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RESEARCH DIRECTORATE-GENERAL

Directorate K – Knowledge-based Economy and Society
Strategic and Policy aspects ; Investment in Research

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Workshop report

Towards a common European view on the features of a grace period

1. Introduction – Context

- On June 24th, 2002, the European Commission services (more specifically the Directorate-General for Research) organised a workshop in Brussels relating to the grace period issue, with about 30 experts representing a variety of organisations belonging to the European research community, both academic and industrial (see Annex).

- The purpose of this workshop was not to promote the introduction of a grace period in European patent law, but to try to define a common view on the features of a specific grace period system which would address the needs of all or most (European) interested parties in a balanced way, should a grace period be introduced at international level. Neither was the purpose to decide whether or not such an introduction should take place.

- This workshop was organised in the context of the work of the WIPO (World Intellectual Property Organisation) relating to the SPLT (Substantive Patent Law Treaty), more specifically in connection with the provisions of the draft SPLT relating to the definition of the prior art (see draft Article 9).

- While IPR awareness and training issues are extremely important, they were not addressed during this workshop, which focused only on legal aspects of the grace period concept itself.

- The introduction of a grace period may address at least two different kinds of problems. On one hand, small inventors and SMEs in Europe would benefit from a provision which would, for instance, provide them with some relief where they have inadvertently (unintentionally) disclosed an invention, or where they want to conduct public tests or consult investors before filing a patent application. This means that a “safety net” approach, to be invoked in exceptional circumstances only, could be sufficient for them.

- On the other hand, many European academic researchers are under great pressure to publish their research results as early as possible since their publication record is an essential criterion for their professional assessment and recognition. Although, interestingly, several research institutions are now introducing additional criteria related to the filing of patent applications, the granting of licences, the creation of spin-offs, etc., publication in peer-reviewed journals remains the "gold standard" by which academics are judged in virtually all areas of science and technology. Such researchers are thus calling for the introduction of a broad grace period system, not limited to exceptional cases, in order for publication to proceed as rapidly as possible and without prejudice to possible patent applications. This is especially important where a lack of local support services or infrastructures may involve additional delays in preparing and filing patent applications. The concern of the academic community is that in future there should be no conflict between demands

for prompt publication of new results and the frequent need to seek patent protection for them as an essential step towards their commercialisation.

- The introduction of a grace period could however have drawbacks as well, both for industry and for academic or other inventors. As often expressed, European industry is for a large part opposed to any grace period, since it would, in their opinion, carry with it much legal uncertainty (for example, a paper published before the priority date of a patent application could no longer be considered to be necessarily included in the prior art, which would make it more difficult to assess the validity of a third-party patent ; in addition, according to some models for a grace period, one would have to wait for longer than the current 18 months after a publication is made, to find out whether or not a patent application has been filed). In some cases, a grace period could also have detrimental consequences for European academic and individual inventors, including an increased risk of parallel developments and publications by other research teams before the original inventors have filed a patent application, on the basis of a first prior disclosure made by the original inventors.

- The US model is not suitable for the purposes of comparison, since it is based on the first-to-invent principle which is fundamentally different from the first-to-file principle applicable in Europe. In particular, the so-called grace period in the USA is rather a 12-month period (following a disclosure) during which an inventor has to file a patent application if he wants to avoid a statutory bar. Accordingly, the grace period model discussed at the workshop has been considered exclusively within a first-to-file system.

- Alternative measures were not discussed during the workshop. Only "provisional patent applications" (already available in some countries, and to be introduced in others within the framework of the Patent Law Treaty) were briefly mentioned. However, it was pointed out that they may not constitute effective remedies in all situations.

- Similarly, awareness and training issues were not discussed either in detail, although they are extremely important with a view to improving the understanding and the proper use of intellectual property systems by the research community.

- The methodology for this workshop consisted of attempting to define a specific model for a grace period which, if its introduction was decided at international level, would appear reasonable to most European stakeholders. As a first step, a list of features was discussed. As a second step, each of those features were discussed in detail. The discussions are summarised below.

- The discussion took place in a “technical” way, with the purpose of defining a “reasonable” grace period model. Although this approach may result in conclusions which would be difficult to reconcile with existing grace period systems, it is only at a future stage that, from a more “political” perspective, it will be necessary to examine how these conclusions can be fed into any international harmonisation process.

