

Report on User Consultation Feedback on
Substantive Patent Law Harmonization

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Report on User Consultations on Substantive Patent Law Harmonization

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Executive Summary

At their last meeting, held October 4, 2012, the leaders of the Tegernsee Group Offices (patent offices of Denmark, France, Germany, Japan, the United Kingdom, and the United States, as well as the European Patent Office) mandated the development of a joint survey to be administered by each office to solicit stakeholder views on four areas of particular importance to substantive patent law harmonization: grace period; publication of applications; treatment of conflicting applications; and prior user rights. The results found within this report are based on responses submitted to the questionnaire administered by the United States Patent and Trademark Office (USPTO) as well as relevant input from the USPTO hosted Public Hearing on the International Harmonization of Substantive Patent Law held on March 21, 2013.

Grace Period

The majority of respondents agree that the grace period is an important and critical feature of patent law with approximately two-thirds of the respondents having relied on a grace period in the past. Though reliance on the grace period by U.S. based respondents is approximately 89 percent and 72 percent by respondents from other areas, only 18 percent of Europe-based respondents have relied on a grace period. The grace period seems to be valuable to those in the biotechnology and pharmaceutical industries, as about 91 percent of the respondents from those areas have relied on the grace period as compared to their counterparts in other industries, especially those in electronics and the chemical industry, where only 40 percent of respondents have relied on the grace period.

Over 84 percent of respondents feel that the grace period should be internationally harmonized. Moreover, most respondents feel that in particular, the duration, date from which the grace period is computed, and the scope of the grace period should be harmonized. Nearly two-thirds of respondents view 12 months as the appropriate length of a grace period as compared to about one-fourth of respondents who favor a 6-month grace period. Most respondents (64 percent) believe that the grace period should be computed from the filing date or, if applicable, the priority date. Less than one-third of respondents considered only the filing date as the date from

which the grace period should be computed. A majority of respondents also felt that formal requirements, or lack thereof, for invoking the grace period should be harmonized. Over two-thirds of respondents do not think that declarations or similar procedures should be mandatory for invoking the grace period. This is especially true for U.S.-based respondents, as only 19 percent were in favor of a mandatory procedure as compared to 62 percent of European respondents.

Publication of Applications

The majority of respondents agree that there should be no opt-out exception to 18-month publication of applications, as is the case in the United States, with that view being more strongly held by European respondents than others. Nevertheless, fewer than half of respondents indicated they had ever filed an opt-out request at the USPTO. Moreover, only 20 percent said they had ever experienced any negative effects as a result of another party opting out of publication, with the impact being felt by American respondents over all others by a 2:1 margin. In addition, about 80% of respondents agreed with the proposition that if a jurisdiction requires publication at 18 months, the competent authority should also be required to provide the applicant with search and/or examination results sufficiently in advance of publication to allow the applicant to decide whether or not to withdraw the application prior to publication.

While a majority agrees that there should be no opt-out exception, there is broad disagreement over the relative importance of harmonizing publication regimes. Two-thirds of U.S. respondents believe the U.S. publication system is already effectively aligned with other systems considering the low opt-out rate and USPTO strategic plans for reducing pendency. Only 13 percent believe harmonization of publication is “critical,” while 21 percent consider it to be “not important.” European respondents hold sharply contrasting views. The views on both sides may change if a grace period is part of the harmonization discussion along with publication, but the data are inconclusive as to what, exactly, the effect would be.

The majority of respondents also agree that 18 months is a reasonable period of secrecy from the standpoint of applicants, but this view changes considerably when viewed from the perspective of third parties. In that case, a slight majority of U.S. respondents still considers 18 months to be “reasonable,” but less than one-third of European respondents agree, with about two-thirds considering it to be “too long.” The divergent views depending on perspective may indicate that 18 months is, on balance, a reasonable middle ground.

Treatment of Conflicting Applications

Overall, responses indicate that conflicting applications are cited fairly irregularly during the prosecution of patent applications. This is true for both conflicting applications which are filed by another applicant or conflicting applications that were filed by the inventor themselves. Approximately 80 percent of respondents report citation of a conflicting application filed by another or filed by themselves in, at most, less than once per every one-hundred applications. Aside from individual inventors, these results seem to be consistent among all regions and affiliations.

About two-thirds of respondents reported that they have not faced a case of conflicting applications involving the same two patent families in different jurisdictions that apply different rules on conflicting applications. In cases where the respondent has faced a case of conflicting applications involving the same two patent families in different jurisdictions, the scope of protection granted was different in a majority of the cases; however, respondents cited both the rules on conflicting applications and other factors as the reason they believed there was such disparity.

Respondents generally felt that harmonization of the treatment of conflicting applications is “important,” as reflected by the response of slightly less than two-thirds of the respondents, but not necessarily “critical”. However, harmonization of the treatment of conflicting applications appears to be more important to individual inventors and those affiliated with university/research institutions given that they responded that harmonization is “critical” more frequently than the average respondent. Approximately half of the respondents believe that a harmonized conflicting applications regime should mirror the U.S.-based approach, that is, conflicting applications are relevant for the examination of novelty and inventive step/obviousness, but not where applications were filed by the same applicant (anti-self-collision applies).

Regarding the prior art effective date of the conflicting PCT application, a majority of respondents felt that it should be the international filing date or the priority date, if claimed, upon designation of the country or region in question and provided the application was published under the PCT.

Prior User Rights

It would appear that prior user rights are an issue on which parties are counseled with some degree of frequency, but that actual usage for settlement or litigation purposes is very low by comparison.

Opinions are somewhat divided as to the relative importance of harmonization of prior user right regimes. While substantial majorities of respondents from Europe and the United States each view harmonization as either “critical” or “important,” the percentage from Europe is much higher, while 26 percent of U.S. respondents believe the issue to be “not important.”

In terms of best practices, respondents expressed a wide spectrum of views, some of which are difficult to reconcile and may be the result of less-than-ideal question construction.

Opinions differ between European and American respondents over whether prior user rights should accrue when the claimant derived knowledge of the invention from the patentee, even if the derivation was in “good faith.” More than two-thirds of U.S. respondents believe the right should be unavailable in such situations, while less than half of European respondents hold that view.

On the issue of which activities should suffice to give rise to prior user rights, 85 percent of respondents from all regions believe that actual use should be sufficient and substantial majorities of U.S., and European respondents believe prior knowledge of the invention should not. Opinions on preparation for use fell between these extremes and are different by region. A slight majority of respondents from Europe and other jurisdictions favored rights accruing on the basis of preparation for use, while nearly two-thirds of U.S. respondents opposed it. The reliability of this data may be questionable, however, given the nature of the question, which allowed for multiple, potentially overlapping responses.

The question regarding the point in time relative to the application filing date from which prior user rights should be permitted to accrue raises similar concerns. While the data suggest that majorities of respondents from different regions believe the rights should be permitted to accrue at least prior to the filing or priority date, substantial majorities from each region, including from the United States, also believe the activity giving rise to the right should not be required to take place prior to the beginning of the grace period (if one is provided) or prior to any graced disclosure. While this is consistent with a response agreeing that the rights should accrue any time prior to the filing or priority date, it is both at odds with the U.S. prior user rights regime under the AIA and in apparent conflict with the responses received to the question about “good faith” derivation, which posed this very scenario. This result suggests the question was not formulated in a manner to elicit internally consistent responses.

Respondents, regardless of jurisdiction, also overwhelmingly favored having no exceptions to prior user rights. While data were provided suggesting that representatives of universities/research institutions held similar views, the sample size of such responses was insufficient to draw any particular conclusions in this regard.

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1 Introduction

At a meeting convened in Tegernsee, Germany, in July 2011, leaders and representatives from the patent offices of Denmark, France, Germany, Japan, the United Kingdom, and the United States, as well as from the European Patent Office (the “Tegernsee Group”) launched a new dialogue on the state of affairs concerning international harmonization of substantive patent law. Since that initial meeting, the Tegernsee Group has met several times to consider work done by patent experts from each office analyzing comparative aspects of each jurisdiction’s patent law and practice. Over the past year, the Group has focused its work on four issues of particular interest: grace period; publication of applications; treatment of conflicting applications; and prior user rights.

Most recently, on October 4, 2012, the leaders of the Tegernsee Group Offices met in Geneva, Switzerland to review the results of the studies on these four issues. In reviewing the studies and contemplating the future of international harmonization, it was agreed that the next step in the process would be to solicit stakeholder views. To this end, experts from the Tegernsee Group offices collaboratively developed a joint harmonization questionnaire to aid in the acquisition and analysis of stakeholder views across jurisdictions on the particular issues mentioned above. The Tegernsee Group Offices separately administered the joint questionnaire to their respective stakeholders. The results found within this report are based on responses submitted to the questionnaire administered by the United States Patent and Trademark Office (USPTO).

In addition, the USPTO hosted a Public Hearing on the International Harmonization of Substantive Patent on March 21, 2013. During this roundtable discussion, representatives from various stakeholder groups provided their opinions on the four issues mentioned above. Relevant comments from their testimony have been included, where appropriate, in each section of the report.

1.1 Respondent Data¹

Respondent affiliation and region of residence

A total of 289 stakeholders logged on to begin the questionnaire. Of those stakeholders who logged on, 281 answered the question regarding affiliation, while 247 of those who provided information on affiliation provided further information on region of residence. Table 1.1 provides a cross tabulation of respondent affiliation with region of respondent residence. Of the 247 stakeholders who answered the questions on affiliation and region of residence, 122 resided

¹ Please note that while this report highlights trends based on the responses to the questionnaire, many results cannot be considered statistically significant, given the sample size and, at times, the structure of the questions. Tables marked with an asterisk (*) indicate statistical significance.

in the United States (U.S.) (49 percent), 88 resided in Europe (36 percent), and 37 resided in some other region (15 percent). As far as affiliation is concerned, 69 were affiliated with corporations (28 percent), 59 were affiliated with law firms (24 percent), 46 were patent professionals (19 percent), 41 were individual inventors (17 percent), 19 were affiliated with universities or research institutes (8 percent), and the remaining 13 had some other affiliation (5 percent).

There is a strong correlation between affiliation and region of residence among the respondents to the questionnaire.² Europeans tend to be overrepresented among those with corporate and university/research institute affiliation and among individual inventors. Europeans comprise 36 percent of the total sample, but comprise 51 percent of the respondents with corporate affiliation, 47 percent of those with university/research institute affiliation, and 71 of the individual inventors. Likewise, U.S.-based respondents tend to be underrepresented in these three areas, but are greatly overrepresented among respondents with affiliation to law firms. Roughly half of all of the respondents come from the United States, while 95 percent of the respondents with affiliation to law firms do so. Those respondents from other regions tend to be overrepresented among patent professionals and those with university/research institute affiliation.

Table 1.1
Cross tabulation of respondent affiliation with region of respondent residence

	Region			Total
	Europe	Other	USA	
Affiliation*				
Corporation	35	8	26	69
%	50.7	11.6	37.7	100
University/Research Institute	9	6	4	19
%	47.4	31.6	21.1	100.0
Individual Inventor	29	3	9	41
%	70.7	7.3	22.0	100.0
Patent Professional	7	14	25	46
%	15.2	30.4	54.3	100.0
Law Firm	0	3	56	59
%	0.0	5.1	94.9	100.0
Other	8	3	2	13
%	61.5	23.1	15.4	100.0
Total	88	37	122	247
%	35.6	15.0	49.4	100.0

² Pearson Chi-square statistics were calculated to determine whether results were statistically significant. Where data is designated as statistically significant, the statistic was large enough to indicate that the differences in the data were statistically significant at the 1-percent level.

Respondent technology area and region of residence

Of those stakeholders who logged on, 171 answered the question regarding technology area, while 247 provided information on region of residence. Of these respondents, 150 provided information for both questions. Table 1.2 provides a cross tabulation of respondent technology with region of respondent residence. Of the 150 stakeholders who answered both questions, 70 resided in Europe (47 percent), 62 resided in the United States (41 percent), and 18 resided in some other region (12 percent). As far as technology area is concerned, 97 were in electronics, computers or communications (65 percent), 14 were in the biotech and pharmaceutical industries (9 percent), 9 were in the chemical industry (6 percent), 7 were in mechanics (5 percent), and the remaining 23 were in some other technology area (15 percent).

Table 1.2
Cross tabulation of respondent technology area with region of respondent residence

	Region			Total
	Europe	Other	USA	
Technology Area*				
Biotech/Pharma	1	2	11	14
%	7.1	14.3	78.6	100.0
Chemistry	2	1	6	9
%	22.2	11.1	66.7	100.0
Electronics/Computers/Communications	59	10	28	97
%	60.8	10.3	28.9	100.0
Mechanics	2	0	5	7
%	28.6	0.0	71.4	100.0
Other	6	5	12	23
%	26.1	21.7	52.2	100.0
Total	70	18	62	150
%	46.7	12.0	41.3	100.0

As in the case of affiliation, there is a strong correlation between the technology area and region of residence among the respondents. Europeans tend to be overrepresented in electronics, computers, and communications, and underrepresented in the other technology areas. The U.S.-based respondents are just the opposite – underrepresented in those areas where Europeans are overrepresented, and overrepresented in those areas where Europeans are underrepresented.

