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B+ Sub-Group

**OBJECTIVES AND PRINCIPLES, WITH COMMENTARY ON POTENTIAL
OUTCOMES**

prepared by the Chair

B+ Sub-Group

Objectives and Principles, with commentary on potential outcomes

Preamble

The objectives and principles outlined in this document have been developed by the B+ Sub-Group on Patent Harmonisation.¹ The commentary on potential outcomes reflects the views expressed by sub-group members at their second meeting, in London on 10 April 2015. The document should be read as a whole (principles and commentary) as a statement of the sub-group's position.

Objectives of the global patent system

The global patent system should:

- (i) Be coherent and balanced:**
 - a) Offering a fair level of protection to inventors/applicants from all backgrounds**
 - b) Providing a fair balance between the rights of inventors/applicants and third parties**
- (ii) Provide legal certainty to inventors/applicants and third parties alike**
- (iii) Promote high quality patents by ensuring that patent protection is provided only to inventions that are new, involve an inventive step and are capable of industrial application**
- (iv) Support economic growth:**
 - a) Enabling global patent rights to be acquired in an efficient manner**
 - b) Promoting consistent results in multiple jurisdictions**
 - c) Promoting innovation and competition**

Principles and Commentary

The following principles and commentary have been prepared by the Chair, taking account of the objectives outlined above and the views of sub-group members. The principles are intended to encompass the views of all members of the sub-group, whilst recognising that differing views remain on how the principles should best be implemented. The associated commentary takes account of these differing views, reflecting the various outcomes under consideration in respect of each principle, together with an indication of the level of support within the sub-group for each proposed solution.

¹ The Sub-Group was formed following agreement by Group B+ at its plenary meeting in September 2014, and comprises representatives from the European Patent Office (EPO), Canada, Denmark, Germany, Japan, Korea, Spain and the United States, chaired by the Group B+ Chair John Alty (United Kingdom).

1. Non-prejudicial disclosures / grace period

- (i) Inventors/applicants whose inventions have been disclosed prior to filing a patent application should, in certain circumstances, be given an opportunity to patent their invention**
- (ii) Such circumstances should include breach of confidence or theft of information**
- (iii) Any system which allows an invention to be patented after disclosure should take account of and balance the needs of:
 - a) inventors/applicants, regardless of their level of IP expertise**
 - b) third parties (including those who could claim prior user rights)**
 - c) those whose primary focus is dissemination of knowledge and information****
- (iv) Any system which allows an invention to be patented after disclosure should:
 - a) provide a high level of legal certainty for applicants and third parties**
 - b) encourage early filing**
 - c) encourage research and development**
 - d) be applicable according to globally harmonised principles and rules so as to promote consistent results in multiple jurisdictions****

Circumstances in which applicants should have the opportunity to patent a disclosed invention

- While there is consensus that applicants should be given an opportunity to patent their invention where it has been disclosed due to breach of confidence or theft of information, there is no consensus on whether applicants should be given an opportunity to patent their invention where they have disclosed it themselves. There was more support, though not unanimity, for the opportunity to patent an invention which had been inadvertently disclosed.²

Other characteristics of a potential grace period

- Notwithstanding that there is no consensus on the introduction of a grace period covering disclosures by the applicant, there is agreement that, if such a system were to be introduced:
 - It should be simple, with the same rules applying to all applicants and all types of disclosure deriving from the applicant, regardless of the intention or characteristics of the applicant.
 - Encouraging transparency of the fact that the grace period has been invoked, for example through some form of declaration requirement, would increase legal certainty but place a burden on the applicant, and therefore

² This may include unintentional/accidental disclosures, as well as intentional disclosures by so-called “unsophisticated actors” who are unaware of the consequences of disclosing before filing.

further work should be conducted to explore how these factors could best be balanced.

- The duration of the grace period should be harmonised, and calculated from the priority date.

