INTERNATIONAL GRACE PERIOD

1. YARDSTICK FOR APPRECIATION OF PATENTABILITY CRITERIA

1.1. The definition of the state of the art is essential for the patent validity appreciation

No IP professionals will need any kind of detailed explanation to be convinced that the Prior Art to be taken into account for novelty and non-obviousness appreciation is essential.

1.2. The general principle:
everything publicly disclosed anywhere and in any form, can be opposed as prior art

But it is difficult to find a general rule without any exception.

1.3. Exceptions

1.3.1. Topical differences from one country to another, e.g.
. limitation to national prior use
. limitation to printed documents
. The whole content approach vs/ prior claiming approach

1.3.2. Non prejudicial disclosures

In some laws and patent conventions, it is explicitly stated that disclosures which are:
. due to, or
. a consequence of an evident abuse in relation to the applicant or his legal predecessor, or even
. displaid at an officially recognised international exhibition,
are not taken into consideration.

1.3.3. Prefiling disclosures made by the applicant or derived from the applicant.

This additional and not isolated exception to the absolute novelty criteria precisely corresponds to our cause for concern.
2. GENERAL CONCEPT OF THE GRACE PERIOD

Briefly, the Grace Period is the period of time preceding the filing date of a patent application, during which disclosures by the inventor of the invention for which the patent application is filed, will be considered as a non prejudicial disclosure in respect of said patent application.

This basic fundamental juridical concept has brought its supporters and detractors into conflict for quite a few decades, both sides emphasizing on arguments which are more or less the same throughout the large national and international fora.

3. BRIEF HISTORIC REMINDER

3.1. The Paris Convention

I would just like to remind you that there have been several attempts to introduce a novelty Grace Period in the Paris Convention for the Protection of Industrial Property of 1883. Such a Grace Period intends to offer immunity, against such disclosures, to the inventor who publicly discloses his invention before filing a patent application. These attempts were meant to be introduced into article 4 providing for the so-called Union Priority Right.

This failed at the London Revision Conference in 1934 and in the Lisbon Revision Conference in 1958.

3.2. Patent Law Treaty

The basic proposal for the treaty supplementing the Paris Convention as far as patents are concerned, which was submitted to the Diplomatic Conference for the conclusion of the PLT Treaty, in The Hague in June 1991, included on Article 12 which stated the circumstances of a disclosure not affecting patentability.

As you know, this article was neither accepted nor included in the framework of the first PLT Treaty.

3.3. UPOV Convention and Community Plan Variety Rights Regulation

In 1961, the International Convention for the Protection of New Varieties of Plants established a grace period of four years during which marketing of the new variety is not considered as novelty destroying.

In 1978, the UPOV Convention was revised, and the notion of Grace Period was broadened for specific plant varieties.
Finally, in 1991 the UPOV Revision Act contained a mandatory one year Grace Period in the territory of filing. The same kind of rule was adopted in the Council Regulation on Community Plan Variety Rights, which was making provision for a Grace Period of one, four or six years depending on circumstances.

One of the main arguments in favour of the Grace Period in this specific field was based on the fact that such a kind of varieties normally has to be tested in trials or must be submitted for registration or entered into official registers before the application for the Plant Breeders Certificate was filed.


The main conclusion of this hearing was that "a Grace Period could only be introduced on the basis of international consensus".

3.5. The intergovernmental Conference of the member states of the European Patent Organisation on the reform of the patent system in Europe (Paris June 24, 25, 1999)

This Conference officially mandates the European Patent Organisation to examine under which conditions the effects of disclosures prior to filing could be taken into account in European Patent Law.

The Intergovernmental Conference observed that research institutes, universities and some firms have to practice certain forms of disclosure, and even more so considering that modern means of communications such as internet increase the risks that the results of research might be disclosed involuntarily.

3.6. 35th SACEPO Meeting (June 26-27, 2003)

The analysis of the European perspective on the strategic and policy issues raised by the draft SPLT considered the Grace Period as a point of possible compromise. It stated: "Many delegations appear to be in favour of a limited Grace Period, of a nature of a safety net, provided there is a "quid pro quo", such as a switch to first-to-file from the US"

3.7. The last draft Substantive Patent Law Treaty

This document dated September 30, 2003 contained the revised version of the draft Substantive Patent Law Treaty. It takes into account the views expressed in the Standing Committee Meeting on the law of patents during the ninth session held from May 12 to May 16, 2003, the next standing committee being expected to take place on May 10 to May 14, 2004.
This draft treaty contains an article 9 having the following revised content:

"Article 9 : Information not affecting patentability (Grace Period)
(1) [General Principle] Information which otherwise would affect the patentability of a claimed invention shall not affect the patentability of that claimed invention, in so far as the information was made available to the public anywhere in the world in any form during, or that item was included in the prior art under Article 8(2) on a date during; the [12][six] months preceding the priority date of the claimed invention.