Implications for the results presented in the following sections

In the following sections of this report, we consider respondents' experiences with and attitudes toward the grace period, the publication of patent applications, the treatment of conflicting

applications, and prior user rights. In each case, we consider whether responses differ by either region of residence, affiliation, or technology area. The fact that region of residence is correlated with affiliation and technology area makes it more difficult to disentangle the effect of, say, affiliation on a respondent's attitude toward international harmonization from the effect of region. For instance, almost all of the respondents affiliated with law firms are from the United States. If these individuals, on average, have different attitudes from the rest of the respondents, it is difficult to say whether this is because they are affiliated with law firms or because they are from the United States. Breaking out responses by both region and affiliation might help in this case, but the number of responses to the questions would not provide adequate support for such an analysis.

2 Grace Period

2.1 General Introduction

The general rule in a first-to-file system is that information made available to the public before the filing date of a patent application constitutes prior art to that application. Thus, for instance, if an inventor were to publish details of the invention in a trade or academic journal before filing an application for it, that published disclosure of the invention would be novelty-defeating prior art against the later-filed application.

The “grace period” refers to a period of time prior to the filing date of the application within which certain disclosures of the invention will not impair the applicant’s ability to obtain a patent. Because such disclosures do not prejudice rights, they are sometimes also referred to as “non-prejudicial disclosures.”

There are many policy reasons advanced for providing a grace period. One is that it allows an inventor to avoid a harsh penalty—permanent loss of patent rights—for what may have been an accidental disclosure of the invention. Another is that it allows earlier dissemination of new technologies and research results than would otherwise be the case in a system without a grace period, where the public would have to wait until the application published. A third reason is that it allows applicants to test the market for the invention before filing or attract venture capital funding before undertaking the considerable expense of preparing and filing the application.

The main argument against a grace period is generally that it increases uncertainty on the part of third parties that see a disclosure of the invention, but will not know for some length of time whether that disclosure is the subject of a later-filed patent application.

The grace period is perhaps the single most important area of substantive patent law remaining to be harmonized following enactment of the American Invents Act (AIA). While the AIA maintains a 12-month grace period that has long been a feature of U.S. law, other jurisdictions, like Europe, either do not provide a grace period or, like Japan, provide one of more limited duration. This lack of harmonization may negatively affect U.S. innovators especially, by foreclosing foreign protection and thus diminishing overseas markets and business growth opportunities, even though U.S. patent rights would still be preserved.

There are a number of issues to study in consideration of harmonizing the grace period. These include: the scope of the grace period; the duration of the grace period; the date from which the grace period is counted; and formal requirements for invoking the grace period. The questionnaire posed questions related to these issues as well as user experiences concerning the grace period generally.

2.2 Brief Description of the Sample

Of the 289 individuals who started the questionnaire, 159 answered at least some of the questions regarding the grace period. Broken out by region of residence, 92 were from the United States, 41 were from Europe, and 26 were from other countries/regions. Broken out by respondent affiliation, 43 respondents were affiliated with universities or research institutions, 19 were individual inventors, 48 worked in law firms, 33 were patent professionals, and 5 classified themselves as affiliated with some other type of organization.

2.3 Results

2.3.A Use/Experience with the Grace Period

One benefit of the grace period is that it allows inventors that may not have a keen understanding of the patent system to preserve their rights even though they may have disclosed their invention before filing an application for the associated subject matter. To better appreciate the experience that the respondents have with the patent system, the questionnaire asked those affiliated with a business, university/research institution, or individual inventor to gauge their researchers' or employees' understanding of the patent system, including the grace period. As shown in Table 2.1, approximately 60 percent of the respondents that affiliated themselves with the organizations listed above had a basic idea of the patent system, but little to no understanding of the grace period, while about 14 percent had little to no knowledge of the patent system.

Table 2.1
Understanding of the Patent System

	Sufficient Knowledge	Basic Knowledge	Little Knowledge	Total
Region*				
Europe	12	14	5	31
%	38.7	45.2	16.1	100
Other	0	8	3	11
%	0.0	72.7	27.3	100
USA	7	21	2	30
%	23.3	70.0	6.7	100
Total	19	43	10	72
%	26.4	59.7	13.9	100

As mentioned earlier, sometimes research and/or product development results may be disclosed prior to filing a patent application. Results regarding the need to file a patent application after the disclosure of a research result are presented in Table 2.2. Roughly two-thirds of the respondents reported having such a need. However, response patterns differed significantly by region, with U.S.-based respondents reporting the need at a higher rate (85 percent) than their counterparts in either Europe (31 percent) or in other regions (65 percent). Response patterns also differed significantly by technology area. The percentage of respondents reporting the need

ranged from nearly 100 percent in the biotechnology/pharmaceutical industries to 45 percent in electronics, computers, and communications, which may be a result of the pressures to publish in the fields of biotechnology and pharmaceutical research (Table 2.3). Another possible cause of the difference between the technology areas is that, as discussed above, those respondents affiliated with the electronics, computer, and communications industry were typically from Europe, in which a grace period is not available, as compared to the biotechnology/pharmaceutical industries, in which respondents were mostly from the United States, where a grace period is available. When asked how the subsequent patent application was handled once a pre-filing disclosure was made, a majority of respondents took advantage of systems in which the applicant could rely on a grace period. However, nearly 10 percent of respondents gave up on patenting and decided to protect the invention as a trade secret. As shown in Table 2.4, response patterns differed significantly by region. For instance, European respondents were much more likely to have given up and treated the invention as a trade secret than U.S.-based respondents (38 percent versus 1 percent). At the same time, U.S.-based respondents were the most likely to file in an area with a grace period. This is probably explained by the fact that the U.S. has a grace period and U.S. respondents are accustomed to such a system.

Table 2.2
Have you ever felt the need to file patent application after disclosure?

	Yes	No	Not Applicable	Total
Region*				
Europe	17	23	14	54
%	31.48	42.59	25.93	100
Other	20	5	6	31
%	64.52	16.13	19.35	100
USA	90	8	8	106
%	84.91	7.55	7.55	100
Total	127	36	28	191
%	66.49	18.85	14.66	100

Table 2.3
Have you ever felt the need to file patent application after disclosure?

	Yes	No	Not Applicable	Total
Technology Area*				
Biotech/Pharma	12	0	0	12
%	100	0	0	100
Chemistry	3	5	0	8
%	37.5	62.5	0	100
Electronics/Computers/Communications	29	20	16	65
%	44.62	30.77	24.62	100
Mechanics	6	1	0	7
%	85.71	14.29	0	100
Other	13	3	3	19
%	68.42	15.79	15.79	100
Total	63	29	19	111
%	56.76	26.13	17.12	100

Table 2.4
How was the application, based on a pre-filing disclosure, handled?

	Filed anyway	Filed in areas with grace period	Gave up and treated as trade secret	Other	Total
Region*					
Europe	4	5	6	1	16
%	25	31.25	37.5	6.25	100
Other	2	13	4	1	20
%	10	65	20	5	100
USA	14	68	1	3	86
%	16.28	79.07	1.16	3.49	100
Total	20	86	11	5	122
%	16.39	70.49	9.02	4.1	100

As shown in Table 2.5, about two-thirds of the respondents have relied on a grace period. However, only 18 percent of the European respondents had done so as compared to 89 percent of the U.S. based respondents and 72 percent of the respondents from other areas. Likewise, the results suggest that those with law firm or university affiliation as well as patent professionals were much more likely to have relied on a grace period than individual inventors or those with corporate affiliation (Table 2.6). Finally, respondents in the biotechnology and pharmaceutical industries were more likely to have relied on a grace period (91 percent) than their counterparts in other industries, especially those in electronics and the chemical industry (40 percent) (Table 2.7).

Table 2.5
Past reliance on Grace Period

	Yes	No	Total
Region*			
Europe	9	40	49
%	18	82	100
Other	21	8	29
%	72	28	100
USA	91	11	102
%	89	11	100
Total	121	59	180
%	67	33	100

Table 2.6
Past reliance on Grace Period

	Yes	No	Total
Affiliation*			
Corporation	21	26	47
%	45	55	100
University/Research Institute	9	3	12
%	75	25	100
Individual Inventor	5	20	25
%	20	80	100
Patent Professional	34	4	38
%	89	11	100
Law Firm	52	1	53
%	98	2	100
Other	0	5	5
%	0	100	100
Total	121	59	180
%	67	33	100

Table 2.7
Past reliance on Grace Period

	Yes	No	Total
Technology Area*			
Biotech/Pharma	10	1	11
%	91	9	100
Chemistry	3	5	8
%	38	63	100
Electronics/Computers/Communications	24	36	60
%	40	60	100
Mechanics	5	2	7
%	71	29	100
Other	12	7	19
%	63	37	100
Total	54	51	105
%	51	49	100

Roughly half of the respondents reported that the unavailability of a grace period had been a factor in business and/or research decisions (see Table 2.8). Although it appears that the responses differ by region, these differences are not large enough, given the sample size, to be statistically significant. Likewise, the responses do not significantly differ by technology area. However, response patterns to this question do significantly differ by affiliation as shown in Table 2.9. For example, nearly 70 percent of the respondents from law firms reported that the unavailability of a grace period had been a factor, but only 25 percent of individual inventors and 40 percent of those with corporate affiliation did so. Over 90 percent of respondents were able to obtain a patent in one country, but not in another, because grace periods were not harmonized or not available in one country (Table 2.10). The importance of a grace period is highlighted when these results are considered against the backdrop of the results shown in Table 2.11, where nearly two-thirds of respondents stated that there have been specific instances where their or their clients' reliance on the grace period has directly led to or been a particular contributing factor in the success of their or their client's business and/or research activities.

Table 2.8
Unavailability of a grace period has been a factor in business/research decisions

	Yes	No	Total
Region			
Europe	14	23	37
%	37.84	62.16	100
Other	13	12	25
%	52	48	100
USA	49	36	85
%	57.65	42.35	100
Total	76	71	147
%	51.7	48.3	100

Table 2.9
Unavailability of a grace period has been a factor in business/research decisions

	Yes	No	Total
Affiliation*			
Corporation	15	23	38
%	39.47	60.53	100
University/Research Institute	7	4	11
%	63.64	36.36	100
Individual Inventor	5	15	20
%	25	75	100
Patent Professional	18	12	30
%	60	40	100
Law Firm	30	14	44
%	68.18	31.82	100
Other	1	3	4
%	25	75	100
Total	76	71	147
%	51.7	48.3	100

Table 2.10
Instances where patent was obtained in one country, but not another, because grace periods were not harmonized or not available in one country

		Yes	No	Total
Region				
	Europe	5	1	6
	%	83.3	16.7	100
	Other	17	2	19
	%	89.5	10.5	100
	USA	69	6	75
	%	92.0	8.0	100
	Total	91	9	100
	%	91	9	100

Table 2.11
Reliance on the grace period has directly led to or been a particular contributing factor in the success of business and/or research activities

		Yes	No	Total
Region				
	Europe	2	3	5
	%	40.0	60.0	100
	Other	10	8	18
	%	55.6	44.4	100
	USA	56	25	81
	%	69.1	30.9	100
	Total	68	36	104
	%	65.4	34.6	100

The results in Table 2.12 show that only one in five of all respondents reported that they had ever been negatively affected by another entity's reliance on a grace period. The response patterns for Europeans and U.S.-based respondents are very similar; however, only 4 percent of the respondents from other regions report having been negatively affected. Given the small sample size of those from "other" regions, a statistically significant difference cannot be claimed. Also, no significant difference in response patterns by technology area is found. However, the data suggests differences in response patterns by affiliation to be significant. This appears to be driven by the fact that one-third of respondents from law firms reported negative effects as opposed to roughly 11 percent of individual inventors and corporate respondents and none of the university respondents (Table 2.13).

Table 2.12
Reliance on the grace period by another has negatively affected business or research activities

		Yes	No	Total
Region				
	Europe	7	31	38
	%	18.42	81.58	100
	Other	1	23	24
	%	4.17	95.83	100
	USA	18	63	81
	%	22.22	77.78	100
	Total	26	117	143
	%	18.18	81.82	100

Table 2.13
Reliance on the grace period by another has negatively affected business or research activities

		Yes	No	Total
Affiliation*				
	Corporation	4	32	36
	%	11.11	88.89	100
	University/Research Institute	0	11	11
	%	0	100	100
	Individual Inventor	2	17	19
	%	10.53	89.47	100
	Patent Professional	6	24	30
	%	20	80	100
	Law Firm	14	29	43
	%	32.56	67.44	100
	Other	0	4	4
	%	0	100	100
	Total	26	117	143
	%	18.18	81.82	100

2.3.B Views

A major goal of the questionnaire was to elicit stakeholder views on the relative importance of harmonization of the grace period and what an ideal harmonized grace period would look like. Respondents were asked to provide feedback on a number of issues such as what is an appropriate duration of the grace period, from when should it be calculated, and whether formal procedures should be required to invoke the grace period.

Nearly four-fifths of respondents believe that the grace period is an important feature of patent law. Not surprisingly, opinions differed by region and affiliation. As shown in Table 2.14, more than 90 percent of U.S.-based respondents see the grace period as important compared to half of the European respondents. Also, more than 90 percent of the respondents from law firms agreed that the grace period is important as compared to 70 percent of the corporate and university-based respondents and roughly 60 percent of the individual inventors (Table 2.15). Although there appear to be differences in response patterns by technology area, the sample sizes are too small to find any statistically significant difference (Table 2.16).

