statement requirement, and do not allow prior user rights to accrue where the invention has been derived directly or indirectly from the applicant (in Canada, as mentioned, preclusion is subject to the third party knowing that the applicant was the source of the knowledge). In the US, the statute prohibits prior user rights from accruing where knowledge of the invention has been derived from the applicant. In addition, the critical date for prior user rights to arise in the US, is the earliest of 1 year before either the filing or priority date, or the date of the first pre-filing disclosure. This means that during the grace period, even a prior commercial use of the third party’s own independent invention will not qualify for prior user rights.
102. The comparative analysis shows that AU and European stakeholders support robust prior user rights, including where knowledge of the invention was derived from a PFD during the grace period made by the applicant or with their consent. CA stakeholders showed little support for PURs arising where the knowledge was derived from a PFD, directly or indirectly. There was no input from JP users on this issue. This is a fundamental issue regarding the design of the grace period, and it should be further discussed.
103. Options which require further discussion are:
- (i) Allow prior user rights to accrue where knowledge of the invention has been derived from an applicant’s PFD or with the applicant’s consent during the grace period
 - (ii) Prohibit the accrual of prior user rights where knowledge of the invention has been derived from an applicant’s PFD or with the applicant’s consent during the grace period.

Conflicting Applications

104. All patent systems must address the situation of applications containing relevant subject matter which are filed prior to the filing or priority date of an application under examination but which are published after the filing or priority date of the application being examined. Such applications are said to conflict because the content of the earlier application only becomes publicly available as prior art after the filing or priority date of the application being examined. In the absence of any rules giving prior art effect to the earlier-filed application as of its filing or priority date, it would be possible for two or more patents to be granted covering the same or similar subject matter ('double-patenting').
105. The policy aims behind the rules on conflicting applications are to prevent double patenting, whilst allowing incremental innovations made close in time to the disclosure in the first patent application to be protected without unduly extending the patent right. The Group B+ Sub-group has previously agreed¹⁶:
- (i) The grant of multiple patents for the same invention in the same jurisdiction should be prevented
 - (ii) The patent system should allow for the protection of incremental inventions while ensuring that patent rights are not unjustifiably extended
 - (iii) Any system which allows incremental inventions to be patented should (a) balance the interests of inventors to protect incremental improvements on their own inventions with the interests of third parties to operate in the same field and (b) promote innovation and competition.
106. The treatment of conflicting applications varies in the different jurisdictions around the world as is shown in tabulated form below for AU, CA, Europe (EPC), JP, KR and US. In summary, there are multiple elements within the rules for conflicting application to consider within the SPLH package of norms: 'distance' between applications, whole contents approach, anti-self-collision, prohibition of double patenting, treatment of PCTs, and terminal disclaimers. An overview of existing systems of conflicting applications in tabular form is included in Annex III.

¹⁶ Group B+ Sub-Group, Objectives and Principles, with commentary on potential outcome, May 2015
[https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/\\$File/b+_sub-group_objectives_and_principleswith_commentary_may_2015_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/$File/b+_sub-group_objectives_and_principleswith_commentary_may_2015_en.pdf)

g. Comparative Analysis of National Consultations Results

107. It should be noted that the national and regional consultations were not conducted in anticipation of carrying out this comparative analysis. As has been previously noted above, the questions asked of stakeholders and the methods used to consult them varied from jurisdiction to jurisdiction. While these differences have proven a challenge for the comparative analysis of all elements of the SPLH package, they present a particularly difficult problem for the analysis of views on conflicting applications. Consequently, not all user perspectives on this topic have been gathered. In particular, there was no detailed discussion of the multiple interacting elements of conflicting applications.
108. The consultation of European stakeholders did not elicit views on the various detailed elements of a conflicting applications system: distance' between applications, whole contents approach, anti-self-collision, prohibition of double patenting, treatment of PCTs, and terminal disclaimers. Users were asked to indicate their views for each of the packages as a whole with regard to conflicting applications and were invited to give reasons for their support or lack of support. This means that for European stakeholders, it is difficult to identify which elements of a system of conflicting applications cause concern, although we may be able to infer some views based on the comments provided.
109. The consultation approach in Canada also resulted in gathering information on the individual packages proposals on conflicting applications but did not go in to the details of the elements of the system. Similarly, the consultation responses from Japan do not cover all the elements in detail and are based on the views of a small number of expert patent stakeholders.
110. A second issue lies in that there are essentially only two different models proposed by the industry packages. The FICPI proposal and AIPPI Resolution are both essentially aligned with the EPC. In these two proposals, conflicting applications are relevant for novelty only, there is no anti-self-collision provision and PCT applications only form prior art once they enter the national phase.
111. The second model proposed by the IT3 is devised as a compromise and includes elements of different national systems. The distance standard in the IT3 model requires the later filing to go beyond the common general knowledge of the person skilled in the art. The IT3 model also provides for anti-self-collision, the option of terminal disclaimers and PCT filings become prior art upon publication for all designated contracting states (not national phase entry).
112. All this means that it is difficult to draw meaningful conclusions in this comparative analysis. Nevertheless, the responses received through the consultations can be indicative of trends and in some instances, they may provide guidance in terms of the issues to be addressed by Group B+.

a. Views on the overall packages

113. Australian stakeholders did not support IT3 proposals on conflicting applications. They proposed a simpler alternative based on the current national standard in Australia of a whole of contents novelty system (e.g., similar in effect to Article 54(3) EPC).
114. The FICPI and AIPPI proposals on conflicting applications gathered more support from European stakeholders than the IT3 proposal. This is hardly surprising since both proposals replicate the EPC system. The FICPI proposal gathered a positive rating from 51% of user associations and 48% of individuals gave a positive rating. 43% of user associations and 42% of individuals were neutral or did not answer.
115. The AIPPI proposal was rated positively by 45% of user associations and 47% of user associations were either neutral or did not answer.
116. The IT3 proposal received the lowest level of positive responses (18% of user associations and the highest level of negative responses with 33% of user associations considering the IT3 proposal to be “rather negative” or “unacceptable”.
117. While IT3 package was seen favourably as a good starting point for SPLH by many European stakeholders (mostly because it was the only package to include a mandatory statement), no respondents commented favourably on the solution IT3 proposed for conflicting applications. However, one user association opined that the IT3 proposal on conflicting applications was the only proposal that could achieve an international compromise.
118. In Japan, the general comments recorded in the consultation response summary document indicate Japanese stakeholders would prefer a system that is simple and easy to understand and operate. Generally, the IT3 Elements paper was not considered feasible as its proposals “would require many legal changes to current JP patent law” – a view that presumably extended to the conflicting applications section of the proposal. JP stakeholders did not express any views on the general acceptability of the FICPI or AIPPI proposals.
119. In Canada, 15 of 41 responses (35%) indicated conflicting applications as a key element of harmonization. This was the second most popular element identified by the consultation. No individual package (IT3, FICPI or AIPPI) was preferred over any of the others and more than 50% of Canadian respondents said they did not know which package they would support or oppose, while 20% said they were neutral. In respect of conflicting applications, about 70% of respondents were neutral or didn’t know if they supported the ideas in any of the packages. No respondents opposed the AIPPI or FICPI packages while 10% opposed the IT3 package.

120. Responses to the KINPA survey rated the three proposals with regard to the norms on conflicting applications. The IT3 proposal was rated more positively than AIPPI with FICPI in third place. All respondents agreed that they would be open to a system where conflicting applications are only relevant for novelty if the counterpart for this change was global harmonisation. As stated above, it must be stressed that the KINPA survey is not an official opinion of KINPA nor a majority view of KINPA members. Therefore, not all views of Korean stakeholders are represented.

b. Prevention of double patenting

121. All respondents to the Australian consultation supported the prevention of double patenting. Although the European and Japanese consultations did not gather specific views on the prevention of double patenting, it is reasonable to surmise that European and Japanese users support such a measure as the principle provides the very underpinning of rules on conflicting applications.

122. Some Canadian respondents expressed the view that Canada should adopt more applicant-friendly double-patenting laws. IPIC supported limiting double-patenting to novelty only (i.e., claims with identical scope) consistent with the proposals by IT3 and FICPI.

c. Whole contents approach

123. Most respondents to the Australian consultation supported the whole of contents approach as is current law and practice at the national level. No other consultation specifically received comments on the whole of contents approach. However, it is noted that all existing patent systems currently adopt a whole of contents of approach. Therefore, it is reasonable to assume that there would be widespread support amongst users for a system of conflicting applications that included this feature.

d. General approach regarding the prior art effect (Distance between applications)

124. All respondents to the Australian consultation opposed the proposed distance measure in the IT3 proposal. One reason given for not supporting this proposal was the subjective nature of the distance measure which could create unnecessary gaps in patent protection that could be exploited by third parties.

125. However, a minority of stakeholders supported conflicting applications forming part of the prior art base for assessing inventive step in order to prevent the patenting of incremental, non-inventive improvements. This view appears contrary to the principles set out in the Group B+ Objectives and Principles document which recognised the need for rules to allow protection for incremental innovation¹⁷.

¹⁷ See p5, Conflicting applications item 2(ii) of Group B+ Sub-Group, Objectives and Principles, with commentary on potential outcome, May 2015
[https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/\\$File/b+_sub-group_objectives_and_principleswith_commentary_may_2015_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/$File/b+_sub-group_objectives_and_principleswith_commentary_may_2015_en.pdf)

126. Most Australian stakeholders considered the simpler “whole of contents” novelty system as used in Australia and other jurisdictions (e.g., Art 54(3) EPC) to be a better alternative. This means prior art would include all patent applications with an earlier priority date and which are published after the priority date of the application under consideration. This approach prevents double patenting.
127. JP users also had concerns about the IT3 distance measure (‘novelty and common general knowledge’) considering that it was too broad. They believed that a standard of ‘novelty + substantial identity’ was appropriate. The response to the JP consultation did not define what was meant by ‘substantial identity’. However, it is assumed that JP users were referring to the ‘enhanced novelty’ system which currently operates in their national law.
128. The IPIC response to the Canadian consultation indicated support for a novelty only approach to conflicting applications consistent with the FICPI and AIPPI packages. IPIC did not support the IT3 distance measure.
129. European stakeholders were not specifically asked about the details on conflicting applications. However, it is possible to infer views from their responses to the three industry proposals. Regarding the views on the set of norms on conflicting applications the FICPI and AIPPI proposals on conflicting applications gathered more support from European stakeholders than the proposal in the IT3 Elements Paper. Therefore, it seems likely that European stakeholders would prefer the prior art effect of conflicting applications to be limited to novelty only. This is perhaps unsurprising given that the FICPI and AIPPI proposals both largely mirror current EPC law and practice. One European user association expressed a preference for the current system under the EPC, but stated it was prepared to accept the IT3 proposal which it viewed as a possible compromise to achieve international substantive patent law harmonization.

e. Anti-self-collision

130. Australian respondents did not support treating conflicting applications from the original applicant and those of a third party differently. In its detailed written response, the Intellectual Property Committee of the Business Law Section of the Law Council of Australia (LCA) did “not recommend adopting different rules applicable to the senior applicant on the one hand and third parties on the other”. From this we can infer that AU respondents do not support anti-self-collision.
131. Canadian respondents gave a less favourable rating to the IT3 proposal which proposed anti-self-collision. Moreover, the IPIC, in its written response, supported a standard of conflicting applications being relevant for novelty only, “consistent with the proposals by FICPI and AIPPI”, i.e., without anti-self-collision.
132. The position of European respondents with regard to anti-self-collision may be inferred by considering the ratings of the sets of norms on conflicting applications contained in the proposed user packages. The IT3 proposal was the only one

proposing an anti-self-collision clause, and the set of IT3 norms on conflicting applications was considered positively by only 18% of respondents. On the other hand, the FICPI proposal, which did not provide for anti-self-collision, was viewed positively by 51% of respondents overall. Further, although one cannot rely on isolated comments, it is noteworthy that all the comments received on anti-self-collision were negative. This position was reinforced by comments insisting on the importance of the principle that all applicants be treated equally (an approach which excludes anti-self-collision). From this, we can conclude that it is likely that most Europeans prefer a system without anti-self-collision.

133. There were no views gathered on this issue from Japanese stakeholders.

f. Treatment of PCT applications

134. AU users appear to be split on the issue of whether a PCT application should be required to have entered the national phase before it is considered as prior art. Some AU respondents supported PCTs receiving the same treatment as national applications in all designated states. Others did not support PCTs that hadn't yet entered the national phase being considered prior art.

