

CA/PL 7/08

Orig.: en

Munich, 19.06.2008

SUBJECT: Discussion guide as to the policy intents of the items to be included in a reduced package for an international patent law harmonisation treaty

SUBMITTED BY: Chairman of the Committee on Patent Law

ADDRESSEES: Committee on Patent Law (for information)

The Chairman of the Committee on Patent Law has received the following document from the Chair of B+ Working Group 1 and submits it to the Committee for information.

1. Since the launch of the process within the Group B+, members have intensely worked on a set of issues (“limited package”) which - despite controversies as to their particular features - have always been regarded as viable outcomes of the harmonisation exercise. Negotiations have also addressed the question as to whether the limited package is as such coherent and balanced and can effectively promote international harmonisation of laws according to best practice. Additionally, albeit in different fora, considerable progress is being made in cooperation among patent offices regarding the development of framework for allowing one office to utilise work already performed by another office. Similar to harmonisation of substantive patent laws, utilisation is also meant to enhance efficiencies in the global patent system to the benefit of applicants and offices alike. Certainly, efforts to improve the international patent system are undertaken on various fronts.

2. Among the items currently considered for a possible limited package are ¹:
 - (1) First-to-file
 - (2) Elimination of the Hilmer doctrine
 - (3) 12-month grace period with no formal declaration, and which applies to published applications only if erroneously published
 - (4) Third party rights for grace period disclosures, optional or partially optional
 - (5) Definitions of prior art (incl. prior art effect of certain applications), novelty and inventive step (text already agreed by the Working Group)
 - (6) The abstract does not form part of the “whole contents”
 - (7) Inclusion of PCT applications in the secret prior art as of the PCT filing/priority date
 - (8) Inventive step methodology is not included in the Articles.

Other items that have been discussed for inclusion in a possible limited package include mandatory 18-month publication, harmonisation of secret prior art, a definition of patentable subject matter eligibility, and a provision on anti-self collision.

¹ Chair's Report Group B+ Plenary, Geneva, 26 September 2007.

3. The background document (Annex 1) demonstrates in a concise manner the implications of the individual items outlined above in practical as well as terms of normative scope.
4. On the basis of the present paper, the Group B+ would like to engage interested circles in a dialogue on the substance and, thus, the future direction of the international patent law harmonisation exercise. Essentially the consultation should focus on the definition of the content of a coherent and balanced limited package with particular reference to the contentious issues of the negotiations, such as the individual elements of the grace period and/or the issue of the 18 month publication.
5. Against this background, interested circles are invited to provide feedback with regard to the following points:
 - 5.1 General issues
 - 5.1.1 What are the benefits of harmonisation, and what are the costs of not harmonising?
 - How do users regard harmonisation of substantive patent law vis-à-vis obtaining patent protection internationally, in terms of relative costs and benefits?
 - How do users regard harmonisation in terms of contributing to utilisation of work among offices and improving efficiencies in the international patent system?
 - Do users regard harmonisation of patent law as an urgent issue which should be resolved in the near future?
 - What effects would suspension of the harmonisation exercise have for the users of the system?
 - 5.1.2 Is there a core set of items that are considered indispensable for harmonisation?
 - First-to-file and grace period? Other?
 - Would it be worthwhile pursuing agreement on the basis of a further reduced set of issues and postpone resolution of others to a later stage?

5.1.3 What are the priorities from the users' perspective in terms of issues requiring immediate resolution?

- Which are the issues that if resolved are expected to increase efficiencies in the international patent system?
- Which provisions currently under discussion include such elements and promote this goal?

5.1.4 How do users regard these core items and priorities, if assembled in a limited package, in terms of their interaction with each other?

- Do they achieve a sufficient balance?
- Would a more limited or more expansive approach be preferable?

5.2 Individual issues

5.2.1 First-to-file

- How would users regard the worldwide implementation of first-to-file with regard to the circumstances within which they operate?
- What type of first-to-file framework is preferred—one based solely on relative filing dates among conflicting applications, or one that makes an allowance for earlier disclosures by or on behalf of the inventor during the grace period?
- How do users view the relationship between first-to-file and first-to-invent with respect to efficiency of the international patent system, legal certainty and risk management?