Table 2.14
Is grace period an important feature of patent law?

	Yes	No	Total
Region*			
Europe	21	20	41
%	51.22	48.78	100
Other	21	5	26
%	80.77	19.23	100
USA	84	8	92
%	91.3	8.7	100
Total	126	33	159
%	79.25	20.75	100

Table 2.15
Is grace period an important feature of patent law?

	Yes	No	Total
Affiliation*			
Corporation	30	13	43
%	69.77	30.23	100
University/Research Institute	8	3	11
%	72.73	27.27	100
Individual Inventor	11	8	19
%	57.89	42.11	100
Patent Professional	29	4	33
%	87.88	12.12	100
Law Firm	44	4	48
%	91.67	8.33	100
Other	4	1	5
%	80	20	100
Total	126	33	159
%	79.25	20.75	100

Table 2.16
Is grace period an important feature of patent law?

	Yes	No	Total
Technology Area			
Biotech/Pharma	10	0	10
%	100	0	100
Chemistry	4	2	6
%	66.67	33.33	100
Electronics/Computers/Communications	35	18	53
%	66.04	33.96	100
Mechanics	5	1	6
%	83.33	16.67	100
Other	12	4	16
%	75	25	100
Total	66	25	91
%	72.53	27.47	100

Respondents were also asked if they were in favor of a grace period. Results were generally parallel to those discussed directly above on whether grace period is an important feature of patent law. As shown in Table 2.17, more than 90 percent of U.S.-based respondents are in favor of a grace period compared to a little more than half of the European respondents. Also, roughly 90 percent of the respondents from law firms are in favor of a grace period as compared to about two-thirds of respondents affiliated with corporate and individual inventors (Table 2.18). It should be recalled, however, that most of the respondents that affiliated themselves with law firms were from the United States. Although there appear to be differences in response patterns by technology area, the sample sizes are too small to find any statistically significant difference (Table 2.19).

Table 2.17
Are you in favor of a grace period?

	Yes	No	Total
Region*			
Europe	22	19	41
%	53.66	46.34	100
Other	20	6	26
%	76.92	23.08	100
USA	83	9	92
%	90.22	9.78	100
Total	125	34	159
%	78.62	21.38	100

Table 2.18
Are you in favor of a grace period?

	Yes	No	Total
Affiliation			
Corporation	29	14	43
%	67.44	32.56	100
University/Research Institute	9	2	11
%	81.82	18.18	100
Individual Inventor	12	7	19
%	63.16	36.84	100
Patent Professional	28	5	33
%	84.85	15.15	100
Law Firm	43	5	48
%	89.58	10.42	100
Other	4	1	5
%	80	20	100
Total	125	34	159
%	78.62	21.38	100

Table 2.19
Are you in favor of a grace period?

	Yes	No	Total
Technology Area			
Biotech/Pharma	10	0	10
%	100	0	100
Chemistry	4	2	6
%	66.67	33.33	100
Electronics/Computers/Communications	35	18	53
%	66.04	33.96	100
Mechanics	5	1	6
%	83.33	16.67	100
Other	13	3	16
%	81.25	18.75	100
Total	67	24	91
%	73.63	26.37	100

In addition, the questionnaire investigated whether prior reliance on a grace period is related to having a favorable view of grace periods. A cross tabulation of the answers to these questions, broken out by region of residence, is provided in Table 2.20. The results show that, among U.S. respondents, those who had previously relied on a grace period favored having some kind of grace period by a nearly 13-to-1 margin (76 favored the grace period, 6 did not). Those who had not relied on a grace period in the past still favored the grace period, but by a smaller margin. Similar results were found for respondents from “other” regions.

Table 2.20
Favoring a grace period by residence and past reliance on grace period

	Favor grace period								
	USA		Europe		Other		Total		
	Yes	No	Yes	No	Yes	No	Yes	No	
Relied on grace period									
Yes	76	6	2	2	16	3	94	11	
No	6	1	18	16	3	3	27	20	
Total	82	7	20	18	19	6	121	31	

A majority of respondents (about 75 percent) believe, among other things, that a grace period should protect inventors against consequences of breach of confidence and theft of information while also taking into account and balancing the goals of the patent system and the needs of the scientific community. Nearly 60 percent of respondents also believe that a grace period should protect the inventor who first disclosed his invention from re-disclosure of his invention in the interval between first disclosure and filing by third parties having derived knowledge of the invention from him. Most respondents also thought good reasons to implement a grace period include providing a user-friendly patent system for those that may not have extensive patenting experience, including small and medium enterprises and individual inventors (about 70 percent of respondents), and that a grace period allows early publication of research results, which not only addresses the needs of academics but advances the interests of the public by promoting earlier dissemination of new technical information (about 65 percent of respondents).

As shown in Table 2.21, a great majority of the respondents (84 percent) believe that the grace period should be internationally harmonized, including approximately 83 percent of European respondents. A cross tabulation of whether a respondent favored international harmonization of the grace period with whether he or she favored grace periods in general is presented in Table 2.22. Results were similar for respondents from the U.S. and other regions. Those respondents that favored grace periods but did not favor harmonization all reside in the United States. The typical reason given for their response is a fear that harmonization would mean a move to the European model in the United States.

Table 2.21
Should the grace period be internationally harmonized?

		Yes	No	No opinion	Total
Region					
	Europe	31	2	4	37
	%	83.78	5.41	10.81	100
	Other	23	1	1	25
	%	92	4	4	100
	USA	73	9	7	89
	%	82.02	10.11	7.87	100
	Total	127	12	12	151
	%	84.11	7.95	7.95	100

Table 2.22
Favoring international harmonization of the grace period as a function of favoring the grace period, in general

		Favor grace period							
		USA		Europe		Other		Total	
Favor harmonization		Yes	No	Yes	No	Yes	No	Yes	No
Yes		66	7	17	14	19	4	102	25
No		7	2	0	2	0	1	7	5
No Opinion		7	0	2	2	0	1	9	3
		80	9	19	18	19	6	118	33

In order to achieve a sufficient level of international harmonization, respondents felt most strongly that the duration, the date from which the term of the grace period is computed, and the scope of the grace period (e.g., disclosures emanating from the inventor/applicant only, disclosure resulting from breach of confidence, theft or misappropriation of information, third party disclosures based on independent invention, etc.) must be harmonized. A majority of respondents also supported harmonization of formal requirements or lack thereof and the mode of disclosure in measuring sufficient levels of international harmonization.

2.3.C Specific Issues

Over two-thirds of respondents do not think that declarations or similar procedures should be mandatory for invoking the grace period. Only 19 percent of the U.S.-based respondents were in favor of a mandatory procedure as compared to 62 percent of the European respondents (see Table 2.23). When broken out by affiliation or technology, See Tables 2.24 and 2.25, respectively, most affiliations and technology areas were not in favor of mandatory procedures for invoking a grace period. Respondents expressed concern that a declaration requirement would impose an additional burden on applicants and that failure to identify or misidentification

of a disclosure may result in the disclosure not being graced. However, those that were in favor of a mandatory procedure cited enhanced legal certainty for third parties and simplifying the work of patent offices as reasons to require a declaration or similar method.

Table 2.23
Should declarations or other procedures be mandatory for invoking a grace period?

	Yes	No	Total
Region*			
Europe	23	14	37
%	62.16	37.84	100
Other	9	15	24
%	37.5	62.5	100
USA	17	71	88
%	19.32	80.68	100
Total	49	100	149
%	32.89	67.11	100

Table 2.24
Should declarations or other procedures be mandatory for invoking a grace period?

	Yes	No	Total
Affiliation			
Corporation	15	23	38
%	39.47	60.53	100
University/Research Institute	3	7	10
%	30	70	100
Individual Inventor	8	10	18
%	44.44	55.56	100
Patent Professional	10	21	31
%	32.26	67.74	100
Law Firm	10	38	48
%	20.83	79.17	100
Other	3	1	4
%	75	25	100
Total	49	100	149
%	32.89	67.11	100

Table 2.25
Should declarations or other procedures be mandatory for invoking a grace period?

	Yes	No	Total
Technology Area			
Biotech/Pharma	1	8	9
%	11.11	88.89	100
Chemistry	2	3	5
%	40	60	100
Electronics/Computers/Communications	22	27	49
%	44.9	55.1	100
Mechanics	0	6	6
%	0	100	100
Other	5	10	15
%	33.33	66.67	100
Total	30	54	84
%	35.71	64.29	100

The duration of the grace period reflects a balance between affording a reasonable amount of time to the inventor/applicant to disclose the invention prior to filing the application on the one hand, and the interests of third parties in knowing within a reasonable period of time whether an application has been filed for an invention that has been revealed to the public on the other.

Currently, some systems provide a grace period of six months before filing, and other provide 12 months. Table 2.26 shows that approximately 66 percent of respondents view 12 months as the appropriate length of a grace period as compared to 23 percent in favor of a 6 month grace period. Nearly 88 percent of respondents affiliated with law firms or patent professionals were in favor of a 12 month grace period, while almost 60 percent of individual inventors favored a 6 month grace period (Table 2.27).

Table 2.26
Length of a grace period

	6 months	12 months	Other	Total
Region*				
Europe	20	8	9	37
%	54.1	21.6	24.3	100
Other	4	18	3	25
%	16.0	72.0	12.0	100
USA	11	74	4	89
%	12.4	83.1	4.5	100
Total	35	100	16	151
%	23.2	66.2	10.6	100

Table 2.27
Length of a grace period

	6 months	12 months	Other	Total
Affiliation*				
Corporation	12	19	10	41
%	29.3	46.3	24.4	100
University/Research Institute	3	7	0	10
%	30.0	70.0	0.0	100
Individual Inventor	10	4	3.0	17
%	58.8	23.5	17.6	100
Patent Professional	3	28	1	32
%	9.4	87.5	3.1	100
Law Firm	5	41	1	47
%	10.6	87.2	2.1	100
Other	2	1	1	4
%	50.0	25.0	25.0	100
Total	35	100	16	151
%	23.2	66.2	10.6	100

Regardless of the duration of the grace period, most respondents (64 percent) believe that the grace period should be computed from the filing date or, if applicable, the priority date. Less than one-third of respondents considered the filing date only as the date from which the grace period should be computed. U.S.-based respondents were much more likely to view the filing date or, if applicable, the priority date as the date from which the grace period should be computed, that is, nearly 80 percent of U.S.-based respondents compared to about 47 percent of European respondents answered this way (Table 2.28). Individual inventors were more likely to favor the filing date as the date from which the grace period should be computed (Table 2.29), while respondents from most technology areas favored computation from priority date (Table 2.30).

Table 2.28
Date from which the term of the grace period should be computed

	Filing date	Filing or priority date	Other	Total
Region*				
Europe	17	17	2	36
%	47.22	47.22	5.56	100
Other	14	10	1	25
%	56	40	4	100
USA	15	70	3	88
%	17.05	79.55	3.41	100
Total	46	97	6	149
%	30.87	65.1	4.03	100

Table 2.29
Date from which the term of the grace period should be computed

	Filing date	Filing or priority date	Other	Total
Affiliation*				
Corporation	16	21	2	39
%	41.03	53.85	5.13	100
University/Research Institute	3	7	0	10
%	30	70	0	100
Individual Inventor	10	5	2	17
%	58.82	29.41	11.76	100
Patent Professional	10	21	1	32
%	31.25	65.62	3.12	100
Law Firm	4	42	1	47
%	8.51	89.36	2.13	100
Other	3	1	0	4
%	75	25	0	100
Total	46	97	6	149
%	30.87	65.1	4.03	100

Table 2.30
Date from which the term of the grace period should be computed

Technology Area	Filing date	Filing or priority date	Other	Total
Biotech/Pharma	1	8	0	9
%	11.11	88.89	0	100
Chemistry	2	4	0	6
%	33.33	66.67	0	100
Electronics/Computers/Communications	20	23	3	46
%	43.48	50	6.52	100
Mechanics	2	4	0	6
%	33.33	66.67	0	100
Other	4	10	1	15
%	26.67	66.67	6.67	100
Total	29	49	4	82
%	35.37	59.76	4.88	100

Respondents were also asked whether or not the rules regarding the scope and availability of prior user rights during the grace period need to be harmonized. Here, no clear opinion surfaces as slightly less than 50 percent of respondents believe that the scope and availability of prior user rights during the grace period need to be harmonized, whereas slightly more than 50 percent did not (Table 2.31).

Table 2.31
Do the rules on scope and availability of prior user rights during grace period need harmonized?

Region*	Yes	No	Total
Europe	24	13	37
%	64.86	35.14	100
Other	15	10	25
%	60	40	100
USA	36	54	90
%	40	60	100
Total	75	77	152
%	49.34	50.66	100

2.4 Other Comments

During the USPTO-hosted public hearing on international harmonization of patent law, a number of stakeholders stated that the grace period is conceivably the most significant of the four issues to address and perhaps the most critical issue in need of harmonization. One user noted the need for a simple, consistent grace period that allows for equal treatment in all countries regardless of where a disclosure was made or the application was filed. Another user representing owners of intellectual property rights stated that their organization sees the objectives of the grace period as providing a safety net for inventors and applicants while being structured in a way to provide reasonable certainty. He further noted that situations arise where even their corporate members must rely on a grace period to obtain patent protection in the U.S., and that not having a corresponding grace period in foreign countries can cause significant losses of patent rights worldwide. In addition, the representative stated that the lack of a grace period in certain countries can be a serious limiting factor in the success of a start-up company or in connection with cutting edge research activities. A representative from the university community emphasized that a narrow grace period is disadvantageous to universities and their ability to play a catalytic role in driving economic growth by leveraging intellectual property assets.