135. JP users expressed concerns about a system where PCTs that had not entered the national phase would become part of the prior art. They considered that this would unnecessarily exclude subsequent applications from obtaining patent protection.

136. The IT3 proposal which supported PCT applications becoming secret prior art regardless of entry into national phase was rated less favourably by Canadian respondents than the other two industry proposals.

137. Since the treatment of PCT applications is an important detail rather than a fundamental rule governing the treatment of conflicting applications, it is less appropriate to look to the rating of the sets of norms on conflicting applications of the individual user proposals generally to discern the position of European users. Specific input from two user associations explicitly opposed the treatment of PCT applications in the IT3 package. They argued "the purpose to avoid that two or more patents are granted covering the same or similar subject matter can be achieved by limiting secret prior art to entered national/regional phases. If a national/regional phase is not entered, no conflict of applications can be present in that national/regional phase". Conversely, one other user association expressed a preference for the approach proposed by the IT3.

g. Terminal Disclaimers

138. The IPIC response to the Canadian consultation expressed concerns about Canada's strict double patenting laws and recommended implementing a terminal disclaimer. No other users appear to have commented on terminal disclaimers.

h. Possible Options

139. As noted in the section on the comparative analysis of the outcome of the stakeholder consultation on conflicting applications, there was not enough specific input from some jurisdictions to draw conclusions as to convergence on some important elements, and the input was not gathered with a view to performing a comparative analysis. Moreover, no consultations took place in some jurisdictions, so that they were not represented. Thus, it is not really possible to achieve the original goal of defining a set of options regarding conflicting applications based on the input received and convergences observed.
140. Moreover, the consultation contained essentially only two models: that of conflicting applications being relevant for novelty only, without anti-self-collision (AIPPI Resolution, FICPI proposal) and the proposal of the IT3. The IT3 proposal was that to be patentable, the threshold which had to be met by the invention in the subsequent patent application was “novelty + common general knowledge of the person skilled in the art” over the prior application, with anti-self-collision, and the option of terminal disclaimers. This solution, devised as a compromise, did not elicit much support in any of the participating jurisdictions (AU, CA, JP and Europe).
141. It is notable that the FICPI and AIPPI proposals gathered more positive support than the IT3 proposal. The IT3 proposals was either not supported (AU, JP) or seen less favourable than the AIPPI and FICPI proposals (Europe, CA).
142. In the following discussion of possible options, we have set out briefly what conclusions can be drawn from the consultations on areas of convergence and divergence. We shall then go on to consider previous options considered by Group B+ and the Tegernsee group.

a. Areas of Convergence

143. In terms of the elements of a conflicting applications system, all that we may conclude from the consultations is that it is likely there is convergence of views around the need to prevent double patenting and a whole contents approach. These two issues may be considered relatively uncontroversial as national patent systems in all the jurisdictions studied already adopt a whole contents approach and provide measures on double patenting in some form.

b. Areas of Divergence

a. *General approach regarding the effect of prior art (Distance between applications)*

144. Clearly, there is no convergence of users’ views across jurisdictions on the point of the prior art effect of conflicting applications. Further discussions will be required.

b. Anti-self-collision

145. Users in Australia clearly opposed anti-self-collision. Users in Europe appear to prefer a system without anti-self-collision. However, no comments were received from Japanese users about this matter. Thus, no broader conclusions can be drawn, and anti-self-collision will necessarily have to be discussed further in elaborating a package of rules applicable to conflicting applications.

c. Treatment of PCT applications

146. JP users expressed an opinion against the IT3 proposal that PCT applications should enter the secret prior art upon their publication, regardless of whether they enter into the national phase. CA users were also inferred to be less favourable to this approach. However, from the user feedback, it is hard to discern trends in AU and Europe in this respect.

d. Terminal disclaimers

147. There is insufficient information that can be discerned from the consultations with which to form a conclusion on terminal disclaimers. Further discussions will be required.

c. Options Previously Considered

148. To carry out the mandate given by the Chair, it is possible to list options based on earlier, inclusive work carried out within the Group B+, reflecting existing patent systems as well as compromise proposals envisaged in the past. A brief overview of these options will be given here, and the issues which were raised by the B+ Workstream on Conflicting Applications for further work will be highlighted. However, there is nothing in the outcome of the consultations on conflicting applications which warrants a comprehensive re-discussion of the issues here, and time does not allow for a complete restatement of past arguments, so that reference is made to past documents for this purpose.

149. To this end, it may be useful to recall that the rules governing conflicting applications are grounded in two policy objectives: the prevention of double patenting, and the protection of incremental innovation, whilst ensuring that patent rights are not unjustifiably extended. Likewise, in its Objectives and Principles document (p.5), the B+ Sub-Group agreed that any system which allows incremental inventions to be patented should (a) balance the interests of inventors to protect incremental improvements on their own inventions with the interests of third parties to operate in the same field; and (b) promote innovation and competition. There is a tension between prohibiting double patenting, whilst allowing multiple patents to issue on incremental improvements which are patentably indistinct inventions made close in time to the disclosure of an invention in a first patent application.

150. However, to move forward, both delegations and stakeholders must show some flexibility and an appetite for change as a part of the process of harmonisation.

a. *General approach regarding the prior art effect (Distance between applications)*

151. There are four basic approaches to the treatment of conflicting applications which may be considered, if the Group B+ delegations wish to remain with concepts which exist and have been tested. These approaches have been well documented and analysed in the past.

152. The first issue is that of the general rule on conflicting applications and how as secret prior art they are relevant to the examination of applications which have been filed subsequently, but prior to the publication of the earlier application, and what effects they have on the outcome of the examination of that second application.

a. *Option 1: Novelty only (AU, CN, EPC, NZ, SG + 39 European countries)*

- Conflicting applications are relevant for the examination of novelty only.
- There is no anti-self-collision; all applicants are treated equally.
- This system exists in 39 countries in Europe under the EPC, as well as in AU, CN, NZ and SG.
- It is the system endorsed by FICPI in their proposal (2018) as well as AIPPI in their Resolution on conflicting applications (2019).

b. *Option 2: Novelty only, with single patent issuing to the same applicant (CA)*

- Conflicting applications are relevant for the examination of novelty only.
- Patents may be granted on subsequent applications filed by different applicants whose inventions are new but obvious over the earlier application.
- For applications filed by the same applicant, anti-self-collision applies as the earlier application cannot be cited against the subsequent application for lack of novelty.
- Where the applicant is the same, anti-double-patenting applies where the claims in the two applications are not patentably distinct (i.e., claims of subsequent application are not new and unobvious over those of the previous application). In this case, the examiner will inform the applicant that a potential double-patenting issue exists since there is no actual defect until one of the applications issues to patent.
- Thus, “anti-self-collision” nevertheless prevents at least one of the applications from issuing. It does not lead, as in other systems, to the granting of both applications by the same applicant. However, it is flexible since a patent may be granted on the basis of the application which is first ready for grant, not on the basis of which application was first filed.

c. Option 3: “Enlarged novelty” (JP, KR)

- At times called an “enlarged novelty” or “enhanced novelty” approach, the test is that the invention in the subsequent application cannot be “identical” to the one in the earlier application, whereby the term “identical” includes cases in which there is only a “very minor difference” between the elements defining the invention, so that they are held to be “substantially identical”. Applications also include matter that can be derived from a person skilled in the art, considering common general knowledge at the filing date of the application. The concept may include equivalents, if they would be easily understood by a person skilled in the art.
- Anti-self-collision applies, patents will be granted for inventions which are not novel over those in the first application, provided they are not identical (prohibition on double patenting).
- This gives first applicants an advantage by creating a “gap” within which they may fill out their protection for their invention, with third parties unable to obtain protection within this area.

d. Option 4: Novelty and inventive step (US)

- Conflicting applications are relevant for the examination of both novelty and inventive step.
- For third parties, the invention in the second application must meet full patentability requirements over the earlier conflicting application.
- Anti-self-collision applies, although there is a prohibition against double patenting, i.e., the granting of more than one patent with claims of identical scope for the same invention.
- Where the judicially created non-statutory obviousness-type double patenting rejection applies, the applicant can overcome it by filing a terminal disclaimer, linking all patents to the same expiration date and requiring the patents to be commonly owned to be enforced.
- This also gives first applicants an advantage by creating a “gap within which they may fill out their protection for their invention, with third parties unable to obtain protection within this area.

b. *Further options proposed in the past*

153. Given past difficulties in agreeing on harmonisation based on an existing system, attempts have been made by the delegations to draw up innovative compromise proposals. These attempts were unsuccessful, meeting with little support from users. In the area of conflicting applications, as noted in the Tegernsee survey (2014), users in all jurisdictions appear attached to their own systems and do not show much flexibility. Still, these options are mentioned here for the sake of completeness.

a. Option 5: Novelty plus single reference obviousness/lack of inventive step

- Conflicting applications would form part of the prior art for both novelty and inventive step, but the conflicting application could not be combined with another reference. Lack of inventive step would have to exist on the basis of the disclosure contained in that single document.
- It was left open whether anti-self-collision would be required.

b. Option 6: Mixed Approach

- When conflicting applications are held by different parties, the US approach would apply. The earlier application would form part of the prior art for both novelty and inventive step for the later-filed application. Thus, applications filed later by third parties would have to fulfil full patentability requirements over the earlier application for a patent to be granted.
- Where the two applications are held by the same applicant, however, conflicting applications would apply for novelty only. An applicant's own prior application could be used to form the basis of a rejection.
- This approach, a combination of two opposite approaches, aimed to increase the separation between patents held by different parties, but avoid an anti-self-collision clause, although arguably its combined effects would lead to much the same result.

d. Analysis of differences between the four existing systems

154. The present paper intends to build upon the B+ Sub-Group document "Treatment of Conflicting Applications"¹⁸, the B+ Workstream on Conflicting Applications' "Study on Usage of Secret Prior Art in Patentability Determinations"¹⁹ and its "Options for Harmonization of the Treatment of Conflicting Applications"²⁰. Also of interest is the Tegernsee Treatment of Conflicting Applications Report ²¹. These documents are referred to for the general analysis of the approaches. Further comments are included below.

¹⁸ B+ Sub-group, Treatment of Conflicting Applications (2015)

[https://documents.epo.org/projects/babylon/eponet.nsf/0/A34414C0306F768BC12580C100386542/\\$File/b_plus_sub_group_treatment_of_conflicting_applications_EPO-JPO-USPTO_2015_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/A34414C0306F768BC12580C100386542/$File/b_plus_sub_group_treatment_of_conflicting_applications_EPO-JPO-USPTO_2015_en.pdf)

¹⁹ Study on Usage of Secret Prior Art in Patentability Determinations, Group B+ (2016)

[https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/\\$File/b_plus_sub_group_conflicting_applications_work_stream_study_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/$File/b_plus_sub_group_conflicting_applications_work_stream_study_en.pdf)

²⁰ Options for Harmonization of the Treatment of Conflicting Applications, Group B+ (2016)

[https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/\\$File/b_plus_sub_group_conflicting_applications_work_stream_options_paper_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/A3EB2FE2F8A5AD71C1257E6D0057194A/$File/b_plus_sub_group_conflicting_applications_work_stream_options_paper_en.pdf)

²¹ Treatment of Conflicting Applications Report, Tegernsee (2012)

[https://documents.epo.org/projects/babylon/eponet.nsf/0/d8df66ffe4ea0dbac1257ab0004f2002/\\$FILE/conflicting_applications_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/d8df66ffe4ea0dbac1257ab0004f2002/$FILE/conflicting_applications_en.pdf)

a. Equal treatment

155. Equality of treatment between applicants, which is possible to achieve when the subsequent application is relevant for novelty only, without anti-self-collision, is considered best practice both in Australia and in Europe, as well as by FICPI and the AIPPI. There appear to be many more jurisdictions operating without anti-self-collision than jurisdictions operating with anti-self-collision.
156. However, conversely, users in jurisdictions in which anti-self-collision exists believe that giving the first filer an advantage allowing them to “fill out” the protection for their invention is best practice. The size of the “gap” or “safe harbour” where the same applicant can still obtain protection for incremental improvements to their invention whilst being off-limits to third party subsequent applicants is smaller in JP and KR than that in the US.
157. Option 2, reflecting Canadian law and practice, and a little complex in its application, is interesting because its anti-self-collision clause does not operate to give first applicants an advantage over third parties, as in other jurisdictions. If the subsequent application is filed by a third party, the first application will be relevant for novelty only, and thus, a patent may well be granted on both applications, that of the first filer, and that of the third party second applicant. However, if the applications are both held by the same applicant, and the second is new but obvious over the first, only one of those two applications will proceed to grant. The rationale is that the applicant knows what they have included in their first application, and they are thus in a position to control the contents of their follow-up application.
158. These positions will be difficult to reconcile.
159. Since the JP and KR systems based on a concept of “enlarged novelty” appear to lie between the “novelty only” systems in AU, NZ, SG and Europe, on the one side and the US system where conflicting applications are relevant for both novelty and non-obviousness/inventive step on the other, some proponents of the JP/KR approach argue that it could offer a possible compromise.
160. Proponents of the US system applying conflicting applications for both novelty and non-obviousness argue that it is a way to prevent a proliferation of overlapping rights held by different parties. Opponents argue that it takes the legal fiction of secret prior art beyond what is reasonable, as it requires applicants to be inventive in relation to an item of prior art which could not have been known to them. Moreover, it unduly favours the first past the post, by giving them

preferential treatment for incremental improvements which may not have been contemplated at the time of the original filing.

