

CONSOLIDATED REPORT
ON
THE TEGERNSEE USER CONSULTATION
ON
SUBSTANTIVE PATENT LAW HARMONIZATION
MAY 2014

Danish Patent and Trademark Office (DKPTO)
German Federal Ministry of Justice and Consumer Protection / German Patent and
Trade Mark Office (BMJV / DPMA)
European Patent Office (EPO)
Institut National de la Propriété Industrielle (INPI)
Japan Patent Office (JPO)
United Kingdom Intellectual Property Office (UK IPO)
United States Patent and Trademark Office (USPTO)

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INTRODUCTION

I. BACKGROUND

1. At a meeting convened in Tegernsee, Germany, in July 2011, Heads and representatives from the patent offices of Denmark, France, Germany, Japan, the United Kingdom, the United States, and the European Patent Office (the “Tegernsee Group”), launched a new dialogue on the state of affairs concerning international harmonization of substantive patent law. The participants identified the issues of: first-inventor-to-file, grace period, prior user rights, scope of prior art, definition of novelty and non-obviousness/ inventive step, and 18 months publication, as key to the substantive patent law harmonization process, and requested that its experts draw up an Aggregate Matrix Document consisting in a compilation in tabular form of the legal provisions applicable in the Tegernsee jurisdictions regarding these issues.
2. Upon reconvening in April 2012, in Spitzingsee, Germany, the Tegernsee Group mandated its experts to carry out fact-finding studies focusing on four issues of particular interest: the grace period; 18-month publication of applications; treatment of conflicting applications; and prior user rights.
3. In October 2012, the Tegernsee Group met in Geneva, Switzerland to review the results of the studies, and it was decided that the Experts Group would begin a broad user consultation on the four key issues above, on the basis of these studies, including the development of a Tegernsee Joint Questionnaire (“TJQ”, “questionnaire” or “survey”) apt to produce data comparable across jurisdictions, and the holding of Round-Tables or Hearings of Users in each jurisdiction.
4. The Tegernsee Group Offices separately administered the questionnaire comprising 66 questions (see Appendix I to the report) to receive user input and held Round-Tables or Hearings. Subsequently, each Office drafted individual reports of their findings based on the data gathered by them in their jurisdiction, which were again presented to the Tegernsee Heads in September 2013 in Geneva, Switzerland.
5. Due to the sweeping differences in the sizes of the groups of respondents in each jurisdiction, as well as the different manners of presenting information, the Tegernsee individual reports provided a wealth of interesting data, but comparisons across jurisdictions were difficult, and making sense of the results was challenging, not least of all because European results were spread across five reports. The Experts Group was thus requested to draw up a joint factual summary analysing the results of the individual office reports including commonalities and differences in user views and to present the summary for approval to the next meeting of the Tegernsee Heads, which was called in Trieste, Italy, in April 2014.

6. Thus, the primary purpose of the present Consolidated Report on the Tegernsee User Consultation on Substantive Patent Law Harmonization is to collate the results of the individual reports in such a manner as to enable meaningful comparisons across jurisdictions, as well as ensure a more comprehensible and straightforward presentation of these results. Also, two tables have been drawn up which provide more systematic access to results of the questionnaire in each jurisdiction, as well as consolidated results for Europe (see Appendices I and II to the Report, pp. 103 *et seq.*).

II. **CAVEATS**

7. The questionnaires were administered in early 2013 in all jurisdictions (for further details, please see individual delegation reports issued in 2013).
8. Several caveats are necessary regarding the methodology of the surveys. At the outset, the Tegernsee Expert Group warns that this report is not a scientific study, and cannot purport to present statistically significant evidence based on properly selected, representative samples of appropriately sized, comparable user groups.
9. First, offices all carried out their consultation in their own manner, details of which can be gleaned from the individual reports. Some offices posted the questionnaire on their website (DKPTO, EPO, UK IPO, USPTO), so that respondents were entirely self-selecting, others did not (DPMA, INPI). The DKPTO, EPO and the UK IPO invited representatives of industry and professional bodies to participate in Hearings, whereas the USPTO held a Public Hearing and the JPO organised their Round-Tables in the form of Conferences. One of the odder results of self-selection susceptible of casting doubt on the results: 88 Europeans responded to the USPTO survey, which thus received more responses from Europe than the EPO survey did at 72. Moreover, of those European respondents to the US survey, 29 were individual inventors whereas the EPO did not have a single individual inventor respondent.
10. The difference in sample group sizes (largest: 412/ smallest: 7) alone makes some comparisons difficult.
11. A final caveat goes to the structure of some of the questions, which may have been either sub-optimal in their design or their wording, and thus may, at times have failed to gather reliable data from respondents.
12. All these elements do not remove all meaning from the results, but they do entail that the data collected must be treated with caution, and the present report can only purport to highlight trends based on the responses to the questionnaire and the feedback received from users during Hearings or Round-Tables.

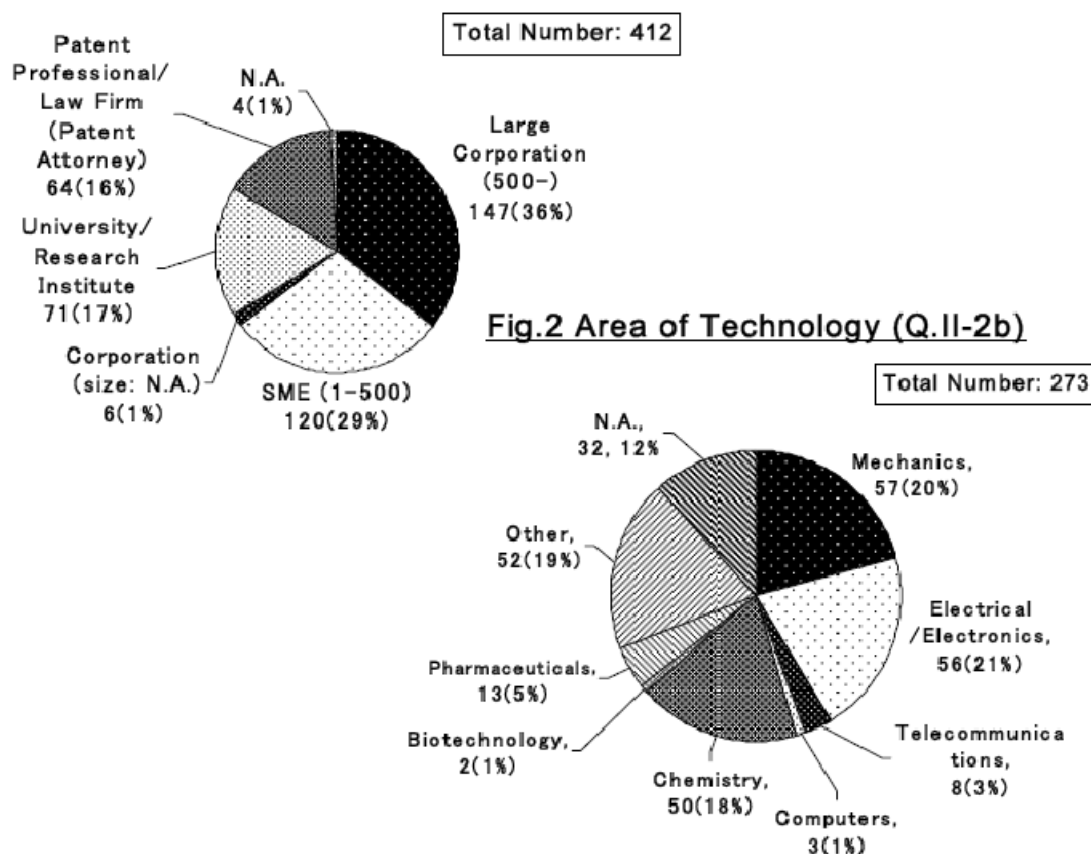
13. Nevertheless, it is believed that the study has yielded some very interesting data apt to support evidence-based discussions, and it remains, to our knowledge, the largest, most detailed survey open to the public ever carried out on fundamental issues of substantive patent law harmonization (“SPLH”).

III. RESPONDENT DATA

A. JAPAN

14. The JPO received 412 responses to the questionnaire, the largest group of all. The JPO cooperated with the Japan Institution for Promoting Invention and Innovation, pro-actively using emails and letters, and requesting the audiences of their Round-Tables to fill out the questionnaires.
15. The JPO held two huge Round-Table discussions conducted as Symposia with panel discussions amongst experts. One was held in Osaka, with 70 attendees and one in Tokyo with 140 participants. (see *JPO Report*, p.3)
16. The breakdown of respondents is shown in the following pie chart. Also, among the respondents, 411 indicated that the area in which they are mainly conducting business is “Japan” and 400 responded that the IP Office where they file applications most frequently is the “JPO.”

Figure 1: Breakdown of Respondents to the JPO-administered survey



B. UNITED STATES

a) Respondent affiliation and region of residence

17. The USPTO put its questionnaire on its website. 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 in the United States (U.S.) (49 percent), 88 resided in Europe (36 percent), and 37 resided in some other region (15 percent).
18. 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).

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

b) Respondent technology area and region of residence

19. 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).

20. 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

C. EUROPE

a) Denmark

21. The DKPTO received a total of 7 respondents to its survey on its website. It subsequently hosted a user meeting where participants were substantially the same as those who replied to the user survey. In the Danish sample of respondents, 3 were user associations.

b) France

22. The INPI received 11 responses from users in sectors such as electronics, mechanics and telecommunications, including 4 user or business associations.

c) Germany

23. In Germany, the questionnaires were sent to the stakeholders by the BMJV. In response to the user consultation, 36 completed questionnaires were received, along with three sets of written submissions from user organizations. Thus, overall, there were 39 respondents, including 5 user associations. The German delegation did not hold a Hearing of users.
24. The bulk of responses came from German corporations (64.1 %; the great majority were large scale industrial enterprises active in the areas of chemistry/pharmaceuticals and mechanics/electrical/electronics) followed by patent professionals and law firms (23.1 % altogether) as well as important industrial associations, patent organisations and professional organisations relevant in the field of patents (12.8 % together).
25. The following groups were clearly under-represented: medium-sized enterprises, universities/research institutions and individual inventors, the telecommunications and computer industries, as well as applicants with low filing activity

d) United Kingdom

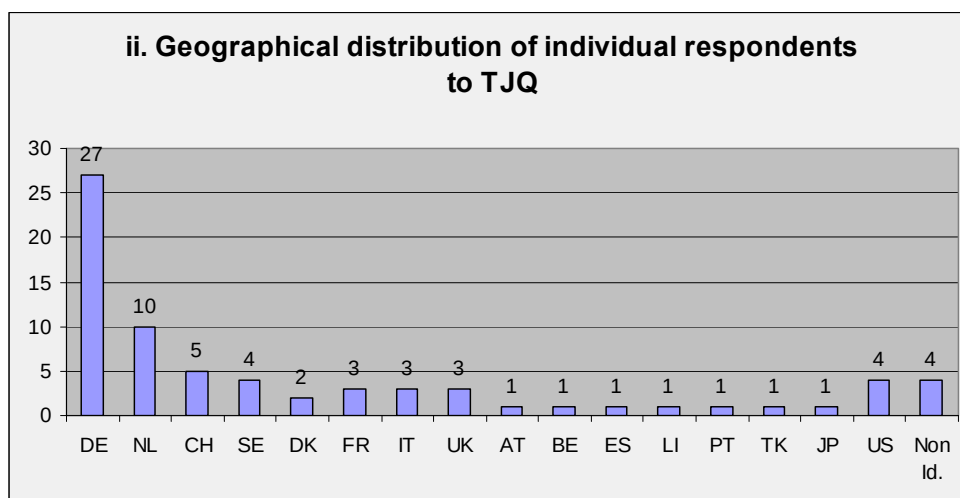
26. The UK IPO received 9 responses to the questionnaire and one written submission in the form of a letter, so that a comparative analysis could only be carried out on the basis of 9 of the 10 respondents.
27. Respondents included 3 patent professionals, 2 large corporations, 3 user associations and 2 university-related technology transfer bodies.
28. The primary areas of technology of the respondents were: mechanics (2), computers (1), Pharmaceuticals (1), other (1) with 3 respondents not responding to this question.
29. In terms of region of residence or primary place of business, 6 respondents were European, 1 was from Japan and 3 were US-based, with 2 respondents not having provided any information.

e) EPO

30. At the EPO, the questionnaire was put on the website and respondents were entirely self-selecting. For technical reasons, the questionnaire was first posted in four separate parts, which were then later replaced by a single questionnaire. In addition, upon reflection, noting difficulties with the clarity of some of the TJQ questions, the EPO added several questions to the questionnaire, which have been reported on (with two exceptions) only in its individual report.
31. At the EPO, the questionnaire gathered a total of 81 responses, 9 of which emanated from national and supra-national European user associations. In addition, 6 written submissions were received, which were taken on board and

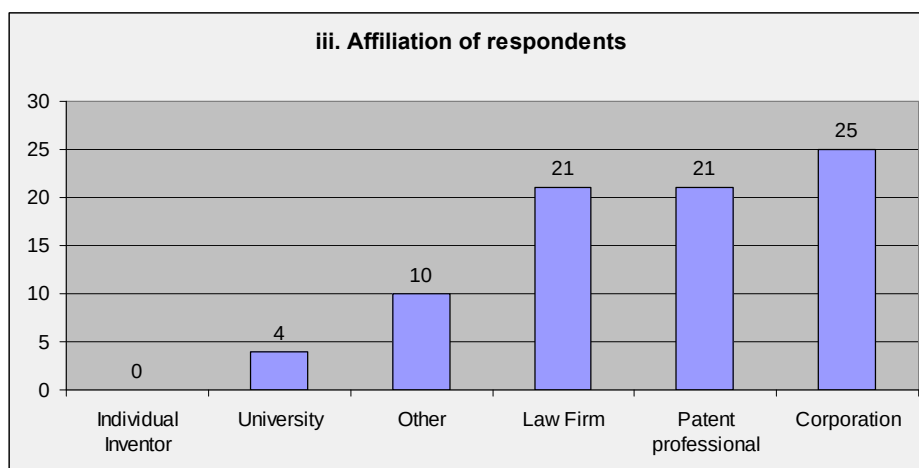
reported upon in the EPO Report, but not taken into account for the comparative analysis based on the questionnaire.

32. Responses to the individual sections of the questionnaire were (user associations in brackets): 69 (9) for the grace period survey, 63 (9) for 18-month publication, 52 (9) for conflicting applications and 54 (8) for the prior user rights sections of the TJQ, with a total of 47 respondents responding to all sections of the survey. Of those who responded to some of the partial questionnaires, 12 replied to the grace period only; 5 to 18-month publication only and 3 to prior user rights only, whilst 14 chose to respond to either two or three of the four sections.
33. A Hearing of European users was convened in Munich on 21 February 2013, which was attended by 23 participants representing either national or supra-national European associations, conservatively estimated to represent a total exceeding 10,000 patent professionals throughout Europe and well over 217,000 European companies. Several observers from the US, JP and DE were present.
34. The geographical distribution of the 72 individual respondents was as follows below. Users from at least 14 EPC Contracting States and two non-European countries (US and JP) responded. The biggest group of respondents were German, and entire regions of Europe were not represented at all (southern countries, eastern countries).

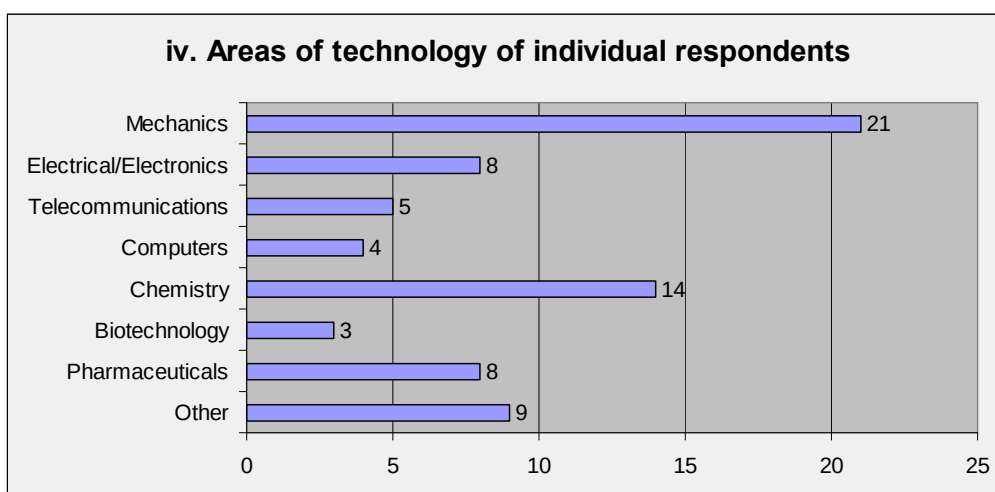


Note: Total=72 individual respondents to the questionnaire overall.

35. In terms of affiliation, overall, large corporations over 1000 employees were well represented in the survey, as well as law firms and patent attorneys. However, only 1 SME (in biotechnology) and 4 university-affiliated respondents participated in the survey.



36. The areas of technology of the individual respondents to the EPO survey were as follows:

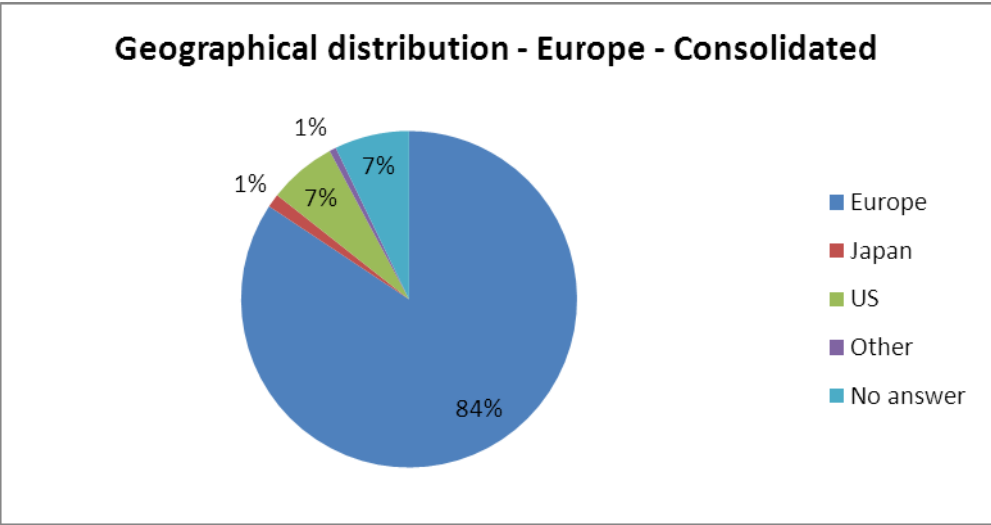


f) Consolidated European results

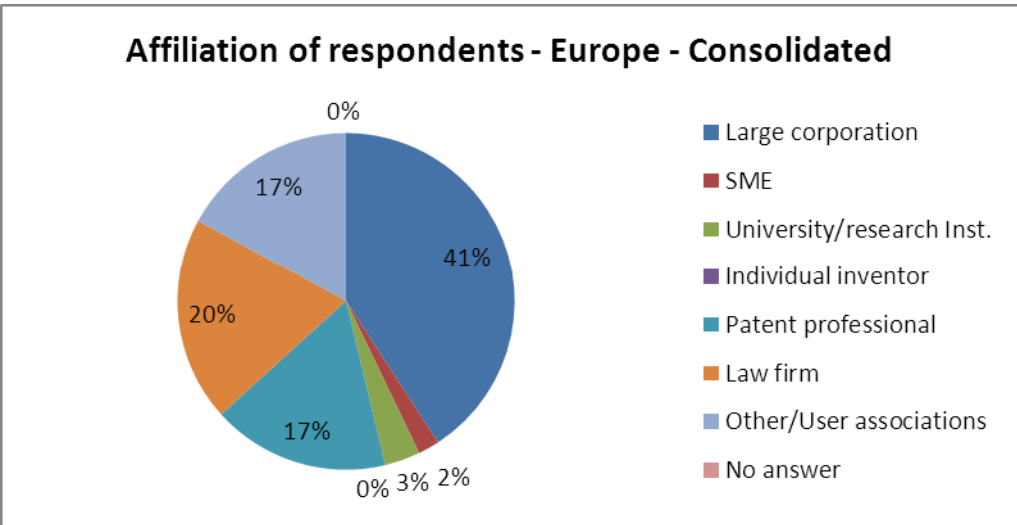
37. In order to render the results of the surveys in all three regions more comprehensible, European responses have been consolidated. However, where warranted, due to strong variations within groups, some discrete results for single European jurisdictions have been added to give a complete and balanced picture.
38. For the sake of transparency, additional work went into creating two tables of results: one presenting all the results for each jurisdiction individually (Appendix II to the report), and a second table merging the results of all the European delegations into a single consolidated figure for Europe (Appendix III).
39. Overall, it was established that there were 4 redundancies in responses to European questionnaires (out of a total of 147, with 134, 129, 118 and 119 respondents for each section of the TJQ respectively), all of which were user associations, which were impossible to filter out in the time allotted. This means

that for empirical questions, where respondents were asked about their own practical experiences, as user associations did not provide data, there is no redundant data.

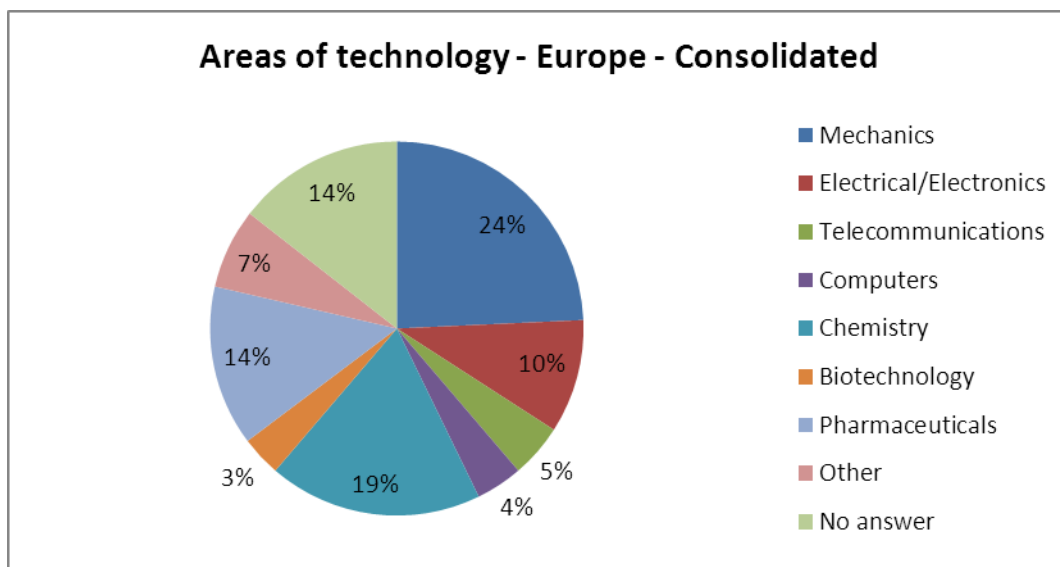
40. Where some European delegations did not present a given question to their users, the percentages are calculated on the basis of the reduced overall number of respondents for that question, in order not to skew the results, given that the missing respondents did not choose not to give an answer. However, otherwise, where respondents did not respond to a particular question, these “no answer” responses are included in the calculation of percentages.
41. The geographical distribution for European respondents overall is as follows:



42. In Europe generally, there was an under-representation of SMEs and universities/research institutes, and not a single individual inventor. On the other hand, user associations in every European jurisdiction represented were very active in participating in the surveys, with a total of 21 taking part in the survey (there were 4 user associations which responded to questionnaires in two offices). Results by affiliation are collated in the following chart:



43. The areas of technology for all European respondents were as follows in the chart below:



IV. NOTES ON METHODOLOGY AND NATURE OF THE REPORT

44. Given the disparities between the numbers of overall respondents to the surveys in the different regions (412 to the JPO survey, 289 to the USPTO survey and 147 to the European surveys), in order to ascertain differences between the groups, it was found useful at times to present comparative graphs in terms of percentages of responses, rather than in absolute numbers, as this allows to compare data intelligibly and without distortion, despite wild variations in respondent numbers.
45. Finally, the Tegernsee Experts Group emphasises that the sole vocation of the present Report is to present in a transparent manner a factual summary of the results of the Tegernsee user consultations carried out in the individual jurisdictions. The focus is entirely on the views of the users across jurisdictions, and the Report can thus not be interpreted to reflect any position, official or otherwise, of the Tegernsee delegations.