Roundtable participants were asked what an international grace period should look like. Most users favored a harmonized grace period having a length of 12-months from the priority date, if priority is applicable. In addition, most users thought that mandatory requirements for invoking the grace period would impose an undue burden on applicants, increase costs, and created further pitfalls for mistakes and errors.

2.5 Conclusions

The majority of respondents agree that the grace period is an important and critical feature of patent law with approximately two-thirds of the respondents having relied on a grace period in the past. Though reliance on the grace period by U.S. based respondents is approximately 89 percent, and 72 percent by respondents from other areas, only 18 percent of Europe-based respondents have relied on a grace period which is most likely a result of the systems that the respondents are used to working in. The grace period seems to be valuable to those in the biotechnology and pharmaceutical industries, as about 91 percent of the respondents from those areas have relied on the grace period as compared to their counterparts in other industries, especially those in electronics and the chemical industry, where only 40 percent of respondents have relied on the grace period.

Over 84 percent of respondents feel that the grace period should be internationally harmonized. Moreover, most respondents feel that, in particular, the duration, date from which the grace period is computed, and the scope of the grace period should be harmonized. Nearly two-thirds of respondents view 12 months as the appropriate length of a grace period as compared to about one-fourth of respondents who favor a 6-month grace period. Most respondents (64 percent)

believe that the grace period should be computed from the filing date or, if applicable, the priority date. Less than one-third of respondents considered only the filing date as the date from which the grace period should be computed. A majority of respondents also felt that formal requirements, or lack thereof, for invoking the grace period should be harmonized. Over two-thirds of respondents do not think that declarations or similar procedures should be mandatory for invoking the grace period. This is especially true for U.S.-based respondents, as only 19 percent were in favor of a mandatory procedure as compared to 62 percent of European respondents.

3 Publication of Applications

3.1 General Information

The practice of publishing patent applications at 18 months from the earliest effective filing date (including any claimed priority) is a common fixture in many of the world's patent systems and represents a balance of interests between inventors and third parties including the public. There are many policy considerations that underlie this balance.

One such policy is to ensure that third party competitors have timely notice of new developments, so they can make informed decisions about, e.g., whether to continue pursuing a similar technology or designing around the subject matter disclosed in the application. This, in turn, promotes a more effective allocation of research investments and a corresponding reduction in costly and time consuming litigation.

Another policy is to allow the inventor sufficient time to decide whether to continue seeking patent protection or to withdraw the application and preserve the information as a possible trade secret. 18-month publication also increases the efficiency of allocating patent rights by enabling an early assessment of prior art with respect to conflicting applications.

However, 18-month publication is not without its consequences. If patent rights are not sorted out prior to publication, the availability of potentially lucrative information during the period of time between publication and when the patent is ultimately granted can provide competitors worldwide the opportunity to copy or design around technologies that are stuck in examination backlogs, though it should be noted that the availability of provisional rights may mitigate this concern to some degree. Similarly, if at least search results are not provided to the applicant prior to publication, the applicant may not be able to make a suitably informed decision whether they are likely to obtain a patent or should withdraw the application and hold the information as a trade secret.

The United States is currently the only system that allows certain applicants to opt out of publication at 18-months on condition that they have not and will not file a foreign counterpart application. Other jurisdictions require all applications to be published at 18 months from the filing or priority date.³ The questionnaire posed a number of questions related to this issue as well as user experiences concerning the publication of applications generally.

³ This does not include non-publication due to national security screening procedures, which is a common publication exception in most jurisdictions.

3.2 Brief Description of the Sample

Of the 289 total respondents to the questionnaire, 139 answered at least some of the questions regarding the publication of applications. Broken out by region of residence, 78 were from the U.S., 36 were from Europe, and 25 were from other countries/regions. Regarding respondent affiliation, 41 respondents were affiliated with law firms, 36 with corporations, 29 with patent professionals, 17 with individual inventors, 11 with universities or research institutes, and 5 classified themselves as affiliated with a different type of organization.

3.3 Results

3.3.A Use of/Experience with Publication of Applications and the Opt-Out Provision in the United States

As shown in Tables 3.1-3.3, fewer than half of the respondents indicated that they had taken advantage of the U.S. opt-out provision, and a majority of those that had were from the United States (Table 3.1). The results show that the most frequent users of the exception are those respondents affiliated with law firms and corporations (Table 3.2). A possible reason for this may be that, as discussed above, those respondents that affiliated themselves as individual inventors were in large part from Europe, while those respondents that affiliated themselves with law firms and corporations were in large part from the U.S., in which an opt-out system is available.

In terms of technology, “electronics/computers/communications” and “other” represented the areas that experienced the highest degree of use of the opt-out provision (Table 3.3). This could be explained in part by the fact that business methods, which frequently involve the use of a computer or other electronic device, are patentable subject matter in the United States, but may not be elsewhere, and the opt-out provision is available only for those applications filed in the United States with no foreign counterpart.

Table 3.1
Have you taken advantage of the U.S. opt-out provision?

	Yes	No	Total
Region*			
Europe	0	31	31
%	0	100	100
Other	5	18	23
%	21.74	78.26	100
USA	49	27	76
%	64.47	35.53	100
Total	54	76	130
%	41.54	58.46	100

Table 3.2
Have you taken advantage of the U.S. opt-out provision?

Affiliation*	Yes	No	Total
Corporation	10	23	33
%	30.3	69.7	100
University/Research Institute	2	8	10
%	20	80	100
Individual Inventor	0	15	15
%	0	100	100
Patent Professional	9	19	28
%	32.14	67.86	100
Law Firm	33	7	40
%	82.5	17.5	100
Other	0	4	4
%	0	100	100
Total	54	76	130
%	41.54	58.46	100

Table 3.3
Have you taken advantage of the U.S. opt-out provision?

Technology Area*	Yes	No	Total
Biotech/Pharma	0	8	8
%	0	100	100
Chemistry	3	3	6
%	50	50	100
Electronics/Computers/Communications	12	32	44
%	27.27	72.73	100
Mechanics	3	2	5
%	60	40	100
Other	7	4	11
%	63.64	36.36	100
Total	25	49	74
%	33.78	66.22	100

About three-quarters of respondents indicated that the reason they had opted out of publication was to prevent competitors from copying or designing around the invention, an issue that about 40 percent of respondents said they had experienced in other cases where the application published at 18 months. Slightly more than 25 percent of respondents claimed that the lack of an opt-out exception in a particular jurisdiction resulted in them considering trade secret protection for the innovation as an alternative to obtaining a patent.

Respondents were also asked whether they had been negatively affected as a result of another party opting out of publication. Only about 20 percent (25 out of 121) of respondents claimed to have been negatively affected, with the impact falling on U.S. respondents by a 2:1 margin (Tables 3.4, 3.5). Paralleling the results from the question on respondents' use of the opt-out provision as applicants, “electronics/computers/communications” and “other” represented the technology areas where respondents, as third parties, reported the highest incidence of negative experiences (Table 3.6).

Table 3.4**Have you been negatively affected as a result of another party opting out of publication?**

		Yes	No	Total
Region				
	Europe	4	24	28
	%	14.29	85.71	100
	Other	4	18	22
	%	18.18	81.82	100
	USA	17	54	71
	%	23.94	76.06	100
	Total	25	96	121
	%	20.66	79.34	100

Table 3.5**Have you been negatively affected as a result of another party opting out of publication?**

		Yes	No	Total
Affiliation				
	Corporation	5	24	29
	%	17.24	82.76	100
	University/Research Institute	2	8	10
	%	20	80	100
	Individual Inventor	2	14	16
	%	12.5	87.5	100
	Patent Professional	3	21	24
	%	12.5	87.5	100
	Law Firm	13	25	38
	%	34.21	65.79	100
	Other	0	4	4
	%	0	100	100
	Total	25	96	121
	%	20.66	79.34	100

Table 3.6
Have you been negatively affected as a result of another party opting out of publication?

	Yes	No	Total
Technology Area			
Biotech/Pharma	0	7	7
%	0	100	100
Chemistry	2	3	5
%	40	60	100
Electronics/Computers/Communications	7	35	42
%	16.67	83.33	100
Mechanics	3	2	5
%	60	40	100
Other	3	8	11
%	27.27	72.73	100
Total	15	55	70
%	21.43	78.57	100

3.3.B Views

When asked whether, as a general matter, all applications should be published at 18 months, the majority of respondents from all regions agreed they should, i.e., that applicants should not be permitted to opt out of publication (Table 3.7). The result was strongest for Europe, with 97 percent of respondents agreeing to across-the-board publication. American respondents were somewhat less likely to agree (78 percent), with respondents from other jurisdictions generally tracking the views of their American counterparts (83 percent). By affiliation, respondents, including individual inventors, also strongly agree that all applications should be published (83 percent; Table 3.8). However, it should be noted that a large majority of the respondents that consider themselves individual inventors are from Europe.

Table 3.7
Should all applications be published at 18 months?

	Yes	No	Total
Region*			
Europe	35	1	36
%	97.22	2.78	100
Other	20	4	24
%	83.33	16.67	100
USA	60	17	77
%	77.92	22.08	100
Total	115	22	137
%	83.94	16.06	100

Table 3.8
Should all applications be published at 18 months?

	Yes	No	Total
Affiliation			
Corporation	31	5	36
%	86.11	13.89	100
University/Research Institute	9	0	9
%	100	0	100
Individual Inventor	14	3	17
%	82.35	17.65	100
Patent Professional	28	2	30
%	93.33	6.67	100
Law Firm	29	12	41
%	70.73	29.27	100
Other	4	0	4
%	100	0	100
Total	115	22	137
%	83.94	16.06	100

On a related question, respondents were asked whether, if all applications are required to be published at 18 months, the competent authority should also be required to provide search and/or examination results to the applicant sufficiently in advance of publication. By similar margins (about 80 percent favorable; Tables 3.9-3.10), respondents from all regions and affiliations agreed, suggesting a strong correlation between user acceptance of mandatory publication and the precondition that the applicant be provided in advance with reliable information on patentability.

Table 3.9
If publication at 18 months is required, should that jurisdiction also make search and/or examination results available in advance of the 18 month date?

	Yes	No	Total
Region			
Europe	27	7	34
%	79.41	20.59	100
Other	17	7	24
%	70.83	29.17	100
USA	63	14	77
%	81.82	18.18	100
Total	107	28	135
%	79.26	20.74	100

Table 3.10
If publication at 18 months is required, should that jurisdiction also make search and/or examination results available in advance of the 18 month date?

	Yes	No	Total
Affiliation			
Corporation	31	4	35
%	88.57	11.43	100
University/Research Institute	7	3	10
%	70	30	100
Individual Inventor	11	5	16
%	68.75	31.25	100
Patent Professional	19	9	28
%	67.86	32.14	100
Law Firm	36	5	41
%	87.8	12.2	100
Other	3	2	5
%	60	40	100
Total	107	28	135
%	79.26	20.74	100

In terms of degree and importance of harmonization of publication regimes, there is consistent disagreement between American and European respondents. Two-thirds of U.S. respondents consider the U.S. publication system already aligned with other regimes, in view of the low opt-out rate and USPTO's strategic plan to reach 10-month first action pendency, while only about one-third of respondents from Europe and other jurisdictions hold that view (Table 3.11). European respondents were also more likely than American respondents to deem harmonization of publication regimes to be "critical" (41 percent to 13 percent), while considerably more U.S. respondents indicated that harmonization is "not important" (21 percent to 0 percent; Table 3.12).

Table 3.11
Is the US 18-month publication regime effectively aligned with regimes in other jurisdictions?

		Yes	No	Total
Region*				
	Europe	10	18	28
	%	35.71	64.29	100
	Other	7	15	22
	%	31.82	68.18	100
	USA	48	23	71
	%	67.61	32.39	100
	Total	65	56	121
	%	53.72	46.28	100

Table 3.12
How important is harmonization of publication regimes?

		Critical	Important	Not Important	Total
Region*					
	Europe	13	19	0	32
	%	40.62	59.38	0	100
	Other	9	12	3	24
	%	37.5	50	12.5	100
	USA	10	52	16	78
	%	12.82	66.67	20.51	100
	Total	32	83	19	134
	%	23.88	61.94	14.18	100

When asked if their answer regarding the importance of harmonization would change if a grace period were included along with publication of applications as issues to be considered for harmonization, 28 percent of respondents indicated they would change their answer from “not important” to “important” (Table 3.13). At the same time, 20 percent of respondents who thought harmonization of publication is “critical” and about 30 percent of respondents who considered harmonization to be “important, but not critical” would change their answer, though the data does not indicate what the new answers would be. While there is some suggestion that harmonization of publication becomes more important when a grace period is part of the discussion, the data is largely inconclusive.