b. Anti-self-collision

161. Anti-self-collision clauses create a “gap” or “safe harbour” within which the same applicant can fill out their protection by protecting incremental innovations, whereas subsequent applicants are prevented from obtaining protection for incremental innovations falling within that area.
162. Anti-self-collision arguably complicates the operation of the rules on conflicting applications since it is necessary to determine whether the two applications in question are held by the same applicant or not. This can become complex where there are multiple joint applicants and/or successors in title.
163. In 2016, the Study on Conflicting Applications conducted by the B+ Workstream on Conflicting Applications indicated that at the UK IPO and at the EPO, instances of self-collision formed 23.1% and 56.5% respectively of secret prior art citations. In its paper “Options for harmonisation of conflicting applications”, the Workstream concluded that “if similar rates of self-collision exist in jurisdictions which have anti-self-collision, the impact of these clauses on the system would need to be further investigated”. It was pointed out, however, that at least at the EPO, these self-colliding citations rarely resulted in a rejection, since the applicant was able to amend their claims.
164. Moreover, at the EPO, non-collision is already embedded in the standard of novelty. The “photographic novelty” doctrine applied is not restricted to a verbatim similarity. The disclosure also encompasses anything “directly and unambiguously derivable” from it, for a person skilled in the art, (i.e. a feature which the skilled person would recognise as being necessarily part of the disclosure of the document, even if not explicitly mentioned). Thus, if a feature can be directly and unambiguously derived from the first application, and a second application is filed adding that feature in the claims, there can be self-collision. However, arguably, the applicant does not need the second application for protection, as the feature will be covered by their first application. Otherwise, even minor variations, substitutes and equivalents may be contained in a subsequent application without collision with the first application.
165. Thus, for opponents of the “novelty only” system, the problem with the absence of anti-self-collision is not that it restricts applicants from obtaining protection for their own incremental innovations, it is that it does not provide a “gap” or a “safe-harbour”, an area where the first applicant can obtain protection, but third parties cannot.

166. The B+ Sub-Group paper on the Treatment of Conflicting Applications in 2015 was commented upon by a US user involved in elaborating the 2004 “enlarged novelty” user proposal. It was stated that allowing a “safe harbour” to the first applicant for them to fill out their protection on their invention should be tempered in view of the impact on the public of potential “patent thickets”, if applicants are given free range for filing incremental improvements. In addressing the limits of anti-self-collision, a balance between safe harbour and patent thickets must be found. Terminal disclaimers were argued to reduce the impact of patent thickets but were not considered necessarily sufficient.

167. In the Tegernsee survey, users were asked about their perception of patent thickets (defined in the questionnaire as a cluster of patents that may or may not be related or subject to common ownership, and which have claims of overlapping scope) in major markets (Europe, JP, US). There was a perception on the part of respondents that patent thickets were less prevalent in the European market than in JP or the US (See Final Consolidated Tegernsee Report (2014), p. 61, Chart No. 3.11). This led the Workstream on Conflicting Applications to conclude: “Given that the practice at the EPO is based on the narrowest definition of the relevance of secret prior art, but does not include anti-self-collision, this outcome raised the issue of the role of anti-self-collision in the growth or mitigation of ‘patent thickets’.”²²

c. Prohibition on double patenting

168. Most jurisdictions have some rules prohibiting double patenting, so that there appears to be agreement on the necessity of this principle. However, the ban on double patenting is defined quite differently across jurisdictions. It is suggested that this rule could be addressed in further detail once there is agreement on the issues of the effect of conflicting applications and the existence or not of a mechanism of anti-self-collision. In the presence of anti-self-collision, the articulation of a ban on double patenting becomes of increased importance.

d. Terminal disclaimers

169. If a system operates with anti-self-collision, there are two options (1) provide for a terminal disclaimer; (2) operate without it.

170. The terminal disclaimer, which exists in the US, allows a patent to issue even when it is not “patentably distinct”, i.e. it is obvious over the previous application held by the same applicant. It has two effects: (a) the patents which are thus linked must be held by the same person to be enforceable, in order to facilitate licensing for third parties, who will not have to negotiate with multiple patent

²² B+ Workstream Study on Usage of Secret Prior art in patentability determinations (2016), p.18

holders to licence an invention, and (b) they all expire on the date the first linked patent expires, in order to avoid a lengthening of the patent term protecting what is in effect a single invention.

171. Terminal disclaimers may be helpful in terms of licensing for third parties, but they do not shield third parties from the impact of “patent thickets” which impose a burden on the public. An SME receiving a warning letter concerning one patent may be able to afford a freedom-to-operate opinion. A warning letter listing a half-dozen patents covering variations and additional embodiments of the invention may push such costs out of that entity’s reach.

e. Treatment of PCT applications

172. The treatment of PCT applications should also be harmonised. However, the issue at stake is that of the time at which the PCT application becomes secret prior art, and it is independent of the other effects ascribed to a conflicting application and whether or not there is anti-self-collision. There are two options for the treatment of PCT applications:

- (i) They can enter the secret prior art as of the date of their publication at 18 months from the filing or priority date, which is the case in AU, NZ and the US; or
- (ii) They can enter the secret prior art as of the date of their entry into the national/regional phase, as is the case in CA, JP, KR and the EPO (at the EPO, strictly speaking, it suffices to pay the filing fee to enter into the European phase, and either file or translate the application in one of the prescribed languages, but the principle is the same: they do not become secret prior art merely upon publication, and such actions remain the exception).

173. The first approach does not discriminate against PCT applications but treats them as any other application. Adopted globally, it would have two advantages: (a) allow a speedy determination of the applicable secret prior art in all designated countries, without waiting until the entry into the national/regional phase; and (b) create a system of “global secret prior art”, making it unnecessary for interested third parties to check the status of the application and its entry into the national/regional phase in each of the designated jurisdictions.

174. On the other hand, this approach will also prevent patents from being granted based on prior applications which do not enter the national or regional phase and thus, for which the issue of double patenting does not arise. Here, it should be emphasised that a PCT application which does not enter a national phase is

unlikely to belong to a national entity operating in that market, whereas an entity whose pending application is thus knocked out will be an actor in that market.

175. Conversely, the second approach would be less simple, as offices and applicants would have to wait for entry into the national/regional phase to know whether the application is secret prior art, and it would require checking whether a PCT application has entered the national/regional phase for each designated country. However, it would tailor the knock-out effect of the PCT applications to those cases in which there really is a risk of double patenting.

e. Conclusion

176. To conclude, none of the national consultations which took place were conceived in such a manner as to retrieve specific new input from stakeholders on the details of conflicting applications. Aside from a rejection of the compromise proposal on conflicting applications contained in the IT3 Elements Paper, there is not much further guidance which can be gleaned from the consultations.

177. Arguably, the most crucial aspect of the harmonisation of rules on conflicting applications is to determine whether an anti-self-collision clause resulting in an advantage for the first applicant over subsequent third-party applicants, or equal treatment of all applicants based on an effect of conflicting applications hinging on a narrow definition of novelty, constitute best practice.

178. This issue may turn on which system is considered more successful at keeping patent thickets to a minimum. However, patent thickets are not influenced by the norms on conflicting applications alone, but also shaped by the definition of unity of invention, allowable claim practices, and cost issues, which vary across jurisdictions. To achieve effective harmonisation for stakeholders for the purposes of managing global portfolios and for offices to maximise the efficiency of work-sharing, more than the norms on conflicting applications would have to be harmonised.

179. It appears that the IT3 will be working further on a compromise to be included in the Elements Paper, a work in progress. Perhaps a next step should be a detailed discussion between Group B+ delegations and key industry representatives at working level, before the Group B+ embarks on any further work in this regard.

Prior User Rights

180. Generally, national patent regimes may recognise the existence of prior users' rights (PURs) where, prior to the applicant seeking patent protection, a third party has used or made preparations to use an invention and elects to practice it in secret. A PUR will allow the third party to continue certain activities which would otherwise infringe on the applicant's patent. An overview of existing systems of prior user rights in tabular form is included in Annex IV.

i. Comparative Analysis of National Consultations Results

181. As has been previously stated, the consultations carried out at national and regional level adopted different methodologies to soliciting and reporting stakeholder views and returned different levels of response. The JP consultations focussed primarily on other aspects of SPLH rather than PURs.

182. As has already been noted above, in the section on Prior User Rights in the Context of a Grace Period, AU and European stakeholders support robust prior user rights, including where knowledge of the invention was derived from a PFD during the grace period made by the applicant or with their consent. CA stakeholders were either non-committal or appeared rather more reticent to accept this approach.

183. Common findings across the Australian, Canadian, and European consultations on PURs were:

- Many stakeholders linked PURs to a grace period for PFDs or regard it as an essential complement to a grace period. Reasons provided were to provide balance in the patent system and legal certainty.
- The activity that qualifies for PURs should take place before the filing or priority date.
- Some stakeholders supported or could accept a requirement that PURs be conditioned on third parties acting in good faith. However, some of these saw the requirement that information be made public by the applicant or with the applicant's consent as a sufficient alternative.

a. Australia

184. There was broad support for the IT3 proposal on PURs because PURs must be addressed if there is a grace period. However, stakeholders do not support those parts relating to statements of PFDs.

185. There was support for the view that PURs should accrue where knowledge is derived from the inventor provided it is not obtained in a manner that is contrary to law or via breach of confidentiality. Australian stakeholders also held the view that 'good faith' needs to be defined. Alternatively, the defence should be based on information made public by the applicant or with the applicant's consent.

186. PURs should only apply to activities that take place before the priority date of the application.
187. Some stakeholders considered that PURs should be freely assignable without the sale of the business and the continuation the same activity of use. Others were of the view that PURs should not 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.
188. One user association, the Intellectual Property Committee of the Business Law Section of the Law Council of Australia (LCA), opined that PURs should not be limited to the particular product, method or process which was the subject of the preparations or use. It did not recommend adoption of the IT3 proposal which stated that PURs do not “extend to designs which were not the subject of the required preparations and otherwise infringe the claims of the patent”.

b. Canada

189. All three proposals included PURs. When asked to indicate their level of support for each of the three proposals, around 65% of respondents said they were neutral or didn’t know if they supported the ideas in the packages in respect of PURs. Nevertheless, around 34% (14 of 41) of respondents thought PURs were a key element of harmonisation (compared to 54% who considered a grace period to be a key element).
190. Thirty-five respondents indicated that they supported a grace period in principle and that the grace period should be one year. Of these, 4 respondents indicated that they would only support a grace period if PURs were available for use before the filing date or priority date. In contrast, only one stakeholder indicated they could only support the grace period if the applicant had to declare a PFD.
191. A large stakeholder association, the Intellectual Property Institute of Canada (IPIC), supported PURs for clearly defined activities, as well as a requirement that the prior user act in good faith. However, IPIC considered it premature to comment on or recommend any changes from the status quo in Canada, given the lack of case law interpreting Canadian PUR law as amended in 2018²³.

c. Europe

192. FICPI and AIPPI sets of norms on PUR both had positive scores from a majority of individual respondents: 51% for FICPI and 58% for AIPPI. 48% of user

²³ Prior User Rights in Canada are provided as a defence to infringement under Section 56 of the Patent Act. Section 56 was revised in 2018 by the Budget Implementation Act, 2018, No 2. Prior to the 2018 revision, prior user rights in Canada were limited to the right to “use and sell to others the specific article, machine, manufacture or composition of matter patented and so purchased, constructed or acquired” before the claim date (i.e., priority date) of a particular claim. Under the revised law, a third party must perform an act that would otherwise constitute an infringement of the patent or make serious and effective preparations to do so in order to benefit from PUR.

associations approved of the FICPI proposal and 47% approved of AIPPI's proposal.