- For each of the topics (specific features of a grace period model) which were discussed, the conclusions presented below summarise the opinion of the majority of the participants, even though unanimity was reached for few of them. In addition, industrial participants stated that their participation in this workshop did not imply that they supported the possible introduction of a grace period, to which they are still opposed.

2. Discussion of a specific grace period model

- **Applicability to specific disclosures and applicants**

It was agreed by most participants that, should a grace period be introduced, it would have to apply to any kind of disclosure affecting patentability, including written and oral disclosures as well as prior uses (public testing …). Such information could have been made public either directly by the inventor/applicant, or indirectly by a third party aware of an inventor/applicant's disclosure.

Nevertheless, some participants suggested that only direct disclosures should be concerned, excluding for instance any publication building on a first inventor's disclosure (e.g. describing new improvements). This could however lead to practical problems : for instance, it would be inappropriate to exclude indirect disclosures such as those made by journalists reporting on conferences in which inventors disclosed inventions. While a solution to this problem could consist of broadening existing provisions relating to abusive disclosures (such as Art. 55 EPC) so that they would also cover such "half-indirect" disclosures, it should be recognised that the border between direct and indirect disclosures is not as easy to define as it may seem, and that such a criterion might entail some legal uncertainty.

The point was also made that, if a grace period was introduced, it would be advisable to review existing provisions relating to abusive disclosures (such as Art. 55 EPC) in order to avoid that inventors be better protected against their own disclosures than against abusive third-party disclosures.

In addition, most participants agreed that a grace period, if any, should apply to any category of applicants and inventors and their successors in title, to the exclusion of any unrelated third parties.

- **Duration and reference date**

As far as the reference date is concerned, many participants agreed that from an international perspective, it would be preferable to use the priority date.

One disadvantage of choosing the filing date is that inventors/applicants would need to file applications in all considered countries within a short period of time, in case of a prior disclosure (although international ("PCT") applications may help address this issue) ; accordingly they would have less time available for refining the invention, finding investors, etc.

Nevertheless, some participants did favour the use of the filing date as reference date for the grace period, stating that it would be easier to combine with an accelerated publication.

Since a 12-month grace period is currently available in a number of countries (other than European), such a duration could appear preferable from an international harmonisation perspective ; moreover, it would provide inventors with more time to refine their inventions before filing a patent application. However, a 12-month grace period may lead to significant period of legal uncertainty, especially if its reference is the priority date. In addition, although this is not an intrinsic drawback, a 12-month grace period could cause some confusion with the (12-month) priority period for some inexperienced users.

It was agreed that a 6-month grace period would lead to less legal uncertainty than a 12-month one, and should be sufficient to provide a "safety net" able to address accidental disclosures and urgent academic publications. Moreover, it would reduce the risks associated with possible intervening

third parties' publications disclosing improvements, which could be detrimental to the validity of subsequent applications filed by the inventor/applicant. It would also cause less problems if invocation of a grace period were to be linked to accelerated publication of the respective application (see below).

A grace period of 6 months taking place before the priority date was considered a reasonable compromise, although different opinions were expressed. Actually, many participants emphasised the existence of a link between duration and reference date : if twelve months was preferred, then it should run prior to the filing date, whereas six months was preferred if the priority date was used as reference.

- **Requirement for a notification by the applicant**

It was globally considered useful to require the applicants wishing to enjoy a grace period to notify this explicitly, with a corresponding mention appearing on the published applications and patents, especially since this would be beneficial to legal certainty. This notification should be made by the applicant either when filing the application, or later, but in any event early enough so that the invocation of the grace period could appear in the published application, even if its publication is accelerated. Some participants proposed that the deadline for claiming the benefit of a grace period be as close as possible to the publication date (e.g. 2 months before).

No immunity (i.e. no benefit of any grace period) should be available to those applicants who did not fulfil the notification requirement. Although this may fail to address the case of unconscious disclosures (of which inventors or applicants are not fully aware), it was considered necessary for legal certainty purposes. In addition, any other option would make the notification requirement ineffective.