   (i) by the inventor,
   (ii) by an Office and the information item of prior art was contained
        (a) in another application filed by the inventor [and should not have been made available to the public by the Office], or
        (b) in an application filed without the knowledge or consent of the inventor by a third party which obtained the information contained in the item of prior art directly or indirectly from the inventor,
   or,
   (iii) by a third party which obtained the information contained in the item of prior art directly or indirectly from the inventor.

(2) [No time limit for Invoking Grace Period]

[Alternative A]
The effects of paragraph (1) may be invoked at any time. [End of Alternative A]

[Alternative B]
A Contracting Party may require that the applicant submit a declaration invoking the effect of paragraph (1) [as prescribed in the Regulations]. [End of Alternative B]

(3) [Evidence] Where the applicability of paragraph (1) is contested, the party invoking the effects of that paragraph shall have the burden of proving, or of making the conclusion likely, that the conditions of that paragraph are fulfilled. {A Contracting Party may require that evidence be filed with the Office by the party invoking the effects of paragraph (1), where that Office reasonably doubts the applicability of that paragraph.}

(43) ["Inventor"] For the purposes of paragraph (1), "inventor" also means any person who, at or before the filing date of the application, had the right to the patent.

(54) [Third Party Rights]

[Alternative A]
A person who in good faith had, between the date on which the information was made available to the public item of prior art was included in the prior art under paragraph (1) and the claim priority date of the claimed invention, used the claimed
invention for the purpose of his business or started effective and serious preparations for such use shall have the right to start or continue to use the invention for that purpose. The claimed invention shall be considered to be used where the person performed any acts that would otherwise constitute an infringement under the applicable law.

[End of Alternative A]

[Alternative B]

No provision in the Treaty and the Regulations.

The Practice Guidelines would clarify that the issues concerning third party rights remain a matter for the applicable law of the Contracting Party concerned.

[End of Alternative B]

4. OUTSTANDING SITUATION IN DIFFERENT COUNTRIES

The Status of a number of countries having accepted the principle of Grace Period is classified in the table appended in Annex 1, according to the main specific conditions for application.

5. MAIN ARGUMENTS IN FAVOUR OF GRACE PERIOD

As stated before, almost all the arguments raised for or against the grace period, remain more or less exactly the same throughout all the discussions which have been taking place for decades in national and international fora.

In a lot of fields, included in biotechnology, some basic inventions remained unprotected only due to the culture of the academic and scientific world which encourages early publication of their innovative activity.

It has always been considered that an invention had to be completely finalised prior to the filing of the patent application. This implied carrying out validation trials, constructions of prototypes, cooperation with other technical advisers..., circumstances in which it is difficult to avoid prefiling disclosures. This is getting truer and truer nowadays. Additionally, effectiveness and value of the invention must be estimated before making the decision of filing the patent application. Such a prefiling procedure requires scientific and technical outside advices. This requirement increases the risks of disclosure.

Collaborations between Universities or Public or Academic Research Institutions and Industry, have recently increased, due to technological and economical requirements.

In practice, it causes problems:

. on the one hand in view of the obligation of the Universities or other institutions to generate and disseminate their technical or scientific knowledge, and
on the other hand, in view of the willingness of the Industry to obtain an exclusive right through filing a valid patent application.

The new information and communication technologies, more specifically the internet and intranet communications, have widely increased the risks of an uncontrolled publication with a very rapid spreading which became possible because of the electronic information disclosed on the internet.

More and more often, before each scientific and/or technical seminar or conference, the text of communication or at least its abstract, is put on the web in an uncontrolled way.

In a more specific field, it has become compulsory to get the enlightened consent of patients and volunteers in the framework of clinical trials and biotechnological researches which themselves are compulsory in order to obtain the Marketing Authorisation for a medicine or vaccine.

More and more, the current trend in the world is to request the full knowledge of this consent in order to respect the freedom and dignity of the patient. Under those circumstances, it is obvious that the information given to the patient has to be as complete as possible in order to obtain consent without any restraint.

Sometimes, the patient subjected to the clinical trials, signs a document in which he fully admits having received the full knowledge of his treatment. It is often specially stated that he might turn to an expert to complete his information.

In essence, this disclosure has nothing confidential as any expert can control it at the patient's demand.