193. The IT3 PUR proposal appears to have been rejected by respondents. The IT3 had a 27% approval rate from respondent user associations. 9 respondents mentioned PURs as grounds for choosing another package while some supporters of the IT3 package strongly opposed its approach to PURs. This appears to be a rejection of the IT3 proposal favouring patent applicants by limiting circumstances in which a PUR can accrue from knowledge derived from a PFD made by the applicant or with the applicant's consent to those cases in which the applicant has not submitted the statement in a timely manner.
194. Two user associations argued that "classical prior user rights were an essential element of patent law which promoted the balance between the interests of the patentee and those of the prior user".
195. Another association stated: "The proposal set out in the FICPI and AIPPI papers is preferable and is to be supported. There should be no prior user right restriction when it is based on derived knowledge. This can be an important safeguard against the emergence of a 'first-to-publish' system".
196. Another association opined: "IT3 prior user rights are overly complex. In general, the motivations of both the FICPI and AIPPI submissions are trying to balance between the patent applicant and the general public, whereas the IT3 submissions are more concerned with the patent applicant and their businesses".
197. Reasons for preferring the FICPI proposal on PURs included: 10 respondents thought the proposal was clear, coherent and simple to understand and 2 respondents stated that it was a middle-of-the-road proposal which would be easier to implement.
198. Reasons for preferring the AIPPI proposal on PUR included 6 respondents who considered it to be clear and simple. Another pointed to the good faith requirement for PURs.
199. Several supporters of the FICPI proposal were similarly positive toward the AIPPI proposal as generally similar in character (simplicity and coherence balanced approach) and aligned on several important aspects including PURs.
200. Of those that preferred the IT3 proposal on PURs, one association said PUR should be included in any implementation of a grace period to protect innovative third parties from late-filed applications relying on the grace period, and 4 respondents simply said that harmonisation of PURs was important.

201. The consolidated report of the European consultation noted that whether third parties who legitimately derive the invention from the applicant can accrue PUR is one of the most contentious issues for PURs.
202. Many stakeholders support measures such as recognition of PURs or a declaration requirement to protect third parties if a harmonised grace period is adopted. 53% of user associations and 34% of individuals would only support a “safety-net” grace period that was internationally harmonised compared with 11% and 36% who could support a grace period generally. Stakeholder responses on PUR proposals were also consistent with this.
203. Stakeholders were split on whether PURs should be territorially confined to the jurisdiction in which the relevant preparations took place or recognised internationally. While there would be benefits to businesses operating internationally in harmonising PURs in this respect, Group B+ delegations have previously raised concerns that international recognition could create practical difficulties. Also, this aspect is one of the elements of the PUR which is presently internationally harmonised, and is in line with its nature as a defence to infringement action under a patent, the effects of which are also territorially limited.
204. Some respondents’ comments indicated they had interpreted the FICPI Proposal and AIPPI Resolutions to require the third party to prove they had acted in good faith. However, this burden of proof is not defined in these proposals and good faith is generally the default presumption in many legal systems.
205. One respondent affiliated with a university objected that PUR proposals would be harmful to universities, as they would take away “our perspectives of a financial return on our investment”, since universities do not directly commercialise their research themselves.

d. Japan

206. Stakeholders found the IT3 package too complex and unfeasible, requiring too many changes to existing patent law. JP stakeholders considered that the PUR system in the IT3 Elements paper was not as effective as it could be because of its complexity.

207. Stakeholders also noted that companies operate in several countries after preparing to implement their inventions in their home country, and this should be taken into account when considering the geographical scope of PURs.

e. Korea

208. Responses to the KINPA survey rated the three proposals with regard to the norms on PURs. The AIPPI proposals were ranked first, followed by FICPI and then IT3. KINPA members were also asked if they would be open to changing rules to allow PURs if a third party had gained knowledge of the applicant's invention through (for example) a PFD if the counterpart of the change was global harmonisation. Opinions of those KINPA members that responded were divided between those who agreed and those who disagreed. Those in favour of the change considered that any invention disclosed before filing "on its own volition" should be available to the public without restriction. The basis for opposing opinions was that protection should not be available even when it is implemented by "seeing someone else's work." Also, it should be noted that in the section on the grace period, the explanation given for wishing that the grace period be defined as a safety net, was that "there is a need to balance the interests of third parties who have implemented or prepared to implement inventions that have been published prior to filing".

j. Possible Options

209. From the stakeholder consultations there is general support for PUR and reasonable convergence on some of its features.

210. It is difficult to denote convergences or divergences on PURs based exclusively on the input of users in the jurisdictions where consultations were conducted, given the differences in the level of detail of the individual consultations. Generally, however, the majority of stakeholders in Europe and JP rejected the IT3 proposal on PUR which tied the accrual of rights in case of derivation from the applicant/patentee to the lack of a timely filed statement by the applicant – a condition completely unrelated to that of the activities of the third party – rather than on principles of fairness and preservation of investment which usually underpin PURs across jurisdictions. CA stakeholders appear to be lukewarm towards the IT3 proposal on PURs, and AU stakeholders rejected key aspects of the IT3 proposal. It can be concluded that the IT3 Proposal was not generally supported by stakeholders.

211. Nevertheless, in the case of PURs, convergences and options may be deduced if the broader picture is considered involving (1) the state of national laws; (2) the substance of the user proposals themselves, including the IT3 Elements Paper, which reflects in parts positions agreed to by US users, as well as (3) the input gathered from stakeholders during the consultations.

212. In patent systems that provide for prior user rights, they are broadly seen as a means to:
- (i) mitigate certain effects of the first-to-file system;
 - (ii) provide fairness;
 - (iii) balance the interests of patentees with those of third parties;
 - (iv) protect the investment of third parties that have independently devised the invention before the filing date but who have not sought patent protection²⁴.
213. The general principle is that a third party that has invested in innovation should be able to preserve their investment by continuing what they were doing prior to the filing of the patent. This is often framed as being to the broader benefit of the economy not just the third party.
214. Where a patent system includes a grace period, PURs are often considered a necessary counterbalance to the advantages afforded to applicants by the grace period. PURs, like declarations of graced disclosures, are also used to offset legal uncertainty created by the grace period. Consultation results and the 3 proposals also suggest that PUR options should be designed as a complement to outcomes on grace period.
215. It may be possible to draft a PUR obligation that provides some level of harmonisation on core principles but provides enough flexibility in implementation to enable most economies to comply. However, as this approach would not require states to align their current systems and it is not clear what benefits it would bring. Additionally, it is not clear that stakeholders would support such an approach which does not appear to achieve harmonisation.
216. Approaches to PURs can be broken down into separate features, each of which impact the balance between the patentee and third parties. Some features are generally agreed upon in principle, others are more contentious. Areas of convergence and divergence are discussed in more detail below. It is suggested that features where there is convergence of views should be accepted as part of the SPLH package of norms with respect to PURs. Options for those areas where there is divergence of views, are provided and these should be considered as areas of future work for Group B+.

a. *Areas of Convergence*

a. *Form of PUR: defence or exception*

217. Existing patent systems define PURs either as a defence against infringement (AU, CA, US), an exception to infringement (Europe – except CH), or a non-exclusive license (JP, KR). None of the consultations covered the nature of the PUR. However, as there may be little practical difference in outcome, the nature

²⁴ Document SCP/32/3: Draft Reference Document on the Exception Regarding Prior Use (6 May 2020)

of the PUR as either a defence or an exception or a non-exclusive license could be left to national legislation, provided it is consistent with any agreed international norms.

b. Conditions of accrual of right: qualifying activities

218. All 3 proposals provide that, in addition to actual use, rights can accrue where a third party has made ‘serious and effective preparations’ to use the invention²⁵ before the critical date. These requirements appear to be substantially similar, and the consultation reports recorded no comments from stakeholders on this point.
219. It has previously been accepted in principle by the Group B+ Sub-group on Patent Harmonisation (‘B+ Sub-group’) that actual use is sufficient activity to give rise to a PUR, but mere possession of the invention is not sufficient²⁶. In most Group B+ jurisdictions preparations for use above a certain threshold will also be sufficient. This requirement is formulated similarly across national patent laws and is interpreted by courts on a ‘case-by-case’ basis according to the facts of each matter. In some jurisdictions, tests have been developed by the courts, assisting them in making required determinations and rendering the accrual of PURs more predictable and consistent.
220. At the moment, there are three general approaches in existing systems, regarding qualifying activities:
- (i) PURs accrue where the third party has possession of the knowledge of the invention. (e.g., FR)
 - (ii) PURs accrue where a third party has made actual commercial use of the invention before the critical date. (e.g., US)
 - (iii) PURs accrue where a third party has made actual commercial use of the invention or made serious and effective preparations to commercially use the invention, before the critical date.
221. To our knowledge, all other countries adopt this third general approach, with varying terminologies. It also forms a middle road on this issue, which represents the approach taken by the AIPPI and FICPI proposals, as well as the IT3, which, as pointed out earlier, reflected a consensus reached including the two main US stakeholder associations, AIPLA and IPO.

²⁵ The IT3 proposal also focussed on “significant investment” which is a criterion that has been rejected by the courts in many countries.

²⁶ ‘Paper of Prior User Rights B+ Sub Group on Patent Harmonization Workstream on Prior User Rights’ (2016)

222. Therefore, it would appear to be general consensus concerning this third approach, and it could be proposed that this be the option put forward as a possible compromise.

c. Time of accrual

223. The three proposals each provide that the relevant activities must take place before the earlier of either the filing date or priority date. Under the FICPI and AIPPI proposals, this applies both to independent development and to derived knowledge. The IT3 proposal differs from FICPI and AIPPI packages by constraining the time of accrual for derived knowledge to the time between the PFD and 18 months prior to the publication of the application with a statement. This contrasts with the concept of the safety-net grace period which emphasises protecting the efforts of third parties. As discussed above, the IT3 proposal received negative responses from some stakeholders.

224. This issue is largely harmonised throughout the world with the US being the only jurisdiction to set a different critical date. The laws of most Group B+ members are generally consistent with the AIPPI and FICPI proposals in that the relevant activities must take place before the earlier of either the filing date or priority date. The US requires prior use to occur at least 12 months before the earliest of the filing date or the date of the first PFD during the grace period.

225. Given that most Group B+ jurisdictions are already convergent around the critical date being the priority or filing date, it is suggested that this approach be taken forward.

d. Burden of Proof

226. There is general consensus in the three proposals and stakeholder responses that the burden of proof should fall on the third party to show that they qualify or acquired the business from a third party that qualifies for a PUR²⁷. As discussed below, if the proposal includes derivation from the patentee, the onus to prove good or bad faith could be left to national law.

e. Territorial requirement for prior user rights to accrue

227. For a PUR to accrue, qualifying activities must occur within the territory covered by the applicable patent. As far as can be determined, this condition is harmonised throughout the members of the Group B+.

f. Territorial scope

228. Some stakeholders did express an interest in international PUR. However, the B+ Sub-group has already agreed in principle that rights would be limited to the

²⁷ As the EPO Consolidated Consultation Report notes, this would not include an obligation on the part of the third party to show good faith. An applicant alleging bad faith would bear the burden of proving it against a third party

country in which use (or preparations for use) occurred.²⁸ This is consistent with the national laws of Group B+ members. Therefore, it should be concluded that PURs are limited to the territory in which the qualifying activities took place.

g. Transfer or assignment

229. The three proposals would only allow rights to be transferred with the whole of the business or line of business in which they arose. PUR may not be licensed or transferred in isolation, which also generally reflects the national law of the Group B+ members. This approach was generally supported by stakeholders and does not appear contentious among Group B+ members²⁹.

h. Loss of PUR

230. The IT3 and AIPPI proposals provide for loss of third-party rights on abandonment of the use of the invention. The consultation reports produced no comments on these points. Australian law provides that PURs do not apply if, before the priority date, the third party had stopped using the invention or had stopped taking steps to use the invention. A temporary halt does not qualify. Many other Group B+ members have similar laws; or case law at least in effect, because abandonment may mean the third party does not qualify for a prior activity in the first place.

231. Therefore, it appears that there is convergence around the option that PURs will not accrue where the use of the invention or the preparation for its use has stopped (not temporarily) prior to the relevant date.

i. Exceptions

232. The three proposals contain no provision for exceptions based on the identity of the third party, the applicant or inventor, nor the technology area. Consultation reports indicate broad agreement on the principle that PURs should apply without exceptions, and it is consistent with the existing national laws of most Group B+ members.