PART I: THE GRACE PERIOD

I. BACKGROUND AND RESPONDENT INFORMATION

46. 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 for 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.
47. A grace period is a period of time before a patent application is filed for an invention, and during which time the invention could be disclosed through various means without its novelty being lost, due to the grace period being in effect. Many countries/regions have introduced some sort of grace period in their patent systems, though the grace periods may differ in various ways.
48. There are a number of policy issues which arise in relation to the consideration of whether and if so, how to harmonize the grace period. These include: the mode of disclosure; 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 Tegernsee questionnaire posed a number of questions related to these issues as well as a number of empirical questions probing user experiences concerning the grace period generally.
49. For the section of the Tegernsee questionnaire on the grace period conducted by the Tegernsee Group, there were a total of 737 responses from Japan, the U.S., and Europe (Japan 412, the U.S. 194 (159 of the 194 also provided information as to their region of residence), Europe 134). Regarding the USPTO-administered questionnaire, it is important to note that of the 159 respondents who answered at least one question in the Grace Period section of the questionnaire and provided their region of residence, 92 resided in the United States (U.S.) (58%), 41 resided in Europe (26%), and 26 resided in some other region (16%).
50. In this report, "Japan" means the results of questionnaire survey conducted by the JPO at user consultations in Japan. Likewise, "the U.S." means the results collected by the United States Patent and Trademark Office (USPTO), and "Europe" means the consolidated results of the surveys conducted by the European Patent Office (EPO), the German Patent and Trade Mark Office (DPMA), the French National Industrial Property Institute (INPI), the United Kingdom Intellectual Property Office (UKIPO), and the Danish Patent and Trademark Office (DKPTO) altogether.

51. The breakdown of the respondents by group and by technical field is shown in Figure 1 and Figure 2 respectively. The reason for which the total number of the responses differs in Figures 1 and 2 is due to unanswered questions and redundancies in responses. Also for the results of the questionnaire survey, the total numbers of the respondents are also different due to the same reasons.

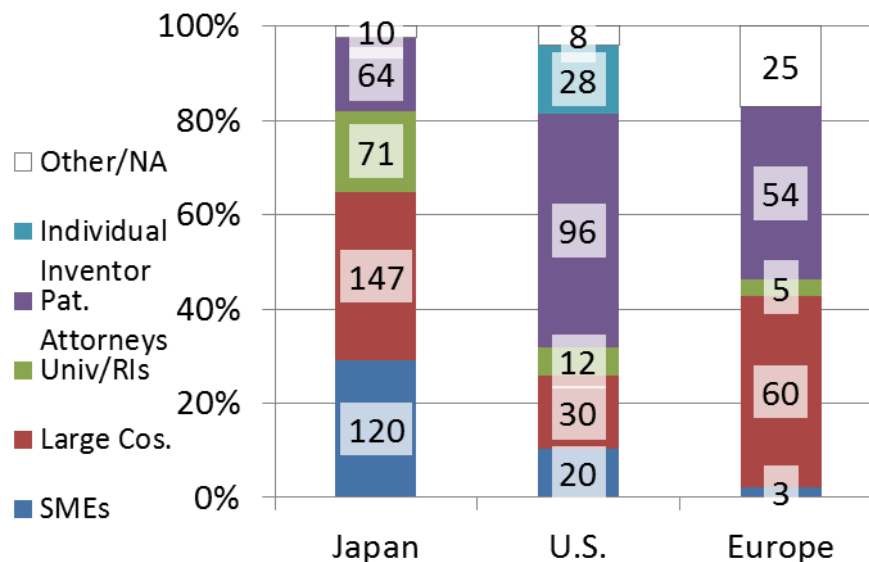


Figure 1 Respondents' affiliations

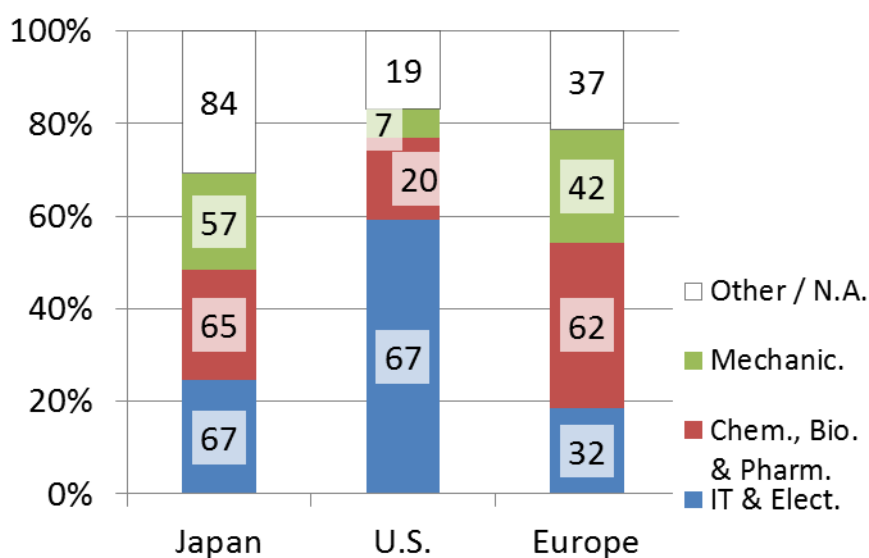


Figure 2 Respondents' technical field

II. SUMMARY / ANALYSIS

A. USER EXPERIENCES/ATTITUDE

52. According to the results of the questionnaire survey, the vast majority of the respondents in Japan and the U.S. supported a grace period (“GP” in some charts) (Japan: 78%; U.S.: 79%). The situation was quite different in Europe where there was a slim majority overall favoring the grace period (53,8%) whereas the large majority of respondents to the DPMA survey in Germany were against the grace period, at 61,5% of respondents. (See Figure 3; Q. 9) Whilst it is interesting to note that roughly one fifth of respondents both in Japan and in the US oppose the grace period (22% and 21%, respectively), 43% of respondents to the European surveys were against the grace period.

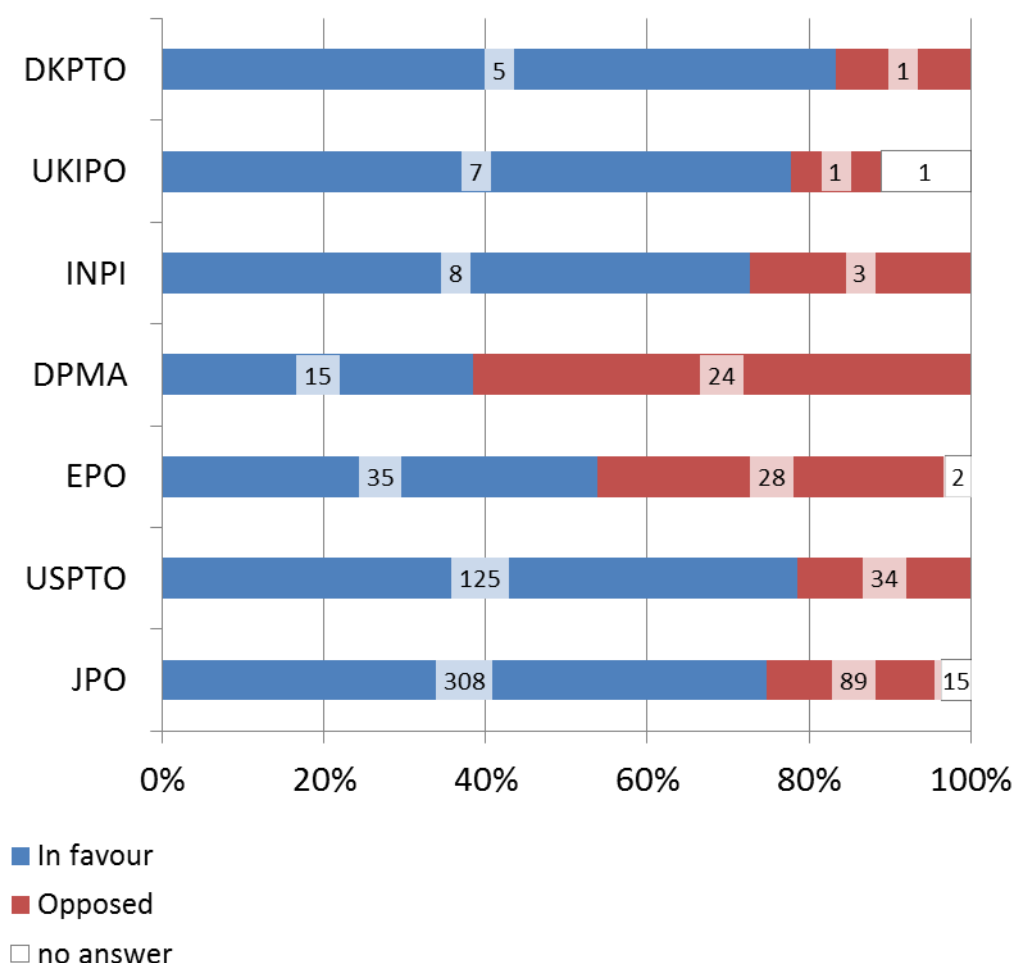


Figure 3 Position on grace period in principle

53. In response to the EPO survey, whilst 6 European user associations were in favour of the grace period in principle, 2 user associations were against and one did not have an official opinion on the matter, because its members were unable to come to an agreement on the issue. (See *EPO Report*, p. 31) Finally, it can be noted that law firms and patent professionals responding to the EPO survey were much more likely to be in favor of the grace period, whereas

amongst large European corporations, 12 were against the grace period, and 6 were in favor, for a ratio of 2 to 1 (see *EPO Report*, p. 33).

54. The percentage of the respondents who indicated that they had felt the necessity to file patent applications after they had disclosed their inventions was as high as (Japan 78%, the U.S. 67%, Europe 64%) (See Q.2). In Japan, the U.S., and Europe, the most common reasons for the need to file patent applications were “disclosures at academic conferences,” followed by “errors by applicants” (See Figure 4; Q.2a).

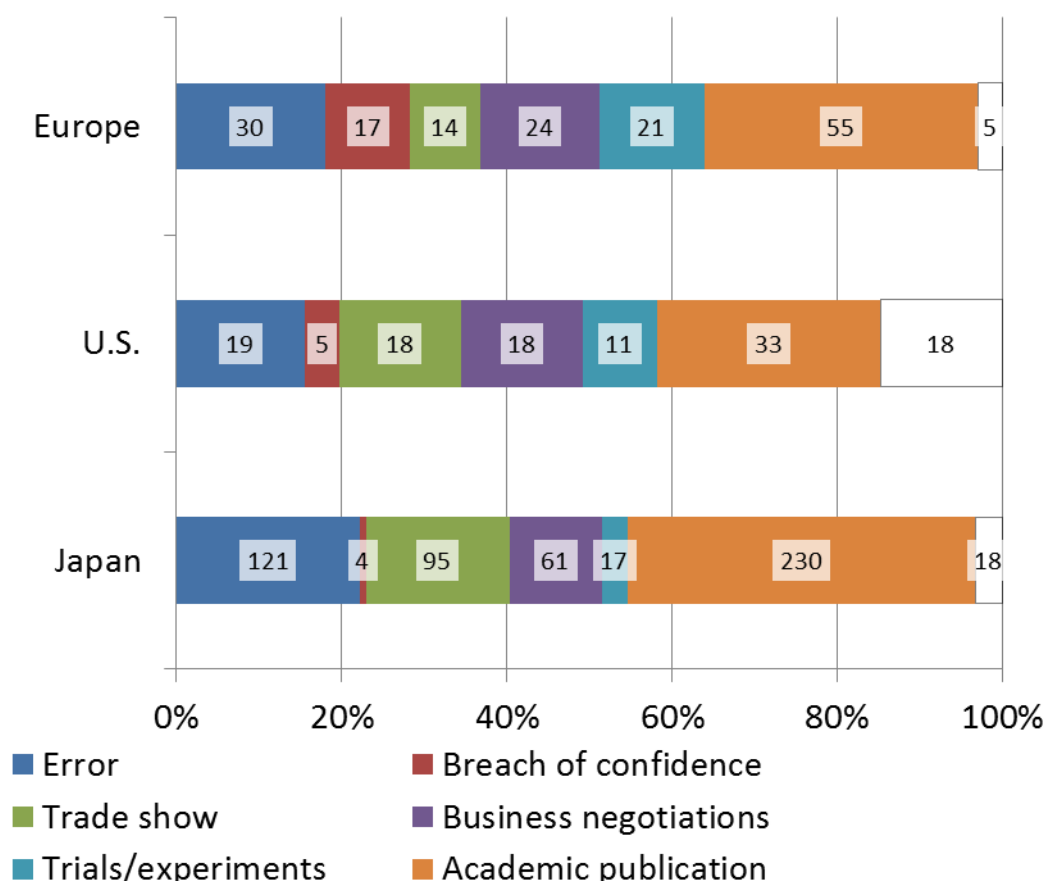


Figure 4 Grounds for pre-filing disclosure (Q.2a)

55. Moreover, among the respondents who felt the necessity to file patent applications after their inventions had been disclosed, a certain percentage (Japan 31%, the U.S. 15%, Europe 24%) of the respondents stated that “they went ahead and filed patent applications anyway.” This means that the applications may have been filed with a high probability of rejection on the subject-matter they had disclosed previously. Also, some (Japan 75%, the U.S. 65%, Europe 52%) of the respondents indicated that “they filed patent applications only in countries/regions where they were able to use grace periods,” which in the present state of lack of international harmonization of the grace period, is likely to be burdensome to applicants. (See Figure 5; Q.2b).

56. Also, it is interesting to mention that 3 respondents (6%) to the EPO survey opted to apply for a German utility model, which is subject to a 6-month grace period, but only gives protection for 10 years. (See EPO Report, p. 22)

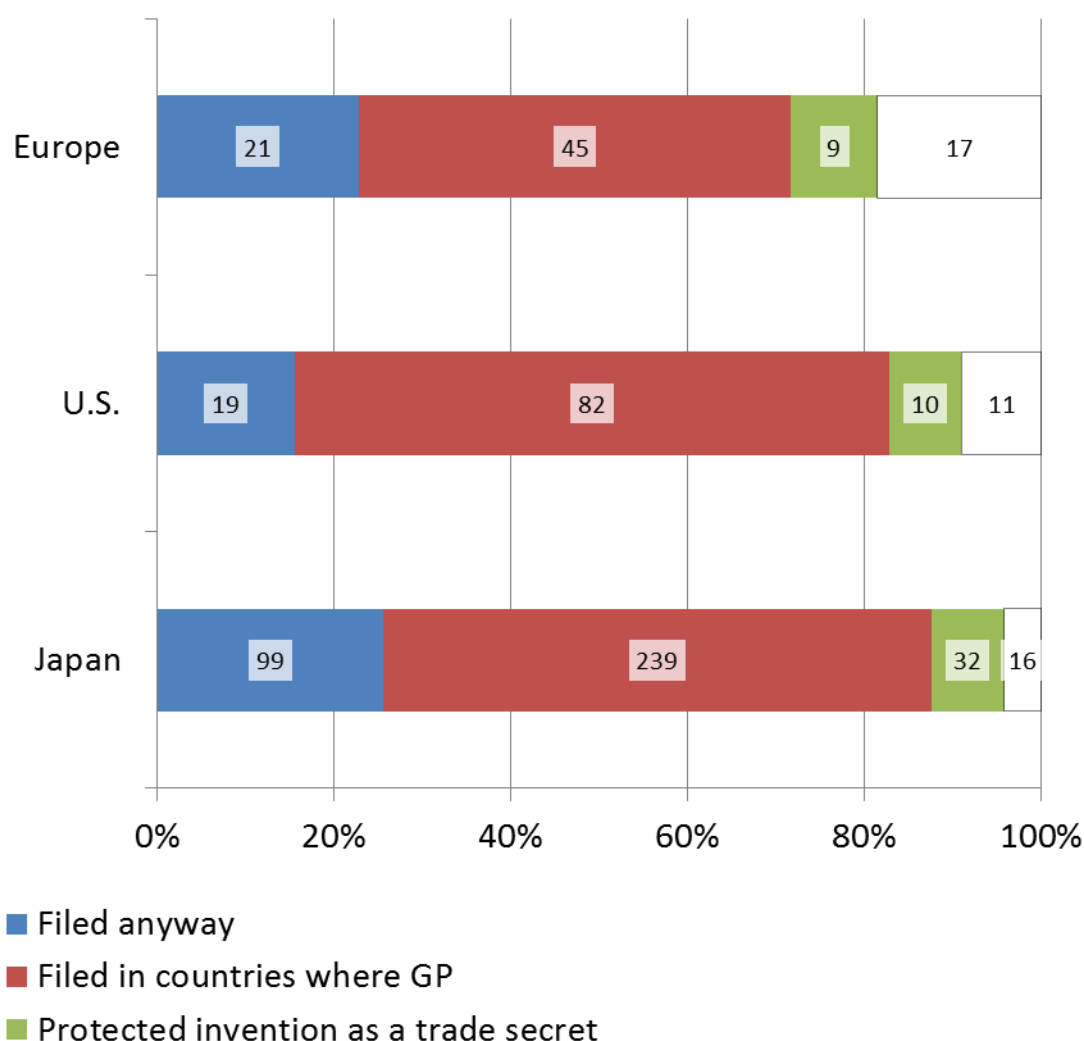


Figure 5 Reaction where pre-filing disclosure occurred (Q.2b)

57. Also, the percentage of the respondents who had used the grace period was 68%, 67%, 63%, in Japan, the U.S., and in Europe, respectively, which is relatively high. On the other hand, the frequency with which the grace period is used differs in each country/region. The percentage of the respondents who used the grace period for 1 or more out of 100 applications reached 49% in the U.S., the highest, while it was 40% in Japan and 29% in Europe, the lowest (See Figure 6; Q.4, 4b).

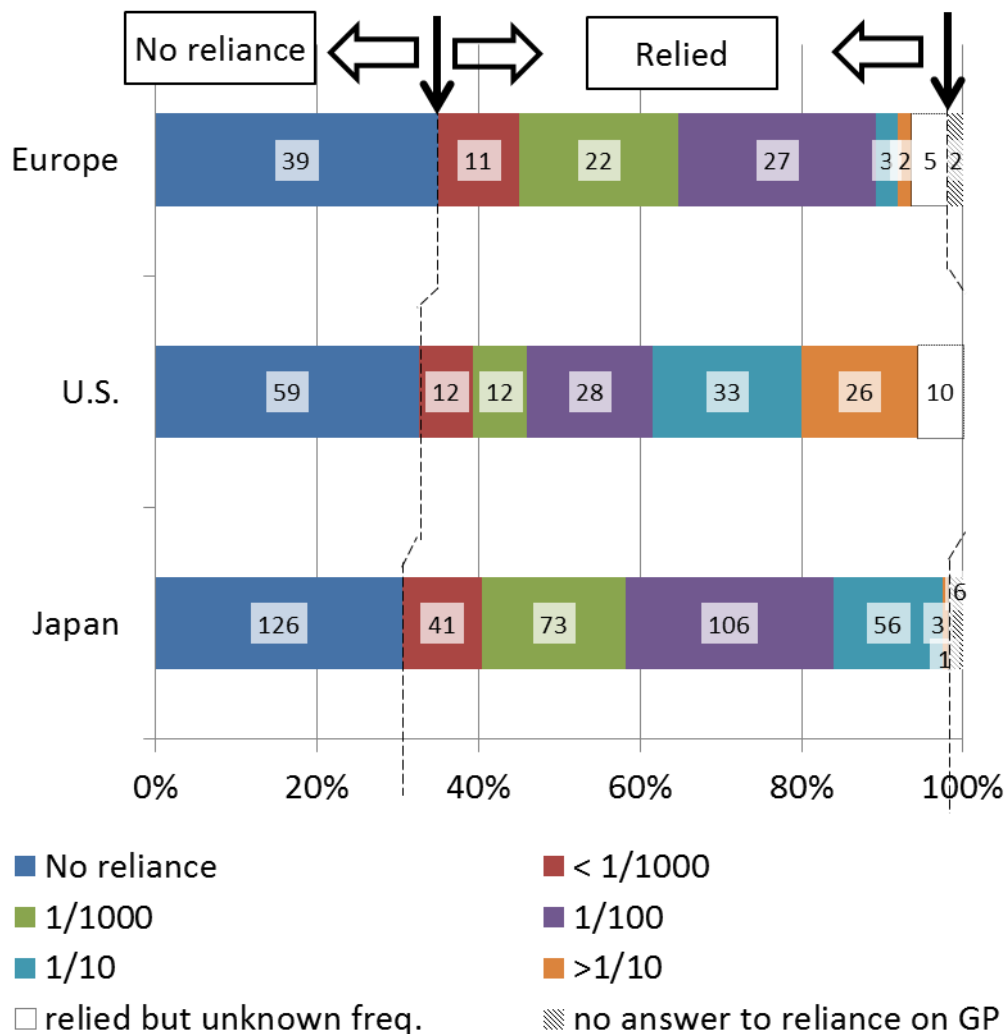


Figure 6 Frequency of reliance on grace period (Q.4 & Q.4b)

58. In Europe, the estimated frequency of reliance on the grace period was generally very low, with 63% of respondents to the EPO survey indicating that they had either never relied on the grace period, or had relied less than or equal to about 1 per 1000 applications (see discussion on this section in the *EPO Report*, pp.23-25). It should be mentioned that several respondents to the EPO survey commented that reliance on the grace period was “extremely rare”, which is not surprising given that for European users, their primary market does not have a grace period (See *EPO Report*, pp. 24-25).
59. Moreover, the answers to survey question Q.11 about the implications of the grace period largely differ in each country/region. Respondents were given options, namely, both positive and negative implications of the grace period, multiple answers allowed. As a result, as seen in Figure 7, in Japan and the U.S., a significant percentage of the respondents selected options reflecting positive opinions. These positive options include opinions that grace period systems should be established because they are user-friendly for SMEs (Japan 40%, the U.S. 70%), or because they encourage early publication of inventions

(Japan 46%, the U.S. 65%). On the other hand, in Europe, a higher percentage of the respondents selected options reflecting negative opinions, including the opinion that introducing a grace period system may undermine the legal certainty of the patent system (61%) or may complicate the patent system (42%).