5.2.2 Hilmer doctrine

- What are the pros and cons of the Hilmer doctrine in the framework of an internationally harmonised patent system?

5.2.3 Grace Period

- What is the appropriate duration? 6, 9 or 12 months? Other?

- Scope: should it include only erroneously published applications or apply generally to an applicant's own prior work, including prior published applications?
- Operation of grace period:
 - Is a declaration of entitlement to the grace period, whether formal or made on demand via request from a third party, necessary or appropriate?
 - Is it preferable that the grace period arise from operation of law, without the need for a declaration?

5.2.4 Third party rights

- Should third party rights, as they relate to grace period disclosures, be mandatory, optional or left unmentioned?

5.2.5 Effect of conflicting applications

- Is it a best practice that earlier filed but later published applications be taken into account for determining novelty only, or both novelty and inventive step?

5.2.6 Treatment of conflicting PCT applications

- Is it a best practice that PCT applications should form part of the prior art as of their filing/priority date, or upon their entry into the regional/national phase?

5.2.7 Mandatory 18 month publication of patent applications

- How do users regard mandatory 18-month publication in relation to a globally harmonised framework and the circumstances in which they operate?

GROUP B+

POLICY INTENTS OF ITEMS TO BE INCLUDED IN A REDUCED PACKAGE FOR AN INTERNATIONAL PATENT LAW HARMONISATION TREATY

INTRODUCTION

In February 2005, Group B+ members (all members of WIPO Group B, members of the EU, the European Commission, member states of the EPO and the EPO) agreed to convene meetings of the Plenary and of a Working Group to consider substantive patent law issues, notably a package of prior-art related issues including first to file and grace period, with a view to seeking a common basis for further discussions in WIPO.

Since 2005, Group B+ has made progress in the preparation of a limited package for further harmonization of the patent system. In a September 2007 report to the Group B+ Plenary, the Chair of the Working Group indicated a number of viable issues for consideration by the Plenary. In particular, the Chair of the Working Group suggested that the following proposed outcomes might be included in the limited package:

1. First to file
2. Elimination of the Hilmer doctrine
3. Grace period
 - 12-month grace period with no formal declaration
 - Grace period covers published patent applications only if publication is erroneous
4. Third party rights, optional or partially optional
5. Definitions of prior art (including prior art effect of certain applications), novelty and inventive step (as agreed by the Working Group)
6. Inclusion of PCT applications in the secret prior art as of the PCT filing or priority date
7. The abstract does not form part of the 'whole contents'
8. Inventive step methodology is not included in the Articles

In September 2007, the Group B+ Plenary requested the preparation of a position paper clearly setting out the policy intent for each of the above-noted proposed outcomes. This document responds to that request and sets out below the policy intent for each of the proposed outcomes.

The Plenary has agreed that the next Plenary (likely to be held in September 2008) should discuss how the Group B+ countries wish to take forward the proposed outcomes.

The September 2007 Group B+ Plenary also discussed whether this limited package would meet the desires of all delegations for a coherent and balanced but limited package. A number of suggestions were made for possible modifications to or inclusions in a limited package to meet this objective. In particular there were concerns raised about

the legal certainty for third parties under the proposed grace period, and there were proposals to include 18 month publication, harmonization of secret prior art, mandatory third party rights, subject matter eligibility and mandatory anti-self collision in a package before it is finalized. This document, however, does not address any of these additional suggestions for possible modification to or inclusion in the limited package.

**PROPOSED OUTCOME 1:
FIRST TO FILE**

General Policy Intent of the Proposed Outcome

Most countries today have a first-to-file patent system. As a general principle, this means that, where there are two or more inventors who have independently made the same invention, the right to a patent belongs to the inventor (or their successor in title) who was the first to file an application regardless of when each of the inventors made the invention.

Contrary thereto, operation of the first-to-invent patent system is based on the general principle according to which, where there are several inventors who have independently made the same invention, the right to a patent belongs to the inventor (or their successor in title) who was the first to make the invention.