It is clear that it is often at the end of these clinical trials that the final formulation of the medicine will be adopted. In most cases, the patent application will be filed later on.

Furthermore, we should not forget that a patent application is generally published only 18 months after its priority date of after its filing.

Under these circumstances, one could consider that an early publication will put the competitors in a more favourable position because they become quickly informed about the new technical developments much earlier than in case of waiting for a patent application to be published.

Thus, the submarine effect of patent applications published 18 months after their filing has faded.
6. MAIN ARGUMENTS AGAINST GRACE PERIOD

The main argument was, still is and I hope no longer will be, that introduction of Grace Period would create legal uncertainty for third parties. The prima facie argument is easy to understand, since third parties who have the knowledge of the disclosed subject matter may believe that it is not protected and thus can be freely developed. This does not seem to us to be such a convincing argument, since in any case, even in a postfiling disclosure, the publication of a patent application can occur later on.

If the inventor's disclosure is made one day before or after the the filing date of the patent application, this will have no real impact on the reactions third parties will have got from this disclosure since the publication of the patent application will occur in any case, only 18 months later.

The second argument against Grace Period is that it is in fact against the inventor's own interests since it could encourage an increase in the number of disclosures which in turn, could increase the risk for the inventor to be deprived from his rights.

7. LISTING OF SEVERAL POSSIBLE CRITERIA FOR THE DEFINITION OF GRACE PERIOD

7.1. Harmonisation at international level

It is essential that, if such a harmonisation could be taken into account, it should take place at an international level.

Indeed, nowadays, for a Canadian inventor, it seems extremely frustrating to find out that despite being able to divulgate his invention before filing the corresponding Canadian patent application, he will not be able to validly claim its priority later on in Europe. It seems unnecessary to insist on the fact that the existing patchwork situation is no longer satisfying in the framework of a worldwide economy.

7.2. Who is entitled to benefit from grace period ?

Generally speaking, it will be the applicant or the owner of the patent application or patent who will be able to benefit from this exception.

In practice, the applicant might equally be the inventor, or one of the inventors having concieved and realised the invention.

Quite often, the right to the invention will be automatically or contractually transmitted to a person, for example the company employing the inventor. It is then a matter of recognising the benefit of this exception to the successor in title.
7.3. Direct or indirect disclosure

On the one hand, direct disclosures are the first disclosures coming from the inventor itself.

On the other hand it is clear that indirect disclosures are those derived from the first disclosure issued from the inventor but which might be achieved by a third party.

In order to benefit from this exception, it is clear that the person who shall claim this right will have to demonstrate the relationship between the derived disclosure and the first disclosure issued from the inventor. In case such a demonstration could not be undoubtedly shown, the exception would not be recognized.

7.4. Different types of disclosure

No restriction should exist.

This can be in the course of conferences, oral disclosure, disclosure contained in posters exhibited during scientific conferences and public use of the invention. The acceptable kinds of disclosures should also include publications of uncontrolled patent application from the applicant or patent applications which should not have been disclosed by an Office and which were filed without the knowledge or consent of the inventor.

In some special cases, the disclosure could also be concerned with patent applications being made publicly available during the normal course of proceedings.

7.5. Location of the disclosure

It is sensible to consider that no restriction could be seriously taken into account as far as the location of the disclosure is concerned.

This is even truer nowadays with the internet. Generally speaking, all disclosures which took place all over the world should be considered.

7.6. Duration of the grace period

The different protagonists have seriously hesitated and for quite a long time between 6 months and 12 months. The period of 6 months was usually considered as a compromise conceded to the detractors of the system for the grace period.
It was also upheld that the shorter the period, the less insecurity for third parties.

This argument does not seem relevant because of the blind 18 months from the filing of the patent application.

There is above all, another very strong argument in favour of a grace period of 12 months. All over the world and more specifically in Europe, the requirement for claiming priority for the same invention is becoming stricter and stricter. The decision of the Enlarged Board of Appeal G02/98 fixed the rule: "The requirement for claiming priority of "the same invention", ... is to be acknowledged only if the skilled person can derive the subject matter of the claim directly and unambiguously, using common general acknowledge, from the previous application as a whole".

This decision stated that a narrow or strict interpretation of the concept of the same invention referred to in Article 87(1) EPC is perfectly consistent with paragraphs (2) to (4) of Article 84 EPC and with Article 4C4 of the Paris Convention.

Furthermore, the decision also mentions that an extensive or broad interpretation of the concept of the same invention referred to in Article 87(1) EPC is inappropriate and prejudicial to a proper exercise of priority rights.