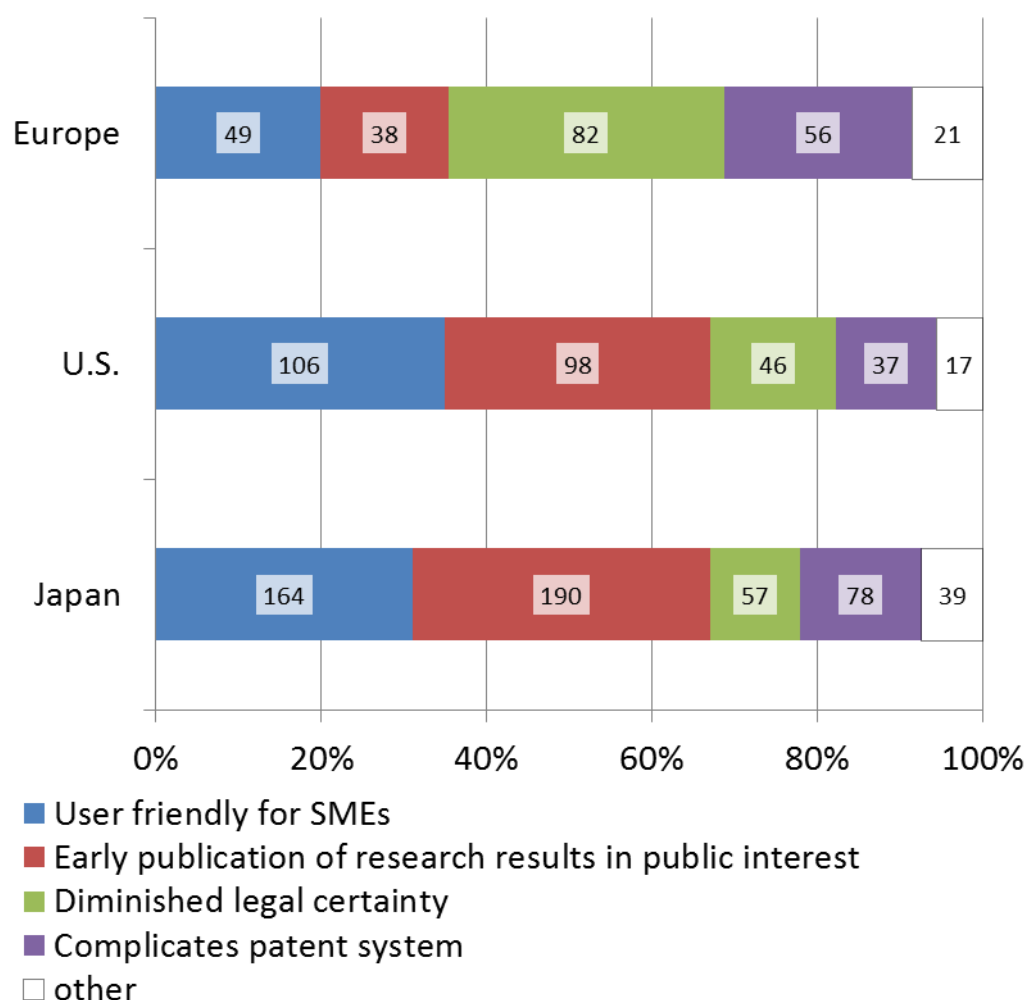


Figure 7 Implication of grace period (Q.11) (*note that the percentage of the horizontal axis indicate the ratio between each of responses)

a) Large Companies

60. It is believed that in general, large companies rarely use grace period systems. For example, in Japan, 65% of large companies responded that they used grace periods for not more than 1 out of 1000 patent applications (See Q.4b).
61. However, according to the answers to question Q.4, "Have you ever used the grace period?" in Japan, the US and Europe (EPO+DPMA+UKIPO), respectively 83%, 52% and 59% of large companies responded that they had experienced using the grace period. The fact that a majority of large companies have used the grace period was an unexpected result of the consultations.

Nevertheless, according to the answers to question Q.2a, we can understand the reasons.

62. The most common situation, within large companies requiring patent applications to be filed after inventions had been disclosed, was after presentations had been made at academic conferences, which is identical to the overall response. The percentage of the respondents who indicated this type of situation was 78% in Japan, 26% in the U.S., and 53% in EPO+DPMA+UKIPO. With open innovation becoming more developed, companies have had more opportunities for conducting joint research projects with universities/research institutions. In response to question Q.1, (Japan 88%, the U.S. 73%) of the companies responded that they had had such opportunities.
63. In addition, there were some other reasons for using grace period systems. A considerable number of the respondents stated that they had used the grace period due to “errors,” and 50%, 16% and 28% of the respondents in Japan, in the U.S., and EPO+DPMA+UKIPO, respectively, selected this option. It shows that even large companies cannot always perfectly manage IP. For example, when hundreds of patent applications are being filed, human error becomes a factor. It is obvious that large companies also have high expectations for grace period systems to help them salvage their rights in critical situations.
64. Nonetheless, according to the result of Q9, among large companies, there is a large discrepancy in the support rate for the grace period. In other words, in Japan and the U.S., a significant percentage (Japan 70%, the U.S. 73%) of large companies supported the grace period, while in EPO+DPMA+UKIPO, the level of support was low, at 32%.
65. It is interesting to note that during the USPTO-hosted public hearing on international harmonization of patent law, one stakeholder who represents owners of intellectual property rights stated 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” (See *USPTO Report*, p.29).

b) SMEs

66. Since there was not enough data on SMEs available for the survey conducted in Europe to allow discussion, this section is confined to comments in regard to Japan and the U.S. results. Following universities and research institutions, SMEs expressed the next highest level of support for the grace period. According to the result of Q9, in Japan and the U.S., a significant percentage (Japan 76%, the U.S. 63%) of SMEs supported the grace period.
67. The percentage of SMEs that had experienced using the grace period was only 30% in Japan and 29% in the U.S. (See Q4.) But in response to question Q.2 whether they felt the necessity to file patent applications after they had

disclosed their inventions, a higher percentage (Japan 63%, the U.S. 41%) of the respondents indicated that they felt such necessity. According to the answers to question Q.2a in Japan, the percentages given for specific cases in which SMEs felt the need for filing patent applications after they had disclosed their inventions are as follows: cases due to error 39%, disclosure at exhibitions 37%, disclosure at business meetings 31%, and presentations at academic conferences 37%. Also, the percentages resulting from disclosure at exhibitions and business meetings for SMEs are higher than that for large companies and universities. This could be a characteristic of SMEs.

68. Also, according to the result of Q2b, in cases when large companies and universities/research institutions felt the necessity to file patent applications after they had disclosed their inventions, they tended to take approaches such as “filing patent applications only in countries/regions where they were able to use grace periods” (large companies: Japan 78%, the U.S. 63%; universities/research institutions: Japan 93%, the U.S. 66%). On the other hand, most SMEs did not take such approaches. Instead, a significant percentage (Japan 53%, the U.S. 43%) of the SMEs responded that “they went ahead and filed patent applications.” That is, in some situations the applicant may have filed the patent application even though there was a high possibility that their application would be rejected. Unfortunately, the question in the survey did not provide any information as to whether the subject-matter of the application was the same as that which would have been filed had the pre-filing disclosure not occurred.
69. It is interesting to note the comments at the roundtable held in Japan. “In the consultations with SMEs, some SMEs stated that they had exhibited and sold their inventions or disclosed them on their websites.” “SMEs and venture companies would file patent applications only after they had manufactured their products and gotten positive customer feedback. In some cases, they were not able to use the grace period when they tried to file patent applications.” Representatives at the roundtable discussions also mentioned, “It is a fact that SMEs have limited and insufficient capacity to manage IP. There is no specific department dealing with IP in many SMEs. On average, in companies with around 200 employees, there might be one, full-time designated staff in charge of IP and maybe two staff dealing with IP and doing other work beside.” (See *JPO Report*, p. 6 and p.7)
70. Further, one stakeholder at the USPTO roundtable noted that a “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.” (See *USPTO Report*, p.29)

c) Universities / research institutions

71. Since there was not enough data on universities/research institutions available for the survey conducted in Europe to allow discussion, this section is confined to comments in regard to Japan and the U.S. results. The grace period has a particular application in the academic setting, given the incentive academics

have to publish research results as early as possible, including perhaps before filing a patent application for the innovation. The survey results appear to bear this out. Accordingly, universities/research institutions are heavy users of the grace period in those jurisdictions which have it. It is certainly true, because according to the answers to Q.2a, 95% and 75% of the university/research institution respondents in Japan and in the U.S., respectively, stated that they felt the necessity to file patent applications after they had disclosed their inventions in academic papers. Among universities/research institutions, the percentage of the respondents who support the grace period is 80% in Japan and 73% in the U.S., respectively, higher than the percentage of respondents at large companies and SMEs (See Q.9). Also, the percentage of university/research institution respondents who had experienced using the grace period is very high, at 94% in Japan and at 75% in the U.S. (See Q.4). About the frequency of use, in Japan, the percentage of the respondents who used the grace period for more than about 1 out of 10 applications is 65%, a relatively high percentage.

72. However, even though the grace period system exists, this may not necessarily mean that they simply publish their research results all the time before filing patent applications. According to the result of Q1, 98% and 91% of the university/research institution respondents in Japan and in the U.S., respectively, stated that they conducted joint research projects with private companies at or above a certain level. In such cases, it is not natural to think that they made presentations on research papers at academic conferences immediately after they had invented their own technologies because of the contract. In fact, according to the result of Q.2a, 21% and 13% of the university/research institution respondents in Japan and in the U.S., respectively, stated that they had used the grace period due to “errors.”
73. Accordingly, it can be easily recognized that, as in the case of private companies, that there are many cases in which universities/research institutions rely on the grace period to help salvage their rights.
74. In the roundtable discussions in Japan, a representative commented on this issue, stating: “In 2004, national universities were incorporated and have earned income based on license agreements and joint research funds from companies. Companies told us that they would not want to conduct joint-research projects, unless a system to manage IP is established at universities.” Based on these reasons, universities have enhanced their management of IP. In fact, a representative commented, “We’ve used the grace period for 14% of all patent applications that we have filed thus far. In recent years, however, the frequency of using the grace period has decreased. It is now down to approximately 5% of the patent applications that we’ve filed over the past several years.” Thus, we can see that the trend in stronger IP management can be seen in real numbers. Nevertheless, it may be difficult for universities, unlike large companies, to manage their IP. In academia, the concept of academic freedom still remains. At the roundtable discussions, a representative commented, “Some university professors coming from private companies have worked to introduce a mechanism that companies use for managing IP.

However, universities are absolutely unable to accept such an idea. For university instructors, acquiring patent rights may be nothing more than another step in the research process, not the ultimate goal. There is a general practice at universities for university instructors themselves to be allowed to decide whether to acquire patents after making presentations at academic conferences. Some university instructors, in fact, feel that disclosing their inventions without acquiring patents is allowable.” (See *JPO Report*, p. 8.)

75. A representative from the university community at the USPTO hearing 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.” (See *USPTO Report*, p.29.)

B. GENERAL VIEWS

a) Policy goals pursued by a grace period

76. Responses to the surveys indicated that there are many more cases in which the grace period system is being used in situations where something goes wrong rather than in cases in which inventors have a choice whether to disclose or not. This is true for large companies, SMEs, and even universities/research institutes. Related to this, in response to question Q.10 regarding the policy reasons behind the grace period, a relatively low percentage (Japan 17%, the U.S. 54%, Europe 46%) of the respondents selected the option: “enables inventors to conduct market research and/or obtain financing before filing patent applications.” Rather, a higher percentage of the respondents selected the option: “balances the purposes of the patent system and the needs of the scientific community” (Japan 71%, the U.S. 66%, Europe 64%) or the option “protects inventors against confidential information being leaked and/or ideas being stolen” (Japan 33%, the U.S. 75%, Europe 75%).
77. Figure 8 shows that there is great variation in the understanding of the policy underpinnings of the grace period, which affect how respondents viewed the desirable scope of the grace period. For instance, many respondents, 71%, 66%, 64% of respondents in Japan, in the U.S., in Europe, respectively, think that a grace period should take account of and balance the goals of the patent system and the needs of the scientific community. Also, there are many respondents especially 75% in the U.S. and 75% in Europe, who think that the grace period should protect inventors against the consequences of breach of confidence and theft of information.

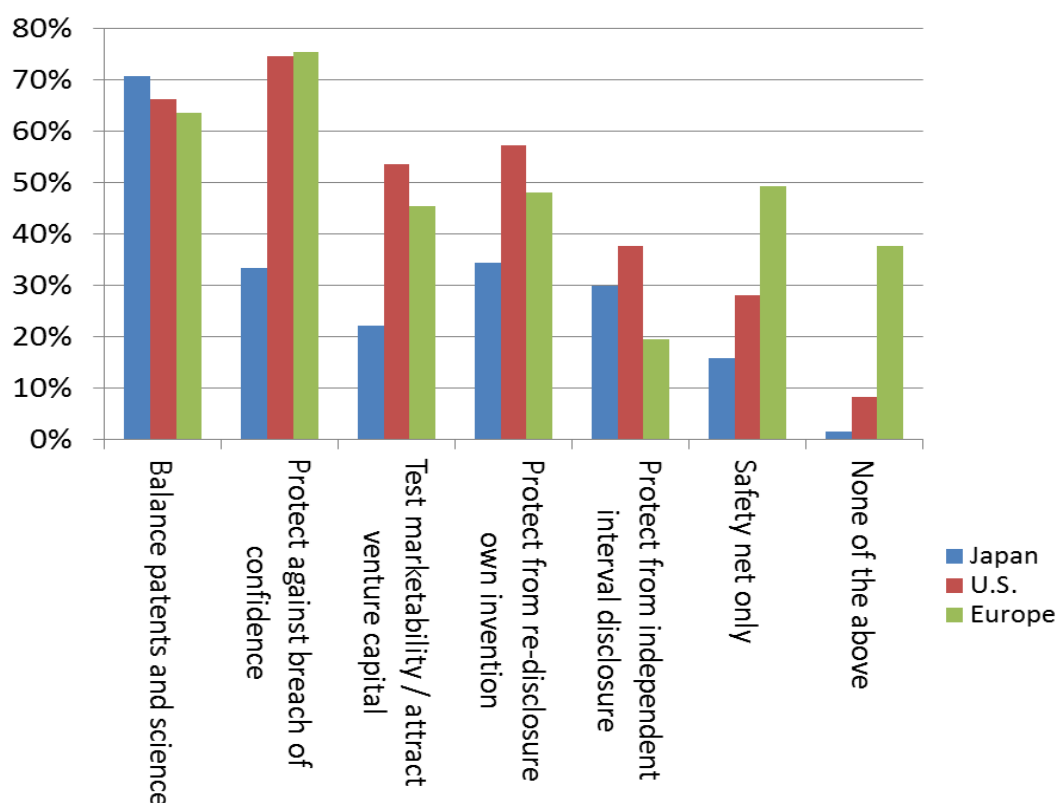


Figure 8 Policy goals which should be pursued by the grace period (Q.10)

78. Contrary to that, in terms of protecting applicants from disclosures of independent inventions in the grace period interval between the first disclosure and the filing date of the application, only 18% of respondents to European surveys agreed that a grace period should be thus defined, compared to 30% of respondents in Japan and 38% in the U.S.
79. The figure also shows that in the Tegernsee Questionnaires administered in Europe, 49% of respondents agreed with the statement that a grace period should “have a safety-net function only, meaning that if inventors choose to disclose their invention prior to filing, they should bear the risk of such disclosures and the investments of third parties who adopt technology in good faith which appears to be freely available prior to the filing or priority date should be protected.” Here too, there are divergences with respect to how users view the desirable scope of the grace period across jurisdictions since only 15,9% of respondents in Japan and 28% of respondents in the US shared this belief that the scope of the grace period should be confined to a safety-net only.
80. In February 2013, the EPO held a Hearing of users within the framework of the Tegernsee consultation, composed of representatives from national and supra-national user associations. The outcome was that although many participants expressed opinions against the grace period on principle, the majority were in favour of a “safety net” grace period, defined as follows: with a 6-month duration, computed from the filing or priority date, subject to a formal mandatory

declaration, applying only to the disclosures emanating from the applicant and with mandatory prior user rights applying throughout the grace period. This compromise position was subject to two conditions presupposing a multilateral approach to any possible adoption of a grace period in Europe: if the safety-net grace period was itself internationally harmonized and contained within an SPLH Treaty package which would include a classical first-to-file system as well as mandatory 18-month publication. A grace period which would grace independent third party disclosures of their own inventions in the interval was unanimously rejected by all the user associations present. (See *EPO Report*, p. 55 and p.59.)

81. As demonstrated by the results of the Hearing at the EPO as well as responses to the prior user rights section of the Tegernsee Questionnaire reported upon below, the vast majority of respondents to the European consultations appear to consider that prior user rights constitute an integral part of the definition of the grace period. In this respect, there appears to be a fundamental divergence between respondents in Europe and respondents in both Japan and the U.S. Finally, it may be observed here that the definition of a safety-net grace period which was given by European respondents to the EPO user consultation would appear to be co-extensive with the definition of the grace period in Japan with one fundamental exception: the issue of derivation of the invention in good faith from the applicant, which is not permitted in Japan.
82. When asked whether patents which had been obtained thanks to the grace period had been a particular contributing factor to the success of their business and/or research activities the number who responded positively was much higher in the U.S. (56%) than in Japan (28%) or in Europe (33%)(See Q.4c) The definition of this "success" is not clear, however. Among the respondents, 38% and 56% of university respondents in Japan and the U.S, respectively, indicated that the grace period led to their success, whereas in Japan for example, the percentage of SMEs who indicated that their acquiring patents had been connected to the success in their business was 23%; and the percentage at large companies was also 23%, less than that of universities.
83. Likewise, when asked whether the unavailability of a grace period was a factor in business or research decisions (Q.6), a much higher proportion of respondents in the US answered in the affirmative (52%), compared with only 4% of respondents in Japan and 16% of users in Europe.

b) Harmonization of grace period

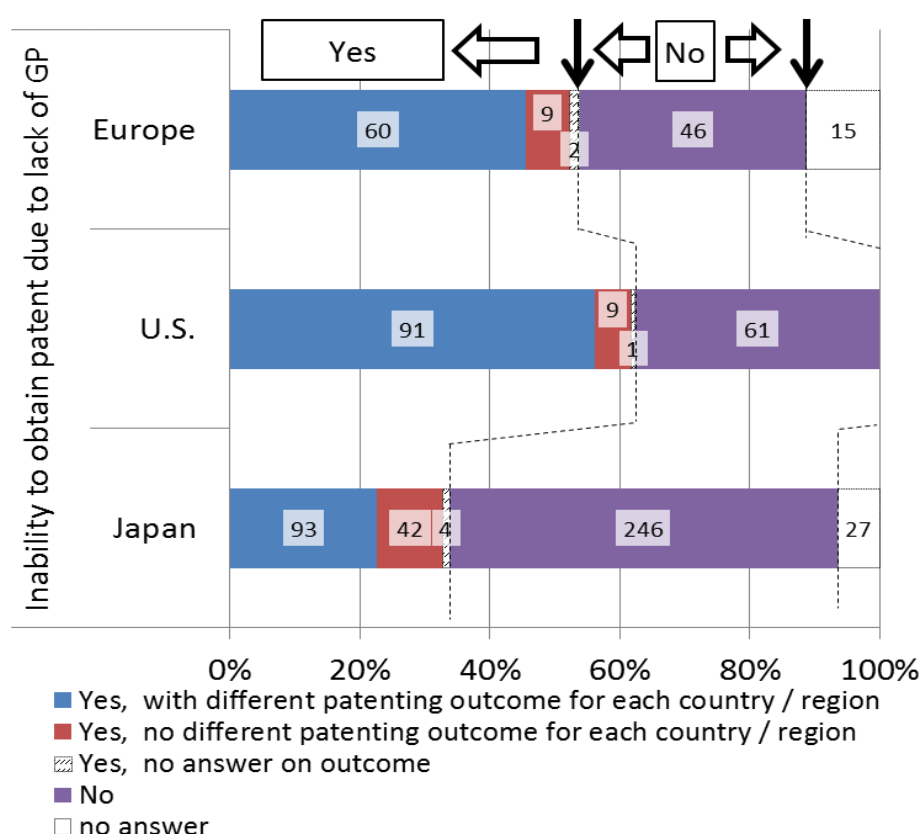


Figure 9 Instance of inability to obtain patent due to lack of grace period (Q.5) & patent outcome differences (Q.5a)

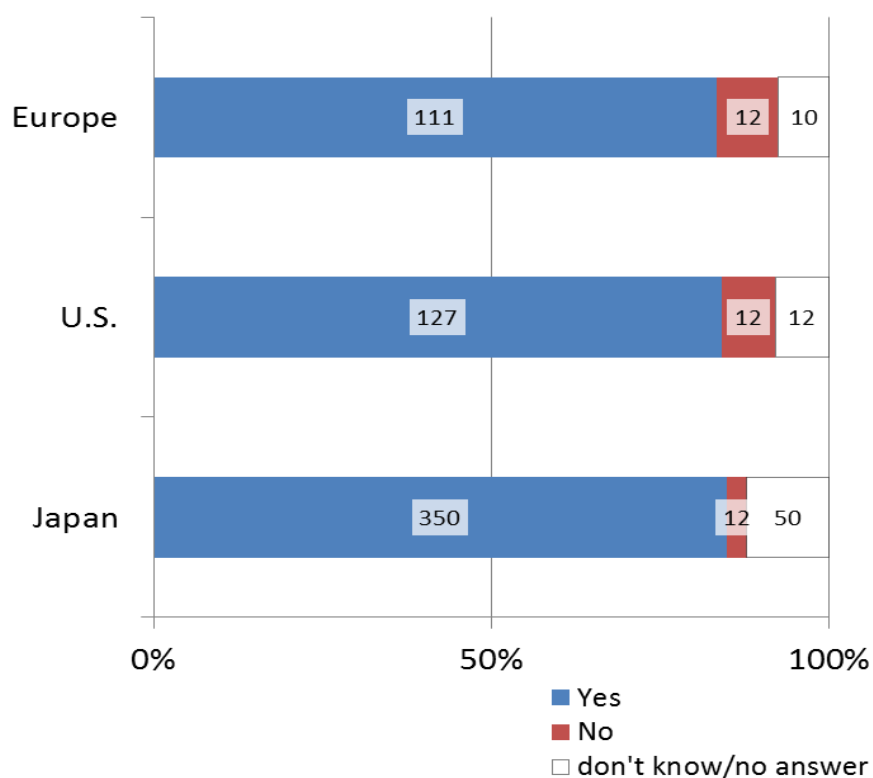


Figure 10 In favor of internationally harmonized grace period (Q.15)

84. In Q5, respondents were asked whether they had ever been unable to obtain a patent due to the lack of a grace period, and in Q5a, they were asked whether they had experienced different patenting outcomes across several jurisdictions due to a lack of grace period harmonization. In response to Q5, the percentage of the respondents who gave up acquiring patents because their system did not provide for grace period system varied according to the jurisdiction, 62% in the U.S. and 54% in Europe, respectively, while it was 34% in Japan. Also, in the answers to Q5a, among these respondents, (Japan 69%, the U.S. 90%, Europe 85%) indicated that they gave up acquiring patents due to the differences in grace period systems in each country/region (See Figure 9; Q.5, 5a).
85. This suggests that the lack of international harmonization of the grace period creates problems for users. And, 85%, 84%, 83% of the respondents in Japan, the U.S., Europe, respectively, believe that, should there be a grace period, it should be internationally harmonized (See Figure 10; Q.15). However, this response does not suggest any agreement as to the definition or scope of a potential international grace period. For instance, in the EPO survey, 6 respondents emphasized that they meant that the absence of a grace period should be harmonized. (See *EPO Report*, p.43)

i) Mode of disclosure and scope of grace period

86. In response to question Q.16, “In terms of achieving a sufficient level of international harmonization, which of the following matters, if any, do you believe are required to be harmonized?”, more responses were given to “mode of disclosure in which the grace period can be applied”, “scope of the grace period”, “duration of the grace period”, and “date from which the term of the grace period is computed” rather than “declaration requirements for invoking the grace period” and “prior user rights during the grace period”(Figure 11; Q16).

