

Results of the consultation of French users on the international harmonisation of patent law

October 2013

SOMMAIRE

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On 16 September 2011, the adoption of the America Invents Act (AIA) reformed the American patent system, in particular through the introduction of the "First-Inventor-to-File" system. On 31 May 2011, Japan's patent law was amended (especially as regards provisions concerning the grace period).

These reforms re-launched international dialogue on substantive patent law. At a meeting held in Tegernsee, Germany, on 5 and 6 July 2011, representatives from Denmark, France, Germany, Japan, the United Kingdom, the USA and the EPO, convened as what is now referred to as the Tegernsee Group.

The Tegernsee Experts Group initiated technical dialogue concerning the most important issues of international harmonisation - SPLT - (right to a patent / prior art / grace period / novelty / inventive step / treatment of conflicting applications / publication at 18 months). The group of experts was solicited to carry out a survey and to analyse differences in patent law and practice with regard to the most important issues of harmonisation.

In 2012, the group of experts was asked to produce a comparative analysis to determine the level of harmonisation achieved and to carry out studies in order to gather and analyse information and highlight the effect of the differences in regulatory provisions in Japan, the United States and Europe on four specific issues, i.e.:

- The grace period (conducted by Japan, which recently introduced this concept);
- Publication at 18 months (conducted by the USPTO, where this obligation is absent);
- Conflicting applications (conducted by the EPO);
- Prior user rights (conducted by Denmark, France, Germany and United Kingdom).

In February 2012, the EPO organised a consultation of European users on the AIA. The results of the consultation show that international harmonisation is a necessity but must not be achieved at any cost. Certain aspects of the AIA also seemed unacceptable, such as the grace period defined by the AIA which has too large a scope (includes disclosures by independent third parties occurring after a first disclosure by the inventor), the prior user rights specified by the AIA which seem overly restrictive (starts at 12 months prior to the first disclosure or priority or filing date), as well as the absence of mandatory publication at 18 months in the U.S., which remains a major point of disagreement.

At the most recent meeting of the Tegernsee Group, it was decided to develop a joint questionnaire covering the four above-mentioned topics, in order to gather stakeholder input on a range of issues. The French Industrial Property Office (INPI) sent out this survey in January 2013 to gather the viewpoints of French users.

The INPI received ten responses from users in sectors such as the electronics, mechanical, telecommunications sectors or representatives of trade associations.

Overall, it seems that the international harmonisation of substantive patent law is important for all respondents but not crucial. Questions concerning the grace period and publication at 18 months seem to be of most importance for the majority of respondents.

1 - GRACE PERIOD

The grace period is a mechanism that enables the disclosure of an invention through various means before a patent application is filed, without its novelty being lost. This system has been deployed in certain countries (U.S., Japan, Canada, Australia, etc.) in varying forms, but it has not been introduced in the European system.

The **grace period** seems to be an **important mechanism** of the patent system for the **majority of users** responding (only 2 responses indicate otherwise, while accepting that international harmonisation was necessary). This said, most respondents indicated that they had never relied on a grace period when filing a patent application and that they had not observed any negative effects of the existence or absence of a grace period on their business activities (only one response indicates otherwise and one other respondent said they had a positive practical experience of the system).

The **majority of users seem favourable to the principle of a grace period** (three responses to the contrary) **and to its international harmonisation** (only one response to the contrary). **Nonetheless, divergences of opinion appear on fundamental points such as the duration, scope and implementation** of the grace period.

It would seem that there are differences of opinion concerning the scope of the grace period (for some, it must simply be a “safety net”, for others, it must allow inventors to test the marketability of their inventions and/or attract financing before undertaking the expense of pursuing patent protection, and for yet others, it must protect inventors against the consequences of breach of confidence and theft of information). Similarly, the need to harmonise formalities seems contentious (four responses against mandatory declaration to benefit from the grace period, as this would create an additional burden for applicants and make the patent system more complex). **The majority is in favour of a grace period of 6 months** (7 responses in favour and one response recommending a reasonable duration of between 6 and 12 months) **starting from the filing date or the priority date** (3 responses in favour of using only the filing date).

2 - 18-MONTH PUBLICATION

The practice of publishing patent applications at 18 months from the earliest effective filing date (including any claimed priority) is a common fixture in many of the world's patent systems, and a key element of the functioning of the "First-to-File" approach. In the American system, an applicant who does not wish to seek patent protection in other countries may file a non-publication request that exempts them from publication at 18 months.

18-month publication reflects a balance of interests between inventors and third parties, including the public. On the one hand, 18 months is thought to represent a reasonable period of time for the inventor to make an assessment whether to continue prosecution of the application or to withdraw or abandon it.

On the other hand, 18 months is believed to be a reasonable period of time for third parties to wait to obtain information about a new technology.