The patent practitioners know indeed that an invention is never really achieved at the time of filing the first patent application.

On the contrary, it has been noted, especially in the chemistry and biology fields, that the research will go on after the filing date, and that complementary trials will somewhat redefine the invention or will simply confirm the general prospected character of the invention the complete definition of which was not always entirely confirmed by the experimentations at the first filing date.

Serious problems do occur in practice in the latter case.

Therefore a first patent application can for example define an invention like a family of new compounds represented by a general formula allowing quite a number of variations which are obviously not all described. If new compounds corresponding to the general formula are synthesised in the priority year, the description of the foreign application filed under priority, will quite often be completed by addition of these supplementary examples.

One of these additional examples might be interesting and might need to be protected by a specific sub-claim. But, if the inventor has published some
results in connection with these special compounds within the year of priority, he will not be allowed the specific sub-claim corresponding to his compounds due to its disclosure.

A 12 months grace period would be the only way to solve his problem.

7.7. Starting date for calculation of the grace period

The G3/98 decision has decided that for the calculation of the 6 months period of an unlawful disclosure provided for by Art. 55 EPC, the date which has to be taken into account is the filing date of the European application and not the priority date.

This means that such a disclosure is only considered as non prejudicial in the case of the first filed European application and the disposition cannot be in favour of applications later filed under priority.

Therefore, the only starting date in order to lead to an homogeneous situation at an international level as regards the grace period, is indeed the priority date when such a priority has been claimed.

7.8. Need for an applicant's declaration

If one considers that such an applicant's declaration would be necessary, it would lead to a lot of questions and problems.

7.8.1. One should first find out when such a declaration should be filed.

The following possibilities could be envisaged:

- priority date;
- filing date;
- publication date;
- when the prior disclosure is cited or opposed:
  - one could wonder whether such a declaration could be indifferently filed before a national, regional or international Office or yet again before a Tribunal in charge of the validity of the title or the patent;
- before grant, or;
- before invoking the patent in court.

7.8.2. Form of the declaration

In case such a declaration is requested, its form would need to be specified. It could be a unilateral declaration signed by the applicant. It could also be a witnessed declaration or it could only consist in ticking a box in the filing request for the patent application.
7.8.3. Content of the declaration

If such a declaration is requested, the first thing to decide is whether it should contain any details or take the form of a plain declaration informing of the existence of a disclosure.

Generally speaking the identification of the disclosure could specify the description, date, location and circumstances of the disclosure.

It can of course be a scientific publication together with its detailed references. The situation could be more complicated in case of prior use disclosure. This would imply a technical description of the information which has really been disclosed through this use, but of course, it would imply the specification of the date, place and special circumstances of the disclosure. For example, in order to illustrate the circumstances, it would be best to specify how the clinical trials have been done, at which scale, how long for, how were the results worked, etc.

Through this analysis, we note that requesting a declaration from the inventor only complicates the situation without ensuring any juridical security to all the users of the patent system, i.e. the patentee or third parties.

Furthermore, the obligation to request such a declaration has got the major drawback to exclude from this exception the prior disclosures which occurred without the applicant's knowledge, such as all the prior, uncontrolled publications on the internet, which happen more and more prior to a scientific publication, or presentation in the framework of a seminar or conference.

7.8.4. No request for declaration would be preferable

Finally, the best solution would be the easiest, which means not to request any declaration from the applicant, bearing in mind that, when the time has come, he will have to prove that he fulfils all the other required conditions for applicability of this exception.

7.9. Simple exception to the principle of prior art disclosure

It must be quite clear for everybody, that the grace period is not a priority system getting immunity against any later independent disclosure from third parties.

This is another good reason not to request a declaration from the inventor at the time of filing the patent application as it is to be done in case of priority claiming under the Paris Convention.
Therefore the grace period system does not generate any rights but is only an exception with all the consequences at its application level, especially the fact that an exception always has to be interpreted in a restrictive way.

**7.10. Possible extension to confidentiality or secrecy violation**

If one admits that an unprejudicial disclosure can be issued directly from the inventor or can indirectly result from a first disclosure issued from the inventor, it is then obvious that this arrangement covers the traditional non-prejudicial disclosures which are the consequences of an abuse in relation to the applicant or his legal predecessors.

Under these circumstances, the best would be to harmonize the corresponding arrangements, especially regarding the duration of the time limit to be taken into consideration.

In practice, we are once again confronted here with specific situations where the obligation to request a declaration at the time of filing the patent application in order to benefit from the grace period, is completely unrealistic.