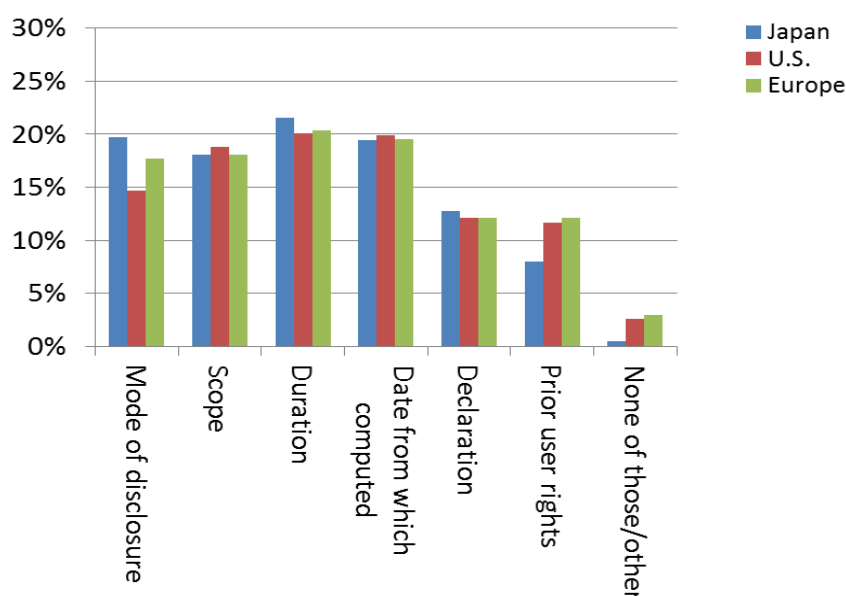


Figure 11 Which elements of the grace period should be required to be harmonized? (*note that the percentage of the vertical axis indicate the ratio between each of responses) (Q.16)

87. Meanwhile, this survey did not include questions that elicited stakeholder views on harmonization with respect to modes of disclosure in which the grace period can be applied, and what exactly is eligible for the grace period. Some indications may be taken from the responses to Q.10. There, in particular, questions were asked regarding what should be graced, such as re-disclosures of the inventor's invention by third parties or disclosures of independent inventions by third parties, or whether the grace period should be confined to a "safety-net" as defined in the question (reference is made here to Appendix III - *Table of Consolidated Results*). Also, there was an opinion that a grace period could lead to legal uncertainty in respect of patent rights. In fact, a certain percentage (Japan 14%, the U.S. 30%, Europe 61%) of the respondents agreed with this opinion (Figure 7; Q.11).
88. It is interesting to note that according to the roundtable discussions held by the JPO, majority of respondents across the jurisdictions think that grace period should take account of and balance the goals of the patent system and the needs of the scientific community and also that the grace period should protect inventors against the consequences of breach of confidence and theft of information. Based on these comments, it is obvious that in harmonizing the grace period, most of the Japanese users hope that the grace period is harmonized in such a way that it covers a broad scope. Also, it interesting to note that there was a comment on the stability of patent systems, "I heard some concerns that starting a grace period system would lead to damaging the stability of patent systems. I believe that as in the case of Japan, by following certain prescribed procedures at the time of filing patent applications, the issue of the instability of patent systems could be mostly solved." (See *JPO Report*, p. 10 and p.11)

ii) Duration

89. In response to question Q.13 about the duration of the grace period, 65% and 56,7% of the respondents in Japan and in Europe, respectively, are in favor of six months, while 65% of the respondents in the U.S. favor twelve months. Note that these percentages reflect the respective systems that are in place in each country/region.

iii) Date from which the term of the grace period is computed

90. In response to question Q.14 about the date from which the period of the grace period is to be computed, the preferred response in all regions was "the filing date of a patent application or the priority date of the application", with 63% of respondents in Japan, 64% of respondents to the U.S survey and 71% of European selecting this option. As a result, the majority of the respondents supported that the term of the grace period should be computed from the priority date.

iv) Mandatory declaration

91. In response to question Q.12 about “whether you support mandatory declarations,” in Japan and Europe, a significant percentage (Japan 64%, Europe 62%) of the respondents indicated that it should be mandatory for applicants to declare that they are invoking the grace period, while a higher percentage (71%) of U.S.-based respondents claimed that mandatory declarations should not be mandatory where the grace period is invoked. The majority of respondents who favored mandatory declarations said the reason for their opinion on this was that mandatory declarations improve the legal certainty of patent rights (Japan 83%, the U.S. 82%, Europe 95%) (See Figure 12; Q.12a). Also, a significant percentage of the respondents who stated that mandatory declarations should not be required gave the following reasons for their responses: (1) mandatory declarations would increase the burden on applicants (Japan 76%, the U.S. 85%, Europe 61%), and (2) if applicants make any procedural errors when declaring the grace period, they ultimately will become ineligible to invoke the grace period (Japan 47%, the U.S. 81%, Europe 55%) (See Figure 13; Q.12b).
92. In addition, the percentage of the respondents who answered that “in some cases, they had actually been negatively impacted by other companies’ using grace periods” was 2.0% in Japan, the lowest, followed by 16% in Europe, while it reached 18% in the U.S., the highest (See Q.7).

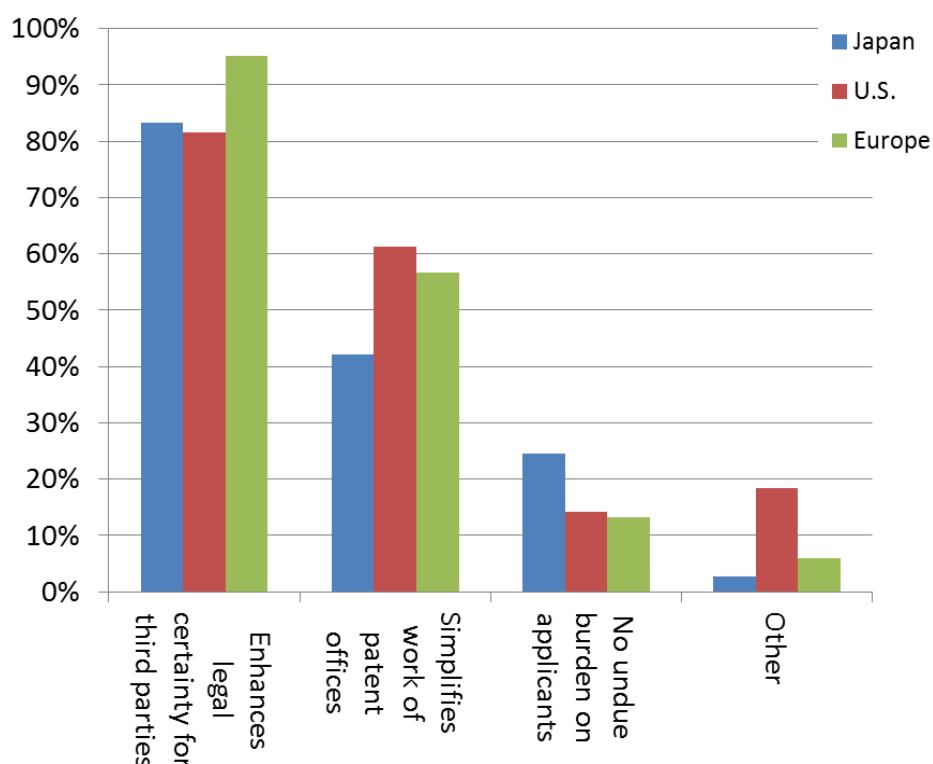


Figure 12 Reasons for being in favor of mandatory declaration (Q.12a)

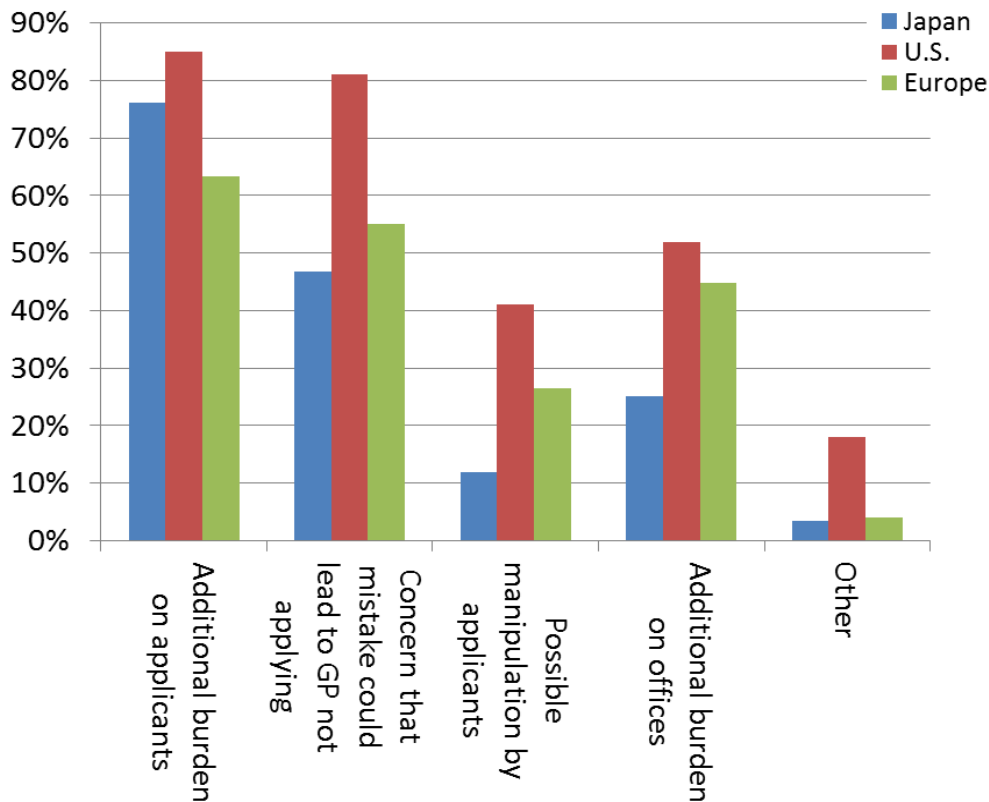


Figure 13 Reasons for being against mandatory declaration (Q.12b)

c) Specific issues

93. The results of the questionnaire survey conducted during the user consultations did not amount to only data gathering on specific points but also led to gathering other responses from each respondent on further questions. In other words, by carrying out so called “cross tabulations,” we were able to gather valuable results. Because there were enough responses only from the users consulted by the JPO in terms of both “number” and “diversity” to carry out such meaningful cross tabulations, this further analysis summary focuses on the results of the user consultations conducted in Japan. Because these results are confined to Japanese data, it is incumbent on the JPO to analyse it and comment on it as it considers appropriate. The results of this further analysis is appended to this report as Annex I to the grace period section, and constitutes an integral part of the Tegernsee consolidated report.

III. CONCLUSIONS OF THE SUMMARY/ANALYSIS

94. According to the results of the user consultations, we were able to understand that there were a wide variety of differences in opinions on the grace period by region, by group and by technical field, in which each user group is engaged as well as in the frequency of using the grace period. We recognized the importance of realizing the standpoint of users when identifying the user trends more precisely, hereafter.

95. The vast majority of the respondents to the Tegernsee surveys in Japan (78%) and the U.S. (79%) are in favor of the grace period. In Europe, only a slim majority of the respondents to European surveys overall (53,8%) appear to be in favor, whereas the majority of respondents to the DPMA survey (61,5%) were against the grace period. It must be concluded that there are divergences of opinion across the regions, with the grace period remaining controversial in Europe.
96. Moreover, a closer analysis of responses to the European surveys shows that even amongst those who consider a grace period to constitute best practice, for many, this position is conditional upon the grace period having the nature of a safety-net, defined in the Hearing of Users at the EPO as having a 6-month duration, computed from the filing or priority date, subject to a formal mandatory declaration, applying only to the disclosures emanating from the applicant and with mandatory prior user rights remaining available to prior users in good faith throughout the grace period.
97. This point of view is shared by only 15,9% of respondents in Japan and 28% of respondents to the US survey, so that there appears to be a considerable divergence in the perception of the optimal scope of the grace period by users in favour of it in Europe on the one hand, and users in Japan and the US on the other.
98. Thus, there are divergences in the understanding of the role, systemic importance and optimal scope of the grace period, across the three regions.
99. Leaving these considerations aside and focusing on particular elements, results from the Japan and Europe-administered surveys suggest that the preferred duration of a grace period would be 6 months, with respondents to the U.S. survey diverging in this respect by favoring a 12-month grace period.
100. Also, more than half of respondents to the surveys in Japan and in Europe would be in favor of a mandatory declaration, whereas a majority of respondents to the US survey are not in favor of a mandatory declaration requirement.
101. There is convergence in the responses in all three regions as to the preferred date as of which a grace period should be computed: from the filing or priority date. Also, a majority of respondents across the jurisdictions think that grace period should take account of and balance the goals of the patent system and the needs of the scientific community and also that the grace period should protect inventors against the consequences of breach of confidence and theft of information.
102. Only 18% of respondents to European surveys compared to 30% of respondents in Japan and 38% in the U.S. agreed with the statement that a grace period should “protect the inventor who first disclosed an invention against any interference from third parties in the interval between first

disclosure and filing, including disclosures from independent inventors of their own inventions.”

103. As demonstrated by the results of the Hearing at the EPO as well as responses to the prior user rights section of the Tegernsee Questionnaire reported upon below, the vast majority of respondents to the European consultations appear to consider that prior user rights constitute an integral part of the definition of the grace period. In this respect, there appears to be a fundamental divergence between respondents in Europe and respondents in both Japan and the U.S. Finally, it may be observed here that the definition of a safety-net grace period which was given by European respondents to the EPO user consultation would appear to be co-extensive with the definition of the grace period in Japan with one fundamental exception: the issue of derivation of the invention in good faith from the applicant, which is not permitted in Japan.

Annex I: Section on grace period - Further analysis of JPO data

i) Further investigation by considering affiliation

104. Figure 14 shows the frequency of reliance for each affiliation. It evidently shows that the grace period is mainly used by SMEs and universities/research institutions as generally stated.

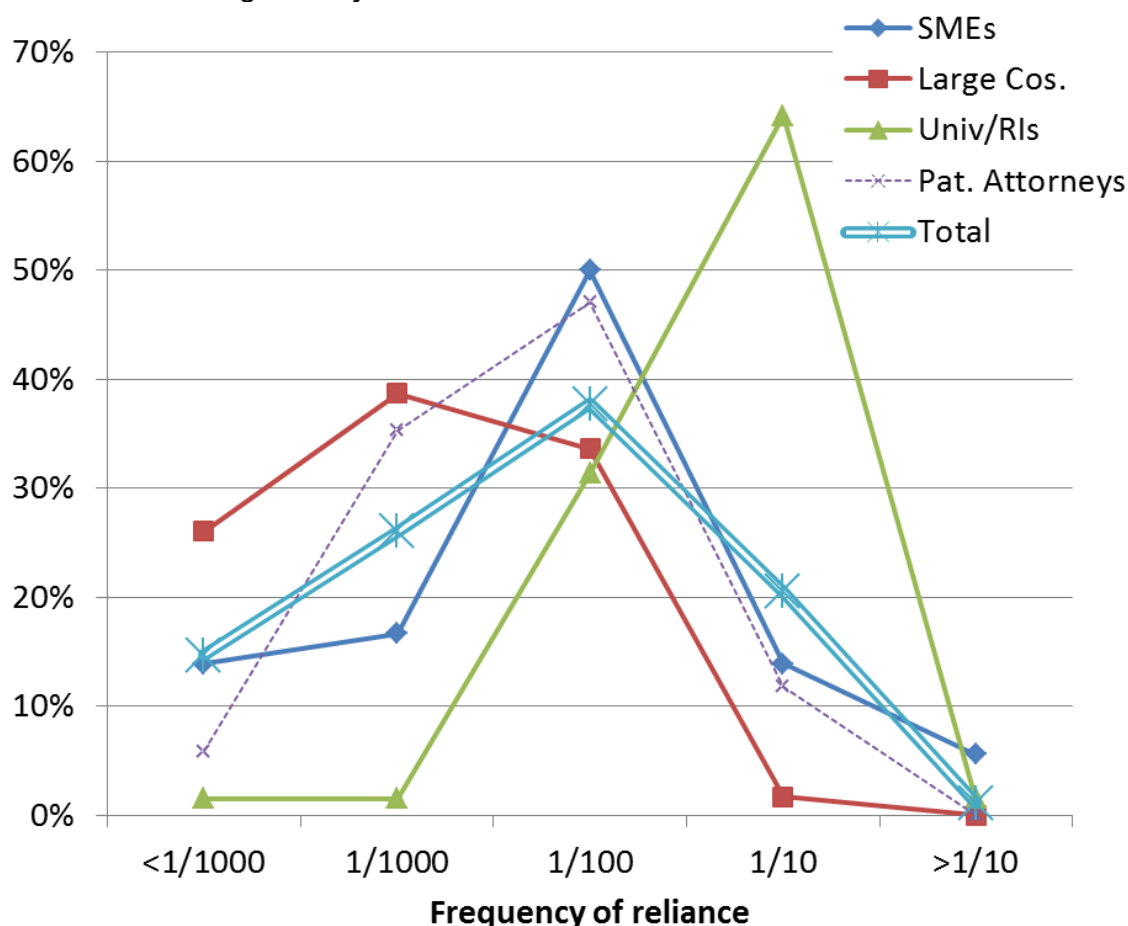


Figure 14 Frequency of reliance for each affiliation

105. Figure 15 shows the reasons that the respondents felt the need to file a patent application after they disclosed his/her research result. In most cases, “Breach of confidence”, “Trade show”, and “Business negotiations” are considered substantial errors. In that context, more than 60% of SMEs have experienced the need to file the patent application due to errors. Also, it could clearly be seen that universities and research institutions have experienced the need to file a patent application after the disclosure at the academic conferences. This implies that for the discussion on the grace period issue, the understanding of needs by SMEs and universities/ research institutions are necessary.

106. Figure 16 shows how the respondents dealt when they felt the need to file a patent application after they disclosed a research result. It clearly shows that many SMEs tend to file it anyway despite the high possibility of rejection.

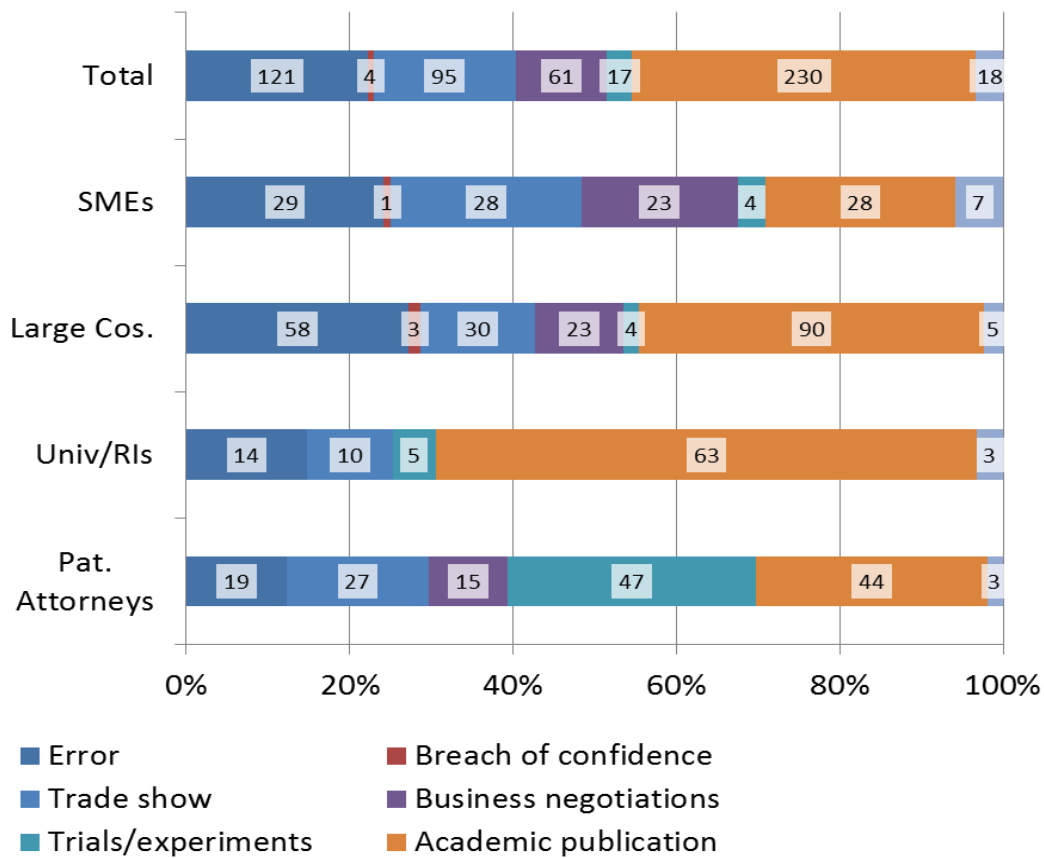


Figure 15 Grounds for pre-filing disclosure... (Q.2a)

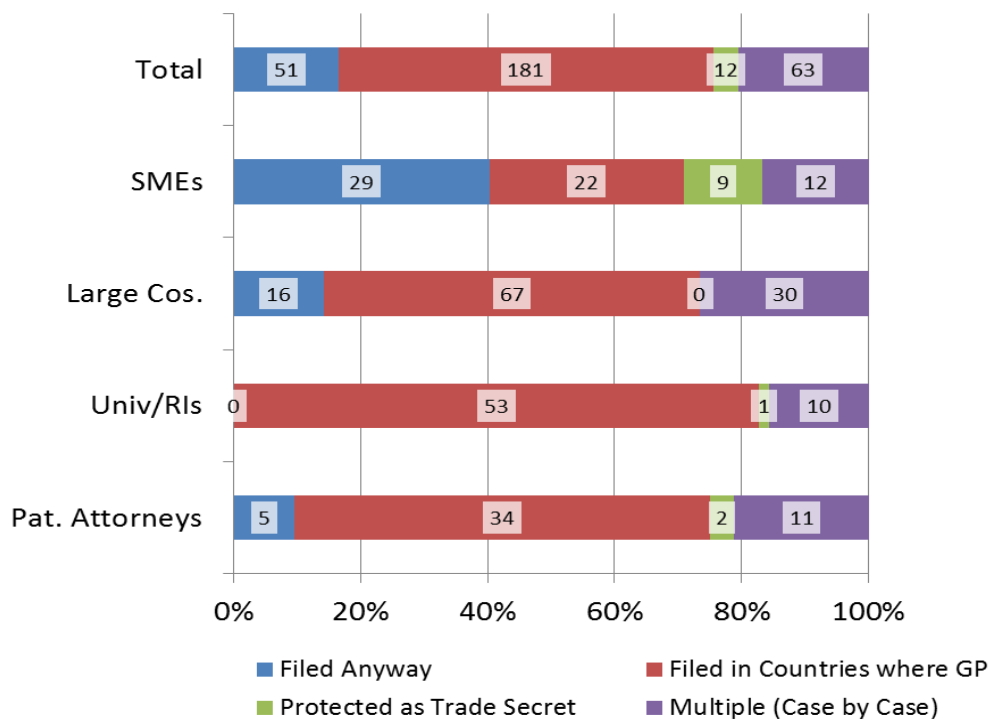


Figure 16 When pre-filing disclosure occurred... (Q.2b)

ii) Further Investigation by considering frequency of reliance

107. Figure 17 shows the answers to question Q.9 “whether you support the grace period” by frequency of using the grace period. According to the result, among users, the higher the frequency of using the grace period, the higher the tendency to favor the grace period grew. This clearly indicates that through experiences of using grace periods, or by gaining a better understanding of the grace period, trends of how users view the grace period may change.

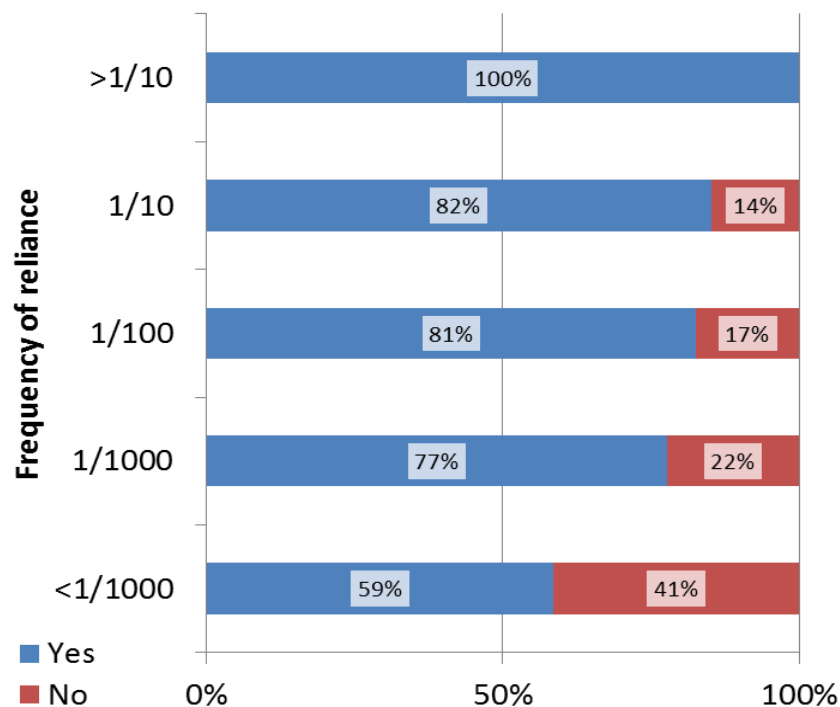


Figure 17 Are you in favor of the grace period? (by frequency of reliance) (Q.9)

108. Nonetheless, as shown in Figure 18, according to the answers to Q.15 “whether the grace period should be harmonized,” the support for harmonizing grace period systems has almost no correlation with the frequency of using the grace period. Most users consider that harmonization of grace period systems is desirable, even if they personally never use the grace period.