Regarding a declaration requirement, some believe that the increased legal certainty this would bring would not warrant the increased burden on the applicant. Others believe that an applicant who benefits from the grace period should bear some of the risk of using it, and therefore should be required to declare the graced disclosures of which they are aware. Some of those in favour of mandatory declaration believe that failure to declare a disclosure should result in administrative sanctions only, rather than loss of the benefit of the grace period for that disclosure.

There is no consensus on the optimal duration of the grace period, some believing the principles are best supported by a duration of 6 months, others 12 months. However, there is agreement that, whatever the duration, it should itself be harmonised and should be calculated from the priority date in all jurisdictions.

Rights of third parties

The sub-group noted that the rights of third parties may have a significant effect on the way in which any grace period is used. All systems envisage certain circumstances in which the disclosure of third party inventions prior to the date of filing could affect the patentability of an application relying on a graced disclosure. To this extent the system incentivises early filing.

Some members believe that it should be possible for prior user rights to arise where use of an invention in good faith is based on information derived from the applicant which has been disclosed to the public through a pre-filing disclosure during the grace period – to provide legal certainty to third parties and provide additional incentives for applicants to file early. Others believe that prior user rights should be a limited defence to patent infringement, and should not arise where knowledge of the invention has been derived from the applicant.

The sub-group members were open to further thought as to the possible interplay between third party rights and the grace period. Some felt that if it proved possible to reach agreement on the right balance between the interests of applicants and third parties, setting appropriate incentives to filing first, prior to disclosing the invention, and providing adequate protection for third parties, then the specific duration of the grace period might be less important, though it should still be harmonised.

2. Publication of applications

- (i) The global publication regime should be formulated to provide a clear time limit by which information about a potentially patented invention will be made public**
- (ii) The timing of publication should provide for prompt dissemination of knowledge from all pending patent applications wherever filed**
- (iii) Pending patent applications should be published promptly after the expiry of a globally agreed timeframe**
- (iv) The globally agreed timeframe should balance the interests of inventors/applicants and those of third parties:
 - a) Inventors/applicants should be provided sufficient time to determine the likelihood of obtaining meaningful protection for their invention, and should they wish, to withdraw their application so as to retain the possibility of protecting their invention as a trade secret**
 - b) Third parties should be provided with legal certainty regarding patent rights which are pending, so as to prevent duplication of R&D efforts and loss of investments****
- (v) Patent offices should be able to delay or suppress publication of a pending application in exceptional circumstances**
- (vi) Inventors/applicants should be able to request publication of an application prior to the globally agreed timeframe if they wish, as long as the requirements for publication under the applicable law are met**
- There is consensus that:
 - 18 months from priority date is an appropriate timeframe to meet the principles outlined in paragraphs (iii) and (iv).
 - Patent offices should be able to delay publication of a pending application beyond 18 months, or suppress publication of information within an application, in the following exceptional circumstances:
 - If publication would be prejudicial to public order, morality, or national security
 - If the application contains offensive or disparaging material
 - If a court order specifies that an application should not be published

The sub-group is open to considering any additional exceptional reasons which can be justified.

3. Conflicting applications

- (i) The grant of multiple patents for the same invention in the same jurisdiction should be prevented**
 - (ii) The patent system should allow for the protection of incremental inventions while ensuring that patent rights are not unjustifiably extended**
 - (iii) Any system which allows incremental inventions to be patented should:**
 - a) balance the interests of inventors to protect incremental improvements on their own inventions with the interests of third parties to operate in the same field**
 - b) promote innovation and competition**
- There is consensus that:

- Rules which govern conflicting applications should permit the patenting of incremental innovations, where this supports principle (iii).
- Harmonised treatment of conflicting applications would be beneficial.
- Further work should be conducted to compare various alternative approaches, bearing in mind the effects on innovation and competition.
- There may be benefits to a harmonised system in which PCT applications apply as secret prior art upon international publication in any language.
- Applications prosecuted directly through the national/regional route should apply as secret prior art only in those jurisdictions where they are or have been pending.