It is intended that all contracting parties be required to use the first-to-file patent system. The use of the first-to-file system would have many benefits for patent offices, applicants and the general public. It would primarily promote legal certainty by simplifying the process and reducing the costs for applicants to obtain patent protection in multiple jurisdictions. Additionally, it would eliminate the need to resolve entitlement disputes by means of costly and time-consuming interference proceedings. In the long term it would facilitate the reliance by one office on the work results of other offices and thus 1) help reduce wasteful duplication of efforts by patent offices, 2) help patent offices deal with increasing workloads, and 3) help offices to improve the quality and timeliness of patent examination.

Specific Elements of the Proposed Outcome and their Intent

1. Inventor

It is intended that, as is the case today in all jurisdictions, only independent inventors or their successors in title be entitled to the grant of a patent.

It is not intended to harmonize the manner in which contracting parties determine who is an inventor, or regulate the right to a patent as between joint inventors.

It is also not intended to harmonize the manner in which contracting parties regulate the right to a patent as between an inventor and the employer of the inventor or between an inventor and a person who commissioned the work that resulted in the invention.

2. Who can file an application

It is not intended to harmonize requirements as to whether a patent application must be filed by the inventor or, where there has been a change in ownership, whether a patent application may or must be filed by the successor in title.

3. Same invention

It is not intended to harmonize how contracting parties would determine whether one application covers the same invention as a later filed application. Contracting parties would therefore be free to treat an earlier-filed application as being prior art against a second-filed application only for the purposes of novelty or for both the purposes of novelty and inventive step (non-obviousness).

4. Priority dates

It is intended that entitlement to a patent as between competing applications by different independent inventors should be determined on the basis of the priority date of the subject matter in question.

In substance, this intent would be achieved through harmonization of the prior art effect given to competing applications, the policy intent for which is set out below in respect of Proposed Outcome 5.

5. Withdrawal of application

Most countries' legislation provides that a patent application will not be made available to the public if the application is withdrawn in the period before publication of the application is due under the applicable law. In this way applicants can prevent information about the invention entering the public domain and may retain the option of filing further applications or keeping the invention as a trade secret. It is intended that a first-filed application would only block the granting of a patent on the basis of a later-filed application if it is subsequently made available to the public by the patent office. This is because it is in the public interest not to block the granting of a patent to a later applicant who is prepared to have the invention made available to the public and is presumably interested in pursuing the commercial development of the invention.

It follows that where an application is erroneously made available to the public by the patent office contrary to the applicable law it would not be considered as having been made available to the public for this purpose.

In substance, these intents would be given legal effect by provisions on the prior art effect of published applications, the policy intents for which are set out below in respect of Proposed Outcome 5.

6. Implementation of First-to-File

In substance, the first-to-file principle is entirely, or almost entirely, given legal effect through provisions on the prior art effect of published applications, the policy intents for which are for the most part discussed below in relation to Proposed Outcome 5 and Proposed Outcome 6. However, given the importance accorded by many to the first-to-file principle, it is nevertheless intended that there be some high level indication that all contracting parties would be required to adopt a first-to-file system. This might be a simple statement (in a preamble to the agreement, in an article of the agreement or in a separate agreed statement) of the intention that all contracting parties be required to use a first-to-file patent system.

PROPOSED OUTCOME 2: ELIMINATION OF THE HILMER DOCTRINE

Policy Intent of the Proposed Outcome

It is intended that all patent applications filed in a particular country have prior art effect in that country as of its priority date, and not as of the actual filing date as is presently the case in some countries.

In substance, this intent would be achieved through harmonization of the prior art effect given to competing applications, the policy intent for which is set out below in respect of Proposed Outcome 5.

PROPOSED OUTCOME 3: GRACE PERIOD

- **12-MONTH GRACE PERIOD WITH NO FORMAL DECLARATION**
- **GRACE PERIOD COVERS PUBLISHED PATENT APPLICATIONS ONLY IF PUBLICATION IS ERRONEOUS**

General Policy Intent of the Proposed Outcome

The general rule under a first-to-file system is that any disclosure of an invention before the filing of a patent application constitutes a bar to the granting of a patent since the invention would no longer be considered to be novel and inventive. The intent of a grace period is to avoid this potentially harsh effect for disclosures originating from the inventor/applicant during a limited time period, especially in situations where the inventor/applicant inadvertently makes a disclosure, or a disclosure is made beyond the

control and without the consent of the inventor/applicant (e.g. where a potential future partner or investor breaches an undertaking of confidentiality).