233. The US provides that PURs are not available where the invention was owned or assigned to a higher education institution or technology transfer organisation with a commercialisation focus. However, it is noted that two major US user associations (AIPLA and IPO) are members of IT3 and therefore they may be considered to be in agreement with proposals that do not provide exceptions.

234. It is, therefore, suggested that Group B+ consider there is convergence around the principle that there should be no exceptions to PURs on the basis of the type of inventor or patentee, technology field or the nature of the invention.

²⁸ See Group B+, Objectives and Principles Paper, May 2015.

²⁹ None of the three proposals would allow a PUR holder to license their rights to others and the consultations reported no support for this.

b. Areas of Divergence

a. *Conditions of accrual of right: source of knowledge of the invention*

235. Whether a PUR can accrue from derived knowledge is one of the most contentious aspects of harmonisation of PURs.
236. Both the FICPI and AIPPI proposals support PURs in circumstances where knowledge of the invention can be derived from the patentee. In contrast, the IT3 proposal only allows PURs to accrue from derived knowledge in the time between the PFD and 18 months prior to the publication of the application with a statement of the PFD to be graced. The proposal encourages early PFD statements so publication occurs within 18 months of the first PFD. The PUR period thereby only arises where the applicant fails to file a timely statement.
237. Several Group B+ members do not support derivation from the patentee (JP, KR, UK; CA under certain conditions). However, the two consultation reports which addressed this question expressly (EPO and Australia) showed general stakeholder support for PUR based on knowledge derived from the patentee.
238. In all the jurisdictions where consultations were held most stakeholders rejected the IT3 proposal on PURs. In Europe, a greater number of stakeholders thought the IT3 PUR proposal would promote legal uncertainty, be complicated, unbalanced, or inconsistent with a first-to-file system.³⁰ Australian consultations also indicated stakeholder opposition to complexity and to the limited circumstances in which derivation provided rights to third parties.³¹
239. The options are therefore:
- (i) PURs are available where the information was derived from information made available to the public by the patentee or with their consent during the grace period.
 - (ii) PURs are not available when the knowledge of the invention forming the basis for qualifying activities has been derived from the applicant or their predecessor.

b. *Good Faith*

240. It is the case in most countries that, in general, for PURs to arise the third party must have acted in good faith in terms of their acquisition of the invention and their qualifying activities. In 2016 the B+ Sub-Group agreed that, in principle, a third party who has started using an invention in good faith prior to filing should

³⁰ See particularly EPO, 'European Common Consultation on User Proposals for Substantive Patent Law Harmonisation Part I: Consolidated Report Consolidated Consultation Report' (Sept 2022) [196].

³¹ EPO, 'European Common Consultation on User Proposals for Substantive Patent Law Harmonisation Part I: Consolidated Report Consolidated Consultation Report' (Sept 2022) [203]; IP Australia, 'Summary of Australian consultations on Industry Trilateral proposals for substantive patent law harmonization' (Dec 2022)

be able to continue using the invention. For a number of members this principle does not extend to third parties who derived knowledge from the inventor. The AIPPI proposals allows a third party acting in good faith to acquire PUR where knowledge of the invention is derived from the inventor. The IT3 proposal mentions good faith but uses the terms abuse/breach of confidence. FICPI considered that good faith can be difficult to assess in practice and instead requires that the third party has not acted contrary to law or breached confidentiality obligations toward the applicant/patentee.

241. Stakeholders that addressed the question of good faith mostly either supported the requirement or could support if it were clearly defined. This could include a definition which supports 'good faith' as requiring that the third party has not acted contrary to law or in breach of confidentiality or contractual obligations. The latter view may express the concern that good faith could limit derivation beyond circumstances where knowledge of the invention is the result of a breach of confidentiality or an act contrary to law.
242. If the package provides for PURs when the information has been derived from the patentee, it is essential that there be some requirement around good faith or acting legally. The main options are:
- (i) Require that the third party has acted in 'good faith' and not define it
 - (ii) Require that the third party has acted in 'good faith' and attempt to define the term
 - (iii) Require that the third party has not acted contrary to law or breached confidentiality or other contractual obligations
 - (iv) Require that the third party has acted in good faith or has not acted contrary to law or breached confidentiality or other contractual obligations.
243. It would be up to individual members to decide which party should bear the onus of proving good or bad faith. However, most legal systems have a presumption that persons act in good faith, so that it would generally be expected that the onus to prove bad faith would lie on the patentee.

c. Scope and changes to activity

244. The scope of a PUR and the changes to existing or planned activities by a third party that fall within that scope are contentious. All 3 proposals would limit the scope of a PUR to embodiments that were in use or which the third party has made sufficient preparations for use by the relevant date. The right would not extend to other claims in the application and only 'minor modifications' or 'substantially similar embodiments' would be within the scope of PUR.

245. The European and AU consultation reports noted some stakeholder support for allowing only limited modifications to embodiments. Several responses to the European consultation specifically noted the importance of harmonising the scope of the PUR to be 'broad enough to be used meaningfully'. Similarly, an Australian stakeholder stated that excessive restrictions on the scope of PUR would prevent a third party from successful commercialisation. Another AU user association opined that PURs should not be limited to the particular product, method or process which was the subject of the preparations or use. These views are consistent with the underlying purpose of protecting third-party investment in innovation.
246. The proposals and the consultations did not expressly deal with some aspects of scope including changes to the volume of use, to the embodiment or to modes of working of the invention. However, these issues have been considered by the B+ Workstreams in their study and report on PURs in 2016.
247. There are three issues which must be addressed in terms of the scope of the right.
248. The first is whether changes in the volume of use of the invention should be permitted. These are permitted expressly by the US statute. Additionally, in those countries in which the courts have dealt with this issue, such as DE and JP, changes in volume have been allowed, on the grounds that it would be difficult (particularly in cases where preparations are relied upon for the accrual of the right rather than actual use) to determine what the envisaged volume of use might be. Moreover, as some courts have set forth, PURs must be able to be adapted to the evolution of the business within which they have arisen. Attempting to determine and enforce what the limits of such use might be would introduce unnecessary complexity.
249. As such, it is suggested that it should be agreed that changes in the volume of use of the invention after the critical date are permitted.
250. The second issue is whether changes to the embodiments used may be permitted. In all countries in which the courts have dealt with the issue, changes to the embodiments have been allowed (DE, JP, KR, UK). However, these modifications were subject to limitations, and there were some variations in the approach.
251. A third issue is whether the modes of use of the invention may be changed, e.g., from importing or manufacturing to selling. Here, outcomes have been mixed. In DE, the mode of use of the invention may be modified, subject to certain limitations. In JP, such changes were not allowed. In the UK, the approach appears to be to allow any acts which had either been done or prepared for prior to the critical date.

252. Before laying out options in respect of these last two issues, additional work on the details of the limitations in each jurisdiction would need to be carried out.

Definition of Prior Art

253. The definition of prior art is an important element in the SPLH package, and it is covered in this report. However, it is noted that there already exists a large degree of convergence in this area and only the Australian consultation specifically sought views on this topic. The IT3 Elements paper is the only industry proposal that covered the definition of prior art, although AIPPI has made a resolution on this part of the package in 2002³² which has been considered for this analysis.

k. Overview of Existing Systems

254. Except for disclosures which benefit from a grace period and conflicting applications (“secret prior art”), the definition of prior art is an area of patent law where there is already large-scale convergence amongst Group B+ countries. The grace period, which removes information from the prior art, and rules governing conflicting applications, both of which can be considered part of the definition of prior art, are dealt with separately in this report.

255. Prior work of the Tegernsee Group³³ identifies areas of convergence between the systems of the US, Japan and Europe. Common elements of information that forms prior art in all three jurisdictions are:

- any information that is made available to the public;
- in any format whether written or oral description, in a patent or printed publication, in use, on sale³⁴ or otherwise available to the public; and
- in any country.

256. The date from which information disclosed becomes part of the prior art also appears to be either the filing date or the priority date as appropriate. In Europe, EPC Article 54(2) defines the state of the art in relation to the filing date. However, this is further modified by Article 89 which defines the effect of priority right such that where priority is claimed, the date of priority shall count as the

³² “Current standards for prior art disclosure in assessing novelty and inventive step requirements”, AIPPI Executive Committee of Lisbon, June 16-22, 2002

³³ [TEGERNSEE EXPERTS GROUP - TABLE OF HARMONIZATION TOPICS - 2012](https://documents.epo.org/projects/babylon/eponet.nsf/0/967678F7EA9DAD85C1257C27004E1B41/$File/tegernsee_aggregate_matrix_document_en.pdf)
[https://documents.epo.org/projects/babylon/eponet.nsf/0/967678F7EA9DAD85C1257C27004E1B41/\\$File/tegernsee_aggregate_matrix_document_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/967678F7EA9DAD85C1257C27004E1B41/$File/tegernsee_aggregate_matrix_document_en.pdf)

³⁴ It should be noted that in the US, the sale of an invention over one year prior to filing of a patent will destroy patent rights regardless of whether the sale makes information about the invention available to the public. This contrasts with the situation in other jurisdictions where sale of an invention prior to filing a patent application will only count as prior art if the sale makes information about the invention available to the public.

date of filing. A similar approach is present in Japanese patent law with Article 29(1) (i) defining prior art with respect to the filing date and Article 41(1) – (2) further clarifying that where an application claims priority, the filing date of that application shall be the priority date of the earlier application. The US system defines prior art with respect to the “effective filing date” which covers filing date or priority date as appropriate.

I. Comparative Analysis of National Consultations Results

257. The IT3 Elements paper proposed that the prior art should be “all information which has been made available to the public anywhere in the world in any form, before the earlier of the filing or priority date of the claimed invention”³⁵.

Furthermore, there should be no limitation on the medium, language or geographical location of the disclosure. Nonetheless, such public disclosures may be non-prejudicial under certain conditions related to a grace period.

258. The critical date was proposed as the filing or priority date of the claimed invention, and not of the application, because the pending application may claim priority from a prior filed application that does not include a disclosure of the claimed invention.

259. A related issue considered was where an activity that does not result in access to all details of the invention, where there is no ability to analyse the entire content of the disclosure, is a public disclosure that qualifies as prior art. Enablement of disclosure was not considered as part of the IT3’s work.

260. The FICPI and AIPPI proposals did not address this area. However, it is noted that AIPPI resolution of the Executive Committee of Lisbon, 16 – 22 June 2002, comes to a similar conclusion as the IT3 proposal regarding the basic definition of prior art. The AIPPI resolution considered that prior art should consist of all information which has been made available to the public anywhere in the world in any form before the filing date, or where applicable, the priority date. To qualify as prior art, information may be made available in any form.

261. The European common consultation document considered the definition of prior art proposed in the IT3 package to be essentially aligned with the EPC. Therefore, European users were not consulted on this issue. However, the consultation document recalled that a definition of prior art should form part of a package on harmonised norms. The consultations in Japan and Canada also did not cover this topic.

262. In Australia some stakeholders supported the IT3 definition, but most considered that it would require some amendment. Those that supported the IT3

³⁵ This is an amended version proposed by IT3 of the definition provided in WIPO SCP 10/4

definition considered the advantages of the definition were that it was neutral on the medium through which prior art was published or disclosed, and that disclosures made in confidence would not be considered prior art.

263. One reason given for why the IT3 proposal required amendment was that it excluded applications with an earlier priority date, but which are published after the priority date of the application under consideration (“whole of contents” novelty approach in Australian law).

264. Most Australian stakeholders also considered that the inclusion of “the earlier of the filing or” in the text to be problematic. 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 matter although it should be noted that this scenario is not possible in some jurisdictions such as those under the EPC. These stakeholders considered that such information should form part of the prior art.

m. Possible Options

265. There appears to be widespread agreement that the IT3 proposal provides a good starting point for harmonising the definition of prior art as part of an SPLH package. Therefore, it is suggested that Group B+ consider the inclusion of a prior art definition based on and consistent with the IT3 proposal in any SPLH package. Furthermore, Group B+ should consider this issue to be largely settled so that no further work or discussion is required at this time.

266. Areas where there is already convergence of laws in Group B+ countries are that the prior art includes all information made available to the public³⁶, in any format and anywhere in the world, prior to the filing or priority date as appropriate.

267. It is noted that the definition of prior art is related to other elements of the SPLH package, notably the grace period and conflicting applications.

³⁶ There is an exception to this rule in the US. In *Helsinn v. Teva* (2018) the US Supreme Court held the view that a sale or offer of sale need not make an invention available to the public to constitute invalidating prior art under the statute. This partly explains the interest of stakeholders in defining prior art in an SPLH package.

