



Substantive Patent Law Harmonisation

Introduction

In September 2020, the Industry Trilateral (IT3) submitted a paper entitled “Policy and Elements for a Possible Substantive Patent Harmonization Package” to the secretariat of the B+ group of WIPO nations (which was established to promote and facilitate progress on substantive patent law harmonisation (SPLH)). This paper marks the culmination of over six years of work by the IT3 to achieve agreement on the scope of four key elements of SPLH and paves the road for next steps and initiatives to be taken by governmental representatives sharing the same desire for progress and adaptation of the patent system.

History

The Industry Trilateral (IT3) was formed in 2003 as a basis for industry stake holders in the jurisdiction of the Trilateral Patent Offices (EPO, JPO, and USPTO) to jointly engage the Offices in a discussion of substantive and procedural issues involving intellectual property (IP). The IT3 includes the American Intellectual Property Law Association, the Intellectual Property Owners Association (a US organisation), BusinessEurope, and the Japan Intellectual Property Association. IP Federation/TMPDF representatives have been part of the BusinessEurope delegation since the formation of the IT3.

The advantages of SPLH for users of the patent system include potential cost reductions and a greater degree of certainty that patent offices around the world will provide equivalent protection for an invention when confronted with the corresponding claims and prior art. There has also been increasing pressure over the years, particularly from bilateral trade negotiations, concerning the introduction of one particular aspect of SPLH: a grace period.

The IT3 has integrated both the experience acquired from the existing diverse patent systems and the many dynamic changes coming up, as well as safeguards for legal certainty for an adequate balance between the interests of inventors and third parties in its proposal. The desired result of the IT3 work would be an agreement on a package that fairly balances the interests of all concerned entities, including large companies and SMEs, individual inventors and universities, in a patent system that fosters global innovation.

The IT3 recognised that patent laws will have to change in every jurisdiction, to some extent, in order to achieve a globally harmonised package. Such a big transformation can take place only if it is implemented simultaneously globally; a multilateral agreement should be concluded. Bilateral trade agreements that only consider one or two aspects of the SPLH package will not provide an adequate

balance, especially regarding safeguards to third parties, and are likely to leave major issues unresolved. A multilateral agreement that includes the four topics of grace period, so-called conflicting applications, prior user rights and 18 month publication of patent applications, and a definition of prior art is the best way forward and should be concluded rather than negotiating more bilateral agreements that will complicate true patent law harmonisation. The IP Federation strongly supports this multilateral approach.

The IT3 proposal

A summary of the major points contained in the IT3 submission is provided below. It is very detailed, but that reflects the degree of effort, care and precision which the IT3 members have invested in its development over a considerable period of time.

1. Definition of prior art

A fundamental principle for a disclosure to be considered as prior art in a first-to-file system is that the disclosure must be public, thereby making it available on an unrestricted basis. In this view, the prior art with respect to a claimed invention shall consist of all information which has been made available to the public anywhere in the world in any form, before the earlier of the filing or priority date of the claimed invention. There shall be no limitation on the criterion for a disclosure being prior art based on the medium, language or geographical location of the disclosure.

2. Conflicting applications

With a first-to-file policy, an earlier filed application may serve as a basis for the rejection of a later filed application. Where the earlier filed application is not published before the filing date of the later filed application, however, the earlier filed application does not strictly meet the standard definition of "prior art" against a later filed application. Where the claimed invention in the earlier and later applications is identical, the claims may be rejected for "double patenting". However, where there are incremental differences, a concept of minimal distance could be adopted:

For a claimed invention in a later application to be patentable, the distance between the claimed invention of the later application and the unpublished prior third-party application must be more than common general knowledge in the technical field.

Claims in a later application that are of a broader or narrower scope than what is supported by the disclosure of an earlier application of the same applicant that was not published at the filing date of the later application cannot be held unpatentable on the grounds of either novelty determinations or obviousness over the earlier application.

This is more pro-innovation than the current law in Europe in that it makes it easier to protect incremental inventions during the short period of time ending with publication of the first patent application and encourages filing over publication.

No two patents shall be issued with claims that are of identical scope.

PCT applications should be treated as prior art in all offices for which there is an active designation at the time of publication of the PCT application as of the earlier of the PCT filing date or priority date.

3. Grace period

A grace period would be acceptable to global industry only if it includes incentives for the norm to be “first to file”, and if it provides that rights of the public and investments by independent users of a published invention are safeguarded. The interests of users who derive knowledge of the invention from a pre-filing-disclosure (PFD) are balanced with the interests of the patent applicants, who are required to file a statement about the intent to claim a grace period for a PFD as early as possible, in the interest of legal certainty for third parties.

Disclosures of an invention that are substantially just a re-disclosure of the original publication should be graced in the same way as the original PFD.

To shorten the uncertainty period between publication of an invention and the publication of a patent application filed later, the 18-month period for publication of the patent application should start from the earliest public disclosure of the invention for which a statement has been filed. The statement should be published along with publication of the patent application and shall identify the PFD(s) to be graced, as well as indicate what each PFD was, when and where it occurred, and where the PFD can be accessed if available.

There shall be appropriate incentives to file such statement or a penalty if a statement is not filed. At present there is agreement that a statement may be filed after the publication and up to grant provided the failure to file the statement on time was unintentional. There is no agreement on whether a statement can be filed after grant.

There is no agreement as to whether the duration of the grace period should be 12 months or 6-months.

4. Safeguards for third parties

Proper safeguards should be ensured to protect the interests of third parties. To this end, (i) prior user rights (PURs) and (ii) defence of intervening users (DIUs, a new concept with effects similar to PURs, but for activities conducted after the priority year) should be available as defences in any infringement lawsuit provided that certain conditions are met.

Users of an invention derived in good faith should benefit from a prior user right where they can prove that they started and continued using the invention or made the necessary preparatory steps before the priority date of the patent application. The IT3 recognises that PURs should be governed by objective criteria being part of the treaty, to avoid that application of this concept is driven by case-law.

Another important element is the adoption of the so-called defence of intervening user (DIU). DIU shall provide a defence for third parties who, knowing about a third party patent or patent application, upon first consideration of the prior art status

of a PFD, reasonably relied on such PFD because it was not identified in a filed statement or no statement was filed. The period expires when a statement is eventually filed, up to grant of the patent.

It is hoped that the IT3 paper: "Policy and Elements for a Possible Substantive Patent Harmonization Package" can be published by the end of the year.

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