Table 3.13
Would answer change if grace period is included in harmonization?

Answer Change?	Importance of Harmonization							
	Critical		Important		Not Important		Total	
	Number	%	Number	%	Number	%	Number	%
Yes	6	20%	23	29%	5	28%	34	27%
No	24	80%	57	71%	13	72%	94	73%
Total	30	100%	80	100%	18	100%	128	100%

3.3.C Specific Issues

Respondents were also asked for their views, from the perspective of both applicants and third parties, whether 18 months of secrecy prior to publication is too long, too short, or reasonable. The majority of respondents from all regions and affiliations believe that 18 months is reasonable from the standpoint of applicants, with U.S.-based respondents and those affiliated with universities or research institutions or responding as patent professionals being more likely to agree than others (Tables 3.14-3.15). Interestingly, U.S. respondents were also much less likely to view 18 months as “too long” compared to non-U.S. respondents (one in ten vs. one in three), while nearly half of individual inventors believe 18 months is “too long.” Respondents active in the “electronics/computers/communications” field were similarly more likely than others to view 18 months as “too long,” though this is likely a reflection of the fast-paced nature of those innovation markets (Table 3.16).

Table 3.14
From the standpoint of applicants, is 18 months reasonable?

Region*	Too Long	Too Short	Reasonable	Total
Europe	11	1	24	36
%	30.56	2.78	66.67	100
Other	8	1	16	25
%	32	4	64	100
USA	6	8	64	78
%	7.69	10.26	82.05	100
Total	25	10	104	139
%	17.99	7.19	74.82	100

Table 3.15
From the standpoint of applicants, is 18 months reasonable?

	Too Long	Too Short	Reasonable	Total
Affiliation*				
Corporation	11	3	22	36
%	30.56	8.33	61.11	100
University/Research Institute	2	0	9	11
%	18.18	0	81.82	100
Individual Inventor	8	0	9	17
%	47.06	0	52.94	100
Patent Professional	0	1	28	29
%	0	3.45	96.55	100
Law Firm	3	6	32	41
%	7.32	14.63	78.05	100
Other	1	0	4	5
%	20	0	80	100
Total	25	10	104	139
%	17.99	7.19	74.82	100

Table 3.16
From the standpoint of applicants, is 18 months reasonable?

	Too Long	Too Short	Reasonable	Total
Technology Area*				
Biotech/Pharma	0	1	7	8
%	0	12.5	87.5	100
Chemistry	2	0	4	6
%	33.33	0	66.67	100
Electronics/Computers/Communications	19	2	28	49
%	38.78	4.08	57.14	100
Mechanics	0	2	3	5
%	0	40	60	100
Other	2	0	10	12
%	16.67	0	83.33	100
Total	23	5	52	80
%	28.75	6.25	65	100

From the perspective of third parties, the number of respondents who consider 18 months “too long” increases substantially regardless of jurisdiction (Table 3.17). While the majority of U.S. respondents still consider 18 months to be “reasonable,” there is a noticeable shift among European respondents, with less than one-third considering 18 months to be “reasonable” compared with two-thirds who considered 18 months “reasonable” when viewed from the standpoint of applicants (compare Table 3.14 and Table 3.17). Similar trends can be observed in the responses broken down by affiliation and technology (Tables 3.18-3.19). While it is difficult to draw any definitive conclusions on the basis of this data, the divergence in views depending on the respondent’s perspective could indicate that overall, 18 months is a reasonable middle ground.

Table 3.17
From the standpoint of third parties, is 18 months reasonable?

	Too Long	Too Short	Reasonable	Total
Region*				
Europe	24	1	11	36
%	66.67	2.78	30.56	100
Other	11	2	12	25
%	44	8	48	100
USA	26	6	45	77
%	33.77	7.79	58.44	100
Total	61	9	68	138
%	44.2	6.52	49.28	100

Table 3.18
From the standpoint of third parties, is 18 months reasonable?

	Too Long	Too Short	Reasonable	Total
Affiliation*				
Corporation	19	1	16	36
%	52.78	2.78	44.44	100
University/Research Institute	2	0	8	10
%	20	0	80	100
Individual Inventor	13	0	4	17
%	76.47	0	23.53	100
Patent Professional	9	2	18	29
%	31.03	6.9	62.07	100
Law Firm	14	6	21	41
%	34.15	14.63	51.22	100
Other	4	0	1	5
%	80	0	20	100
Total	61	9	68	138
%	44.2	6.52	49.28	100

Table 3.19
From the standpoint of third parties, is 18 months reasonable?

	Too Long	Too Short	Reasonable	Total
Technology Area				
Biotech/Pharma	1	0	7	8
%	12.5	0	87.5	100
Chemistry	4	0	2	6
%	66.67	0	33.33	100
Electronics/Computers/Communications	29	4	16	49
%	59.18	8.16	32.65	100
Mechanics	2	0	3	5
%	40	0	60	100
Other	5	0	7	12
%	41.67	0	58.33	100
Total	41	4	35	80
%	51.25	5	43.75	100

3.4 Other Comments

During the public hearing on international harmonization of patent law, users were asked their views on the criticality of harmonization of the publication of applications, and what respects, if any, are most essential to harmonization. A number of users expressed their support for including this subject in harmonization discussions. Further, these users noted that it would be desirable to eliminate the ability to opt-out of an 18-month publication. One user noted that it is almost always in the inventor's strategic self-interest to have a patent application published.

3.5 Conclusions

The majority of respondents agree that there should be no opt-out exception to 18-month publication of applications, as is the case in the United States, with that view being more strongly held by European respondents than others. Nevertheless, fewer than half of respondents indicated they had ever filed an opt-out request at the USPTO. Moreover, only 20 percent said they had ever experienced any negative effects as a result of another party opting out of publication, with the impact being felt by American respondents over all others by a 2:1 margin. In addition, about 80% of respondents agreed with the proposition that if a jurisdiction requires publication at 18 months, the competent authority should also be required to provide the applicant with search and/or examination results sufficiently in advance of publication to allow the applicant to decide whether or not to withdraw the application prior to publication. This suggests a strong correlation between user acceptance of mandatory publication and the precondition that the applicant be provided in advance with reliable information on patentability.

While a majority agrees that there should be no opt-out exception, there is broad disagreement over the relative importance of harmonizing publication regimes. Two-thirds of U.S. respondents believe the U.S. publication system is already effectively aligned with other systems considering the low opt-out rate and USPTO strategic plans for reducing pendency. Only 13 percent believe harmonization of publication is “critical,” while 21 percent consider it to be “not important.” European respondents hold sharply contrasting views. The views on both sides may change if a grace period is part of the harmonization discussion along with publication, but the data are inconclusive as to what, exactly, the effect would be.

The majority of respondents also agree that 18 months is a reasonable period of secrecy from the standpoint of applicants, but this view changes considerably when viewed from the perspective of third parties. In that case, a slight majority of U.S. respondents still considers 18 months to be “reasonable,” but less than one-third of European respondents agree, with about two-thirds considering it to be “too long.” The divergent views depending on perspective may indicate that 18 months is, on balance, a reasonable middle ground.

4 Treatment of Conflicting Applications

4.1 General Information

An issue in all patent systems is how to deal with the situation where an application is filed before the filing or priority date of the application being examined and is published afterward, and the applications disclose common subject matter. Such applications are said to “conflict” because they disclose common subject matter, but because of their respective filing and publication dates, one is not prior art against the other. Absent some rule giving prior art effect to the earlier-filed application as of its filing or priority date (a rule creating what is known as “secret” prior art), it would thus be possible for two or more patents to be granted covering the same or similar subject matter.

On the other hand, if the applications in question were filed by the same applicant, such a rule could lead to “self-collision”—one of the applicant’s own applications being used to refuse another—unless a measure for avoiding self-collision (“anti-self collision”) was also provided.

The treatment of conflicting applications is different under the patent systems in Europe, the United States, and Japan. In Europe, under the European Patent Convention (EPC), as well as under the national law of the EPC Contracting States, “secret” prior art is relevant to the examination of novelty only, and anti-self-collision is not provided. In the United States, “secret” prior art, both pre- and post-AIA, is relevant to the examination of both novelty and inventive step, and anti-self collision is provided for. In Japan, “secret” prior art is relevant to the examination of novelty, which includes consideration of minor differences, but is not relevant for examination of inventive step, with anti-self collision applying.

It should be noted, however, that the AIA abolishes the *Hilmer* doctrine in the United States, which held that the prior art date for a conflicting application (so-called “102(e)-type” prior art) is limited to its earliest effective U.S. filing date; claims for foreign priority are not considered. This change aligns U.S. law with the law in Europe, Japan, and other jurisdictions.

There are other differences among the jurisdictions as to the conditions under which PCT international applications become “secret” prior art. In Japan and under the EPC, such applications become “secret” prior art as of the international filing date or the priority date, if claimed, only if they enter into the respective national/regional phase, which also entails that they have been translated into the prescribed language(s). In the United States, under the AIA, PCT applications will form “secret” prior art as of their international filing date or priority date, if claimed, merely upon designation of the United States in the international application.

There are a number of issues involved in the treatment of conflicting applications, but the key ones that emerge in terms of harmonization are: what treatment (novelty only, novelty + inventive step, “novelty-plus”) should be accorded the earlier-filed application, and what, if anything, should or needs to be done about self-collision. Users were asked their views on these issues as well as related experiences regarding application of conflicting application rules in different jurisdictions.

4.2 Brief Description of the Sample

Of the 289 individuals who answered at least one question, 126 answered at least some of the questions regarding the treatment of conflicting applications. Broken out by region of residence, 75 were from the U.S., 31 were from Europe, and 22 were from other countries/regions. Broken out by affiliation, 40 of the respondents had primary ties to law firms, 32 to business, 27 to patent professionals, 15 to individual inventors, 9 to universities or research institutes, and 3 cited some other affiliation.

4.3 Results

4.3.A Use/Experience with Treatment of Conflicting Applications

In order to determine the frequency with which conflicting applications arise during prosecution of patent applications, respondents were asked how often they or their clients have faced the citation of a conflicting application filed by another applicant in the region in which they conduct their main patenting activity and also how often respondents or their clients have faced the citation of a conflicting application filed by the same applicant (i.e., faced a self-collision situation). The data suggests a relatively low recorded incidence of conflicting applications.

As shown in Table 4.1, approximately 80 percent of respondents report citation of a conflicting application by another applicant at a frequency of less than once per every one-hundred applications, with 55 percent reporting even less frequently than once per every one-hundred applications. The distribution of results appears to be generally consistent across all respondent regions and affiliations except in the case of individual inventors (Tables 4.2 and 4.3). Respondents that consider themselves individual inventors seem to face citation of conflicting applications by another applicant far less than the rest of the respondents -- only 1 of the 15 respondents reported facing citation of a conflicting application by another in more than once per every one-hundred applications.

Table 4.1
How often have you faced the citation of a conflicting application filed by another applicant in the region where you conduct your main patenting activity?

	Less than 1 in 100	1 in 100	1 in 10	More than 1 in 10	Total
Region					
Europe	15	5	3	1	24
%	62.5	20.83	12.5	4.17	100
Other	11	6	3	0	20
%	55	30	15	0	100
USA	37	17	10	7	71
%	52.11	23.94	14.08	9.86	100
Total	63	28	16	8	115
%	54.78	24.35	13.91	6.96	100

Table 4.2
How often have you faced the citation of a conflicting application filed by another applicant in the region where you conduct your main patenting activity?

		Less than 1 in 100	1 in 100	1 in 10	More than 1 in 10	Total
Affiliation						
	Corporation	12	7	4	1	24
	%	50	29.17	16.67	4.17	100
	University/Research Institute	5	2	1	1	9
	%	55.56	22.22	11.11	11.11	100
	Individual Inventor	14	0	1	0	15
	%	93.33	0	6.67	0	100
	Patent Professional	12	8	6	0	26
	%	46.15	30.77	23.08	0	100
	Law Firm	19	11	4	6	40
	%	47.5	27.5	10	15	100
	Other	1	0	0	0	1
	%	100	0	0	0	100
	Total	63	28	16	8	115
	%	54.78	24.35	13.91	6.96	100

As shown in Tables 4.3-4.4, respondents provided similar responses when asked how many times they or their clients have been faced with the citation of a conflicting application filed by the same applicant in the region in which they conduct their main patenting activity (i.e., faced a “self-collision” situation). Approximately 80 percent of respondents report citation of a self-collision conflicting application in at most less than once per every one-hundred applications, with 50 percent reporting even less frequently than once per every one-hundred applications. The distribution of results appears to be generally consistent across all respondent regions and affiliations, except in the case of individual inventors (Tables 4.3, 4.4). Respondents that consider themselves individual inventors seem to face citation of self-collision conflicting applications far less than the rest of the respondents, that is, 100 percent of the individual inventors reported facing citation of such applications in less than once per every one-hundred applications.

Table 4.3

How often have you faced the citation of a conflicting application previously filed by you in the region where you conduct your main patenting activity?

		Less than 1 in 100	1 in 100	1 in 10	More than 1 in 10	Total
Region						
	Europe	16	5	2	1	24
	%	66.67	20.83	8.33	4.17	100
	Other	12	3	5	0	20
	%	60	15	25	0	100
	USA	29	26	12	2	69
	%	42.03	37.68	17.39	2.9	100
	Total	57	34	19	3	113
	%	50.44	30.09	16.81	2.65	100

Table 4.4

How often have you faced the citation of a conflicting application previously filed by you in the region where you conduct your main patenting activity?