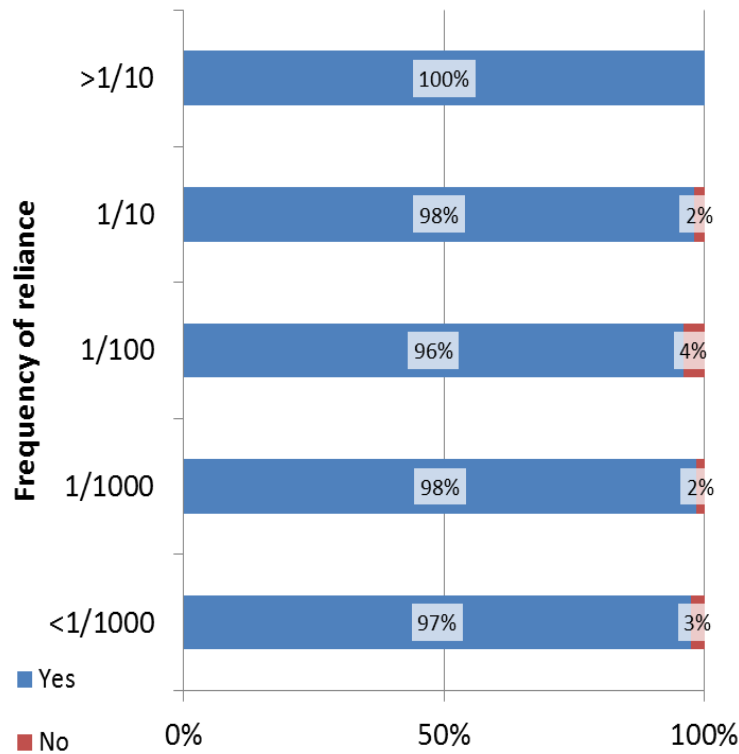


Figure 18 Should the grace period be internationally harmonized? (by frequency of reliance) (Q.15)

109. Also, Figure 19 shows the answers to question Q.14 “whether you support mandatory declarations,” by frequency of using the grace period. According to the result, the higher the frequency of using the grace period by users, the more the users opposed mandatory declarations. When we see the reasons, we found that the higher the frequency of using the grace period by users, the higher the percentage of users who consider that workload on applicants will increase. On the other hand, we found that the lower the frequency of usage, the higher the percentage of users who support mandatory declaration. When we see the reasons, the lower the frequency, the percentage of users who indicate that legal certainty for patent rights could be improved is higher. As stated above, regardless of the frequency of using the grace period, many users consider that harmonization of grace period systems is desirable for them. However, the issue of how grace period systems should be harmonized differs according to the frequency of using the grace period.

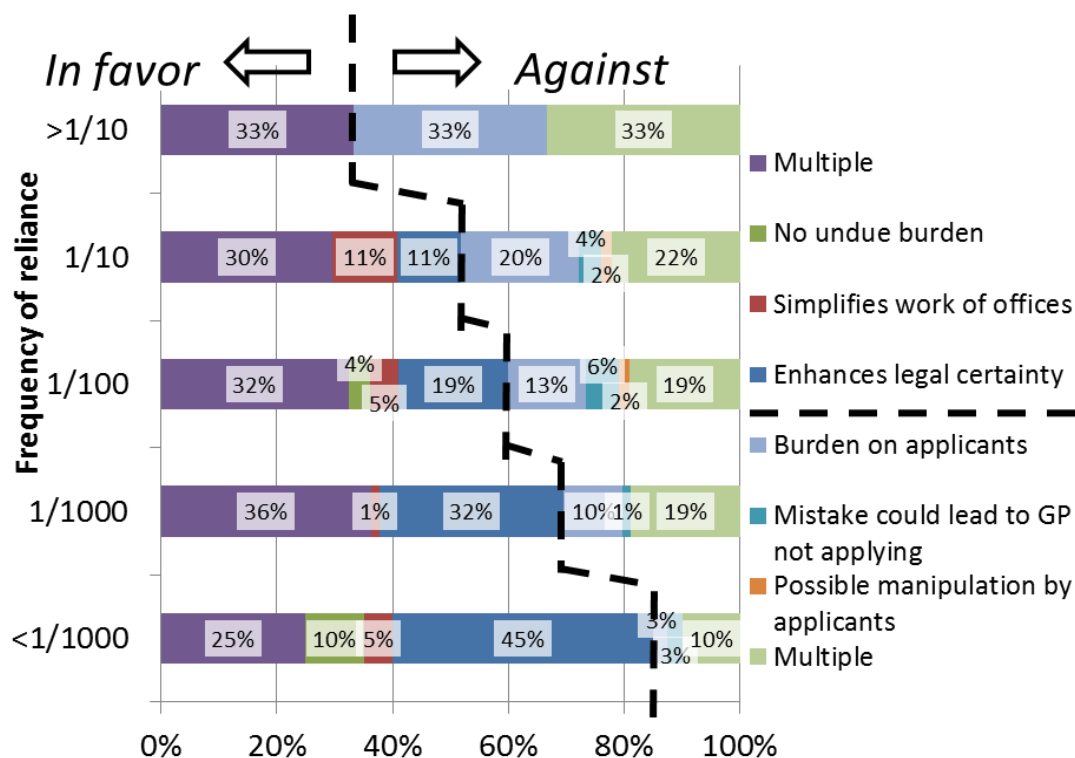


Figure 19 Need of mandatory declaration and reasons (by frequency of reliance), (Q.12, 12a, 12b)

110. In addition, Figure 20 shows the answers to Q11 about “ideas and policies on the grace period” by frequency of using the grace period. According to the result, users who have used the grace period more frequently tend to feel that the grace period can encourage earlier publication of information for new technologies, or that the grace period enables entities such as SMEs, who may not have sufficient knowledge about the patent system itself, to easily use the patent system. Moreover, the percentage of the respondents who consider that the grace period may lead to damaging both predictability and legal certainty of the patent system is higher in users who have used the grace period less frequently. On the other hand, there are certain numbers of users which highly rely on the grace period, who think that the grace period may make the patent system more complicated

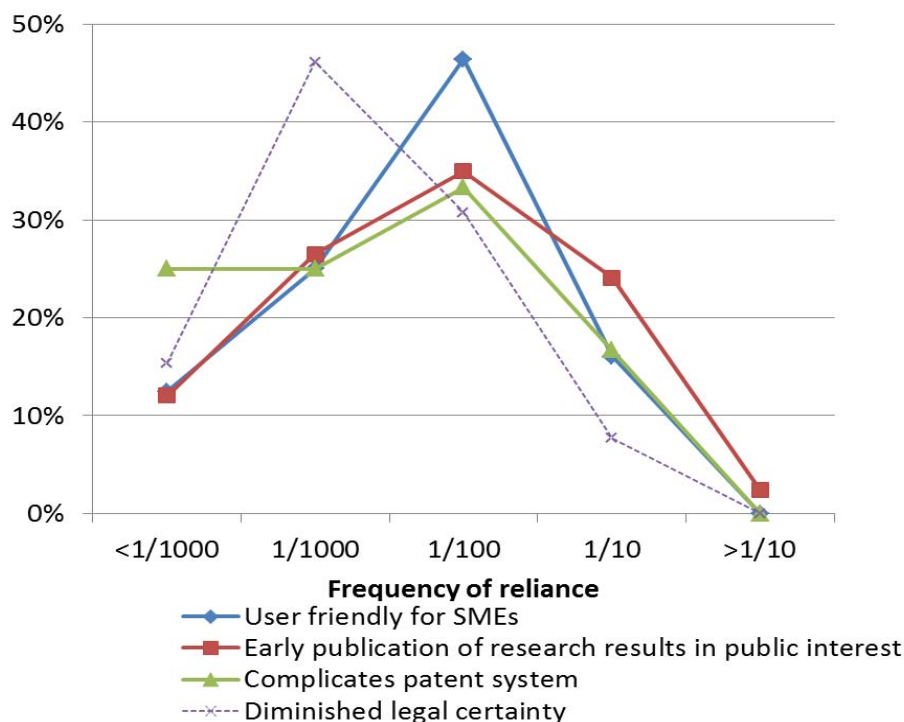


Figure 20 Implication of grace period (by frequency of reliance) (Q.11)

iii) Further investigation by considering area of technology

111. Figure 20 shows the answers to Q.4b about “the frequency of using the grace period” by technical field in which the respondents are engaged. According to the result, we found that trends in the frequency of using the grace period differ by technical field. In particular, the frequency is higher in the area of chemistry, while low in the companies engaged in mechanics and IT.

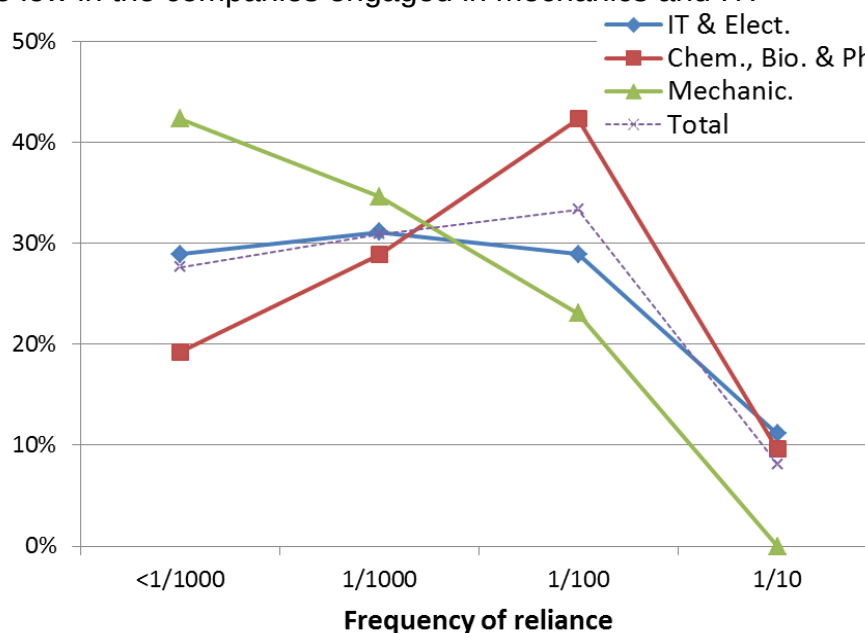


Figure 21 Frequency of reliance on grace period by technical field (Q.4b)

112. Also, Figure 22 shows the answers to Q11 about implication of the grace period” by technical field in which the respondents are engaged. According to the result, in the areas of chemistry and mechanics, the percentage of the respondents who consider that the grace period can promote earlier and greater use of information on new technologies is higher. The percentage of the respondents who consider that the grace period enables entities such as SMEs, who may not have sufficient knowledge about the patent system, to easily use the system is higher at IT companies. Also, at about the same percentage, in the areas of chemistry and mechanics, the respondents consider that the grace period may make the patent system more complicated. As stated above, the trends in the frequency of using the grace period largely differs between these technical fields, but we found that regardless of frequency, a certain percentage of the respondents consider that the grace period may complicate the patent system.

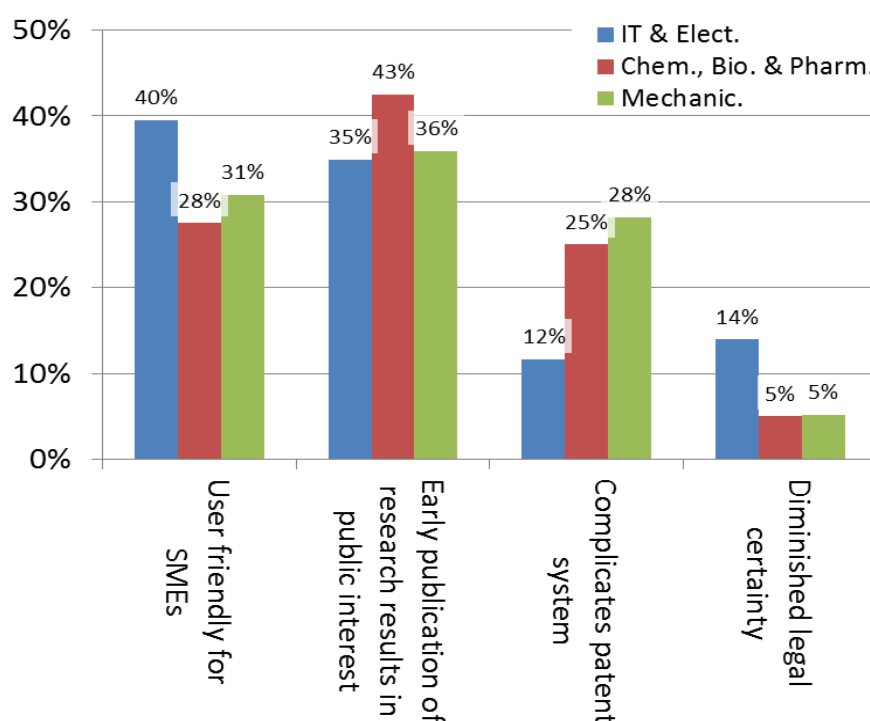


Figure 22 Implication of grace period (by technical field) (Q.11)

End of Annex I

PART II: PUBLICATION OF APPLICATIONS AT 18 MONTHS

I. BACKGROUND

113. 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.
114. 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.
115. 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.
116. However, 18-month publication is not without its consequences. If patent rights are not determined prior to publication, the availability of potentially lucrative information during the period of time between publication of the application and the date at which the patent is ultimately granted can provide competitors worldwide with the opportunity to copy or design around technologies that are held up 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 protect the information as a trade secret.
117. The United States is currently the only system that allows certain applicants to opt out of publication at 18-months on the 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.¹ The questionnaire posed a number of questions related to this issue as well as user experiences concerning the publication of applications generally.

¹ This does not include non-publication due to national security screening procedures, which is a common publication exception in most jurisdictions, or other limited non-publication situations, e.g., where the application contains offensive material.

II. RESPONDENT INFORMATION

118. A total of 680 respondents to the user consultation survey, administered by the offices of the Tegernsee Group, answered at least some of the questions regarding the publication of applications. The Japan Patent Office (JPO) received 412 responses to at least one of the questions on publication of applications, whilst the United States Patent and Trademark Office (USPTO) received 139 responses. Responses for this section of the Questionnaire for Europe were as follows (user associations in parentheses): the European Patent Office (EPO) received 63 (9) responses, the German Patent and Trademark Office (DPMA) received 39 (5) responses, the French National Institute of Industrial Property (INPI) received 11(4) responses, the United Kingdom Intellectual Property Office (UKIPO) received 9 (3) responses, and the Danish Patent and Trademark Office (DKPTO) received 7 (3) responses, for a total of 129 responses overall. It should be noted that some jurisdictions received responses from respondents located outside that jurisdiction. For example, of the 139 responses received by the USPTO, 78 were from the U.S., 36 were from Europe, and 25 were from other countries/regions.

III. SUMMARY/ANALYSIS

A. USER EXPERIENCES

a) Experience with opting-out of publication in the US

119. As shown in Table 2.1, aside from those that responded to the USPTO administered survey where a little more than 40% of respondents reported having ever taken advantage of the U.S. opt-out provision. None of the respondents to the DK, FR and UK surveys had ever opted out, only 1.46% and 3.7% of respondents in Japan and at the EPO reported having opted out. Results at the DPMA were an outlier for non-US respondents, with 14.7% of respondents indicating that they had taken advantage of the U.S. opt-out provision (Q.5). This difference likely reflects the fact that respondents from jurisdictions outside the U.S. frequently file a foreign counterpart to the U.S. application in their home jurisdiction, which prevents them from opting out of publication in the U.S. In absolute numbers, few of the respondents opted out of publication at the USPTO, however, when they did, in the vast majority of cases, the reason was to prevent copying or designing around by competitors (JPO survey: 83.3%; US survey: 75.9%; European surveys: 71.4% of respondents)(Q.6).

Table 2.1 (Question 5)
Have you taken advantage of the U.S. opt-out provision?

Office	Yes	No	No Answer
JPO	6 1.46%	401 97.3%	5 1.21%
USPTO	54 41.5%	76 58.5%	0 0%
EPO	2 3.7%	51 94.4%	1 1.8%
DPMA	5 14.7%	28 82.4%	1 2.9%
INPI	0 0%	7 100%	0 0%
UKIPO	0 0%	6 66.7%	3 33.3%
DKPTO	0 0%	2 50%	2 50%

b) Effect of third party opting out

120. Respondents were asked if they had been negatively affected as a result of another party opting out of publication (Table 2.2) (Q.8). Only 1.94% of respondents in Japan reported such negative effect, compared with 20.7% of respondents to the U.S. survey and 30.5% of respondents to the European surveys overall. Data from the DPMA suggests that its respondents were negatively affected in a greater proportion (15 of 34, or 44.1%) than respondents to the surveys of other offices.

Table 2.2 (Question 8)
Have you been negatively affected as a result of another party opting out of publication?

Office	Yes	No	No Answer
JPO	8 1.94%	390 94.7%	14 3.40%
USPTO	25 20.7%	96 79.3%	0 0%
EPO	14 26%	34 63%	6 6%
DPMA	15 44.1%	18 52.9%	1 2.9%
INPI	2 28.5%	5 71.4%	0 0%
UKIPO	0 0%	4 66.7%	2 33.3%
DKPTO	1 25%	1 25%	2 50%

121. Proponents of the U.S. opt-out provision express concern that mandatory publication of applications at 18 months provides competitors worldwide an opportunity to copy or design around technologies that may be languishing in examination backlogs and thus provides those competitors with an opportunity and lead time to undercut the market for the invention. As shown in Table 2.3, results varied greatly among the offices , with 31.3% of respondents in Japan, 39.7% of respondents to the U.S. survey and 52.4% of respondents to the European surveys overall having already had a competitor copy or design around an invention after the application was published at 18 months (Q.7). Interestingly, whereas DPMA respondents, as third parties, indicated a high proportion of negative experiences with patentees opting out of publication, German respondents also indicated a high degree of negative impact when they were the patentees and their applications had been published at 18 months.

c) Copying or designing around by competitor after publication

Table 2.3 (Question 7)

Have you ever had a competitor copy or design around your or your client's invention after the application was published at 18 months?

Office	Yes	No	No Answer
JPO	129 31.3%	258 62.6%	25 6.07%
USPTO	46 39.7%	70 60.3%	0 0%
EPO	26 48.1%	21 38.9%	7 13%
DPMA	23 67.6%	6 17.7%	5 14.7%
INPI	2 28.6%	3 42.9%	2 28.6%
UKIPO	3 50%	2 33.3%	1 16.7%
DKPTO	1 25%	0 0%	3 75%

122. While the responses to all surveys suggest that a significant proportion of respondents, as applicants/patentees, have experienced third party copying/designing around as a result of mandatory publication, the lack of an opt-out provision in a particular jurisdiction does not appear to translate to a corresponding overall proportion of applicants/patentees pursuing trade secret protection as an alternative to publication of the application (Table 2.4)(Q.9).

d) Pursuit of trade secret protection as an alternative to patents

123. However, in more discrete terms, it is notable that 27% of respondents to the USPTO-administered survey were likely to consider pursuing or actively did pursue trade secret protection in jurisdictions that do not provide an opt-out provision, as opposed to 17.5% of respondents in Japan and only 9.5% of overall respondents to European surveys which may suggest a higher degree of awareness on the part of U.S. users of the shortcomings of other publication regimes.

Table 2.4 (Question 9)

Has the lack of an opt-out provision in a particular jurisdiction caused you to consider or actively pursue trade secret protection as an alternative to obtaining a patent on an invention?

Office	Yes	No	No Answer
JPO	72	331	9
	17.5%	80.3%	2.18%
USPTO	34	92	0
	27.0%	73.0%	0%
EPO	6	46	2
	11.1%	85.2%	3.7%
DPMA	3	30	1
	8.8%	88.2%	2.9%
INPI	1	6	0
	14.2%	85.7%	0%
UKIPO	0	5	1
	0%	83.3%	16.7%
DKPTO	0	2	2
	0%	50%	50%

B. GENERAL VIEWS

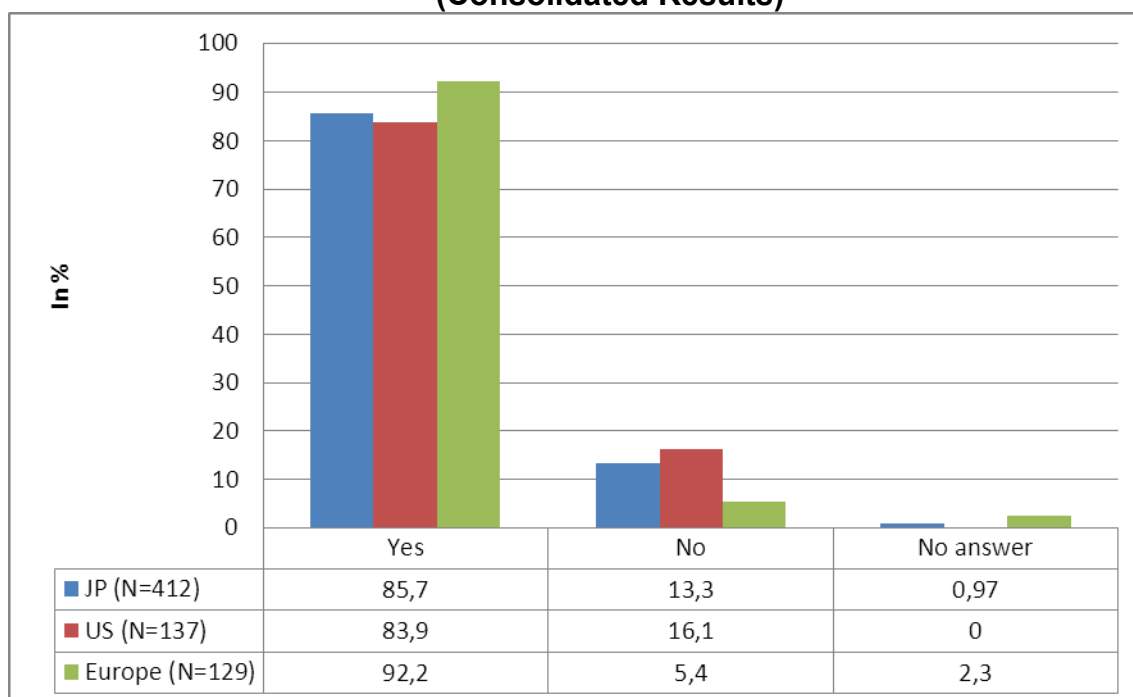
a) Publication of all applications at 18 months

124. When asked, as a general matter, if all applications should be published at 18 months, most respondents agreed that they should, i.e., applicants should not be permitted to opt out of publication (Table 2.5) (Q.3). The result was strongest for respondents to the European-administered questionnaires, with 92.2% of respondents indicating that all applications should be published at 18 months. Respondents to the USPTO- and JPO- administered questionnaire were slightly less likely (84% and 86%, respectively) to agree that applicants should not be permitted to opt-out.

Table 2.5 (Question 3)
Should all applications be published at 18 months?

Office	Yes	No	No Answer
JPO	353	55	4
	85.7%	13.3%	0.97%
USPTO	115	22	0
	83.9%	16.1%	0%
EPO	57	5	1
	90%	8%	1.6%
DPMA	37	2	0
	94.9%	5.1%	0%
INPI	10	0	1
	91%	0%	9%
UKIPO	9	0	0
	100%	0%	0%
DKPTO	6	0	1
	85.7%	0%	14.3%

Figure 1 (Question 3)
Should all applications be published at 18 months?
(Consolidated Results)



b) Availability of examination results at 18 months

125. 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 (Q.4). The vast majority of respondents to the U.S. survey (79.3%) and the European surveys (86%) indicated that search and/or examination results should be available in advance of publication (Table 2.6), with respondents to the JPO survey being an outlier at about 46%. Respondents to the JPO-administered questionnaire that opposed making results available prior to the 18 month date stated that applicants should take full responsibility in deciding whether to have applications pending or to withdraw their applications and also cited concern that such a requirement may lead to an increase in application fees (*JPO Report*, p. 13).

Table 2.6 (Question 4)
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?

Office	Yes	No	No Answer
JPO	189	215	8
	45.9%	52.2%	1.94%
USPTO	107	28	0
	79.3%	20.7%	0%
EPO	54	8	1
	85.7%	12.7%	1.6%
DPMA	35	2	2
	89.7%	5.1%	5.1%
INPI	9	0	2
	81.8%	0%	18.1%
UKIPO	8	1	0
	88.8%	11.1%	0%
DKPTO	5	0	2
	71.4%	0%	28.6%

c) Is the US system effectively aligned with other publication regimes?