Publication at 18 months

n. Overview of Existing Systems

268. Mandatory publication of applications at 18 months after filing date or, if applicable, priority date is a common element of patent systems in Group B+ jurisdictions³⁷.
269. Policy considerations underlying 18-month publication are largely consistent across jurisdictions. Publication at 18 months is viewed as striking an appropriate balance between allowing inventors/applicants a reasonable time period to keep their application secret while they pursue patent protection, and the interests of third parties and the public in having early access to new technological developments.
270. Elements of 18-month publication which are already commonly present in Group B+ jurisdictions include the right of applicants/inventors to request early publication and that the application is published in its entirety. Publication also confers provisional rights.
271. Exceptions to 18-month publication are also commonly provided for across Group B+ jurisdictions. Applications may not be published which are withdrawn, deemed to have been withdrawn, refused, already published as a patent, or are considered to raise concerns of national security of public order.
272. The main area where there is some difference in law and practice in the US where applicants/inventors may opt-out of publication at 18-months if the application is not also filed in a foreign jurisdiction or under a multilateral agreement. Figures from 2009 suggest that use of this opt-out was reducing: from 10% of filings in 2002 to 5 % in 2009³⁸. Nevertheless, these percentages have to be considered against the backdrop of the volume of utility patent applications filed in the US, which was 589 155 in 2022, according to the USPTO Annual Report Workload Tables, which may explain why this element is still considered by stakeholders to form an important part of the SPLH package.

o. Comparative Analysis of National Consultations Results

273. The IT3 Elements Paper contains norms governing publication at 18 months. The IT3 paper proposes that all applications should be published as soon as possible, at most 18 months from their filing or priority date unless the application

³⁷ [Study mandated by the Tegersee Heads: 18-month publication \(epo.org\)](https://documents.epo.org/projects/babylon/eponet.nsf/0/d8df66ffe4ea0dbac1257ab0004f2002/$FILE/18_months_en.pdf) ([https://documents.epo.org/projects/babylon/eponet.nsf/0/d8df66ffe4ea0dbac1257ab0004f2002/\\$FILE/18_months_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/d8df66ffe4ea0dbac1257ab0004f2002/$FILE/18_months_en.pdf)); and TEGERNSEE EXPERTS GROUP - TABLE OF HARMONIZATION TOPICS - 2012 (epo.org) ([https://documents.epo.org/projects/babylon/eponet.nsf/0/967678F7EA9DAD85C1257C27004E1B41/\\$File/tegersee_aggregate_matrix_document_en.pdf](https://documents.epo.org/projects/babylon/eponet.nsf/0/967678F7EA9DAD85C1257C27004E1B41/$File/tegersee_aggregate_matrix_document_en.pdf))

³⁸ [Study mandated by the Tegersee Heads: 18-month publication \(epo.org\)](https://documents.epo.org/projects/babylon/eponet.nsf/0/d8df66ffe4ea0dbac1257ab0004f2002/$FILE/18_months_en.pdf)

has already been published as a patent, withdrawn, refused, is deemed to be withdrawn or has raised national security of public order concerns. An applicant may not opt-out of publication.

274. The FICPI and AIPPI proposals did not address this area. However, it is noted that AIPPI resolution adopted at the Milan Congress on 20 September 2016 comes to a similar conclusion on 18-month publication to the IT3 Elements paper. The AIPPI resolution also includes that applicants should be entitled to request publication earlier than 18 months.

275. The European common consultation document considered publication at 18 months to be arguably harmonised throughout the world except for the United States. Therefore, European users were not consulted on this issue. However, the consultation recalled that the IT3 package proposed norms on mandatory 18-month publication aligned with the EPC should form part of a package on harmonised norms. The results of the consultations in Japan and Canada also did not cover this topic.

276. Australian stake holders were asked for their view on this topic. All respondents to the Australian consultation supported mandatory publication of an application at 18 months from the priority date, with limited exceptions such as those in the IT3 proposal.

p. Possible Options

a. Areas of Convergence

277. 18-month publication is already largely harmonised across Group B+ jurisdictions. There appears to be widespread agreement amongst stakeholders that 18-month publication consistent with the IT3 proposal should form part of an SPLH package. It is suggested that Group B+ considered this topic to be settled and that it should form part of the SPLH package.

b. Areas of Divergence

278. While there are some relatively minor areas of divergence the working group does not consider working on them in Group B+ at this point.

Conclusions

279. In drawing conclusions from the comparative analysis, it is necessary to acknowledge the inherent limitations encountered in this exercise. The consultations were not conducted with a view to comparing and analysing the results across jurisdictions. There was no coordination as to the methodology or format of consultation, nor was it sought to create a common survey across all B+ delegations.
280. The various methodologies used in the national and regional consultations presented challenges for the working group. The consultations did not yield comparable numerical data and information was not obtained from all jurisdictions. Moreover, the reporting styles also differed and the level of detail of the reports also shows significant variations, so that some issues could not be addressed comparatively for lack of data.
281. Nevertheless, the WG has identified areas of convergence in the opinions of users across jurisdictions, as well as areas of diverging views where additional work and discussions will be necessary. Possible options for addressing those areas of diverging views have also been proposed.
282. From this comparative analysis, we can conclude that there is broad stakeholder support world-wide for substantive patent law harmonisation in principle. However, stakeholders are concerned about increasing the complexity of patent systems and consistently expressed a preference for existing systems.
283. The analysis of the consultations also strongly suggests that stakeholders support SPLH as a package of harmonised norms covering a grace period, conflicting applications, prior user rights, the definition of prior art, and publication at 18 months.
284. This analysis has identified several areas where there already exists convergence in patent systems and stakeholder views across jurisdictions. These areas of convergence should be included in an SPLH package, and further discussion of these elements should be stayed for the moment so that work on areas of divergence may be prioritised. For reference, these areas are summarised in Annex V.
285. In carrying out the task set by the Chair the WG has identified several areas where there is still divergence of stakeholder views and has suggested possible options for each of the issues identified. It is suggested that these areas of divergence should be the focus of future discussions of Group B+. These areas, along with suggested options for further consideration, are summarised in Annex VI.

Glossary

AIPLA	American Intellectual Property Law Association
AIPPI	International Associations for the Protection of Intellectual Property
BusinessEurope	Representative body for enterprises of all sizes in 35 European countries whose national business federations are direct members. A member of the Industry Trilateral working on proposals for substantive patent law harmonisation.
CPTPP	The Comprehensive and Progressive Trans Pacific Partnership
DIU	Defence of Intervening User
EPC	European Patent Convention
EPO	European Patent Office
epi	Institute of Professional Representatives before the European Patent Office
FICPI	Federation of Intellectual Property Attorneys
Group B+	Forum of national IP offices, European commission and the EPO established to promote and facilitate progress under consideration at WIPO, in particular substantive patent law harmonisation
Group B+ Sub-group	Sub-group of Group B+ which worked on proposals for substantive patent law harmonisation and undertook some studies on SPLH elements.
IPIC	Intellectual Property Institute of Canada
IPO	Intellectual Property Owners Association
IPTA	Institute of Patent and Trademark Attorneys of Australia
IT3	Industry Trilateral. Composed of representatives from the American Intellectual Property Law Associations (AIPLA), the Intellectual Property Owners Association (IPO), BusinessEurope, and the Japan Intellectual Property Association (JIPA)
JIPA	Japan Intellectual Property Association
KINPA	Korea Intellectual Property Association
LCA	Law Council of Australia (specifically the Intellectual Property Committee of the Business Law Section)
NZIPA	New Zealand Intellectual Property Attorneys Incorporated
PCT	Patent Cooperation Treaty
PFD	Pre-filing disclosure
PUR	Prior User Rights
SCP	WIPO Standing Committee on the Law of Patents
SPLH	Substantive Patent Law Harmonisation
SPLT	Substantive Patent Law Treaty
Tergernsee	Tegernsee Experts Group – 2011 to 2015, composed of representatives of IP offices of Denmark, France, Germany Japan, UK, USA, and the EPO
WIPO	World Intellectual Property Organisation

Annex I: KINPA Survey



Recipient: WIPO B+

CC: Korea Intellectual Property Office

Sender: Korea Intellectual Property Association (“KINPA”)

19. 04. 2023

Re: User Proposals for Substantive Patent Law Harmonization of 3 Topics

Regarding the above topic, we would like to provide KINPA opinion as follows for your reference in future discussions

The survey was conducted after sharing and explaining the background, purpose, content of each topic and the position of each institution with KINPA member companies. Our opinion is based on the responses received. As sufficient discussion could not be held due to time constraints, it is recommended that this opinion be used for reference purposes only as it is difficult to say that it is an official KINPA opinion or a majority opinion of KINPA members.

Q1. How important is international substantive patent law harmonization for users of the Korean patent system?

KINPA: Almost all respondents responded that it is ‘important’, and some responded that it is ‘very important’.

Q2-1. In principle, are you in favor of a grace period?

KINPA: All are in favor, provided that it is ‘harmonized internationally’ or ‘with safety-net.’

Q2-2. Please explain the reasons for your answer?

KINPA: Different legal requirements or standards by country can cause confusion during international patent filing procedure. However, since the grace period for novelty exception should be allowed only exceptionally for the benefit of applicants, there is a need to balance the interests of third parties who have implemented or prepared to implement inventions that have been published prior to filing, i.e., safety-net.

Q3. Please rate each of the three packages from 1-6, as defined below.

KINPA: [IT3 Elements Paper] (3) Normal (Note: Opinions of 'normal,' 'slightly positive' and 'slightly negative' coexist and are almost equal in numbers)

[FICPI Proposal] (3) Normal

(Note: slightly positive and slightly negative opinions coexist) **[AIPPI**

Resolution] (2) Slightly positive

Q4. If you have answered “4. Rather negative opinion” or “5. Unacceptable” for any of the packages, please indicate below the main reason(s) for this rating for each of the packages.

KINPA: [IT3] Objection to setting the publication date as 18 months from a pre-filing date because of (i) unclear benefits for applicant or third party, and (ii) uncertainty of the publication date and confusion in procedure.

[FICPI] Objection to safety-net protecting a third party's implementation of inventions obtained from published inventions prior to the patent filing. There is a need to substantiate safety-net type.

Q5. Please indicate which package you would prefer to see form the basis for future work on substantive patent law harmonization.

[KINPA] AIPPI, FICPI, IT3 in order

Q6. Please identify the main reason(s) for your preference under question 5.

[KINPA] All respondents are in favor of grace period system and prior user rights system to protect interests of applicants and third parties in balance. However, opinions are split on the other detailed issues such as whether to invoke the grace period, whether to allow prior user rights for inventions acquired in good faith, burden of proof etc.)

Q7. Please rate on a scale from 1 to 6 the norms relating to the grace period as proposed in the three packages considered.

[KINPA] AIPPI, FICPI, IT3 in order with positive opinions.

Q8. Please rate on a scale from 1 to 6 the norms relating to conflicting applications as proposed in the three packages considered.

[KINPA] IT3, AIPPI, FICPI in positive order

Q9. Please rate on a scale from 1 to 6 the norms relating to prior user rights as proposed in the three packages considered.

[KINPA] AIPPI, FICPI, IT3 in positive order

Q10. Do you think the mandatory statement system (to identify the applicant's PFDs that need to be graced) works well in Korea? Why? Is it too much of a burden for the applicants? Is it a source of litigation?

[KINPA] It is working well. The law requires to state and identify the PFDs on filing and submit supporting documents within 30 days from the filing date. Nevertheless, if a surcharge is paid, the applicant can state it and submit the supporting documents later during prosecution. That is why almost respondents opined that it is not an excessive burden. It can be a source of litigation, which is rare, though.

Q11. Would you be open to change the rules in the direction of accepting prior user rights if the third party has gained knowledge of the applicant's invention, e.g. through a PFD (if the counterpart of this change is global harmonization)?

[KINPA] Opinions are divided almost evenly between those who agree and those who disagree. The rationale for supporting opinions is that any invention disclosed before filing "on its own volition" is to be devoted to the public without restriction. The basis for opposing opinions is that protection should not be available even when it is implemented by "seeing someone else's work."

Q12. Regarding conflicting applications, would you be open to a system where conflicting applications are only relevant for novelty examination (if the counterpart for this change is global harmonization)?

[KINPA] All agreed.

Q13. If you could mix proposals from all three packages, which ones would you choose?

[KINPA] Refer to KINPA opinions on Questions 7-9.

Q14. (Extra question) What do you think about IT3's proposal of patent publication after 18 months from PFD instead of a priority date?