Providing a grace period has however the potential to increase legal uncertainty for third parties since it may be difficult for third parties to determine whether a particular disclosure made during the grace period originates from the inventor/applicant and thus whether it qualifies for the grace period exception. It is intended that the grace period exception be crafted in a manner that fairly balances the interests of inventors/applicants and third parties, in particular by ensuring that it functions as a safety net and does not encourage delaying the filing of patent applications for strategic reasons.

Specific Elements of the Proposed Outcome and their Intent

1. 12 months

It is intended that all contracting parties have a uniform grace period of twelve months preceding the priority date. Inventions normally arise from a lengthy development cycle preceding the filing of a patent application and inventors in that period are reliant on the maintenance of confidentiality including with a range of third parties who may be required to assist with the development and commercialisation of the invention. The proposed period of 12 months is considered to reflect a reasonable balance between protecting the inventor from the effects of inadvertent disclosure for a meaningful period of the development cycle while at the same time limiting the resultant legal uncertainty for third parties.

Currently some countries do not provide a grace period while others provide grace periods, which are of different duration and nature. Applicants must therefore be familiar with the rules under a range of different national/regional laws and are forced to prepare applications accordingly, even where grace periods are available. Similarly third parties must appreciate that a particular disclosure will not have the same effect in all jurisdictions. A harmonised grace period of 12-month duration will avoid this uncertainty.

2. No formal declaration

It is intended that the benefit of the grace period be available to applicants without any requirement for a procedural act such as the submission of a formal declaration in every case where the benefit of the grace period is desired. [Such declarations might require, for example, information on whether the invention has been disclosed prior the filing date, and if so, providing details of the disclosure. Requiring such a procedural act would reduce the effectiveness of the grace period in many situations, particularly in the main circumstances targeted by the grace period, i.e., where the disclosure is made inadvertently or without the consent of the inventor/applicant.]

3. Optional declaration on demand

It is not intended that contracting parties be precluded from requiring an applicant or patentee, upon the demand of a third party (and perhaps mediated through an impartial body such as a patent office), to provide information about whether a particular disclosure identified by the third party originated from the applicant/patentee or their predecessor, and whether the applicant/patentee claims the benefit of the grace period in respect of that disclosure. Contracting parties would be free to enforce such requirements through sanctions on the applicant or patentee for non-response or misleading information.

A declaration on demand mechanism could be used by contracting parties to increase legal certainty for third parties. However, it is not intended that requiring such a mechanism be mandatory for all contracting parties, particularly since some contracting parties may find such a mechanism to be operationally unduly burdensome. Contracting parties may also find that providing third party rights in relation to disclosures covered by the grace period (as set out below in respect of proposed outcome 4) sufficiently addresses third party interests without recourse to a declaration on demand.

4. Disclosures covered by the grace period

It is intended that the grace period apply to prior art consisting of information made available to the public by the inventor or by a third party who obtained the information directly or indirectly from the inventor.

5. Erroneously published applications

It is not intended that the grace period apply in respect of information originating from the inventor that is disclosed by a patent office's publication of a patent application except in limited circumstances where the publication was due to an error by the patent office, or the application was filed without the consent of the inventor (or their successor).

As discussed above, it is intended that the grace period function as a safety net and that it cover especially inadvertent disclosures and disclosures made beyond the control of the inventor. It would not be consistent with this intention for the grace period to apply to an applicant's own application that was properly published in accordance with the laws of the jurisdiction where the application was filed (normally at 18 months) since in this case the publication would clearly not have been inadvertent or beyond the control of the applicant. Further, applying the grace period in these circumstances would be potentially prejudicial to third parties since it would increase their difficulty in identifying with legal certainty what is in the public domain.

6. Secret prior art

It is intended that the grace period also apply to secret prior art consisting of an application filed without the consent of the inventor by a third party who obtained the subject matter directly or indirectly from the inventor. This is necessary for the grace

period to function effectively; otherwise, for example, a first inventor who discloses the invention during the grace period would be barred from obtaining a patent if a third party were, based upon that disclosure, to make an improvement invention and to file an application claiming only the improvement invention but disclosing both the first invention and the improvement invention.