**7.11. Burden of proof**

There is no need to elaborate too much on this subject.

Traditionally, the burden of proof is on the person who intends to benefit from or contest the benefit of the grace period.

On the one hand, therefore, during prosecution, the applicant will normally have to prove that the prefiling disclosure is directly or indirectly issued from him or the inventor.

But on the other hand, if the patent is attacked before a Tribunal, the plaintiff will have to contest that a prefiling disclosure did not satisfy the conditions required by the legal disposition and have to demonstrate for example that it has occurred independently from any intervention from the inventors.

**7.12. Prior user rights derived from the disclosure**

One might first be tempted to answer negatively since the grace period system is an exception and all exception has to be interpreted in a limiting way and therefore the period of grace can only waive the disclosure from the opposable state of the art.

As a consequence, one might consider that there is no possibility for third parties, to acquire any prior user rights from this prefiling disclosure.
If this impossibility is admitted, additional questions will have to be answered:

i) direct / indirect information of the prior user.

Should the possible third party acquiring the rights, be informed directly by the inventor or can he be indirectly informed by a third party having received the information itself from the inventor.

ii) to a third party making preparation to use the invention or to a third party having already started a commercial use of the invention

This is a traditional question which has already been asked in the framework of prior user rights. The French solution of the prior personal possession does not seem to have such a bright future at an international level. The solution consisting in authorising to pursue a commercial or industrial use has the real advantage to be clear. However, serious and genuine preparations for the use of the invention should not be put aside systematically.

Once again, the practical situation and the circumstances in which the invention can be used should lead us.

On the one hand, the use of an invention might be easy to contemplate, e.g. an immediate change of process which just implies changing a catalyst. On the other hand, the use of an invention can also lead to the construction of a completely new production line which is of course a lengthy business.

iii) burden of proof

Yet again, the burden of proof is on the shoulders of the person who intends to benefit from this prior user right, or of the person who contests such a right.

Depending on the conditions which might be required, it is clear that the demonstration will be concerned with the prior use or preparations for that use and with the conditions in which the information was acquired by the prior user.

It comes out from the above observations that the most commendable solution, as it is the most pragmatic one, would consist in seeing to the question of prior user rights in a way completely independent from the grace period system.

In other words, it does not seem necessary to provide any strict prohibiting of intervening prior user rights due to a non prejudicial disclosure issued from
the inventor. It does not seem necessary either to demonstrate the link between the non prejudicial disclosure coming from the inventor and the use by a third party. The acquisition in good faith of the information concerning the invention would be the only condition which might still exist in order to allow the recognition of prior user rights.

Accepting the risk of intervening rights of third parties without any other special condition even seems to be in favour of the acceptance of the system of period of grace. It first moderates quite considerably the argumentation of the detractors of the grace period who consider that one of the drawbacks would be that the inventor could be tempted to carelessness.

In other words, an uncontrolled prefileing of an unprejudicial disclosure can always occur and the grace period should be considered as a safety net against the devastating effects of said disclosure.

Nevertheless, knowing that third parties do have the complete possibility to benefit from intervening rights will urge the inventors or their successors in title to file their first patent application as quickly as possible.

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To summarize the presentation of this question, it is possible to start thinking about a definition which does not really show any new characteristic but which could be used as the basis for a discussion on this everlasting question which nevertheless is a burning topic.

8. PROPOSED DEFINITION OF GRACE PERIOD

8.1. Any disclosure of information relevant for the patentability of an invention claimed in a patent application shall not be taken into consideration when determining the state of art relevant for that invention where the information was disclosed, during the 12 months preceding the filing date or, where priority is claimed, the priority date of the patent application,

(i) by the inventor, or
(ii) by a third party which acquired the information direct or indirect from the inventor or in consequence of acts performed by the inventor, or
(iii) by a Patent Office, the information being contained in:

   a) another patent application filed by the inventor, which should not have been disclosed by the Office, or
   b) a patent application filed, without the knowledge or consent of the inventor, by a third party which obtained the information as stated in § ii).
8.2. For the purposes of paragraph 1., inventor means any person who, at the filing date of the application, had the right to the patent.

Inventor also means the original owner of the invention other than the inventor itself, and any successor in title of the inventor or of such original owner.

8.3. The effects of paragraph 1. may be invoked at any time.

8.4. The burden of proof will be on the shoulders of any person who intends to take benefit of the grace period stated in paragraph 1.

The above definition fits in more or less with that used in Article 9 of the latest SPLT draft, bearing in mind that the proposed duration is 12 months, no declaration is requested and no provision about third parties rights is stated.

Francis AHNER
President