[KINPA] All disagreed. This would be disadvantageous to applicants because it may force to publish the invention earlier against the intention of the applicant. In addition, there will be greater uncertainty for the publication date to third parties and benefits of early publication are unclear.

Annex II: Overview of Grace Period Existing Systems

Grace Period	AU	CA	Europe	JP	KR	US
Types of Graced Disclosures						
All disclosures by inventor/applicant/predecessor	Yes	Yes	No	Yes	Yes	Yes
Re-disclosures of applicants' invention by third parties	Yes	Yes ³⁹	No	Yes	Yes	Yes
Disclosures made in evident abuse of the applicant	Yes	Yes	Yes	Yes	Yes	Yes
Disclosures made without the applicant's consent	Yes	Yes	Yes	Yes	Yes	Yes
Disclosures of the same subject-matter independently made by third parties after the first disclosure of the inventor's invention	No	No	No	No	No	Yes ⁴⁰
Duration	12 months/ 6 months ⁴¹	12 months	6 months	12 months	12 months	12 months

³⁹ An exception exists where the disclosure is made in a patent application filed in Canada before the claim date of the relevant application.

⁴⁰ In addition, in the U.S., applications filed for that subject-matter by a third party do not prejudice the entitlement of the first discloser to the patent.

⁴¹ In Australia, the grace period can only be invoked if a (complete) patent application is made within a prescribed period. The grace period generally provides 12 months from the graced disclosure to file the application. In the case of disclosures related to recognised exhibitions and learned societies:

- Where the application claims priority from a basic application, it must be filed within 12 months of the basic application, which in turn must be filed within 6 months of the showing, use or publication of the invention at the recognised exhibition.
- Where the application is associated with a provisional application, it must be filed within 12 months of the provisional application, which in turn must be filed within 6 months of the showing, use or publication of the invention at the recognised exhibition.
- In all other cases, the application must be filed within 12 months of the showing, use or publication of the invention.

Grace Period	AU	CA	Europe	JP	KR	US
Date calculated from	Filing date	Filing date	Filing date	Filing date	Filing date	Effective filing date
Statement, declaration, or submission requirement	Not required	Not required	Mandatory for prescribed international exhibitions	Mandatory unless invention disclosed against will of person entitled to patent	Mandatory unless invention disclosed against will of person entitled to patent	Not required
Scope of obligation						
Declaration of intent to benefit from grace period	N/A	N/A	Yes	Yes	Yes	N/A
Document for the grace period application certificate			Yes	Yes	Yes	
Proving document/ supporting statement			Yes	Yes	Yes	
When can the grace period be invoked	At any time	At any time	At any time	Upon filing or later if disclosed against will of applicant	Before Grant ⁴²	Arises by operation of the law
Burden of proof	Applicant	Applicant	Applicant	Applicant	Applicant	Depends on when the issue arises
Protection of third parties						
Prior user rights available for third parties during grace period	Yes	Yes	Yes	Yes	Yes	No
May arise where knowledge of invention derived from applicant's graced disclosure	Yes	Yes	N/A	No	No	No

⁴² In KR, an additional fee is required to invoke the grace period later than the filing date

Annex III: Overview of Conflicting Applications Existing Systems

Conflicting Applications	AU	CA	Europe	JP	KR	US
'Distance' between the two applications, i.e. difference in content between the first and the second application	Novelty only	Novelty only (Paragraphs 28.2(1)(c) and (d)) Patents may be granted on subsequent applications filed by different applicants whose inventions are new but obvious over the earlier application	Novelty only (Art. 54(3) EPC)	Enlarged Novelty Inventions cannot be "substantially the same" or "substantially identical"	Enlarged Novelty (Art. 29(3)) Inventions cannot be "substantially the same" or "substantially identical"	Novelty + Inventive Step/Non-Obviousness
Whole contents approach	Yes	Yes	Yes	Yes (Art. 29bis)	Yes	Yes
Anti-self-collision	No	Yes, but with a single patent issuing to the same applicant	No	Yes (Art. 29bis)	Yes	Yes
Prohibition of Double Patenting	Yes (Section 64(2))	Yes Same applicant - No two patents shall issue with claims to the same invention or claims that are not patentably distinct. Anti-double-patenting applies where the claims in the two applications are not	Yes The EPC does not contain any concrete/specific provisions applying in the event that two European applications for the same invention are filed on the same effective date (i.e. having the same date relevant to determine novelty, whether a priority	Yes (Art. 39)	Yes (Art. 36)	Yes (35 USC § 101)

Conflicting Applications	AU	CA	Europe	JP	KR	US
		<p>patentably distinct (i.e. the claims of the subsequent application are not new and unobvious over those of the previous application). In this case, the examiner will inform the applicant that a potential double-patenting issue exists since there is no actual defect until one of the applications issues to patent.</p> <p>Thus, “anti-self-collision” does prevent at least one of the applications from issuing. It does not lead, as in other systems, to the granting of both applications by the same applicant. However, it is flexible since a patent may be granted on the basis of the application which is first ready for grant, not on the basis of</p>	<p>or a filing date). However, the EPO’s practice on this point was satisfactorily settled in case G4/19 by the EPO Enlarged Board of Appeal.</p>			

Conflicting Applications	AU	CA	Europe	JP	KR	US
		which application was first filed.				
<p>PCT applications should form conflicting applications and become secret prior art</p> <p>Conditions:</p>	<p>An International Application under the PCT which has designated Australia can be considered prior art on its International Filing Date if it has, or would have, a priority date earlier than that of the claim under consideration, the specification of the international application was published on or after the priority date of the claim under consideration, and the information was contained in the specification on the International application on its filing date. The application does not have to enter the national phase to be prior art.</p>	<p>Entry into the national phase in Canada and translation into English and French</p> <p>A PCT international application cannot be cited as secret prior art in Canada. If the PCT international application enters the national phase in Canada, then at that point the PCT national phase application can be cited as secret prior art if the international filing date and/or priority date precede the claim date of the later filed application. See paragraphs 28.2(1)(c) and (d) of our Patent Act.</p> <p>One of the conditions of national phase entry is to provide a</p>	<p>Entry into the regional phase and translation into official EPO languages (English, French, German) (Art. 153(5) EPC + Art. 54 (3) EPC)</p>	<p>Designation of JP in the international application (in the case of the language is the Japanese)</p> <p>Designation of JP in the international application and translation into Japanese (in the case of the language is other than Japanese)</p>	<p>Entry into the national phase in The Republic of Korea and translation into Korean</p>	<p>Designation of the USA in the international application and publication of the application</p>

Conflicting Applications	AU	CA	Europe	JP	KR	US
		translation of the international application into English or French.				
Terminal Disclaimer	No	No	No	No	No	Yes (to overcome obviousness-type double patenting)

Annex IV: Overview of Prior User Rights Existing Systems

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
Nature of prior user rights (PURs)	Defence against infringement	Defence against infringement. Rights are available on a claim-by-claim basis.	Available in EPC contracting states, usually as an exception to the rights conferred by the patent. In CH seen as a sort of legal license (without counterpart)	Non- exclusive licenses	Non-exclusive licenses	Defense against infringement
Legal Provision	Prior user rights are available to a person, if the person immediately before the priority date of the relevant claim “was exploiting the product, method or process in the patent area, or had taken	Prior user rights are provided for by Section 56 of the Patent Act if — before the claim date of a claim in a patent — a person, in good faith, committed an act that would otherwise constitute an infringement of the patent in respect of	Prior user rights occurring before the filing or priority date are not provided in the EPC, since these rights constitute a defence to an infringement action, and therefore, fall within the purview of post-grant patent enforcement, a matter of national	A person who, without knowledge of the content of an invention claimed in a patent application, made an invention identical to the said invention or a person who, without knowledge of the content of an invention claimed in a patent	A person who has made an invention without having prior knowledge of the contents of an invention claimed in a patent application, or has derived the invention from the person and has been conducting or preparing business activity with the working of the	Prior user rights are provided in the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284 (Sept. 16, 2011): §273. Defense to infringement based on prior commercial use (a) IN GENERAL- A person shall be entitled to a defense under section 282(b) with

⁴³ Covers CH, DE, DK, ES, FR, SE, and UK

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
	<p>definite steps (contractually or otherwise) to exploit the product, method or process in the patent area". Prior user rights do not arise if, before the priority date, the person had stopped exploiting or abandoned steps to exploit the product, method or process, unless only temporarily. Prior user rights are also not available if the person derived the product, method or process from the patentee or the patentee's predecessor in title.</p>	<p>that claim, or made serious and effective preparations to commit such an act, it is not an infringement of the patent or any certificate of supplementary protection that sets out the patent, in respect of that claim, if the person commits the same act on or after that claim date</p>	<p>law within the European patent system. The principle of prior user rights is well established in Europe. The formulation of these rights, however, and their interpretation by national courts, vary from state to state.</p>	<p>application, learned the invention from a person who made an invention identical to the said invention and has been working the invention or preparing for the working of the invention in Japan at the time of the filing of the patent application, shall have a non-exclusive license on the patent right, only to the extent of the invention and the purpose of such business worked or prepared (Article 79 of the Patent Act of Japan).</p>	<p>invention at the time of the filing of the patent application, shall have a non-exclusive license on the patent right of the patent application. Such license shall be limited to the invention and the purpose of the business activity which is being worked, or for which preparations for working have been made (Article 103 of the Patent Act of South Korea).</p>	<p>respect to subject matter consisting of a process, or consisting of a machine, manufacture, or composition of matter used in a manufacturing or other commercial process, that would otherwise infringe a claimed invention being asserted against the person if</p> <p>(1) such person, acting in good faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm's length sale or other arm's length commercial transfer of a useful end result of such commercial use; and</p> <p>(2) such commercial use occurred at least 1</p>

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
	<p>However, prior user rights do apply where the product, method or process is obtained from information made publicly available with the consent of the patentee (or predecessor in title) and the grace period provisions of the Act apply. Prior use rights may be assigned (Patents Act 1990, Section 119).</p>					<p>year before the earlier of either</p> <p>(A) the effective filing date of the claimed invention; or</p> <p>(B) the date on which the claimed invention was disclosed to the public in a manner that qualified for the exception from prior art under section 102(b).</p>
<p>Qualifying activities</p>	<p>The third party was exploiting or had taken definite steps to exploit a product, method or process that would infringe the patent.</p>	<p>A party must perform and act that would otherwise constitute an infringement of the patent or make serious and effective preparations to do so.</p>	<p>Generally, any prior commercial use of the invention or preparations (CH special preparations, DE necessary arrangements, DK substantial preparations, ES</p>	<p>The third party was actually conducting business activities as the working of their inventions or began preparations to work them.</p>	<p>The third party was actually conducting or preparing business activities with the working (carrying out) of the invention.</p>	<p>Actual commercial use of the invention must occur (i.e., preparations to use the invention to not suffice)</p>

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
			<p>serious and concrete preparations, SE substantial preparations, UK effective and serious preparations) made for that purpose.</p> <p>FR: prior possession of the invention, recognized by some courts also as an “intellectual possession”, is sufficient to acquire prior user rights.</p> <p>DE: excludes PURs for a third party for six months where the applicant has disclosed his invention and thereby reserved his rights to the invention in the case of a later patenting of his invention, if the third party</p>			

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
			learned about the invention through this communication, including the reservation.			
Acts for prior user rights to accrue	To accrue prior user rights the person had to be exploiting the product, method or process or had taken definite steps (contractually or otherwise) to exploit the product, method or process.	A prior user must have performed an act that would otherwise constitute infringement of the patent or have made serious and effective preparations to do so. Prior user rights also apply to the use or sale of an article obtained from a prior user and use of a service provided by a prior user.	In most contracting states, prior use must be of commercial nature, which includes, for example, making, using, offering for sale, selling or importing it for these purposes. In some contracting states, acts for prior user rights to accrue are stipulated in regulations concerning prior user rights, so that the list of such acts may not be identical to the acts of working patented inventions listed above.	Prior use consists in conducting or preparing to conduct business activities in which the invention is worked. The term "working" means: - for a product invention: producing, using, assigning, exporting, importing or offering for assignment, and - for a process invention: using.	Acts for prior user rights to accrue correspond to the acts constituting infringement. Prior use consists in conducting or preparing business activities with the working (carrying out) of the invention. The term "working" means: - for a product invention: manufacturing, using, assigning, leasing, importing, or offering for assigning or leasing, and - for a process invention: using.	Acts for prior user rights to accrue correspond to the acts constituting infringement, i.e. making, using, offering to sell, or selling any patented invention, within the United States or importing into the United States any patented invention during the term of the patent.