126. In terms of degree of harmonization of publication regimes, there is little agreement amongst the respondents across jurisdictions. When asked whether the U.S. 18-month publication regime is effectively aligned with regimes in other jurisdictions (Q. 10), the majority of the respondents to the surveys in Japan (57.8%) and in Europe (63.6% overall) did not view the US 18-month publication regime as being effectively aligned with those in other jurisdictions, whereas 54% respondents to the USPTO-administered questionnaire replied in the affirmative (Table 2.7).

Table 2.7 (Question 10)
Is the U.S. 18-month publication regime effectively aligned with regimes in other jurisdictions?

Office	Yes	No	No Answer
JPO	158 38.3%	238 57.8%	16 3.89%
USPTO	65 53.7%	56 46.3%	0 0%
EPO	18 29%	42 66%	3 5%
DPMA	12 30.8%	24 61.5%	3 7.7%
INPI	3 27.3%	6 54.5%	2 18.2%
UKIPO	2 22.2%	7 77.8%	0 0%
DKPTO	1 14.3%	3 42.9%	3 42.9%

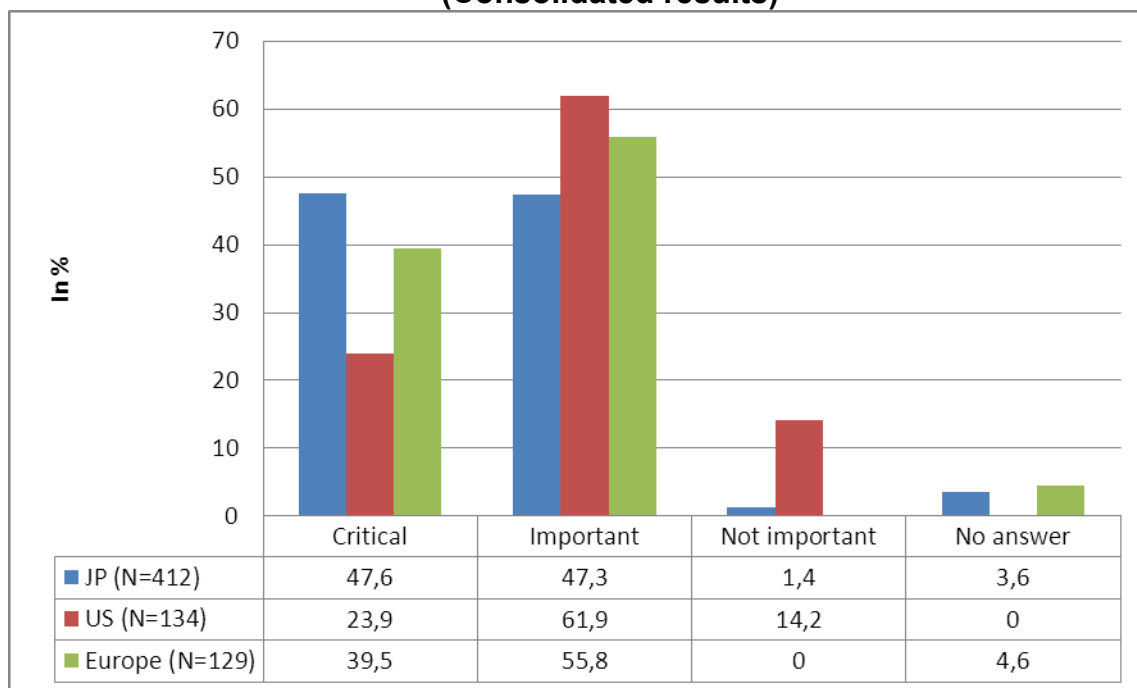
d) Importance of harmonization of publication regimes

127. Despite the fact that the majority of respondents in all regions agree that there should be no opt-out exception, respondents attached varying levels of “importance” to the harmonization of publication regimes (Q.11). As demonstrated in Fig. 2 and supported by Table 2.8, respondents to the U.S. survey and European surveys (61.9 % and 55.8%, respectively) were most likely to deem harmonization of publication regimes as “important,” with an additional 23.9% and 39.5% respectively deeming it to be “critical,” while respondents to the Japan survey were split as to whether harmonization of publication regimes is “critical” or “important” (47.6% vs. 47.3%).

Table 2.8 (Question 11)
How important is harmonization of publication regimes?

Office	Critical	Important	Not Important	No Answer
JPO	196 47.6%	195 47.3%	6 1.46%	15 3.64
USPTO	32 23.9%	83 61.9%	19 14.2%	0 0%
EPO	24 38%	39 62%	0 0%	0 0%
DPMA	22 56.4%	14 35.9%	0 0%	3 7.7%
INPI	2 18.2%	8 72.7%	0 0%	1 9.1%
UKIPO	2 22.2%	7 77.8%	0 0%	0 0%
DKPTO	1 14.3%	4 57.1%	0 0%	2 28.6%

Figure 2 (Question 11)
How important is harmonization of publication regimes?
(Consolidated results)



C. SPECIFIC ISSUES

a) Duration of secrecy period

128. Respondents were also asked their views, from the perspective of both applicants (Q.1) and third parties(Q.2), whether 18 months of secrecy prior to publication is too long, too short, or reasonable. The majority of respondents believe that 18 months is reasonable from the standpoint of applicants (Japan: 83.3%; U.S.: 74.8%; Europe: 84.5%). Interestingly, when the results shown in Table 2.9 are compared to the results in Table 2.10, there was a noticeable shift among respondents (Japan and Europe: 69.7%; U.S. 49.3%). That is, respondents, except for those who responded to the INPI, UKIPO, or DKPTO questionnaire, were more likely to indicate that, from the standpoint of third parties, 18 months is too long than they did when considering the matter from the standpoint of applicants.

Table 2.9 (Question 1)
From the standpoint of applicants, is 18 months reasonable?

Office	Reasonable	Too Short	Too Long	No Answer
JPO	343	31	25	13
	83.3%	7.52%	6.08%	3.15%
USPTO	104	10	25	0
	74.8%	7.2%	18.0%	0%
EPO	51	8	3	1
	80.9%	12.7%	4.7%	1.6%
DPMA	33	2	1	3
	84.6%	5.1%	2.6%	7.7%
INPI	9	0	0	2
	81.8%	0%	0%	18.2%
UKIPO	9	0	0	0
	100%	0%	0%	0%
DKPTO	7	0	0	0
	100%	0%	0%	0%

Table 2.10 (Question 2)
From the standpoint of third parties, is 18 months reasonable?

Office	Reasonable	Too Short	Too Long	No Answer
JPO	287	9	111	5
	69.7%	2.18%	26.9%	1.2%
USPTO	68	9	61	0
	49.3%	6.5%	44.2%	0%
EPO	46	1	15	1
	73%	1.6%	23.8%	1.6%
DPMA	23	0	13	3
	59%	0%	33.3%	7.7%
INPI	7	0	2	2
	63.6%	0%	18.2%	18.2%
UKIPO	9	0	0	0
	100%	0%	0%	0%
DKPTO	5	0	0	2
	71.4%	0%	0%	28.6%

IV. CONCLUSIONS

129. The majority of respondents (Japan survey: 94.9%; U.S. survey 85.8%; all European surveys combined: 95.3%) agree that there should be no opt-out exception to 18-month publication of applications, as is provided for in the United States. Nevertheless, fewer than half of the respondents to the USPTO-administered questionnaire reported having ever taken advantage of the U.S. opt-out provision, and of the respondents to surveys in other jurisdictions, an

exceedingly small number reported having taken advantage of the U.S. opt-out provision, with 1.46% of all respondents in Japan and 6.5% of those to the European surveys having ever done so, with results at the DPMA forming an outlier at 14.7%.

130. Moreover, the majority of all respondents reported that they have not been negatively affected as a result of another party opting out of publication (Japan survey: 94.7%; US survey: 79.3% and; European surveys combined: 57.4).
131. Results varied greatly among the offices as to whether or not the respondents ever had a competitor copy or design around an invention after the application was published at 18 months. Respondents to the European surveys (52.4%) expressed the highest proportion of experiences, whereas 39.7% and 31.3% of respondents reported such experiences to the Japan and U.S.-administered survey respectively. Interestingly, while DPMA respondents, as third parties, indicated a high proportion of negative experiences with patentees opting out of publication (44.1%), German respondents also indicated a high degree of negative impact when they were the patentees and their applications had been published at 18 months (67.6%).
132. In addition, a large majority of respondents to the European surveys (86%) and U.S. surveys (79.3%), notwithstanding the results from the JPO-administered questionnaire (45.9%), 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.
133. While a majority of respondents in all regions agree that there should be no opt-out exception, most view the harmonization of publication regimes as either “critical” (respondents in U.S.: 23.9%; Japan: 47.6%; Europe overall: 39.5%) or “important”(respondents in US: 61.9%; Japan: 47.3% and Europe overall: 55.8%) The fact that only 25 of 675 respondents overall signaled that harmonization of publication regimes was “not important,” indicates continued interest in this issue.
134. The majority of respondents also agree that 18 months is a reasonable period of secrecy from the standpoint of applicants, but this view tends to shift when viewed from the perspective of third parties. In that case, respondents, except for those who responded to the INPI, UKIPO, or DKPTO questionnaire, were more likely to indicate that, from the standpoint of third parties, 18 months is too long than they did when considered from the standpoint of applicants.

PART III: TREATMENT OF CONFLICTING APPLICATIONS

I. BACKGROUND

135. All patent systems must address how to deal with applications containing relevant subject-matter which were filed prior to the filing or priority date of the application being examined, although published later. The applications conflict, because the earlier-filed application only becomes publicly available and thus, forms prior art under general principles governing novelty, after the filing date of the application being examined. Absent a rule dealing with this conflict, it would be possible for two patents to be granted on the same subject-matter. On the other hand, patent systems must also address the protection of incremental innovation, where the initial invention is followed by chronologically close incremental improvements, with both applications filed by the same applicant.
136. Japan, the US and Europe all deal with conflicting applications differently. In Europe, pursuant to both the EPC, and under the national laws of the EPC Contracting States, earlier-filed, later published applications (“secret prior art”) are relevant to the examination of novelty only, and there is no anti-self-collision clause.
137. In the US, secret prior art is relevant to the examination of both novelty and inventive step, but anti-self-collision is provided for.
138. In Japan, secret prior art is relevant to the examination of “enlarged” novelty, (a concept also explicitly embracing minor differences, provided the inventions are “substantially the same”), but not to the examination of inventive step, with anti-self-collision also provided for.
139. In addition, there are differences as to the date at which PCT applications enter the secret prior art. In Europe, PCT applications become secret prior art as of the international filing or priority date, but only if they enter the respective national/regional phase, which entails that they have been translated into the prescribed language, facilitating the work of examiners, but also circumscribing the pool of secret prior art to that which is necessary to avoid double patenting. This is also the case in Japan for PCT applications filed in a foreign language. In the US, since the AIA, a PCT application designating the US enters the prior art as of its international filing or priority date, provided it has been published.
140. Thus, based on the issues raised within the Tegernsee Study of September 2012, the Tegernsee User Consultation focused on gathering empirical input from users as well as polling their policy preferences and their opinions in a harmonization context.

II. RESPONDENT INFORMATION

141. As with other sections of the Tegernsee Joint Questionnaire, there were wide variations in the numbers of respondents depending on the jurisdiction. Total responses for this section of the Questionnaire were as follows (user associations for European delegations in parentheses): JPO: 412 respondents; USPTO: 126; EPO: 52 (9); DE: 39 (5), FR: 11 (4); UK: 9 (3); DK: 7 (3). Thus, European respondents totalled 118 for this section of the TJQ, 94 of them being individual respondents. It should be noted here that of the 126 respondents to the USPTO administered questionnaire, 75 were from the U.S., 31 were from Europe, and 22 were from other countries or regions.

III. EMPIRICAL ISSUES

142. The Tegernsee Questionnaire began by attempting to gather empirical data from respondents regarding three issues: (1) Frequency of conflicting applications, involving applications filed by different applicants, as well as self-collision between two applications filed by the same applicant; (2) Experiences with regard to conflicting patent families in several jurisdictions applying different rules; and (3) Experiences with the phenomenon of “patent thickets”, defined as “a cluster of patents that may or may not be related or subject to common ownership, and which have claims of overlapping scope”.

A. FREQUENCY OF CONFLICTING APPLICATIONS

143. As can be seen from charts 3.1 and 3.2 below, the experience of the overwhelming majority of users in all three blocs is that conflicting applications are quite infrequent. The reported rates are nearly identical with 79.4% of Japanese, 79.1% of respondents to the USPTO-administered questionnaire and 78,6% of European users reporting frequencies of 1 in 100 applications or less.

Chart No. 3.1

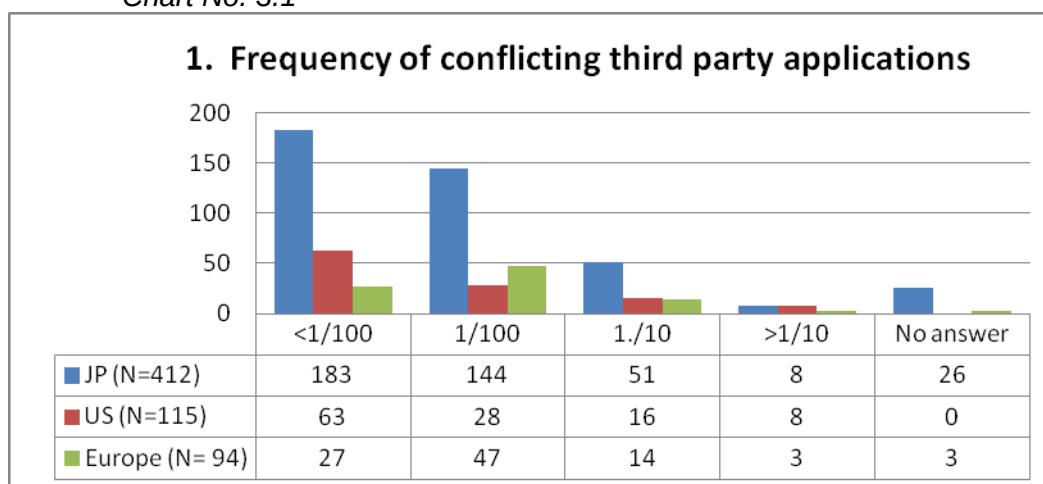
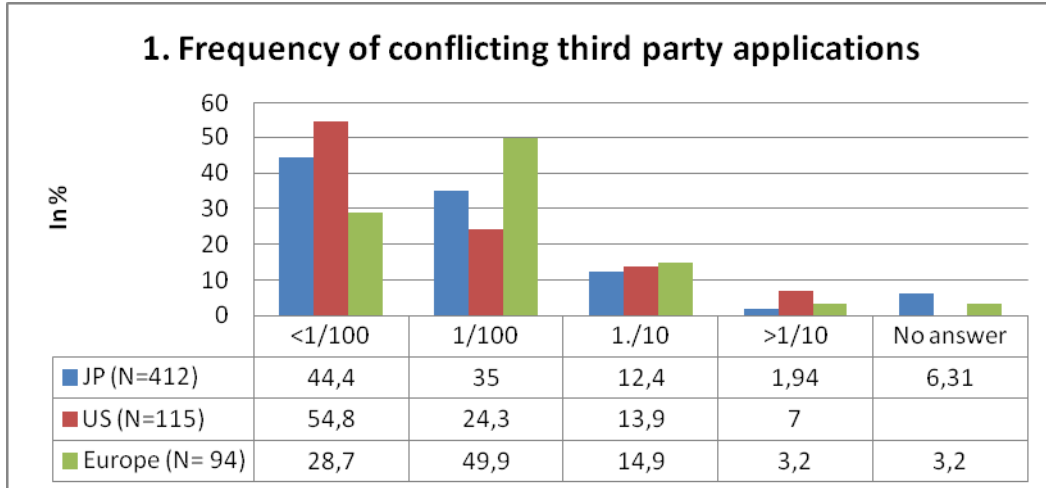


Chart No. 3.2



144. In all jurisdictions, the rate for self-collision was even lower than for conflicts with third party applications: 85,2% of Japanese respondents, 80,5% of US respondents and 85,1% of Europeans reported rates of occurrence of self-collision of 1 in 100 applications or less (see charts 3.3 and 3.4).

Chart No. 3.3

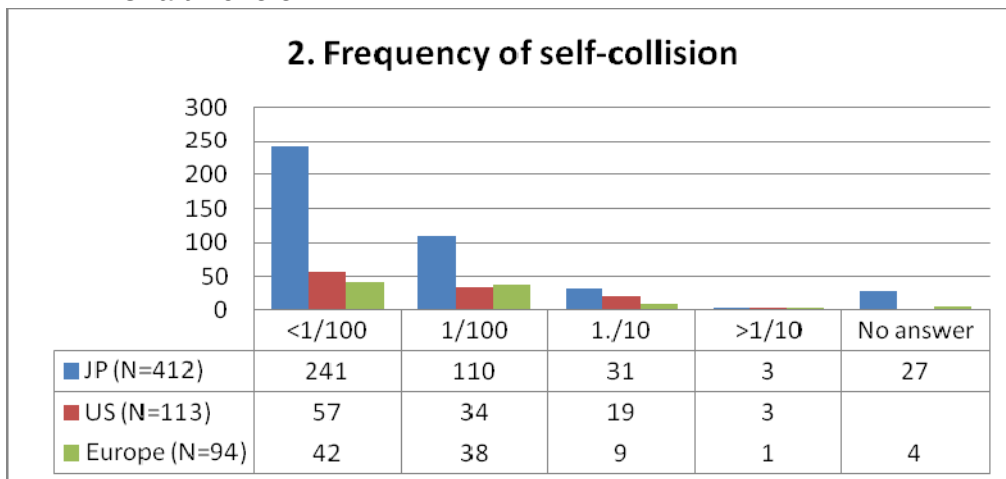
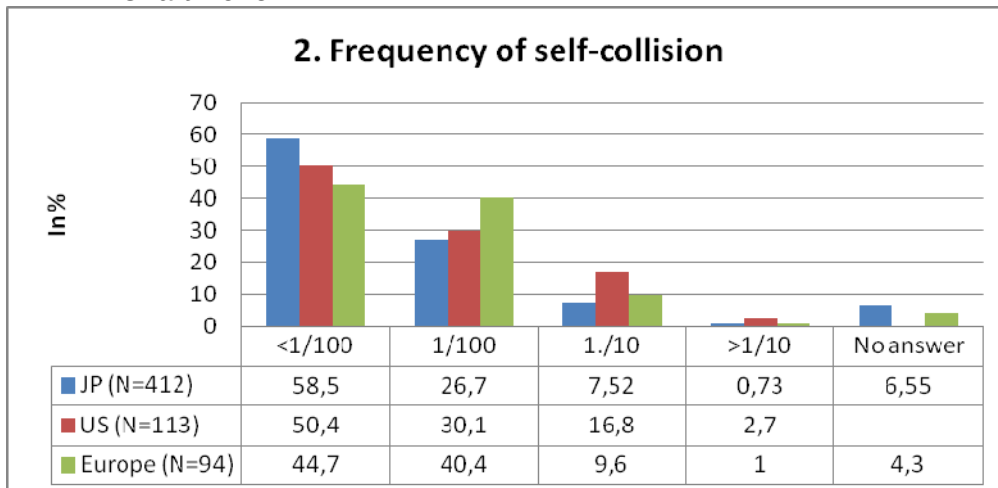


Chart No. 3.4



145. Some European respondents explained the difference between these rates by pointing out applicants have a measure of control in avoiding self-collision. (*EPO Report*, p. 80). Likewise, representatives from large companies at JPO Roundtable discussions also reported taking internal measures to minimize the risk of self-collision, but were not able to completely eliminate it. (*JPO Report*, p. 15)
146. In addition, the JPO confirmed from their data that conflicts between applications generally occurred with greater frequency in large companies, since they tended to file a greater number of applications than other types of applicants such as SMEs, research institutions and universities (*JPO Report*, p. 15).
147. The USPTO reported from their data that the distribution of results appeared to be generally consistent across affiliations, except in the case of individual inventors, who appeared to face self-collision far less than the rest of the respondents, since all the individual inventors having participated in the US Tegersee survey reported a frequency of less than 1 per 100 applications (*USPTO Report*, p. 46).

The results of the Tegersee user consultation in all three blocs show that conflicting applications are a relatively infrequent occurrence, with roughly 79% of all respondents reporting a frequency of 1 case per 100 applications or less.

Self-collision, an event which can be influenced by applicants, occurs even less frequently, with 80-85% of respondents reporting a frequency of 1 case per 100 applications or less.

B. CONFLICTING PATENT FAMILIES

148. The Tegersee Report on Conflicting Applications issued in 2012 suggested that a study of conflicting applications involving the same two patent families (one family forming prior art for the subsequent family being examined) in jurisdictions applying different rules on conflicting applications be carried out in order to gather concrete evidence of variations in outcome. Given the data gathered here, this study now appears superfluous.

a) Experience with conflicting patent families

149. TJQ Conflicting applications Question 3 asked respondents to indicate whether such experience with conflicting patent families involved either two, or three or more jurisdictions. As could be expected from the low frequency rates of conflicting applications reported above, the majority of respondents (86.2% of Japanese; 67.3% of American and 52.1% of European respondents) in all three

blocs had no experience of conflicting patent families at all (see chart 3.6; absolute numbers are consigned in chart 3.5). Still, roughly a quarter of respondents to the US and European surveys reported having had experience of conflicting patent families in two or more jurisdictions.