7. Successors in title of the inventor

It is intended that the grace period should apply to disclosures emanating from the inventor or from any other person who became a successor in title of the inventor on or before the priority date. In order to avoid abusive use of the grace period and to improve legal certainty for third parties, changes of ownership occurring after the priority date would not be relevant to the applicability of the grace period.

**PROPOSED OUTCOME 4:
THIRD PARTY RIGHTS, OPTIONAL OR PARTIALLY OPTIONAL**

Policy Intent of the Proposed Outcome

Third party rights (also referred to as prior user rights) means the right of a third party who has used, or made preparations to use, an invention before the priority date to continue such use after the grant of the patent. If provided, those rights can apply in the case of independent invention, in the case where the use is based on information derived from the patentee, or both.

In the case of independent invention, third party rights may be used as a means for mitigating the negative effect of the first-to-file system on an independent inventor who is not the first to file. Similarly, the existence of third party rights where use is based on information derived from the patentee can be used as a means for mitigating the effect of a grace period on a third party who in good faith utilizes information that appears to be in the public domain.

Third party rights are a limitation on the rights of a patentee, and encourage the early filing of patent applications in order to avoid this possible effect, and thus encourage reliance on the grace period only as a safety net. This in turn might be seen as promoting the public interest in the earlier disclosure of inventions and the resolution of the rights that may apply to them.

Providing third party rights might on the other hand be seen as unfairly diluting the rights of a patentee and, in the case of derived information, as facilitating or encouraging “theft” of the invention by third parties acting in bad faith and thus be unfair to the inventor.

Option 1: Optional third party rights

Under option 1, it is not intended that there be a provision on third party rights. This means that contracting parties would be free to decide how to balance the competing interests involved including whether or not to provide for third party rights and, if they do, the nature of the third party rights to be provided.

The effect of not harmonising third party rights is to create a degree of uncertainty for patentees and third parties as to the rights that apply particularly if those parties operate in multiple jurisdictions.

Option 2: Partially optional third party rights

Under option 2, it is intended that:

- 1) All contracting parties would be required to provide third party rights where the prior use is based upon independent invention; and
- 2) Contracting parties would have the option to additionally provide third party rights where the prior use is based upon information derived from the patentee or the patentee's predecessor in title.

Under this option it is intended to leave contracting parties free to decide how to balance competing interests in the case of derived information. Although providing prior user rights for uses based upon derived information would provide a particularly strong incentive to rely on the grace period only as a safety net, as noted above, providing prior user rights in those cases might be seen as facilitating or encouraging "theft" of the invention.

PROPOSED OUTCOME 5: DEFINITIONS OF PRIOR ART (INCLUDING PRIOR ART EFFECT OF CERTAIN APPLICATIONS), NOVELTY AND INVENTIVE STEP (as agreed by the Working Group)

1. Definition of prior art

It is intended that the prior art with respect to a claimed invention consist of all information that has been made available to the public anywhere in the world in any form before the priority date of the claimed invention in accordance with the following:

- a) The term "priority date of a claimed invention" refers to the earlier of 1) the actual filing date of the application containing the claimed invention, and 2) the filing date of the earliest priority application disclosing the claimed invention.
- b) The prior art shall include all information made available to the public in any form, such as in written form, in electronic form, by oral communication, by display or through use.

- c) Information shall be deemed to be made available to the public if there is a reasonable possibility that it could be accessed by the public.
- d) The term “public” means any person who is not bound by an explicit or implicit obligation of confidentiality to maintain the information secret.
- e) Where information allows the determination of only the month or the year, but not the specific date, of availability to the public, the information shall be presumed to have been made available to the public on the last day of the month or that year respectively, unless any evidence proves otherwise.

