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TRADE MARKS PATENTS & DESIGNS FEDERATION (TMPDF)

PATENT LAW HARMONISATION (ref SPLT) - DRAFT REDUCED PACKAGE

TMPDF Comments, in particular on issues raised by UK Patent Office June 2006

Introduction

As we have previously pointed out (e.g., letter to UKPO Chief Executive dated 7 February 2006), TMPDF has in the past supported efforts to achieve global patent law harmonisation as being in the interests of its member companies. However, we do not accept that harmonisation should be pursued as an end in itself, regardless of impact on satisfactory laws in Europe and elsewhere. Harmonisation achieved as a result of a set of unsatisfactory compromises would be worse than no harmonisation. The existing harmonisation within Europe, which has been along lines that we favour and is internally consistent, has provided significant benefits and many other countries have adopted legislation along the lines of the European approach, e.g., Japan, China, India. If it is not possible to persuade the United States to set aside its own idiosyncratic approach (which nevertheless has its own consistencies), then so be it. In particular, we are strongly opposed to unsatisfactory compromises in the areas of conflicting unpublished applications and grace period.

Issues outlined by UKPO

First to file

We consider very strongly that in a treaty concerned with patent law harmonisation it should be made clear that the patent for an invention should be awarded to the first inventor, or his successor in title, to file a valid application. Such a provision appears to have been included in the United States Patent Law Reform Bill (HR) (USPLRB), although strong interests in the US argued that this should be changed to a "first to publish" arrangement. A first to publish system would be unacceptable.

Hilmer doctrine (Applications with foreign priority only have prior effect in US from US filing date)

It would be unacceptable for this to be permitted under an international treaty. We understand that the US has argued in trilateral discussions that Hilmer is not inconsistent with TRIPS and Paris. However, it should be made explicit in any substantive treaty that it is not acceptable

Conflicting applications

We consider that the present arrangements in Europe are the best way of dealing with the prior art effect of an earlier but unpublished application (i.e., novelty only). Including the prior application in the prior art for the purpose of establishing novelty should prevent the award of patents of virtually identical scope to different applicants. However, the fiction that the prior unpublished

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application is part of the prior art, when it could not have been known to the applicant, should not be maintained for the consideration of inventive step.

The UKPO document refers with apparent approval to the conclusions of the Banks Committee, which recommended that the whole content of the earlier unpublished application should be considered in relation to both novelty and obviousness. However, this conclusion was linked to others, such as maintenance of patents of addition, and should not be taken out of context. It and related conclusions were not in any event adopted in the 1977 Patents Act.

Our member companies report that, in general, little extra confusion results from the present regime in Europe, e.g., as a possible result of patent thickets where the various patents are in different ownership. When undertaking development work it is always necessary to study all prior art very carefully.

Anti-self collision

We do not consider that there should be an anti-self collision provision, to save applicants from anticipation by their own earlier application. It is unnecessary in a system where unpublished prior applications are only considered as regards novelty, and if included would encourage applicants to file confusingly similar multiple applications with various dates, which would be a serious nuisance to third parties. An anti self collision provision would certainly lead to more patent thickets where the various patents are in single ownership.

Enlarged novelty

We are opposed to the introduction of this concept (see our paper C83/05 of 24.5.05, submitted to UKPO). The arguments in favour are spurious. For an item of prior art to be novelty destroying, it should contain a clear disclosure of the claimed invention. It should not be permissible to enlarge the disclosure by combining it with so called common general knowledge or by replacing elements with "equivalents". As explained by Lord Hoffman in SmithKline Beecham plc's Paroxetine Methanesulphonate Patent ([2006]RPC10), enlarging the disclosure in this way is unacceptable, even though the reader must be assumed to apply his skill in the art to achieving enablement

Reduced inventive step

We are opposed to the use of unpublished prior applications in the consideration of inventive step, regardless of whether the inventive step is "full" or "reduced". An argument that an invention lacks an inventive step should not rely on an unpublished document.