Prior User Rights	AU	CA	Europe⁴³	JP	KR	US
Critical date for accrual of prior user rights	Filing or priority date	Claim date (i.e., priority date) of a particular claim.	Filing or priority date	Filing or priority date	Filing or priority date	At least one year before the effective filing date of the claimed invention or the public disclosure by the patent rights holder during the grace period.
Requirement of good faith or possible derivation from the applicant	Prior user rights do not apply to an invention derived from a patentee or their predecessor unless the invention is derived from information made publicly available with the consent of the patentee (or predecessor in title) and in prescribed circumstances.	The prior user must act "in good faith" Prior user rights do not accrue if knowledge of the subject matter defined by the claim was obtained, directly or indirectly from the applicant and they knew that the applicant was the source of the knowledge	The prior user must act "in good faith". Activities based on direct or indirect abuse or breach of confidence do not qualify for prior user rights. The requirement of good faith is not always clearly stated in statutory provisions of contracting states but may be required by the courts.	PURs are not available to parties who gained knowledge of the contents of inventions from the applicant.	PURs accrue to a person who has made an invention without prior knowledge of the contents of an invention claimed in a patent application. Prior user rights are not available to parties who learned knowledge of the contents of inventions from the applicant.	PURs accrue to a person who is acting in good faith to commercially use the invention, in connection with either an internal commercial use or an actual arm's length sale or other arm's length commercial transfer of a useful end result of such commercial use. Prior user rights are not available to a person who derived the subject matter from the patentee or persons in privity with the patentee.
Territorial requirement	For PURs to arise, acts must be done in the	For PURs to arise, qualifying activities (an act that would	For PURs to arise, qualifying activities must take place	Business activities in which the invention is	Business activities with working invention or the	Prior user rights are only available for commercial activities

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
	patent area, defined as: Australia, and the Australian continental shelf, and the waters above the Australian continental shelf, and the airspace above Australia and the Australian continental shelf.	otherwise constitute an infringement) must take place within Canada, or serious and effective preparations to commit such an act in Canada must have been made.	within the territory to which the patent against which the PURs are being invoked applies.	worked, or preparations to work the invention, giving rise to prior user rights need to be conducted in Japan.	preparations need to be conducted in South Korea.	conducted in the United States.
Exceptions to prior user rights	None	None	None	None	None	Prior user rights are not available if a patented invention, when made, was owned or subject to obligation of assignment to an institution of higher education or a technology transfer organization whose primary purpose is commercialization of technologies developed by institutions of higher education.

Prior User Rights	AU	CA	Europe⁴³	JP	KR	US
Territorial scope of prior user rights	Prior user rights are limited to the territory of the country in which the activity giving rise to prior user rights took place	Prior user rights are limited to the territory of Canada (because the Patents Act only applies in Canada)	Prior user rights are limited to the territory of the country in which the activity giving rise to prior user rights took place	As the prior user right is a statutory defence to an infringement suit, constituting an exception to a national patent, by definition, its territorial effect is limited to the geographical scope of applicability of the statute.	As the prior user right is a statutory defence to an infringement suit, constituting an exception to a national patent, by definition, its territorial effect is limited to the geographical scope of applicability of the statute.	As the prior user right is a statutory defence to an infringement suit, constituting an exception to a national patent, by definition, its territorial effect is limited to the geographical scope of applicability of the statute
Expansion of the business activities	Prior user rights may be assigned but not licensed.	Prior user rights may only be transferred if the activity which has given rise to the prior user rights are made in the course of a business and that business (or the part of the business which accrued out the activity) is transferred. Prior user rights may not be licensed.	Prior user rights are basically limited to the trade or business of the person entitled to these rights. The rights are only transferable together with the related trade or business and are not licensable.	Prior user rights are limited only to the scope of the purpose of an invention and its resulting business that has been worked or prepared. They may be transferred only where the business involving the working of the relevant invention is also transferred,	No information provided.	The defense is personal, and thus may not be licensed, assigned, or transferred, other than in connection with an assignment or transfer of the entire enterprise or line of business to which the defense relates.

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
				the consent of the patentee is obtained, or as a result of general succession including inheritance.		
Changes in volume of use of the invention	There are no particular limitations in Australia's domestic legislation regarding changes in volume of use of the invention.	No specific limitation regarding changes in volume of use of the invention have been found	In contracting states there are usually no quantitative limits on the use of the invention under prior user rights.	The scale of businesses can be expanded "within their business purposes".	No specific case law has been found regarding the changes in volume.	The statute expressly states that changes in the quantity and volume of use of the invention are allowed.
Modifications of embodiments of the invention	The scope of what may benefit the prior user is limited to what was being exploited at the priority date. If the prior user did something different in good faith, it is believed the courts would take a common	A prior user may make changes so long as they do not relate to the inventive concept of the patent (Kobold Corporation v NCS Multistage Inc, 2021 FC1437)	The prior user may usually modify the embodiments of the invention, but this is subject to certain rules that vary among contracting states. Examples: In France, alterations or modifications of embodiments of	Prior user rights apply only to the scope of the invention and the purpose of the business worked or prepared. According to JP courts, the "scope of the invention being worked or prepared" is not limited to the form	The scope of the right is limited to the scope of the invention which has been worked or prepared, and to the purpose of the business activity. Although some changes may be allowable, the scope is not clear due to lack of case law.	Prior user rights extend only to the specific subject matter for which it has been established that a commercial use occurred, except that it extends to improvements provided these do not otherwise infringe other specifically claimed

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
	<p>sense approach when deciding whether the prior user is still entitled to the defence against infringement. However, no such decision exists.</p>		<p>invention are allowed as long as these other embodiments are equivalent to the embodiments subject to prior possession.</p> <p>In Germany, modifications, which are not contained in the patent specification, or which would be obvious to the average person skilled in the art, are allowed.</p>	<p>of working the invention, which the prior user was actually working or preparing, but also to the modified form insofar as it is identical to the invention as represented in the form of working.</p>		<p>subject-matter in the patent.</p> <p>No specific case law has been found regarding the modification of embodiments of the invention.</p>
<p>Changes in types of acts of working the invention</p>	<p>There are no particular limitations to the activities or changes in types of working acts of the prior user.</p>	<p>No specific limitations to changes in the type of acts have been found.</p>	<p>In some contracting states, changes in types of acts of working the invention are not allowed. Prior user rights accrue for the acts that were done, or for which preparations were carried out, at the date of priority of</p>	<p>Changes in types of acts of working the invention are basically not allowed.</p>	<p>No specific case law has been found regarding changes in types of acts.</p>	<p>No specific case law has been found regarding changes in types of acts.</p>

Prior User Rights	AU	CA	Europe ⁴³	JP	KR	US
			<p>filing (e.g. UK, ES, SE, CH).</p> <p>In other countries (e.g. DE), the protection afforded by prior user rights is not strictly limited to acts identical to those which were performed before the priority date.</p>			

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Annex V: Summary of issues where widespread convergence of views exist

Topic	Area of Convergence	Paragraph(s)
Grace Period	An SPLH package should include a grace period, subject to its definition which is still to be agreed – and bearing in mind that nothing is agreed until everything is agreed.	72
	The grace period should cover all types of disclosure by, for or derived from the inventor or their successor in title, regardless of medium or forum and regardless of whether the disclosure was intentional or not.	73
	the initial burden of proof should lie with the party invoking the benefit of the grace period (i.e., the applicant/patentee)	75
	The Defence of the Intervening User should not form part of the SPLH package given widespread rejection by users across different jurisdictions.	76
Conflicting Applications	<p>National patent systems in all the jurisdictions studied already adopt a whole contents approach and provide measures on double patenting in some form. It is likely there is convergence of views on these issues across jurisdictions.</p> <p>Aside from a rejection of the compromise proposal on conflicting applications contained in the IT3 Elements Paper, there is not much further guidance which can be gleaned from the consultations</p>	143 & 176
Prior User Rights	There is general support for PUR and reasonable convergence on some of its features	209 - 216
	The nature of the PUR as either a defence or an exception or a non-exclusive license could be left to national legislation, provided its substance is consistent with any agreed international norms	217
	There appears to be consensus that PURs accrue where a third party has made actual commercial use of the invention or made serious and effective preparations to commercially use the invention, before the critical date	218 - 222
	Most Group B+ jurisdictions are already aligned on the critical date being the earlier of the priority or filing date, it is suggested that this approach be taken forward	223 - 225
	The burden of proof should fall on the third party to show that they qualify or acquired the business from a third party that qualifies for a PUR.	226

Topic	Area of Convergence	Paragraph(s)
Prior User Rights	For a PUR to accrue, qualifying activities must occur within the territory covered by the applicable patent. As far as can be determined, this condition is harmonised throughout the members of the Group B	227
	PURs should be limited to the territory in which the qualifying activities took place	228
	Only allow rights to be transferred with the whole of the business or line of business in which they arose. PUR may not be licensed or transferred in isolation, which also generally reflects the national law of the Group B+ members. This approach was generally supported by stakeholders and does not appear contentious among Group B+ members	229
	PURs should not accrue where the use of the invention or the preparation for its use has stopped (not temporarily) prior to the relevant date	230 - 231
	There should be no exceptions to PURs on the basis of the type of inventor or patentee, technology field or the nature of the invention	232 - 234
Definition of Prior Art	There appears to be widespread agreement that the IT3 proposal provides a good starting point for harmonising the definition of prior art as part of an SPLH package.	265 - 267
	Group B+ consider the inclusion of a prior art definition based on and consistent with the IT3 proposal in any SPLH package. Group B+ should consider this issue to be largely settled so that no further work or discussion is required at this time	
Publication at 18 months	There appears to be widespread agreement amongst stakeholders that 18-month publication consistent with the IT3 proposal should form part of an SPLH package.	277
	Group B+ should consider this topic to be settled and that it should form part of the SPLH package.	

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Annex VI: Summary of issues where divergence of views exists

Topic	Area of Divergence	Options/Areas for further work	Paragraph(s)
Grace Period	Duration	6 month or 12 months No further discussion suggested at this time. Group B+ should return to this issue once other features of the grace period have been addressed	77 - 79
	Critical date	Filing date only, or filing or priority date whichever is the earlier This issue should be explored in further detail	80 - 82
	Statement	Options for further discussion: (i) Applicants are not required to file a statement. (ii) Applicants may file a statement voluntarily. (iii) Applicants are required to submit a statement without a strict deadline, with incentives to encourage timely submission of such statements. (iv) Applicants are required to file a statement with strict filing deadlines	83 - 92
	Accelerated Publication	This item should be further discussed after the issue of whether a statement is required or not is resolved.	93 - 95
	Prior User Rights in the context of a grace period	Options for further discussion: (i) Allow PURs to accrue where knowledge of the invention has been derived from an applicant's PFD or with the applicant's consent during the grace period (ii) Prohibit the accrual of PURs where knowledge of the invention has been derived from an applicant's PFD or with the applicant's consent during the grace period	96 - 103

Topic	Area of Divergence	Options/Areas for further work	Paragraph(s)
Conflicting Applications		<p>No consensus could be determined for many of the detailed elements of a conflicting applications system. This is an area requiring further work.</p> <p>Perhaps a next step should be a detailed discussion between Group B+ delegations and key industry representatives at working level, before the Group B+ embarks on any further work in this area.</p>	144 - 179
Prior User Rights	Conditions of accrual: source of knowledge	<p>(i) PURs are available where the information was derived from information made available to the public by the patentee or with their consent during the grace period with no limitations.</p> <p>(ii) PURs are not available when the knowledge of the invention forming the basis for qualifying activities has been derived from the applicant or their predecessor.</p>	235 - 239
	Good faith	<p>If the package provides for PURs when the information has been derived from the patentee, some requirement around good faith or acting legally is required.</p> <p>Options:</p> <p>(i) Require that the third party has acted in 'good faith' and not define it</p> <p>(ii) Require that the third party has acted in 'good faith' and attempt to define the term</p> <p>(iii) Require that the third party has not acted contrary to law or breached confidentiality or other contractual obligations</p> <p>(iv) Require that the third party has acted in good faith or has not acted contrary to law or breached confidentiality or other contractual obligations</p>	240 - 243

Topic	Area of Divergence	Options/Areas for further work	Paragraph(s)
Prior User Rights	Scope and changes to activity	<p>It is suggested that it should be agreed that changes in the volume of use of the invention after the critical date are permitted</p> <p>Regarding whether changes in embodiment are permitted and whether the modes of use of the invention may be changed, additional work on the details of the limitations in each jurisdiction is required</p>	244 - 252