Some participants pointed out that such a notification requirement could lead some inventor/applicant to invoke a grace period in all or most of the patent applications they would file, which would be detrimental to legal certainty. Measures should therefore be introduced in order to discourage such behaviours, such as accelerated publication (see below), disincentives such as a "grace period fee", or the requirement to explicitly identify the first prior disclosure (or all of them).

- **Requirement for identification of the prior disclosure(s)**

After much debate, a compromise was reached regarding which prior disclosures, if any, ought to be identified by the applicants claiming the benefit of the grace period. According to this compromise (with some dissenting opinions), all disclosures known to the inventor/applicant should be accurately identified. "Known disclosures" should cover all direct disclosures made by the inventor/applicant, as well as any indirect disclosure they may be aware of. In particular, the first prior disclosure made by the inventor/application should have to be identified ; its date will have a particular importance for legal certainty purposes (any disclosure before this date would be prior art without any doubt) and also in case the publication of the application has to be accelerated (in order to determine the correct publication date).

A consequence of such a requirement is that accidental disclosures of which the inventor/applicant may be unaware could not be graced ; however, properly addressing this concern would probably require suppressing even the notification requirement, which would clearly be detrimental to legal certainty. Moreover, disclosures of which inventors/applicants would be totally unaware should not be frequent.

Some participants however disagreed with the idea of requiring applicants to identify prior disclosures ; others proposed to identify specifically the date of the first disclosure.

- **Accelerated publication**

Where the benefit of a grace period is claimed for a specific application, this should lead to its earlier (accelerated) publication. This would constitute both a disincentive aimed at making the invocation of the grace period exceptional (although several participants did not see any disincentive effect here), and improve legal certainty. An acceptable solution would consist of publishing such applications about 18 months after the first prior disclosure. This, by the way, would obviously require that the date of the first prior disclosure be identified.

For practical reasons, however, this accelerated publication should not be required to take place before the end of the priority year, or even not earlier than one or two months after its end, so as to make it possible for patent Offices to observe this deadline even where they receive an application filed at the end of the priority year and claiming the benefit of the grace period for a disclosure made about 6 months before the priority date.

- **Grace period fee**

The possibility was discussed of associating a "disincentive" fee to the invocation of a grace period for a specific application. No agreement could be reached on this issue. Many participants pointed out that it was likely that the grace period, if any were to be introduced, would be used mainly by universities, most of which have scarce financial resources available for patenting purposes. It would be conceivable to set a lower fee for universities, but this complication does not appear desirable.

- **Burden of proof**

It was agreed that the burden of proof should rest on the applicants/inventors, which should themselves demonstrate that some prior disclosure(s) emanate(s) (possibly indirectly) from them or from their predecessors in right, in order for these disclosures to be excluded from the prior art with respect to a specific patent application.

- **Additional aspects**

It was agreed that the possible invocation of a grace period for a specific patent application or patent should not have any consequence as far as prior user rights[1], or intervening user rights[2], of third parties are concerned. Thus, the requirements which third parties have to fulfil to benefit from such rights should not be affected in any way by the fact that the concerned invention may be protected by a patent application, or patent, claiming the benefits of a grace period. This is especially important to mention since such rights are not harmonised at EU (or international) level. It should however be noted that prior disclosures may increase the risk for an inventor/applicant that prior user rights might arise and be enjoyed by third parties.

The impact of the possible introduction of a grace period on case law such as decision G 3/93[3] should be discussed. Some participants considered that this introduction could help overcome the

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[1] arising in some countries if a third party was already exploiting an invention in a confidential way, or preparing its exploitation, before a patent application was filed by a different applicant

[2] which may arise in some countries, for instance in cases where a patent application was filed but is deemed withdrawn, and third parties then start exploiting the invention, before the applicant's rights are eventually restored (restitutio in integrum, etc.)

[3] decision of the Enlarged Board of Appeal of the European Patent Office, stating that the priority right extends only to the strict contents of the priority application, with the consequence that intervening disclosures may be

adverse effects of this decision. Many participants stressed the potential interest of a publicly available register (as it exists in different European countries) mentioning the title and applicant of unpublished European patent applications shortly after they are filed, since this would increase the legal certainty.