All respondents indicated that the **publication of patent applications 18 months** after the filing date or priority date was a **reasonable period** and that it is important to require from IP Offices that **inventors may have access to search and examination results in sufficient time before publication** to allow the inventor to make a decision whether to withdraw or abandon their patent application before publication.

None of the respondents indicated that they had relied on the American exemption from the 18-month publication or that they had been affected by it. A small number of users indicated that the impossibility of obtaining exemption from the publication of a patent application had led them to pursue trade secret protection as an alternative (2 responses).

The **majority of respondents** considers that America's **regime is not aligned with regimes in other jurisdictions** that require all applications to be published at 18 months and that **international harmonisation is an important matter** (2 respondents even consider it crucial). Nonetheless, **for half the respondents the issue of harmonisation of the 18-month publication requirement seems tightly linked with the grace period** (only 2 respondents indicated that they could accept harmonisation including the grace period without mandatory publication at 18 months).

3 - CONFLICTING APPLICATIONS

Conflicting applications are patent applications which are filed, for the same subject-matter, before the filing date or priority date of an application being examined and are published after this date (the contents of the earlier-filed applications only became publicly available after the filing date or priority date of the application being examined). It would thus be possible for two patents to be granted for the same invention, absent some rule indicating whether the earlier-filed applications form part of the prior art and whether the identity of the applicant is relevant ("anti-self-collision" rule which means that the conflicting application does not have prior art effect if filed by the same applicant). Conflicting applications are treated differently in the different jurisdictions:

- In Europe, they form part of the prior art for the purposes of the examination of novelty only and the identity of the applicant is not relevant;
- In Japan, they are relevant to the examination of novelty only (including minor differences), provided the inventions are "substantially the same", with anti-self-collision applying;
- In the U.S., they are relevant to the examination of novelty and inventive step, and the anti-self-collision rule applies.

On the specific matter of PCT conflicting applications, there are currently two distinct practices:

- In Europe, such applications form part of the prior art as of the date they enter into the regional phase and not as of their filing date or priority date;
- In the United States, they form part of the prior art as of the international filing date or the priority date.

Most respondents indicated that in practice, there were **very few cases of citations of conflicting applications**, with only one case mentioned where the decision to grant a patent differed from one jurisdiction to another due to the differences in how they treated conflicting applications. Similarly, 2 respondents mentioned difficulties in obtaining licenses for certain technologies or infringement claims due to patent thickets (in the biotechnology sector).

Even though not all respondents answered this question, **the majority considers that the international harmonisation of the treatment of conflicting applications is important** (2 out of 7 responses consider it not important). **For all respondents, the preferred approach** to the treatment of such applications seems to be the **European approach** (considering them to be relevant to the examination of novelty only, without an anti-self-collision rule, except for one respondent who preferred

the European approach but with the exclusion of applications filed by the same applicant). Lastly, concerning the **specific case of PCT conflicting applications, the majority seems to prefer the American approach** by which the PCT application forms part of the prior art as of the date of international filing or as of the priority date, without waiting the entry into the national/regional phase.

4 - PRIOR USER RIGHTS

Prior user rights (in France, the so-called *exception de possession personnelle antérieure*) is the right of a party to continue the use of an invention where that use began before a patent application was filed for the said invention. The purpose of prior user rights is to strike a balance between the effects of the first-to-file principle on the one hand and prior user consideration on the other.

Prior user rights are provided for by the different national patent legislations. However, whilst the national provisions on prior user rights have common ground, there are also differences in the conditions under which they may be acquired (critical date by which prior use must have occurred, scope of application, exceptions to the applicability of prior user rights, etc.).

Certain users indicated that they had sought or given counselling on prior user rights, but **in practice** these rights seem to be **very rarely used** (3 respondents indicate they used them once or twice). The sectors cited are pharmaceuticals, telecommunications and mechanics.

The international harmonisation of prior user rights seems to be **an important matter for only half of the respondents** (one respondent closely associates this question to that of the harmonisation of the grace period). **Certain respondents expressed an interest in Europe-wide harmonisation**, which in their opinion would be more useful than international harmonisation (3 responses).

A certain number of **divergent opinions** remain on the **scope and implementation** of prior user rights. Although **a majority of respondents consider that preparations for use of an invention should be covered** (6 responses out of 8), whether the actual use of the invention or prior knowledge of the invention give rise to prior user rights seems debatable (respectively 3 and 4 responses). Also, the question of whether prior user rights should be granted to the user who, in good faith, derived knowledge of the invention from the patentee, remains mitigated (five responses on each side).

On the matter of the date of prior use, although the majority considers that prior use must take place at any time before the patent filing date or priority date, a small number of users seem to consider that the grace period should be accounted for if provided.

Lastly, respondents are unanimous: exceptions to prior user rights should not be provided.