Discretionary inventive step

We are opposed to this concept. Where the prior unpublished application has been filed by a different applicant, the comments above concerning conflicting applications apply; when filed by the same applicant, the comments concerning anti-self collision apply.

UKPO list of questions concerning conflicting applications

The questions have been answered in the comments above. No system that takes unpublished material into account in some way can be entirely fair to all parties, but we consider that the present system in Europe achieves the most reasonable balance.

Treatment of conflicting PCT applications

We agree that PCT applications should form part of the intermediate prior art from their filing/priority date (provided that they are subsequently published).

Abstracts

We do not agree that an abstract should be considered as part of the disclosure of an application. Current abstracts are often misleading and over-generalised; if they were to form part of the prior art, the incentive to make them more so would be even greater.

Grace Period

Our views on grace period have been given on a number of occasions, most recently in an annex to a letter to the Chief Executive dated 7 February 2006. We are **opposed** to the introduction of a grace period.

The Federation (together with wider EU industry) has been prepared to contemplate the introduction of a grace period only as a safety net of strictly limited use for those who mistakenly publish their inventions before applying for patents, to assist the United States in moving to "first inventor to file". However, it is clear from both national and international discussions and actions that there is no agreement that the grace period should serve only as a safety net. The safeguards that are needed to ensure strictly limited use, such as **alignment with EPC article 55, third party rights for use started in the grace period, declaration by the applicant of publications to be graced and burden of proof to be on the claimant when alleging derivation**, have received little support and either have not been included, even in square brackets, in the draft SPLT texts under consideration, or are under attack. Negotiations have been more concerned with making the grace period "safe" for routine use. It is clear from the positions of a number of negotiators that there is an expectation that rights in some form (e.g., to prohibit use and/or give an absolute right to the patent) would take effect from the graced publication ("first inventor to publish"). This is a development that we abhor.

The limited grace period that we could accept, **provided** the US adopts a first to file system, would be a **6 month** period ahead of the **filing** date (not the priority date). Any disclosure to be graced should be declared at the date of filing; the burden of proof that any particular earlier disclosure is entitled to be graced should fall on the applicant, rather than it being for others to prove that their similar earlier disclosure is not derived from the applicant.

We welcome the proposal to publish the application not later than 18 months after the disclosure (to reduce the uncertainty to the public), but this highly desirable feature would clearly be impossible if a six month grace period were followed by a 12 month priority period.

Prior user rights

Furthermore, **prior user rights** for those who make use of the invention after the grace date but before the filing date **must** be established, regardless of "good faith". It is unacceptable that prior user rights should be a matter for the applicable law of the state concerned [Article 9(4) alternative B]. **Leaving this issue to applicable law destroys the possibility of achieving an acceptable international grace period.**

Experimental use

We do not agree that there should be an unlimited period in addition to the grace period in which experimental use (in public) may occur

Secret commercial prior use

On this issue we support the Banks Committee, for the reasons *inter alia* that they gave, and do not agree that secret commercial use should affect patentability

Inventive Step

We support the relevant UK and EPC provisions - not obvious to person skilled in the art, having regard to the state of the (published) art - and agree that the portion of text in draft SPLT Article 12(3) reading "having regard to the differences and similarities between the claimed invention and the prior art" should be cancelled, for the reasons given in the UKPO paper.

Other matters (not raised in UKPO paper)

Prior Art (Art 8)

We support the present EPC standard, i.e., any information available to the public before the priority date, anywhere in the world, should be considered to be prior art. It should **not** be permissible to use the regulations to limit this concept [as is suggested in square brackets]. Draft rule 8 indicates that there must be a reasonable possibility that the information can be accessed by the public. This is unclear - does it mean for example that the information has to be suitably classified, or must respond to a suitable computer search program? And which "public" must be able to access the information? Is the relevant public intended to be that in the country where the application under consideration is filed, or anywhere in the world?

Publication

We agree that an article concerning publication [shown as 8(3) in the draft text] should be included in the reduced package.

11/9/06

NOTE: TMPDF represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. This paper represents the views of the innovative and influential companies which are members of this well-established trade association, see list of members below.

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