		Less than 1 in 100	1 in 100	1 in 10	More than 1 in 10	Total
Affiliation						
	Corporation	11	8	4	1	24
	%	45.83	33.33	16.67	4.17	100
	University/Research Institute	4	2	3	0	9
	%	44.44	22.22	33.33	0	100
	Individual Inventor	15	0	0	0	15
	%	100	0	0	0	100
	Patent Professional	11	9	4	0	24
	%	45.83	37.5	16.67	0	100
	Law Firm	15	15	8	2	40
	%	37.5	37.5	20	5	100
	Other	1	0	0	0	1
	%	100	0	0	0	100
	Total	57	34	19	3	113
	%	50.44	30.09	16.81	2.65	100

Respondents were asked whether they or their clients have ever had a case of conflicting applications involving the same two patent families (one patent family being examined, the other being “secret” prior art) in different jurisdictions that apply different rules on conflicting applications. As shown in Table 4.5, about two-thirds of respondents reported that they have not, but the response between Europe-based respondents and U.S.-based respondents was slightly different, although this may be a result of the sample size. Eighty percent of Europe-based respondents have not had a case of conflicting applications involving the same two patent families in different jurisdictions, while only 65 percent of U.S.-based respondents reported the same. The number of representatives from university/research institutes and individual inventors and also those that work in the electronics/computers/communication area that have not had a case of conflicting applications involving the same two patent families in different jurisdictions is also higher than the average response rate, which is shown in Tables 4.6 and 4.7, respectively. Most respondents that have experienced differing rules on conflicting applications in different jurisdictions involving the same two patent families reported that the granted scope of protection varied. However, respondents cited both the rules on conflicting applications and other factors such as rules on novelty, grace period, or other differences in examination practice as the main reason that the granted scope of protection was dissimilar.

Table 4.5

Have you had a case of conflicting applications involving the same two patent families in different jurisdictions that apply different rules on conflicting applications?

		No	Yes, in 2 jurisdictions	Yes, in 3+ jurisdictions	Total
Region					
	Europe	20	4	1	25
	%	80	16	4	100
	Other	12	6	2	20
	%	60	30	10	100
	USA	44	19	5	68
	%	64.71	27.94	7.35	100
	Total	76	29	8	113
	%	67.26	25.66	7.08	100

Table 4.6
Have you had a case of conflicting applications involving the same two patent families in different jurisdictions that apply different rules on conflicting applications?

		No	Yes, in 2 jurisdictions	Yes, in 3+ jurisdictions	Total
Affiliation					
	Corporation	13	8	3	24
	%	54.17	33.33	12.5	100
	University/Research Institute	8	1	0	9
	%	88.89	11.11	0	100
	Individual Inventor	13	2	0	15
	%	86.67	13.33	0	100
	Patent Professional	14	7	4	25
	%	56	28	16	100
	Law Firm	27	11	1	39
	%	69.23	28.21	2.56	100
	Other	1	0	0	1
	%	100	0	0	100
	Total	76	29	8	113
	%	67.26	25.66	7.08	100

Table 4.7
Have you had a case of conflicting applications involving the same two patent families in different jurisdictions that apply different rules on conflicting applications?

		No	Yes, in 2 jurisdictions	Yes, in 3+ jurisdictions	Total
Technology Area*					
	Biotech/Pharma	1	3	1	5
	%	20	60	20	100
	Chemistry	4	1	1	6
	%	66.67	16.67	16.67	100
	Electronics/Computers/Communications	30	6	0	36
	%	83.33	16.67	0	100
	Mechanics	4	0	1	5
	%	80	0	20	100
	Other	4	7	0	11
	%	36.36	63.64	0	100
	Total	43	17	3	63
	%	68.25	26.98	4.76	100

Another area of interest related to conflicting applications is “patent thickets.” For purposes of this questionnaire, a “patent thicket” refers to a cluster of patents that may or may not be related or subject to common ownership and which have claims of overlapping scope. Over two-thirds of respondents reported that neither themselves nor their clients have ever experienced difficulties licensing a technology or have been subjected to multiple infringement claims for the same or similar subject matter that they believe to be directly attributable to the presence of a “patent thicket.” As presented in Tables 4.8 and 4.9, respondents from Europe and those affiliated with corporations and university/research institutes seem to experience difficulties that can be attributed to the presence of a patent thicket at a much lower rate when compared to the average. When the responses are further broken down by technology area, it is much more difficult to state any significant trends due to sample size. For information, results by technology area are provided in Table 4.10. When asked to theorize on the cause of the patent thicket in question, one-half (18 of 36) of the respondents believed that the patent thicket in question was caused by two or more patents owned by a single entity, one-third (12 of 36) of respondents believed that two or more patents owned by different entities may be the cause of the patent thicket, two-fifths (15 of 36) of respondents believed that the patent thicket may be caused by a combination of the above, and two respondents cited some other reason.

Table 4.8
Have you experienced difficulties in licensing or faced litigation that you believe to be directly attributable to the presence of a patent thicket?

		Yes	No	Total
Region				
	Europe	4	21	25
	%	16	84	100
	Other	9	12	21
	%	42.86	57.14	100
	USA	23	46	69
	%	33.33	66.67	100
	Total	36	79	115
	%	31.3	68.7	100

Table 4.9
Have you experienced difficulties in licensing or faced litigation that you believe to be directly attributable to the presence of a patent thicket?

	Yes	No	Total
Affiliation*			
Corporation	3	23	26
%	11.54	88.46	100
University/Research Institute	1	8	9
%	11.11	88.89	100
Individual Inventor	6	9	15
%	40	60	100
Patent Professional	8	16	24
%	33.33	66.67	100
Law Firm	16	23	39
%	41.03	58.97	100
Other	2	0	2
%	100	0	100
Total	36	79	115
%	31.3	68.7	100

Table 4.10
Have you experienced difficulties in licensing or faced litigation that you believe to be directly attributable to the presence of a patent thicket?

	Yes	No	Total
Technology Area			
Biotech/Pharma	1	5	6
%	16.67	83.33	100
Chemistry	4	2	6
%	66.67	33.33	100
Electronics/Computers/Communications	11	25	36
%	30.56	69.44	100
Mechanics	1	4	5
%	20	80	100
Other	4	7	11
%	36.36	63.64	100
Total	21	43	64
%	32.81	67.19	100

3.3.B Views

Respondents were asked how important they consider international harmonization of the treatment of conflicting applications to be. As shown in Table 4.11, over 63 percent of respondents felt that harmonization of the treatment of conflicting applications was “important”, but not “critical” (27 percent). Roughly 10 percent of respondents felt that harmonization of the treatment of conflicting applications was “not important.” Respondents affiliated with individual inventors and university/research institutions find harmonization of the treatment of conflicting applications to be more “critical” than the average respondent (Table 4.12).

Table 4.11

How important is international harmonization of the treatment of conflicting applications?

	Critical	Important	Not Important	Total
Region*				
Europe	13	16	0	29
%	44.83	55.17	0	100
Other	10	11	1	22
%	45.45	50	4.55	100
USA	11	53	11	75
%	14.67	70.67	14.67	100
Total	34	80	12	126
%	26.98	63.49	9.52	100

Table 4.12

How important is international harmonization of the treatment of conflicting applications?

	Critical	Important	Not Important	Total
Affiliation*				
Corporation	9	21	2	32
%	28.12	65.62	6.25	100
University/Research Institute	4	3	2	9
%	44.44	33.33	22.22	100
Individual Inventor	10	4	1	15
%	66.67	26.67	6.67	100
Patent Professional	5	20	2	27
%	18.52	74.07	7.41	100
Law Firm	5	30	5	40
%	12.5	75	12.5	100
Other	1	2	0	3
%	33.33	66.67	0	100
Total	34	80	12	126
%	26.98	63.49	9.52	100

3.3.C Specific Issues

Respondents were asked which of the approaches below strikes the best balance among competing interests involved in the treatment of conflicting applications:

1. Conflicting applications should be relevant for the examination of novelty only with no consideration of who filed the application (no anti-self-collision);
2. Conflicting applications should be relevant for the examination of novelty only, a concept encompassing minor differences, provided the inventions are "substantially the same" but not where applications were filed by the same applicant (anti-self-collision applies);
3. Conflicting applications should be relevant for the examination of novelty and inventive step/obviousness, but not where applications were filed by the same applicant (anti-self-collision applies); or
4. Other.

Roughly half of the respondents agreed that “option 3,” that is, conflicting applications should be relevant for the examination of novelty and inventive step/obviousness, but not where applications were filed by the same applicant (anti-self-collision applies), is the best approach when considering the competing interests involved in the treatment of confliction applications. As shown in Table 4.13, the results seem to differ slightly by region, as U.S.-based respondents were more likely to choose “option 3” (58 percent) than their European counterparts (42 percent), which is probably due to U.S.-based respondents being used to a system like “option 3.” The number of respondents from other regions is too small to make an assessment. The trends associated with respondent affiliation were generally consistent with those mentioned above (Table 4.14).

Table 4.13
Which approach strikes the best balance among competing interests involved in the treatment of conflicting applications?

	1	2	3	4	Total
Region					
Europe	8	7	13	3	31
%	25.81	22.58	41.94	9.68	100
Other	5	8	6	2	21
%	23.81	38.1	28.57	9.52	100
USA	12	14	41	4	71
%	16.9	19.72	57.75	5.63	100
Total	25	29	60	9	123
%	20.33	23.58	48.78	7.32	100

Table 4.14
Which approach strikes the best balance among competing interests involved in the treatment of conflicting applications?

	1	2	3	4	Total
Affiliation					
Corporation	7	6	16	3	32
%	21.88	18.75	50	9.38	100
University/Research Institute	4	1	4	0	9
%	44.44	11.11	44.44	0	100
Individual Inventor	2	4	6	3	15
%	13.33	26.67	40	20	100
Patent Professional	7	8	10	0	25
%	28	32	40	0	100
Law Firm	4	10	23	2	39
%	10.26	25.64	58.97	5.13	100
Other	1	0	1	1	3
%	33.33	0	33.33	33.33	100
Total	25	29	60	9	123
%	20.33	23.58	48.78	7.32	100

Finally, respondents were asked which of the approaches below constitutes an international best practice for conflicting applications filed under the PCT:

1. The prior art effective date of the conflicting PCT application should be the international filing date or the priority date, if claimed, only if the application enters the national/regional phase in the country/region in question. One consequence would be that PCT applications would only become “secret” prior art once they have been translated into the prescribed language(s), making examination easier; another would be to limit the prior art effect of such applications only to that necessary to prevent two or more patents from issuing on the same subject matter, i.e., to prevent double-patenting, since the PCT application cannot mature into a patent if it does not enter the national/regional phase;
2. The prior art effective date of the conflicting PCT application should be the international filing date or the priority date, if claimed, upon designation of the country or region in question and provided the application was published under the PCT. One consequence would be to enable a much earlier determination of the patentability of an invention contained in a subsequent application, another would be to allow the creation of an international pool of “secret” prior art applicable to all applications (PCT and national) worldwide; or
3. Other.

Overall, respondents chose the second approach approximately 2:1 over the first approach. European respondents tended to favor this approach more heavily than respondents either from the US or from other jurisdictions (see Table 4.15). As shown in Table 4.16, respondents affiliated with corporations, individual inventors, and patent professionals were more likely than the average to be in favor of “approach 2,” however, those affiliated with a law firm or university/research institute were less likely than the average to choose “approach 2” and instead, favored “approach 1.”

Table 4.15
For conflicting applications filed under the PCT, which option constitutes and international best practice?

	1	2	3	Total
Region				
Europe	7	19	0	26
%	26.92	73.08	0	100
Other	6	10	3	19
%	31.58	52.63	15.79	100
USA	22	38	5	65
%	33.85	58.46	7.69	100
Total	35	67	8	110
%	31.82	60.91	7.27	100

Table 4.16
For conflicting applications filed under the PCT, which option constitutes and international best practice?

	1	2	3	Total
Affiliation*				
Corporation	7	19	0	26
%	26.92	73.08	0	100
University/Research Institute	4	2	2	8
%	50	25	25	100
Individual Inventor	1	12	2	15
%	6.67	80	13.33	100
Patent Professional	8	15	0	23
%	34.78	65.22	0	100
Law Firm	15	17	4	36
%	41.67	47.22	11.11	100
Other	0	2	0	2
%	0	100	0	100
Total	35	67	8	110
%	31.82	60.91	7.27	100

4.4 Other Comments

During the USPTO-hosted public hearing on international harmonization of patent law, stakeholders were asked their opinions on the treatment of conflicting applications. Most users believed, given the number of varying approaches to treatment of conflicting applications, that the U.S. approach strikes the best balance among the competing interests: the conflicting application may be used during examination for determinations of both novelty and inventive step, except when the applications were filed by the same inventive entity, in which case anti-self-collision should apply. Users further explained that the anti-self-collision provision allows an applicant who comes in with a new invention to have the opportunity to modify his invention with variations and embodiments through subsequent applications. There was also a general sentiment among the participants in favor of continuing U.S. practice with regards to terminal disclaimers to avoid self-collision. Further, users were supportive of the notion that PCT applications should be secret prior art as of the international filing date or any claimed priority date upon publication, merely based on the designation of a particular country, and with no requirement that it have entered the national or regional phase.