While there is agreement that rules which govern conflicting applications should support the principles outlined above, there is no consensus on how this should be achieved. In particular, there are differing views on what combination of features would best promote innovation and balance third party interests.

Some believe that innovation and competition are best supported by favouring the original applicant in respect of incremental inventions, by preventing their own earlier-filed applications (“secret prior art”) being cited against them (“anti-self-collision”). However, among those members of the sub-group who consider that the original applicant should be favoured in this way, there are differing views as to the extent to which their secret prior art should count against other applicants – in particular whether it should count for the purposes of “enlarged novelty” or novelty and inventive step.

Other members of the sub-group believe that innovation and competition are best supported by providing equal access to the protection of incremental inventions for all applicants. They believe that this can be achieved by having no anti-self-collision, with secret prior art counting for novelty only against all applicants.

It is recognised that there could also be merit in considering new solutions which as yet do not exist – for example a system where secret prior art is applied for novelty and inventive step, and anti-self-collision applies for inventive step only.

The sub-group therefore agreed to carry out further work on these options.

The sub-group could see the logic underlying all of the present approaches regarding applications filed under the Patent Cooperation Treaty (PCT) – whether they should be applicable as secret prior art once they have been published in any language, once they have been published in an official language of the jurisdiction in which they are to be considered, or once they have entered the national/regional phase of the jurisdiction in which they are to be considered. The sub-group did not reach a definitive position on this issue. However, as patent systems become increasingly internationalised the sub-group could see there may be benefits to a harmonised system in which PCT applications apply as secret prior art once they have been published in any language. This would provide consistent legal certainty across different jurisdictions and respect the purpose of the PCT to give international applications the effect of a national filing in all designated member states. The sub-group agreed that this merited further discussion.

4. Prior user rights

(i) A third party who has started using an invention in good faith prior to the filing of a patent application for that invention by another party should have a right to continue to use that invention

(ii) The circumstances under which prior user rights arise, including the extent to which they rely on actual use having taken place, should balance the interests of third parties to protect their investments with the interests of the inventor/applicant

- There is consensus that:
 - Prior user rights should not arise through mere possession or knowledge of an invention by a third party.
 - Prior user rights should be limited to the territory in which the activity giving rise to prior user rights has taken place.

There is a degree of convergence, but not unanimity, that prior user rights should arise where a third party has, in good faith, made effective and serious preparations to use an invention. Those who hold this view believe that the process of innovation can be long and complex and it is arbitrary to use actual use of the invention as the threshold when substantial investments may have begun far before then. Those members believe, therefore, that it is fair, efficient and in the public interest that these investments should be protected whether or not actual use has taken place.

Others believe that prior user rights should arise only where actual use of the invention has taken place, noting that this is a clear test which avoids uncertainty

regarding whether preparations are substantial enough, and ensures that prior user rights exist as a limited defence to infringement.

As far as the critical date is concerned, it was noted that in most, but not all, jurisdictions, prior user rights can arise up until the priority date of the invention. The sub-group recognised the benefits of harmonising the point in time by which prior user rights could arise.

As noted in section 1, some believe that it should be possible for prior user rights to arise where use of an invention by a third party in good faith is based on knowledge derived from a graced disclosure by the inventor/applicant. Others believe that prior user rights should be a limited defence to patent infringement, and should not arise where the information is derived from the inventor/applicant.

5. Prior art

- (i) Patents should only be granted for contributions that place in the hands of the public information that had not been previously known.**
 - (ii) The scope of prior art should be properly defined to ensure that the subject matter for which exclusive rights are granted truly represents a contribution to, and not an encroachment on, the public domain.**
 - (iii) Subject to agreed exceptions, prior art should consist of all information that has been made available to the public anywhere in the world before the earliest effective filing date of the claimed invention.**
- There is consensus that the principles outlined above underpin the patent system, and are therefore important for understanding how the principles in this document as a whole should operate.