Chart No. 3.5

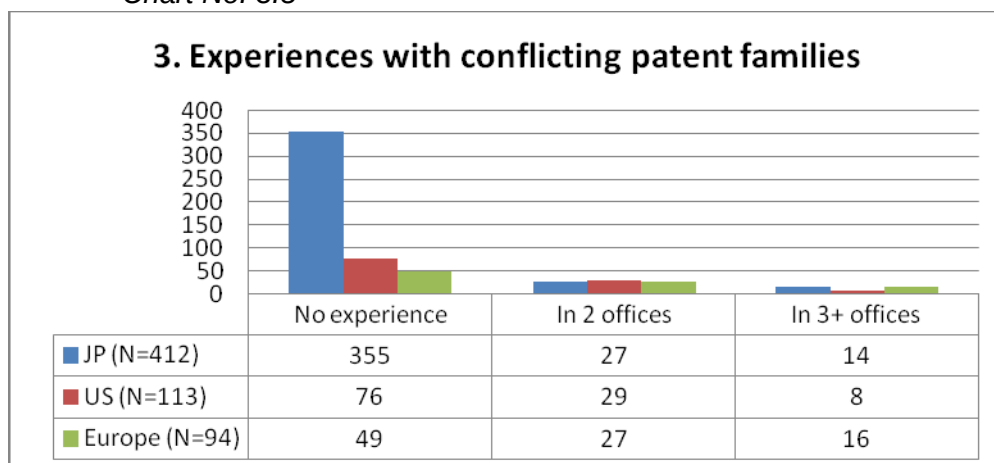
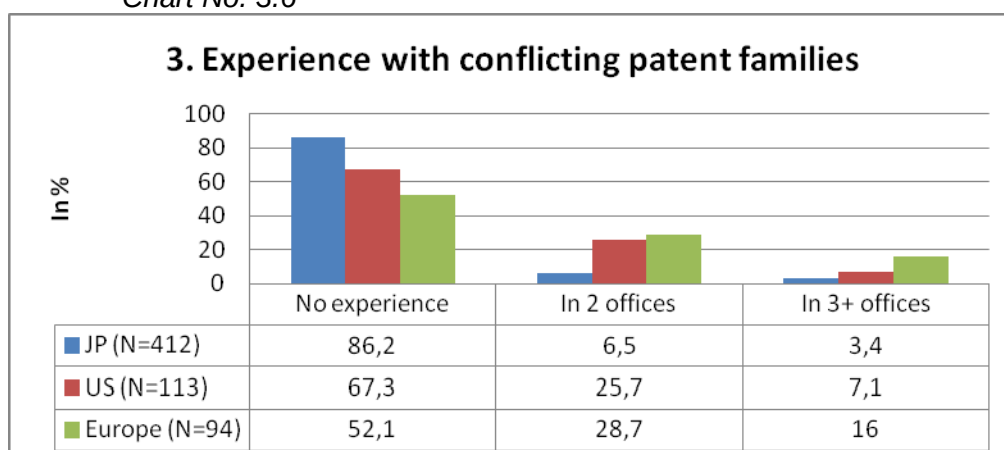


Chart No. 3.6

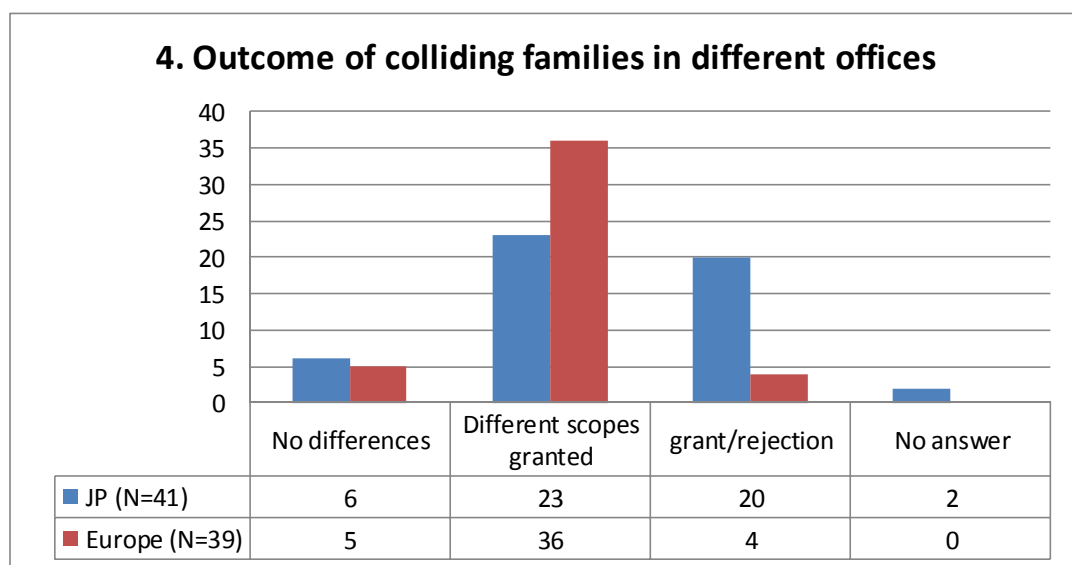


150. Not entirely surprisingly, according to the data gathered and analysed by the JPO, large corporations were the affiliation most likely to have had experience of colliding patent families, 16 of 27 respondents in 2 offices, and 11 of 14 in 3 or more offices (*JPO Report*, p.16). This is in line with USPTO results, which show that universities/research institutes and individual inventors were less likely to experience conflicting patent families, compared to large corporations and patent professionals or law firms. (*USPTO Report*, pp.48-49).
151. The EPO attempted to elicit responses on the number of cases thus experienced, but the data gathered was not consistent and is considered unreliable. At least one respondent felt that this constituted commercially sensitive information, which may explain some gaps in the responses. However, the general trend showed that where such cases were experienced, their numbers were low, with 8 of 13 respondents reporting a total of 10 cases or less of conflicting patent families in 2 offices over the course of their professional experience. (*EPO Report*, p. 81)

b) Outcome of colliding patent families

152. Both Europe and Japan collected numerical data on how the outcome of colliding patent families varied across jurisdictions applying different rules (see chart 3.7). The vast majority, 58,9% of Japanese respondents to this question and 89,7% of European respondents, reported that they had received patents in the different jurisdictions which were granted with different scopes. This same phenomenon was also observed by the USPTO: “Most respondents [...] reported that the granted scope of protection varied” (see *USPTO Report*, p. 48).
153. More surprising was the spread between the European and Japanese data in terms of outcomes involving at least one patent grant in one office, and at least one rejection in another (48,8% % for respondents to the JPO survey versus 7,7% of respondents to European surveys, see third column in Chart 3.7 below). The key lies perhaps partly in the difficulty of providing estimates based on *impromptu* recollection.

Chart No. 3.7



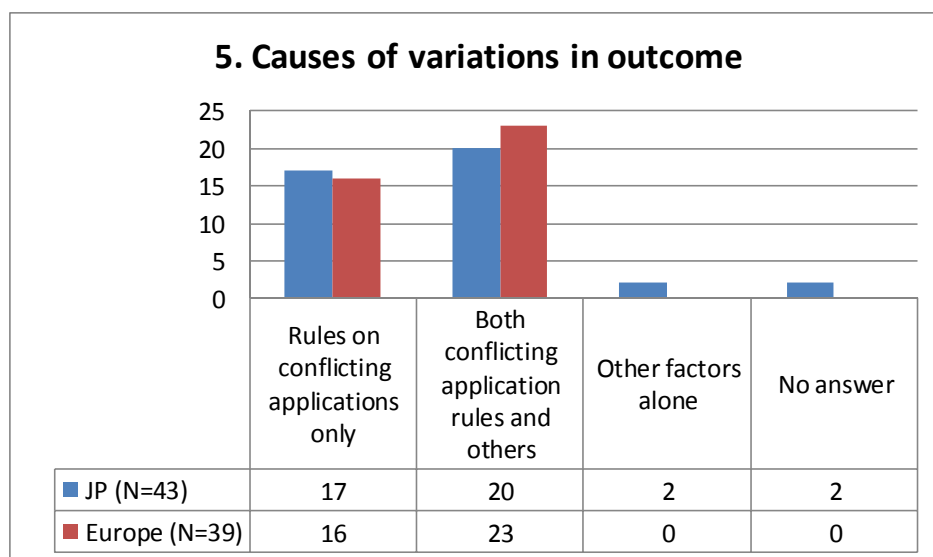
Note: No numerical data from the US on this point. For a discussion of US survey results, see *USPTO Report*, p.48-49.

c) Causes of the variation in outcome

154. The TJQ investigated the question of the causes of these variations in outcome. Both the JPO and Europe received estimates from respondents as to such causes and the resulting data was quite consistent across Europe. The majority of respondents (58,9% of Europeans, 46,5% of Japanese respondents) replied that a combination of rules governing conflicting applications and other factors caused the variations in scope (see data in chart 3.8 below). This once again, appeared to correspond with the non-numerical data reported by the USPTO, to the effect that US respondents “cited both 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” (*US Report* p. 48). European respondents cited only differences in the novelty requirement across jurisdictions as possible additional factors affecting the outcome (*EPO Report*, p. 82).

Chart No. 3.8



Note: No numerical data from the US on this point. Please see USPTO report for discussion of results to the USPTO-administered questionnaire, p.48.

155. Thus, it may be concluded that whilst substantive harmonization of the rules governing conflicting applications might lessen the variations in patentability and scope of protection findings across jurisdictions, achieving predictability and uniformity in the treatment of conflicting applications would involve efforts going beyond these specific rules, since much of the variations are attributable to other rules and/or practices which apply to all applications.

Predictably, given the data showing a low frequency of conflicting applications, conflicting patent families, where one patent family is examined, with another patent family constituting secret prior art in two or more offices, are quite rare.

When they do occur, in the majority of cases, they result in variations in outcome in terms of the scope of protection granted.

These variations, however, do not appear to be solely attributable to the rules governing conflicting applications.

C. THE PHENOMENON OF “PATENT THICKETS”

a) Difficulties with patent thickets

156. The TJQ addressed the phenomenon known as “patent thickets”, defined as “a cluster of patents that may or may not be related or subject to common ownership, and which have claims of overlapping scope.” Users were asked whether they had ever experienced difficulties licensing a technology or been subject to multiple infringement claims for the same or similar subject-matter, which they believed were directly attributable to a “patent thicket”.

157. The vast majority of respondents reported never having experienced difficulties of this nature (see charts 3.9 and 3.10 respectively for absolute numbers and percentages in all three blocs), although the proportion of US respondents having faced such patent thickets appeared to be significantly greater than their European and Japanese counterparts (31,3% vs. 18,3% and 14,3% respectively).

Chart No. 3.9

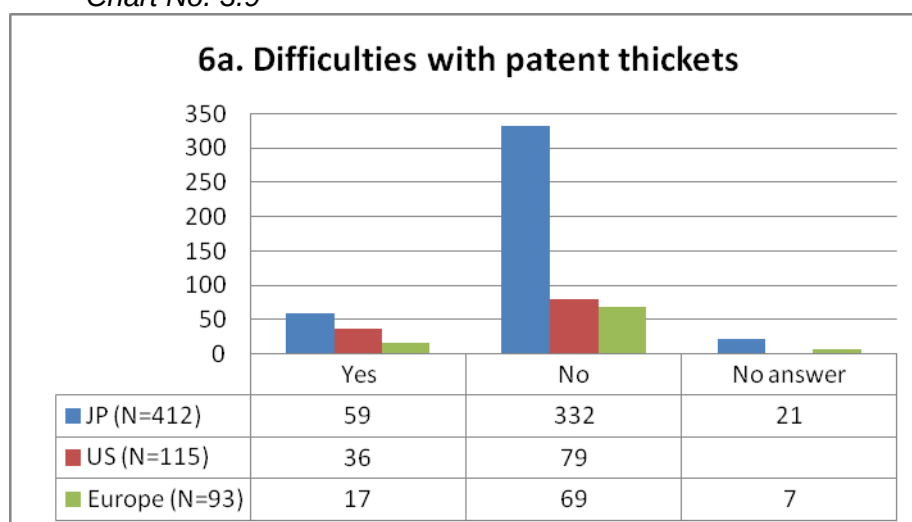
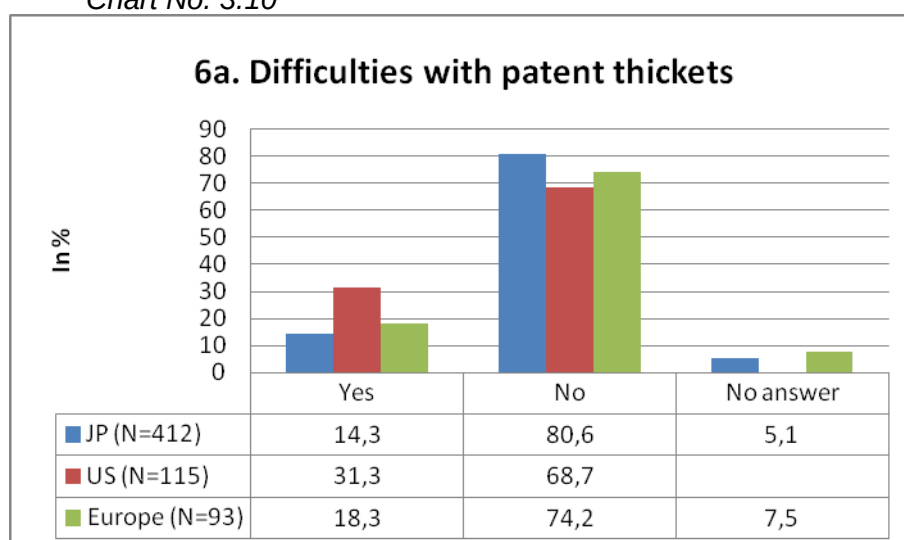


Chart No. 3.10



158. Generally, these results suggest that patent thickets are much less common than could be expected given the amount of recent studies focusing on the issue.

b) Markets in which patent thickets occur

159. Respondents were then asked to indicate the market in which they had been confronted with patent thickets. Multiple markets could be checked. Both US and Japanese respondents tended to report higher levels of patent thickets in their own jurisdiction, which could be expected, since this is where they are the most likely to be active, more likely to both file and take out licenses, and it appears intuitively reasonable that there be a greater awareness of patents held by third parties within the home market (see also *JPO Report*, p. 17). In that respect, it was interesting and a little unexpected that European respondents perceived more patent thickets to exist in the US than in their home market in Europe. This was in line with the findings of the *USPTO Report* (pp.50-51), which suggested that respondents from Europe seemed to experience difficulties attributable to patent thickets at a much lower rate than average in the US survey.

160. Thus, responses to the TJQ in charts 3.11 and 3.12 suggest that the highest number of patent thickets appears to exist in the US, followed by Japan, and the lowest number of patent thickets appears to occur in Europe.

Chart No. 3.11

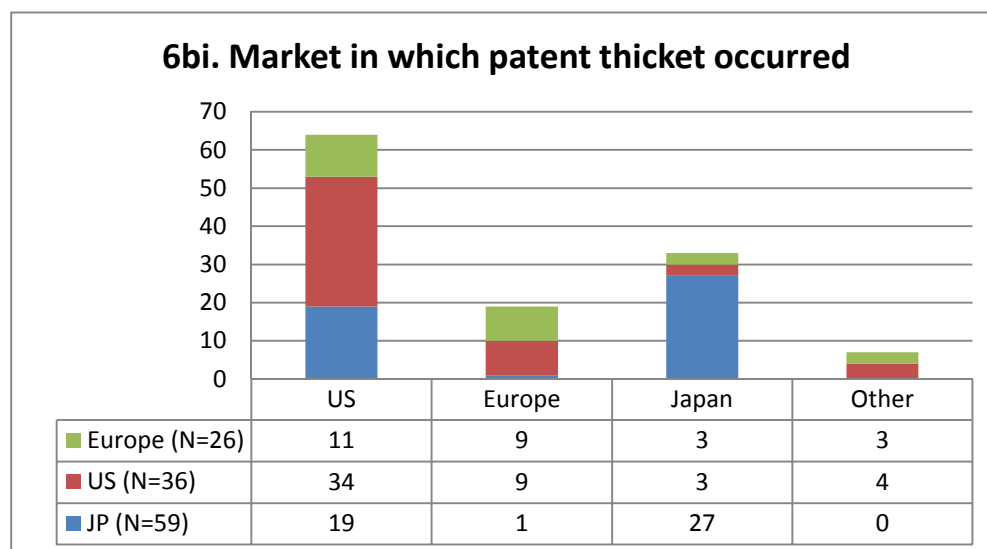
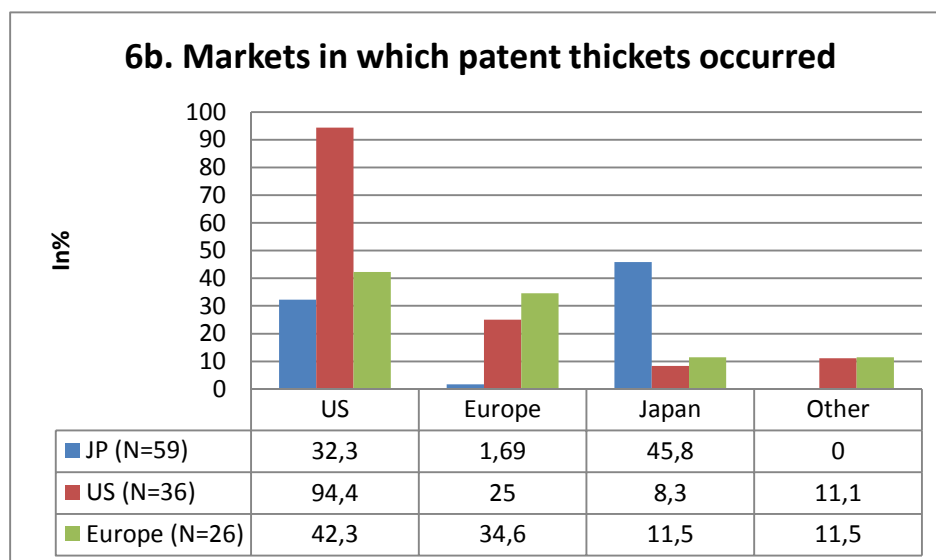


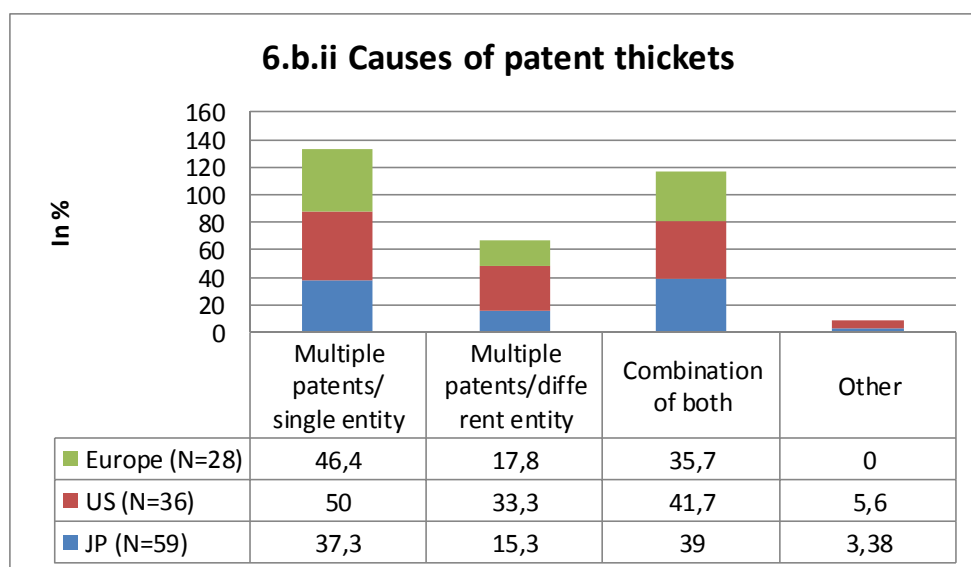
Chart No.3.12



c) Causes of patent thickets

161. Respondents were asked what they thought caused the patent thicket in question. Three scenarios were offered: (a) multiple patents granted to a single entity; (b) multiple patents granted to different entities, and (c) a combination of both.

Chart No. 3.13



Note: not all respondents appear to have interpreted the question in the same manner. Some respondents gave a single response. Others gave multiple responses, perhaps because they had experience with more than one patent thicket.

162. Chart 3.13 above shows that overall, more thickets are perceived to be due to multiple patents granted to a single entity, rather than are attributed to multiple patents being granted to different entities or a combination of both constellations.
163. Chart 3.13 also shows that there is a somewhat similar pattern of distribution of responses, with respondents from surveys in all regions reporting multiple patents granted to different entities representing the perceived less frequent cause of patent thickets.
164. However, because we do not know under which rules the “causes of patent thickets” arose as classified above, we cannot determine without further cross-tabulation which rules were responsible for these constellations, and it is difficult to draw any conclusions regarding the specific rules from the data.
165. Moreover, it is recalled that patent thickets are the product of many factors, such as filing levels, examination practices, and norms applied going beyond only those rules governing conflicting patent applications.
166. Nevertheless, one observation may be made: the data from these charts, which is drawn from anecdotal user responses, raises questions as to the accuracy of the assumption that since the EPC rules on conflicting applications determine that these applications are relevant for the testing of novelty only, this results in a more lenient practice more likely to result in patent thickets than that existing in the US and JP, which apply conflicting applications to inventive step and to a broader concept of novelty respectively.

d) Prevalence of patent thickets according to areas of technology

167. Finally, respondents were asked to indicate based on their experience, in which areas of technology patent thickets were the most prevalent. The data for this question as gathered by the EPO is considered particularly unreliable (See *EPO Report*, p.84). Also, a closer perusal of the results of the other surveys suggest that results may be higher for some areas of technology partly because respondents were asked to respond according to their own experience and some areas of technology had much higher participation levels than others. Thus, survey results might also partly reflect the distribution of the respondents' primary area of technology, rather than a higher frequency of occurrences in one area over another. Thus, results in chart 3.14 in particular should be handled with caution.

Chart No. 3.14

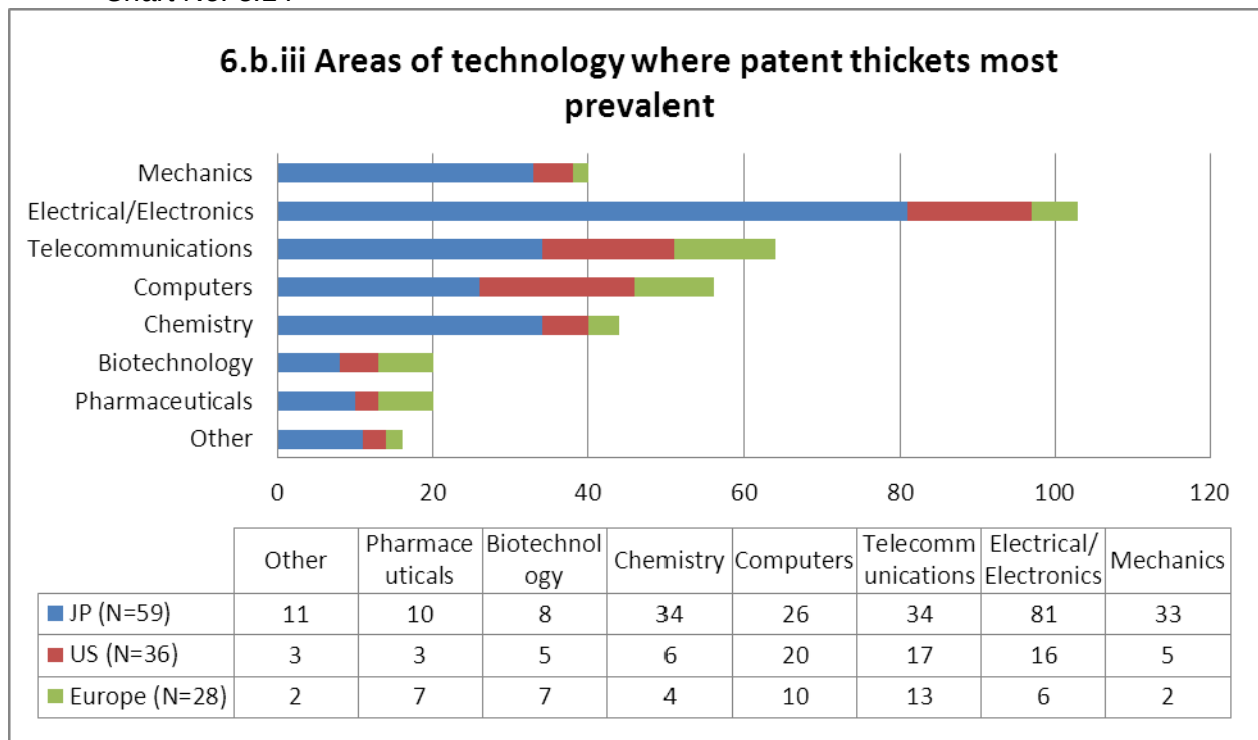
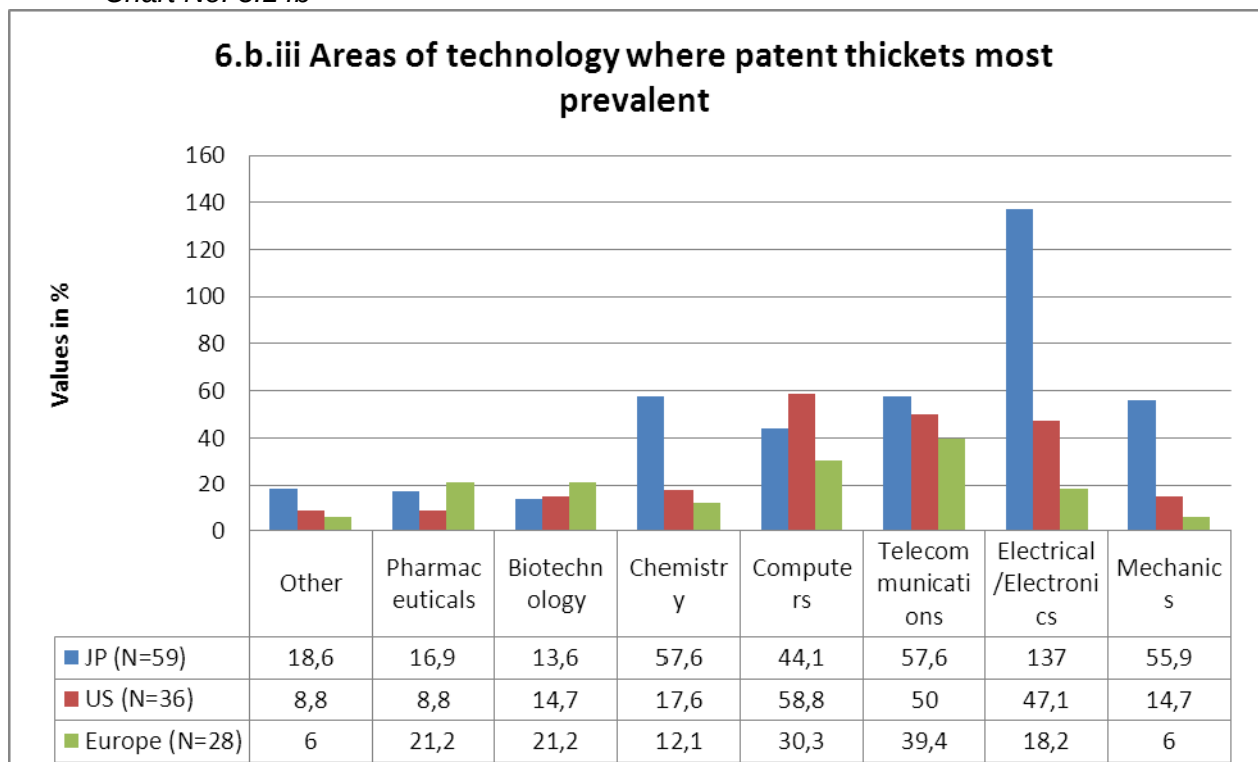


Chart No. 3.14b



**Note: Many respondents entered data which did not seem based on their experience, contrary to what was specifically requested by Question 6.b.iii of the TJQ section on conflicting applications. In the EPO Report, the responses are sorted according to whether they could reasonably correlate with the area of technology of the respondent (See EPO Report, p. 84).*

168. In the EPO survey, several respondents denied the existence of “patent thickets”. One European respondent in the field of Chemistry stated that “There is no such thing as a patent thicket” (EPO Report, p.83). One large US Corporation as well as several European user associations representing the pharmaceutical industry stated that “We would like to highlight the fact that patent thickets have different meanings to different companies and industries. However, we do not believe that patent thickets exist in the pharmaceutical industry.” (EPO Report, pp.84-85).
169. The data in this section should be approached with particular caution. Nevertheless, the data as gathered suggests that patent thickets would appear to be more prevalent in all three regions in the areas of Telecommunications and Computers.