It was briefly mentioned that a possible decision relating to the grace period at WIPO level (if any) could require changes not only in the European Patent Convention, and in the national laws of both EU member States and candidate countries, but also possibly in the future Community Patent Regulation (which contains provisions relating to prior user rights). If a grace period is introduced in international patent law, its applicability to utility models and possibly other to other categories of IPRs should also be discussed.

3. Summary

The main features of the specific grace period model discussed at the June 24th workshop were the following :

- applicability to any kind of patentability-detrimental information (written, oral, public use, …) disclosed directly or indirectly by the inventor/applicant
- duration : 6 months from the priority date
- mandatory requirement to explicitly claim the benefits of a grace period for a specific patent application (either at filing or in time for publication)
- mandatory requirement to explicitly identify all disclosures known to the inventor/applicant (including in any case the first one), the burden of proof lying on the inventor/applicant
- earlier (accelerated) publication, based on the date of the first disclosure
- prior user rights or intervening user rights of third parties should not be affected in any way by the fact that a patent (application) may claim the benefits of a grace period.

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opposed to the patentability of improvements possibly claimed in subsequent applications relying on the said priority application

Annex

Workshop relating to the "patenting vs. publishing dilemma" and the Grace Period issue

Brussels, June 24th, 2002

List of participants

(1) Mr Richard Abnett (The Chartered Institute of Patent Agents, London, GB)

(2) Mr Heinz Bardehle (AIPPI - International Association for the Protection of Intellectual Property / CNIPA – Committee of National Institutes of Patent Agents / "Bardehle, Pagenberg, Dost, Altenburg, Geissler, Isenbruck", Munich, DE)

(3) Mr Filip De Corte (EPI - European Patent Institute of the European Patent Organisation / Johnson & Johnson, Beerse, BE)

(4) Mr Lorenzo De Michieli (EARMA - European Association of Research Managers and Administrators / Italian Institute of the Physics of Matter, Genova, IT)

(5) Mr Alain Gallochat (French Research Ministry)

(6) Mrs Maya Glaser (German Research and Education Ministry)

(7) Mr Wim Hoogstraten (UNICE - Union of Industrial and Employers' Confederations of Europe / DSM N.V., NL)

(8) Mrs Inge Knudsen (European University Association)

(9) Mr Dieter Laudien (CEFIC - European Chemical Industry Council / EFPIA - European Federation of Pharmaceutical Industries and Associations / Böhringer Ingelheim, Mainz, DE)

(10) Mr Francis Leyder (FEMIPI – European Federation of Industrial Property Agents in Industry / Atofina Research, Seneffe, BE)

(11) Mr Frank Moeschler (UK Patent Office)

(12) Mrs Anne-Marie Prieels (European Association for Technology Transfer, Innovation and Industrial Information / Tech-Know Consultants, St Idesbald, BE)

(13) Mr Knud Raffnsoe (FICPI - Fédération Internationale des Conseils en Propriété Industrielle / Internationalt Patent-Bureau, Taastrup, DK)

(14) Dr. Helmut Schubert (Fraunhofer-Patentstelle für die Deutsche Forschung PST – Patent Center for German Research, Munich, DE)

(15) Mr Mark Scott (ALLEA – Association Of All European Academies)

(16) Prof. Dr. Joseph Straus (Managing DirectorMax-Planck-Institut for Intellectual Property, Competition and Tax Law ; Munich, DE)

(17) Mr Richard Tomlin (UNITE - Universities International Team of Experts / COS - Community of Science / Bluebell Research Ltd., GB)

(18) Mr Bruno Vandermeulen (LES Europe – Licensing Executive Society)

(19) Mr Albert Zeestraten (EIRMA – European Industrial Management Research Association / Shell International BV, The Hague, NL)

Observers :

(20) Mr Philippe Baechtold (World Intellectual Property Organisation, Geneva)

(21) Mrs Marie-Laure Bonnaffous (UNICE)

(22) Mr Louis-Nicolas Fortin (EFPIA)

(23) Mr Erwan Gicquel (EuropaBio)

(24) Mrs Nicole Maréchal (CEFIC)

(25) Mr David Sant (European Patent Office, Munich)

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RESEARCH DG : MM. Isi Saragossi, Waldemar Kütt, Denis Dambois

INTERNAL MARKET DG : Mr Anthony Howard

ENTERPRISE DG : Mr Luis Ferrao