4.5 Conclusions

Overall, responses indicate that conflicting applications are cited fairly irregularly during the prosecution of patent applications. This is true for both conflicting applications which are filed by another applicant and conflicting applications that were filed by the same applicant. Approximately 80 percent of respondents report citation of a conflicting application filed by another or filed by themselves in, at most, less than once per every one-hundred applications. Aside from individual inventors, these results seem to be consistent among all regions and affiliations.

About two-thirds of respondents reported that they have not faced a case of conflicting applications involving the same two patent families in different jurisdictions that apply different rules on conflicting applications. In cases where the respondent has faced a case of conflicting applications involving the same two patent families in different jurisdictions, the scope of protection granted was different in a majority of the cases; however, respondents cited both the rules on conflicting applications and other factors as the reason they believed there was such disparity.

Respondents generally felt that harmonization of the treatment of conflicting applications is “important,” as reflected by the response of slightly less than two-thirds of the respondents, but not necessarily “critical”. However, harmonization of the treatment of conflicting applications appears to be more important to individual inventors and those affiliated with university/research institutions given that they responded that harmonization is “critical” more frequently than the average respondent. Approximately half of the respondents believe that a harmonized conflicting applications regime should mirror the U.S.-based approach, that is, conflicting applications are relevant for the examination of novelty and inventive step/obviousness, but not where applications were filed by the same applicant (anti-self-collision applies).

Regarding the prior art effective date of the conflicting PCT application, a majority of respondents felt that it should be the international filing date or the priority date, if claimed, upon designation of the country or region in question and provided the application was published under the PCT.

5 Prior User Rights

5.1 General Information

A prior user right generally refers to a limited defense to infringement for a party that had been using an invention that was later patented by another. The prior user right represents a balance of interests between the prior user on the one hand, who may have made a decision not to seek a patent on the invention—for instance, to keep the invention as a trade secret—and the patentee and the public on the other, in terms of rewarding the patentee for disclosing the subject matter to the public.

The prior user rights regime under the AIA has a number of features in common with prior user rights regimes in other countries. For instance, the right applies to patents covering all patentable subject matter (not just business methods); it is limited geographically to prior uses in the United States; it requires that the prior user have acted in good faith; and it contains restrictions on the transfer of the right consistent with those in other jurisdictions.

In the context of further harmonization, there appear to be three main issues. First, is the question of what kind of prior activities should give rise to the right? Under the AIA, actual use of the subject matter is required; in other jurisdictions, substantial preparations to use the invention may suffice. Second, from what point in time is prior use considered? Under the AIA, the prior use must have taken place at least one year before the earlier of the effective filing date of the application or any qualifying grace period disclosure. Elsewhere, the prior use must generally take place any time prior to the filing date. Third, should exceptions to prior user rights be provided with respect to certain patents? The AIA provides an exception for patents owned by universities, however, in other countries there are no exceptions.

An overarching question to consider is whether there is a need to harmonize prior user rights at all. On the one hand, this is a post-grant enforcement matter and not an issue involved in determining patentability in the first instance. Prior user rights are also, as a general matter, territorially limited as previously mentioned. On the other hand, some argue that harmonization of at least certain aspects of prior user rights is necessary to ensure that an international grace period is limited to serving a “safety net” function—meaning that the patentee should bear the risk that any pre-filing disclosure may result in a third party obtaining a right of prior use based on that disclosure. Users were asked their views on these issues as well as prior user rights generally.

5.2 Brief Description of the Sample

Of the 289 individuals who answered at least one question, 121 answered at least one of the questions regarding the prior user rights. Of these 121 respondents, 67 were from the U.S., 31 were from Europe, and 23 were from other jurisdictions. As far as affiliation is concerned, 34 of the respondents were from businesses, 34 worked in law firms, 27 were patent professionals, 15 were individual inventors, 7 were affiliated with universities or research institutes, and 4 had some other affiliation.

5.3 Results

5.3.A Use/Experience with Prior User Rights

77 respondents provided answers to a series of questions concerning the frequency of their experience with prior user rights, either as a party to whom the right might be applicable or as a party against whom the right might be asserted by another. While 77 individuals responded to the questions, in many instances the individual response was “0,” or only a few such experiences were identified. Thus, the numbers summarized below are almost entirely concentrated among a very small percentage of individual respondents.

- Respondents claimed to have counseled or been counseled regarding the availability of prior user rights 1,277 times.
- However, respondents reported asserting such rights in litigation just 45 times and had prior user rights asserted against them in litigation only 26 times.
- There were 106 reported instances of respondents asserting prior user rights to avoid litigation or infringement proceedings, including settlement or licensing negotiations, but only 64 instances of prior user rights being asserted by another in the same situations.

Respondents were also asked which national laws and technology areas were involved in the above situations. Interestingly, especially considering the limited reach of 35 U.S.C. § 273 prior to enactment of the America Invents Act (AIA) and the relatively short time the defense was available (about 13 years), 34 of the 49 responses received to the question about national laws identified the United States. Australia was the next most cited country with 5, and Europe was only mentioned twice. The responses to the question about technology areas did not yield useful data.

The fairly low response rate to these questions, coupled with the fact that the number of identified experiences is not widely distributed, places significant limitations on the usefulness of this data in identifying any particular trends or reaching any particular conclusions. About the most that can be said is that the limited data suggest, as a general matter, that prior user rights are an issue on which parties are counseled with some degree of frequency, but that actual usage, either in terms of settlement negotiations or litigation, is very low by comparison.

5.3.B Views

On the question of how important harmonization of prior user rights is considered to be, U.S. respondents were less likely to consider harmonization to be “critical” or “important” than respondents from other jurisdictions. Over 90 percent of non-U.S. respondents believe harmonization of prior user rights to be “critical” or “important” compared with just 74 percent of U.S. respondents, 26 percent of whom view the issue as “not important” (Table 5.1). Most respondents by affiliation (about 81 percent) viewed harmonization as “critical” or important, with representatives of law firms being an outlier in that nearly half of those respondents deemed harmonization to be “not important” (Table 5.2). This is an interesting result considering outside counsel would generally be expected to be among those primarily involved in advising on the availability of prior user rights in the situations described in Section 5.3.A above. Similarly, respondents by technology area overwhelmingly viewed harmonization as “critical” or “important” with “electronics/computers/communications” representing the largest concentration of responses (Table 5.3).

Table 5.1
Is harmonization of prior user rights important?

		Critical	Important	Not important	Total
Region*					
	Europe	17	9	2	28
	%	60.71	32.14	7.14	100
	Other	11	10	2	23
	%	47.83	43.48	8.7	100
	USA	13	38	18	69
	%	18.84	55.07	26.09	100
	Total	41	57	22	120
	%	34.17	47.5	18.33	100

Table 5.2
Is harmonization of prior user rights important?

	Critical	Important	Not important	Total
Affiliation*				
Corporation	17	14	1	32
%	53.12	43.75	3.12	100
University/Research Institute	4	2	1	7
%	57.14	28.57	14.29	100
Individual Inventor	10	5	0	15
%	66.67	33.33	0	100
Patent Professional	5	18	4	27
%	18.52	66.67	14.81	100
Law Firm	2	18	15	35
%	5.71	51.43	42.86	100
Other	3	0	1	4
%	75	0	25	100
Total	41	57	22	120
%	34.17	47.5	18.33	100

Table 5.3
Is harmonization of prior user rights important?

	Critical	Important	Not important	Total
Technology Area				
Biotech/Pharma	0	6	0	6
%	0	100	0	100
Chemistry	1	4	1	6
%	16.67	66.67	16.67	100
Electronics/Computers/Communications	25	14	2	41
%	60.98	34.15	4.88	100
Mechanics	2	3	0	5
%	40	60	0	100
Other	6	4	1	11
%	54.55	36.36	9.09	100
Total	34	31	4	69
%	49.28	44.93	5.8	100

5.3.C Specific Issues

The questionnaire explored user views on four particular aspects of prior user rights: the element of “good faith” acquisition of the right; the activities by the claimant to the right that should give rise to the right; the point in time relative to the filing of the application from which prior user rights should be permitted to accrue; and whether exceptions to prior user rights should be provided.

On the question of “good faith,” more than two-thirds of U.S. respondents believe that prior user rights should be unavailable if the claimant derived knowledge of the invention from the patentee, even if the knowledge was acquired in “good faith” (Table 5.4). By contrast, only about 45 percent of respondents from Europe and other jurisdictions hold this view. Opinions are a bit more evenly divided on the basis of affiliation, with a slight majority favoring denial of the right (Table 5.5). Here again, responses from law firm representatives depart from the general trend (over two-thirds in favor of denying the right). Responses on the basis of technology area are also roughly evenly divided with a slight majority favoring unavailability of prior user rights (Table 5.6).

Table 5.4

Should prior user rights be unavailable if the claimant derived knowledge of the invention from the patentee, even if the knowledge was acquired in “good faith?”

	Yes	No	Total
Region*			
Europe	14	16	30
%	46.67	53.33	100
Other	10	12	22
%	45.45	54.55	100
USA	46	21	67
%	68.66	31.34	100
Total	70	49	119
%	58.82	41.18	100

Table 5.5
Should prior user rights be unavailable if the claimant derived knowledge of the invention from the patentee, even if the knowledge was acquired in “good faith?”

		Yes	No	Total
Affiliation				
	Corporation	21	13	34
	%	61.76	38.24	100
	University/Research Institute	3	4	7
	%	42.86	57.14	100
	Individual Inventor	7	8	15
	%	46.67	53.33	100
	Patent Professional	15	12	27
	%	55.56	44.44	100
	Law Firm	24	10	34
	%	70.59	29.41	100
	Other	0	2	2
	%	0	100	100
	Total	70	49	119
	%	58.82	41.18	100

Table 5.6
Should prior user rights be unavailable if the claimant derived knowledge of the invention from the patentee, even if the knowledge was acquired in “good faith?”

		Yes	No	Total
Technology Area				
	Biotech/Pharma	4	1	5
	%	80	20	100
	Chemistry	3	3	6
	%	50	50	100
	Electronics/Computers/Communications	23	19	42
	%	54.76	45.24	100
	Mechanics	4	1	5
	%	80	20	100
	Other	7	4	11
	%	63.64	36.36	100
	Total	41	28	69
	%	59.42	40.58	100

When asked which activities—preparations for use, actual use, or prior knowledge of the invention—should minimally suffice to give rise to the right, fewer than 30 percent of all respondents and the same percentage of European respondents agreed that prior knowledge is sufficient (Table 5.7). The number for U.S. respondents was even lower—fewer than 20 percent—with opinions from respondents in other jurisdictions nearly evenly divided. By contrast, the overwhelming majority of respondents (85 percent) believe that actual use should minimally suffice (Table 5.8). Opinions as to preparations for use fell between these extremes and differed on the basis of region. A slight majority of respondents from Europe and other jurisdictions were in favor of rights accruing on the basis of preparations for use, while nearly two-thirds of U.S. respondents were opposed (Table 5.9). Responses broken down by affiliation track these results on the same issues, though it should be pointed out that law firms, patent professionals, and corporations represent the majority of responses in the sample, and that universities/research institutions are relatively under-represented (Tables 5.10-5.12). Responses according to technology area exhibit similar trends (Tables 5.13-5.15).

It should be noted, however, that the reliability of the response data may be affected by the overlapping nature of the possible responses to the question, as well as the possibility to select more than one answer (e.g., a respondent could have assumed that actual use would subsume preparations to use or vice-versa and so have answered one and not the other).

Table 5.7
Is preparation to use the invention sufficient to give rise to prior user rights?

		Yes	No	Total
Region				
	Europe	16	14	30
	%	53.33	46.67	100
	Other	12	11	23
	%	52.17	47.83	100
	USA	25	42	67
	%	37.31	62.69	100
	Total	53	67	120
	%	44.17	55.83	100

Table 5.8
Is actual use of the invention sufficient to give rise to prior user rights?

		Yes	No	Total
Region				
	Europe	25	5	30
	%	83.33	16.67	100
	Other	18	5	23
	%	78.26	21.74	100
	USA	59	8	67
	%	88.06	11.94	100
	Total	102	18	120
	%	85	15	100

Table 5.9
Is prior knowledge of the invention sufficient to give rise to prior user rights?

		Yes	No	Total
Region*				
	Europe	8	22	30
	%	26.67	73.33	100
	Other	12	11	23
	%	52.17	47.83	100
	USA	12	55	67
	%	17.91	82.09	100
	Total	32	88	120
	%	26.67	73.33	100

Table 5.10
Is preparation to use the invention sufficient to give rise to prior user rights?

Affiliation		Yes	No	Total
Corporation		17	17	34
	%	50	50	100
University/Research Institute		3	4	7
	%	42.86	57.14	100
Individual Inventor		8	7	15
	%	53.33	46.67	100
Patent Professional		9	18	27
	%	33.33	66.67	100
Law Firm		13	21	34
	%	38.24	61.76	100
Other		3	0	3
	%	100	0	100
Total		53	67	120
	%	44.17	55.83	100

Table 5.11
Is actual use of the invention sufficient to give rise to prior user rights?