2. Prior art effect of certain applications

It is intended that secret prior art (other co-pending applications) be deemed to form part of the prior art with respect to a claimed invention in accordance with the following:

- a) If the filing date of the other application is prior to the priority date of the claimed invention, the whole contents of the other application shall form part of the prior art.
- b) If the other application has a filing date that is the same as, or later than, the priority date of the claimed invention, but claims the priority of a previous application having a filing date that is earlier than the priority date of the claimed invention, subject matter that is contained in both the other application and that previous application shall form part of the prior art.
- c) If the other application is not subsequently made available to the public by the patent office, it shall not be considered to form part of the prior art. (An application that is erroneously made available to the public by the patent office contrary to the applicable law shall not be considered as having been made available to the public for this purpose.)
- d) The secret prior art principle shall only apply to two or more applications filed in or for a single contracting party, and not to applications filed in or for different contracting parties.
- e) The other application may be an application for the grant of a patent or an application for a utility model or any other title protecting an invention under the applicable law, provided that the applicable law allows for only one of those titles to be validly granted with effect for a contracting party for the same claimed invention.

It is not intended to harmonize whether contracting parties provide for an anti-self-collision exception. This means that contracting parties would be free to determine whether the secret prior art principle applies when the applicant in respect of, or the

inventor identified in, the other application and the applicant, or the inventor identified in, the application under examination, are one and the same person.

3. Novelty

It is intended that to be patentable a claimed invention must be novel meaning that it does not form part of the prior art as defined in 1. and 2. above.

It is intended that to qualify as an item of prior art, the item must enable a person skilled in the art to carry out the claimed invention.

It is intended that, in determining novelty, any relevant item of prior art may only be taken into account individually and may not be combined with other items.

4. Inventive step

It is not intended to harmonize whether secret prior art is to be taken into account in assessing inventive step.

It is intended that, for the purpose of assessing inventive step:

- a) The prior art may consist of a single item of prior art or of multiple items of prior art.
- b) The general knowledge of the person skilled in the art at the priority date of the claimed invention shall be taken into account.

**PROPOSED OUTCOME 6:
PCT APPLICATIONS APPLY AS SECRET PRIOR ART AS OF THE PCT
PRIORITY DATE**

Policy Intent of the Proposed Outcome

It is intended that a contracting party be required to give prior art effect to an earlier PCT international application as of its filing or priority date whenever the international application designates that contracting party, and not only if the international application enters the national phase in that contracting party.

Currently a number of countries provide for the prior art effect of PCT applications at their priority date, whether or not they enter the national phase. Harmonizing the approach results in a common definition of prior art for all contracting parties and would thus facilitate the reliance by one patent office on the search and examination work already done by other patent offices. To limit the prior art effect of international applications to those that enter the national phase in the contracting party in question would create legal uncertainty for third parties and excessive delays in the examination of

co-pending applications since, in view of PCT Rule 49.6, it may then not be known for up to 42 months from the priority date of an application whether that application will constitute prior art as of its filing or priority date. Harmonizing the approach also helps to provide clarity and certainty for users of the system, particularly those filing in multiple jurisdictions.

**PROPOSED OUTCOME 7:
THE ABSTRACT DOES NOT FORM PART OF THE ‘WHOLE CONTENTS’**

Policy Intent of the Proposed Outcome

It is intended, when assessing the prior art effect of the contents of a co-pending application, that abstracts not be included as part of the “whole contents” of that application.

This approach would be consistent with Article 3(3) of the PCT which provides: “The abstract merely serves the purpose of technical information and cannot be taken into account for any other purpose, particularly not for the purpose of interpreting the scope of the protection sought.”

Treating abstracts as part of the “whole contents” would be problematic since abstracts are sometimes prepared by an office and not by the applicant, and since as a general principle it is desirable that abstracts be prepared for search purposes and not with legal effects in mind.

It is not however the intention to otherwise limit the effect of an abstract, and in particular a contracting party would be free to provide that an abstract submitted by the applicant at filing may support an amendment of the description claims or drawings.

**PROPOSED OUTCOME 8:
INVENTIVE STEP METHODOLOGY IS NOT INCLUDED IN THE ARTICLES**

Policy Intent of the Proposed Outcome

It is not intended that elements of methodology be included at the article level in the text defining the inventive step requirement. This reflects an intention not to harmonise substantive law as it relates to the inventive step requirement at this time.

Some delegations have expressed the concern that, if elements of methodology were to be included in an article dealing with inventive step, this could be interpreted as setting out all permissible elements of methodology and thus preclude the application of a problem-solution approach to the assessment of inventive step. It is intended that contracting parties be free to decide whether or not to apply a problem-solution approach.