Affiliation		Yes	No	Total
Corporation		29	5	34
	%	85.29	14.71	100
University/Research Institute		7	0	7
	%	100	0	100
Individual Inventor		13	2	15
	%	86.67	13.33	100
Patent Professional		23	4	27
	%	85.19	14.81	100
Law Firm		28	6	34
	%	82.35	17.65	100
Other		2	1	3
	%	66.67	33.33	100
Total		102	18	120
	%	85	15	100

Table 5.12
Is prior knowledge of the invention sufficient to give rise to prior user rights?

	Yes	No	Total
Affiliation*			
Corporation	11	23	34
%	32.35	67.65	100
University/Research Institute	2	5	7
%	28.57	71.43	100
Individual Inventor	6	9	15
%	40	60	100
Patent Professional	4	23	27
%	14.81	85.19	100
Law Firm	6	28	34
%	17.65	82.35	100
Other	3	0	3
%	100	0	100
Total	32	88	120
%	26.67	73.33	100

Table 5.13
Is preparation to use the invention sufficient to give rise to prior user rights?

	Yes	No	Total
Technology Area			
Biotech/Pharma	2	3	5
%	40	60	100
Chemistry	3	3	6
%	50	50	100
Electronics/Computers/Communications	19	23	42
%	45.24	54.76	100
Mechanics	0	5	5
%	0	100	100
Other	6	5	11
%	54.55	45.45	100
Total	30	39	69
%	43.48	56.52	100

Table 5.14
Is actual use of the invention sufficient to give rise to prior user rights?

Technology Area		Yes	No	Total
	Biotech/Pharma	3	2	5
	%	60	40	100
	Chemistry	4	2	6
	%	66.67	33.33	100
	Electronics/Computers/Communications	36	6	42
	%	85.71	14.29	100
	Mechanics	4	1	5
	%	80	20	100
	Other	10	1	11
	%	90.91	9.09	100
	Total	57	12	69
	%	82.61	17.39	100

Table 5.15
Is prior knowledge of the invention sufficient to give rise to prior user rights?

Technology Area		Yes	No	Total
	Biotech/Pharma	1	4	5
	%	20	80	100
	Chemistry	1	5	6
	%	16.67	83.33	100
	Electronics/Computers/Communications	13	29	42
	%	30.95	69.05	100
	Mechanics	2	3	5
	%	40	60	100
	Other	5	6	11
	%	45.45	54.55	100
	Total	22	47	69
	%	31.88	68.12	100

Regarding the point in time relative to the filing date from which prior user rights should be permitted to accrue, nearly two-thirds of all respondents by region agreed that prior user rights should accrue from at least prior to the actual filing date or the priority date (Table 5.16). Approximately three-quarters of European respondents and respondents from other jurisdictions held this view, though opinions were about evenly divided among U.S. respondents. Perhaps the most interesting data is that only about one-third of U.S. respondents believe that the activity should be required to take place prior to the beginning of the grace period, if one is provided, and even fewer think the activity must take place before a grace period disclosure (Tables 5.17-5.18). These opinions stand in contrast to the prior user rights regime set forth in the AIA, 35 U.S.C. § 273, which requires qualifying activities to take place at least a year prior to a graced disclosure. Views based on affiliation and technology area generally track those based on region for these issues (Tables 5.19-5.24).

As with the previous question, the reliability of the response data here may be questionable given the overlapping nature of the possible responses and the possibility for the respondent to select more than one answer. This seems especially true if one compares the responses to the question on “good faith” with the answers to this question dealing with the grace period. One would reasonably expect, for instance, that a similar proportion of respondents that believe no prior user rights should accrue on the basis of derived, albeit “good faith,” knowledge of the invention would similarly believe that prior user rights should not accrue following a graced disclosure, which presents the very “good faith” derivation scenario that the question asked. It is, however, not inconsistent for a respondent to state that prior user rights should accrue any time prior to filing or priority and then agree that they should not be prohibited if they accrued, e.g., prior to filing but after a graced disclosure. This suggests the question was not properly formulated so as to achieve internally consistent responses.

Table 5.16
Should the activity giving rise to the prior user rights be required to take place prior to the actual filing or priority date?

	Yes	No	Total
Region*			
Europe	24	7	31
%	77.42	22.58	100
Other	17	6	23
%	73.91	26.09	100
USA	35	32	67
%	52.24	47.76	100
Total	76	45	121
%	62.81	37.19	100

Table 5.17

Should the activity giving rise to the prior user rights be required to take place prior to the beginning of the grace period, if such a grace period is provided?

	Yes	No	Total
Region*			
Europe	3	27	30
%	10	90	100
Other	3	19	22
%	13.64	86.36	100
USA	26	41	67
%	38.81	61.19	100
Total	32	87	119
%	26.89	73.11	100

Table 5.18

Should the activity giving rise to the prior user rights be required to take place prior to the grace period disclosure, if such disclosure is made?

	Yes	No	Total
Region*			
Europe	11	19	30
%	36.67	63.33	100
Other	2	20	22
%	9.09	90.91	100
USA	12	55	67
%	17.91	82.09	100
Total	25	94	119
%	21.01	78.99	100

Table 5.19
Should the activity giving rise to the prior user rights be required to take place prior to the actual filing or priority date?

		Yes	No	Total
Affiliation				
	Corporation	21	13	34
	%	61.76	38.24	100
	University/Research Institute	5	2	7
	%	71.43	28.57	100
	Individual Inventor	11	4	15
	%	73.33	26.67	100
	Patent Professional	18	9	27
	%	66.67	33.33	100
	Law Firm	17	17	34
	%	50	50	100
	Other	4	0	4
	%	100	0	100
	Total	76	45	121
	%	62.81	37.19	100

Table 5.20
Should the activity giving rise to the prior user rights be required to take place prior to the beginning of the grace period, if such a grace period is provided?

		Yes	No	Total
Affiliation				
	Corporation	9	25	34
	%	26.47	73.53	100
	University/Research Institute	1	6	7
	%	14.29	85.71	100
	Individual Inventor	1	14	15
	%	6.67	93.33	100
	Patent Professional	6	21	27
	%	22.22	77.78	100
	Law Firm	15	19	34
	%	44.12	55.88	100
	Other	0	2	2
	%	0	100	100
	Total	32	87	119
	%	26.89	73.11	100

Table 5.21
Should the activity giving rise to the prior user rights be required to take place prior to the grace period disclosure, if such disclosure is made?

		Yes	No	Total
Affiliation				
	Corporation	11	23	34
	%	32.35	67.65	100
	University/Research Institute	1	6	7
	%	14.29	85.71	100
	Individual Inventor	4	11	15
	%	26.67	73.33	100
	Patent Professional	3	24	27
	%	11.11	88.89	100
	Law Firm	6	28	34
	%	17.65	82.35	100
	Other	0	2	2
	%	0	100	100
	Total	25	94	119
	%	21.01	78.99	100

Table 5.22
Should the activity giving rise to the prior user rights be required to take place prior to the actual filing or priority date?

		Yes	No	Total
Technology Area				
	Biotech/Pharma	1	4	5
	%	20	80	100
	Chemistry	4	2	6
	%	66.67	33.33	100
	Electronics/Computers/Communications	29	14	43
	%	67.44	32.56	100
	Mechanics	5	0	5
	%	100	0	100
	Other	8	3	11
	%	72.73	27.27	100
	Total	47	23	70
	%	67.14	32.86	100

Table 5.23

Should the activity giving rise to the prior user rights be required to take place prior to the beginning of the grace period, if such a grace period is provided?

	Yes	No	Total
Technology Area			
Biotech/Pharma	3	2	5
%	60	40	100
Chemistry	3	3	6
%	50	50	100
Electronics/Computers/Communications	8	34	42
%	19.05	80.95	100
Mechanics	0	5	5
%	0	100	100
Other	2	9	11
%	18.18	81.82	100
Total	16	53	69
%	23.19	76.81	100

Table 5.24

Should the activity giving rise to the prior user rights be required to take place prior to the grace period disclosure, if such disclosure is made?

	Yes	No	Total
Technology Area			
Biotech/Pharma	1	4	5
%	20	80	100
Chemistry	1	5	6
%	16.67	83.33	100
Electronics/Computers/Communications	11	31	42
%	26.19	73.81	100
Mechanics	2	3	5
%	40	60	100
Other	4	7	11
%	36.36	63.64	100
Total	19	50	69
%	27.54	72.46	100

On the question of exceptions to prior user rights, respondents from all regions overwhelmingly agreed that no exceptions should be provided (Table 5.25). The breakdown of responses by affiliation and technology area similarly track the overall response rate by region (Tables 5.26-5.27). It should be noted that while respondents representing universities/research institutions—entities that are beneficiaries of an exception in the U.S. prior user rights regime under the AIA—also expressed opposition to the inclusion of exceptions, the sample size of such responses was very small.

Table 5.25
Should exceptions to prior user rights be provided with respect to certain patents?

		Yes	No	Total
Region				
	Europe	1	25	26
	%	3.85	96.15	100
	Other	3	19	22
	%	13.64	86.36	100
	USA	4	57	61
	%	6.56	93.44	100
	Total	8	101	109
	%	7.34	92.66	100

Table 5.26
Should exceptions to prior user rights be provided with respect to certain patents?

		Yes	No	Total
Affiliation				
	Corporation	3	23	26
	%	11.54	88.46	100
	University/Research Institute	1	6	7
	%	14.29	85.71	100
	Individual Inventor	1	14	15
	%	6.67	93.33	100
	Patent Professional	1	25	26
	%	3.85	96.15	100
	Law Firm	2	29	31
	%	6.45	93.55	100
	Other	0	4	4
	%	0	100	100
	Total	8	101	109
	%	7.34	92.66	100

Table 5.27
Should exceptions to prior user rights be provided with respect to certain patents?

	Yes	No	Total
Technology Area			
Biotech/Pharma	1	3	4
%	25	75	100
Chemistry	1	5	6
%	16.67	83.33	100
Electronics/Computers/Communications	2	35	37
%	5.41	94.59	100
Mechanics	0	5	5
%	0	100	100
Other	2	8	10
%	20	80	100
Total	6	56	62
%	9.68	90.32	100

5.4 Other Comments

At the USPTO-hosted hearing on substantive patent law harmonization, stakeholders were asked their opinion on harmonization of prior user rights generally and questions related to the specific issues associated with prior user rights. A few users thought that while prior user rights were not one of the more critical issues for harmonization, some discussion to that end may be beneficial albeit quite difficult given that prior user rights are not even harmonized in Europe. Most users felt that prior user rights of the type that are described in the AIA are the general preference, with some modifications. Some stakeholders wish to, for instance, maintain an exception for patents owned by certain entities including and especially universities. Other stakeholders have indicated that the AIA prior user rights regime should perhaps be expanded to allow for substantial preparations to use, in addition to actual use.

5.5 Conclusions

Respondents indicated some degree of experience with prior user rights in various situations, but the reliability of the data is questionable given the sample size and the distribution of responses across the sample. Nonetheless, it would appear that prior user rights are an issue on which parties are counseled with some degree of frequency, but that actual usage for settlement or litigation purposes is very low by comparison.

Opinions are somewhat divided as to the relative importance of harmonization of prior user right regimes. While substantial majorities of respondents from Europe and the United States each view harmonization as either “critical” or “important,” the percentage from Europe is much higher, while 26 percent of U.S. respondents believe the issue to be “not important.”

In terms of best practices, respondents expressed a wide spectrum of views, some of which are difficult to reconcile and may be the result of less-than-ideal question construction.

Opinions differ between European and American respondents over whether prior user rights should accrue when the claimant derived knowledge of the invention from the patentee, even if the derivation was in “good faith.” More than two-thirds of U.S. respondents believe the right should be unavailable in such situations, while less than half of European respondents hold that view.

On the issue of which activities should suffice to give rise to prior user rights, 85 percent of respondents from all regions believe that actual use should be sufficient and substantial majorities of U.S., and European respondents believe prior knowledge of the invention should not. Opinions on preparation for use fell between these extremes and are different by region. A slight majority of respondents from Europe and other jurisdictions favored rights accruing on the basis of preparation for use, while nearly two-thirds of U.S. respondents opposed it. The reliability of this data may be questionable, however, given the nature of the question, which allowed for multiple, potentially overlapping responses.

The question regarding the point in time relative to the application filing date from which prior user rights should be permitted to accrue raises similar concerns. While the data suggest that majorities of respondents from different regions believe the rights should be permitted to accrue at least prior to the filing or priority date, substantial majorities from each region, including from the United States, also believe the activity giving rise to the right should not be required to take place prior to the beginning of the grace period (if one is provided) or prior to any graced disclosure. While this is consistent with a response agreeing that the rights should accrue any time prior to the filing or priority date, it is both at odds with the U.S. prior user rights regime under the AIA and in apparent conflict with the responses received to the question about “good faith” derivation, which posed this very scenario. This result suggests the question was not formulated in a manner to elicit internally consistent responses.

Respondents, regardless of jurisdiction, also overwhelmingly favored having no exceptions to prior user rights. While data were provided suggesting that representatives of universities/research institutions held similar views, the sample size of such responses was insufficient to draw any particular conclusions in this regard.