The data gathered with regard to user experiences suggest that patent thickets appear to be much less common than could be expected given the amount of attention they generate.

User experience suggests that patent thickets appear to be more common in the US and less common in Europe.

The causes of patent thickets as reported by users in the surveys are perceived to be, in decreasing order of magnitude: (1) multiple patents granted to single entities; (2) a combination of multiple patents granted to single entities and multiple patents granted to different entities; and (3) multiple patents granted to different entities.

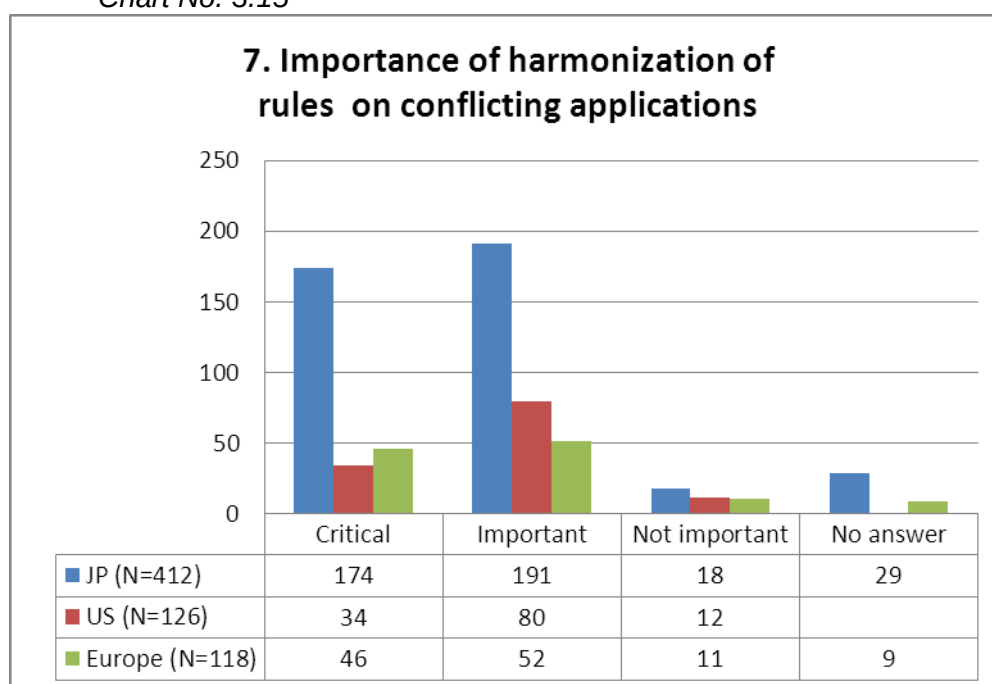
User responses suggest that patent thickets would appear to be more prevalent in the areas of Telecommunications and Computers.

IV. POLICY ISSUES

A. THE IMPORTANCE OF HARMONIZATION

170. The vast majority of respondents in all three regions consider the harmonization of the rules on conflicting applications to be either critical or important (88,5% of respondents to the JPO survey, 90,5% of respondents to the USPTO survey and 83% of respondents in Europe).

Chart No. 3.15



171. The USPTO survey suggested that individual inventors and university/research institutions found the harmonization of the treatment of conflicting applications more critical than the average respondent (*USPTO Report*, p. 52).

172. Given the relatively low rates of collision between applications, and the fact that conflicting applications do not form a homogeneous pool of secret prior art, but rather, the applicable secret prior art in any particular office is determined by those applications which are co-pending there, one might have expected a rather lower level of importance to be attributed to the harmonization of these rules. However, cogent reasons underpinning this opinion were articulated by participants in the UK and EPO surveys, (See *UK Report*, pp.28-29; *EPO Report*, pp. 85-86), which can be summarised thus:

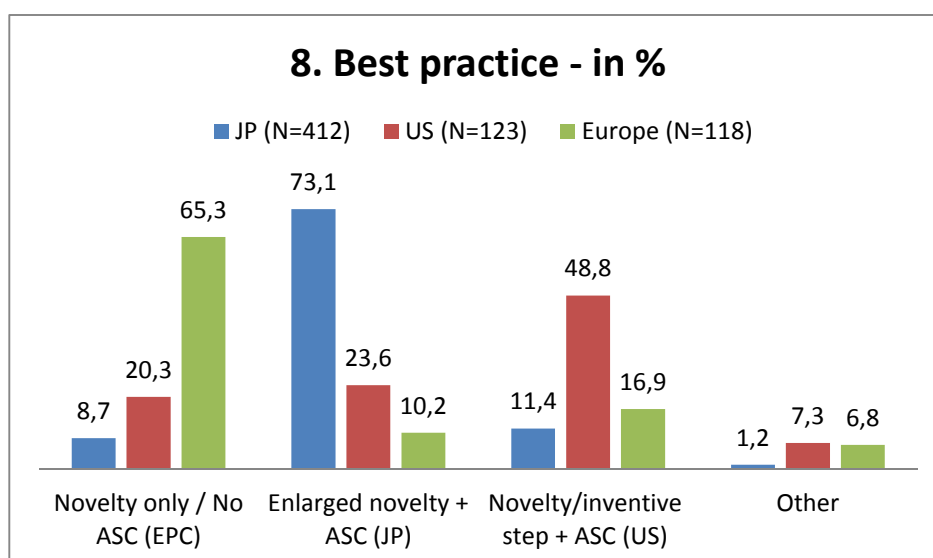
- The harmonization of these rules promotes legal certainty. As pithily stated by one respondent to the UK survey: “*Uniformity provides reassurance*” (*UK Report*, p. 28).
- Rules on conflicting applications form part of the definition of prior art, and the definition of prior art and its effects are considered to be one of the most important substantive patent law harmonization issues;
- Protecting new technology world-wide requires patent families. Disparate rules increase complexity when assessing the patentability and potential commercial value of an invention, and make it difficult to elaborate coherent global corporate IP policies;
- The definition of prior art must be identical in different jurisdictions in order to achieve harmonization synergy in work sharing schemes between offices.

Despite relatively low rates of collision between applications, the harmonization of the rules governing the treatment of conflicting applications is considered to be critical or important by an overwhelming majority of respondents in all three regions.

B. IDENTIFYING BEST PRACTICE

173. Undoubtedly, the most interesting issue, from a harmonization perspective, is the exploring of the users' perception of best practice.
174. Respondents were asked which approach struck the best balance amongst the competing interests involved in the treatment of conflicting applications, each non-named option representing the European, Japanese, US and other regimes, respectively:
- Conflicting applications should be relevant for the examination of novelty only with no consideration of who filed the application (no anti-self-collision)
 - 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).
 - 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).
 - Other.
175. As would be expected, most users displayed a marked preference for their own system. 65,3% of respondents in Europe and 77,4% of respondents in Japan believed that their respective systems reflected best practice. Also the biggest group of respondents to the US survey, 48,8%, preferred the US approach, but did not constitute an absolute majority, although it should be noted that the US approach was favoured by 57,7% of US-based respondents.

Chart No. 3.16



a) Response in the US

176. Indeed, a surprisingly large number of respondents to the US survey (43,9%), preferred either the European (20,3%) or the Japanese approach (23,6%).
177. However, parsing through the data presented in the *USPTO Report* (see p. 53), one notes that roughly half of the respondents which preferred either the European or the Japanese approach were not US-based respondents, reflecting the fact that a high number of non-US-based respondents participated in the USPTO survey. Adjusting the US figures accordingly, the level of US respondent flexibility in preferring a foreign system can be seen to be of the same order of magnitude as that exhibited by European and Japanese respondents in their own regional/national surveys. Interestingly, approximately 40% of the Europe-based respondents that participated in the USPTO survey favoured the US system.
178. During the USPTO-hosted public hearing, the majority of users supported the US approach of conflicting applications being relevant for both novelty and inventive step, with anti-self-collision applying. Users further explained that the anti-self-collision provision allowed applicants having produced a new invention to *“have the opportunity to modify his invention with variations and embodiments through subsequent applications”*.
179. At the USPTO public hearing, users also generally supported current US practice with regard to terminal disclaimer (see *USPTO Report*, p. 56), a tempering measure preventing anti-self-collision from becoming a means to extend the duration of effective protection on an invention.

b) Response in Japan

180. At the roundtable discussions conducted by the JPO, many respondents supported the principle of anti-self-collision, precisely because they considered it good policy to give preferential treatment to applicants of prior applications, and this approach also gives inventors an incentive to further perfect their applications. Some misgivings were expressed about the US practice of conflicting applications being relevant for the assessment of inventive step.
181. On the other hand, at these same JPO roundtables, some other users expressed the belief that the EPC approach was “logical”, and also, that the US approach might also be appropriate (see *JPO Report*, p. 18).

c) Response in Europe

182. In the EPO survey, 69,2% of respondents preferred the European approach. It should be emphasised that this number also included 8 of 9 user associations - one did not respond (*EPO Report*, p. 86-87).
183. The EPO survey did not show a correlation between the geographic distribution of respondents and their preference. Whilst the small number of respondents give these observations an anecdotal character, it is nevertheless interesting that none of the respondents preferring the JP approach were Japanese (6 were European, one was from the US), whereas the one Japanese respondent in this section preferred the EPC approach. Of those favouring the US approach, 6 were European and one was from the US. The remaining US respondent as well as three of the four European-based heavy USPTO-filers preferred the EPC approach.
184. Once again, European users were asked to provide reasons for their answers, which are reflected in the DE, UK and EPO Reports (*DE Report*, p. 31; *UK Report*, pp. 29-30; *EPO Report*, pp. 87-90).
185. Regrettably, none of the respondents to the EPO survey who preferred either the Japanese or the US system provided any reasons for their preference.
186. Those supporting the EPC approach of conflicting applications being relevant for the assessment of novelty only, without anti-self-collision, argued as follows:
- The EPC approach is held to be clear, simpler to understand, easier to apply, and argued to strike a *“more optimal balance of reward between rival innovating filers”*.
 - The *“rigorous distinction between novelty and obviousness”* is seen as an advantage, *“everywhere else in the world, they get hopelessly blurred, which is fatal for legal certainty”*.
 - *It makes no sense [to take conflicting applications into account for] inventive step since there can be no obviousness in respect of something unknown to*

the applicant. This is incompatible in particular with the EPO problem-solution approach if the technical problem can only be found in an unpublished application and the applicant could not be aware of it. This would make the determination of patentability unreasonably artificial.

187. Looking at the data across regions, one must conclude that the majority of respondents to both the JP and US survey favour the anti-self-collision clause. However, this is an area where there appear to be few flexibilities in Europe. Europeans are (with few exceptions) not in favour of anti-self-collision, and are quite vocal about the underpinnings of their position. The comments received during the survey as well as at the Hearing can be summarised as follows (direct quotes in italics): Anti-self-collision is perceived to:

- Be at odds with the principle of equal treatment of applicants;
- Unfairly advantage the first-filer; *“The effect of anti-self-collision provisions is that the first inventor to file becomes entitled not only to the invention filed [which seems the whole purpose of the patent system] but also to inventions not yet made. This provides a large first mover advantage rather than a level playing field.”*
- Decrease legal certainty;
- *“Allow drafters to get away with sloppiness, which increased difficulties for everybody else”;*
- Not be in line with the original policy objective pursued by rules on conflicting applications, insofar as users commented that *“Self-collision should not be treated any differently, since double patenting of the same invention is to be avoided; and “Double patenting should not be allowed”.*

188. Finally, it should be mentioned that both FICPI and the AIPPI took an official position within the framework of the EPO user consultation, indicating that they considered the EPC approach, confined to relevance of conflicting applications for novelty only, without anti-self-collision, struck the best balance between competing interests, in addition to being a good starting point for international harmonization due to the objective nature of the novelty requirement. (See *EPO Report*, p. 95).

Unsurprisingly, the majority of users displayed a preference for their own system. 65,3% of respondents in Europe, 73,1% of respondents in Japan and 48,8% of respondents to the USPTO-administered survey believed, (57.75% of US-based respondents) that their respective systems reflected best practice.

C. DEALING WITH PCT APPLICATIONS

189. In the Tegernsee Study of 2012 on Treatment of Conflicting Applications, the Tegernsee Experts Group had recommended further exploration of the issue of whether it would be desirable to create a pool of international secret prior art under the PCT by determining that published PCT applications would constitute conflicting applications and enter the secret prior art as of their filing or priority date, as is the case in the US pursuant to the AIA. Or, in the alternative, whether allowing such applications to have a knock-out effect might not constitute overkill in terms of protection against double-patenting, as they would never result in grant unless they entered into the national/regional phase. Accordingly, this question was included in the TJQ (Conflicting Applications, Q. 9)
190. A vast majority of respondents to the JP survey (260 or 69.1%) and all the Danish respondents (5), were in favour of PCT applications entering into the secret prior art as of the international filing or priority date, but only after they enter the national/regional phase. This answer also attracted the largest number of responses to the DE survey for that question at 18 or 46,2% (See *DE Report*, p.32)
191. In the EPO survey, the biggest group, composed of half of the respondents to the TJQ (26), favoured PCT applications being included into the prior art as of their entry into the regional phase.
192. Respondents to the EPO survey articulated their arguments in favour of this approach as follows: (1) it seemed better balanced; (2) it reduced complications related to languages; (3) PCT applications typically designated all PCT countries/regional offices and most were not pursued, so that there was no need to prevent double-patenting. The focus on territorial scope should be preserved (See *EPO Report*, p. pp. 90-91).
193. In contrast, at the EPO Hearing, the majority of European users was in favour of amending the EPC Rules to align the time of entry into the secret prior art of PCT applications with that of European applications, as of the date of publication (See *EPO Report*, p. 93-94). European users in favour of this approach argued against the current EPC rule in that (1) it discriminated against PCT applications in this context; (2) language does not play a role with regard to prior art, and thus should not be an issue for co-pending PCT applications; (3) an earlier applicant who abandoned his application before entry into the regional phase might have to respect a patent granted to a later applicant for the same invention, which was an unacceptable deviation from the first-to-file principle.

Chart No. 3.17

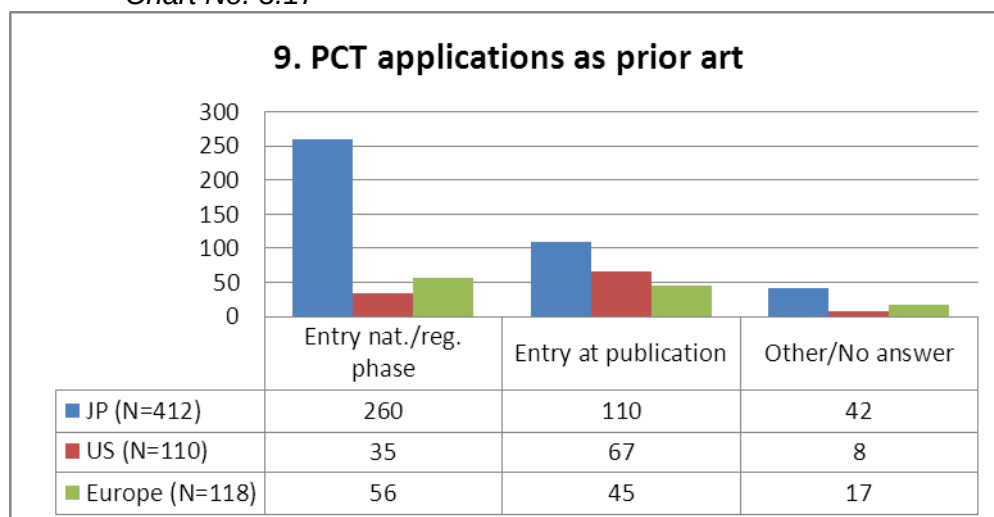
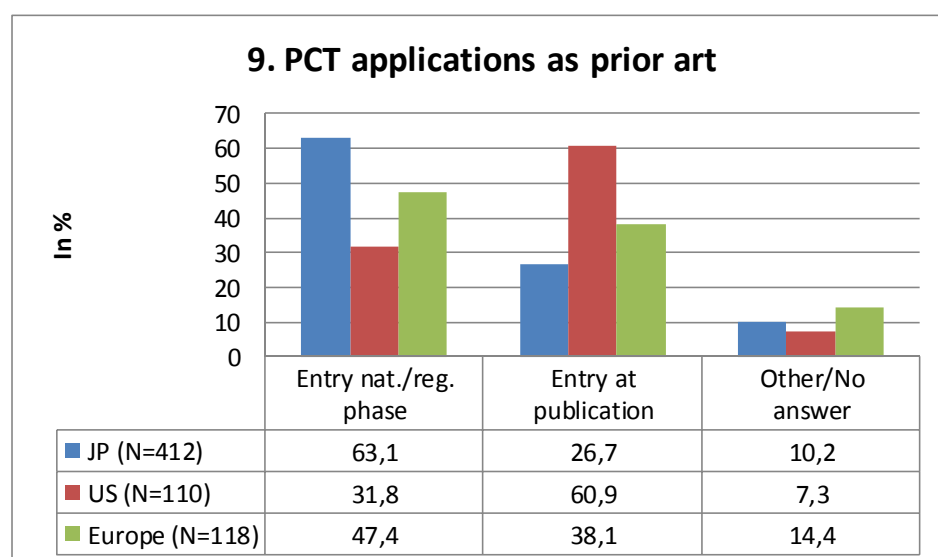


Chart No. 3.18



194. An approach whereby PCT applications enter the prior art as of their international filing or priority date, but upon publication, regardless of whether they enter into the national/regional phase or not, was also favoured by the majority of respondents to the US survey (67 or 60,9%, see *USPTO Report*, p. 55), and 55,5% of the UK respondents (5 out of 9, see *UK Report*, p. 30). This also constituted the top answer for respondents to the FR survey, chosen by 5 or 45,4% (see also *INPI Report*, p. 6).
195. It be noted here that the JP system is a hybrid one: PCT applications in the Japanese language immediately enter the pool of secret prior art as of their publication, whereas where translations are required, such PCT applications designating JP only become secret prior art once translations have been filed, the filing fee has been paid and the application has entered the national phase.

196. At the EPO, all Euro-PCT applications, regardless of the language of the application enter the prior art as of the date of their entry into the regional phase. Nevertheless, 21 or 40,4% of respondents to the EPO survey were in favour of PCT applications entering the prior art as of their date of publication, regardless of whether they enter into the national/regional phase. These included 4 European user associations, including one major supra-national user association.

Across jurisdictions, there is no consensus on the issue of the date at which PCT applications should enter the prior art.

However, in almost all jurisdictions, a sizable proportion of users appear willing to support policies different from those reflected in their own national law.

The situation is well summed up by a comment from one respondent to the UK survey: “There are advantages and disadvantages to both options”.

V. CONCLUSIONS / EXECUTIVE SUMMARY

197. The results of the Tegernsee user consultation in all three blocs show that conflicting applications are a relatively infrequent occurrence, with roughly 79% of all respondents reporting a frequency of 1 case per 100 applications or less. Self-collision, an event which can be influenced by applicants, occurs even less frequently, with 80-85% of respondents reporting a frequency of 1 case per 100 applications or less.
198. Predictably, given the data showing a low frequency of conflicting applications, conflicting patent families, where one patent family is examined, with another patent family constituting secret prior art in two or more offices, are quite rare. When they do occur, in most cases, they result in variations in outcome in terms of the scope of protection granted. These variations, however, cannot be solely attributed to the rules governing conflicting applications.
199. The data gathered on user experiences suggests that patent thickets appear to be much less common than could be expected given the amount of recent studies focusing on the issue. User experiences appear to suggest that patent thickets may be more common in the US and less so in Europe.
200. The perceived causes of patent thickets, according to the respondent's experiences are in decreasing order of magnitude: (1) multiple patents granted to single entities; (2) a combination of multiple patents granted to single entities and multiple patents granted to different entities; and (3) multiple patents granted to different entities.

201. User responses suggest that patent thickets would appear to be more prevalent in all three regions in the areas of Telecommunications and Computers.
202. Despite relatively low rates of collision between applications, the harmonization of the rules governing the treatment of conflicting applications is considered to be critical or important by an overwhelming majority of respondents in all three regions. Unsurprisingly, the majority of users displayed a preference for their own system. 65,3% of respondents in Europe, 73,1% of respondents in Japan and 48,8% of respondents in the US believed that their respective systems reflected best practice.
203. Across jurisdictions, there is no consensus on the issue of the date at which PCT applications should enter the prior art. However, in almost all jurisdictions, a sizable proportion of users appear willing to support policies different from those reflected in their own national law.

PART IV: PRIOR USER RIGHTS

I. BACKGROUND

204. A prior user right is the right of a party to continue the use of an invention where that use began before a patent application was filed for the same invention. The main purpose of prior user rights is to strike a balance between the interests of the prior user, on the one hand, who may have made a decision not to seek a patent on an invention – for instance, to keep the invention as a trade secret – and the patentee on the other, who deserves to be rewarded for disclosing the subject matter to the public. In many jurisdictions, these rights are expressly rooted in considerations of both fairness and efficiency.
205. Prior user rights are provided for by the different national patent legislations and such provisions in national legislation only have national effect. However, whilst the national provisions on prior user rights have common ground, there are also differences in the conditions under which they may be acquired.
206. The main differences which have been identified in the national provisions relate to the critical date by which prior use must have occurred, whether actual use must have taken place or whether preparations for use may suffice, the effect of patentee-derived subject matter, and whether there should be any exceptions to the applicability of the prior user rights defence to infringement.
207. For some stakeholders, prior user rights are a harmonization issue in two respects: (a) as a harmonization issue in itself, and (b) in a systemic context, as an element of the definition of the grace period.

II. RESPONDENT INFORMATION

208. Total responses for this section of the Questionnaire were as follows (user associations for European delegations in parentheses): JPO: 412 respondents; USPTO: 121; EPO 54 (8); DE 39 (5); FR: 11 (5); UK 9 (3) and DK 6 (3). Thus, respondents to the 5 European surveys for this section totalled 119, of which 95 were individual respondents.
209. In the US survey, of the 121 who responded at least to one question regarding prior user rights, 67 were from the US, 31 were from Europe, and 23 were from other jurisdictions. As far as affiliation was 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 institutions and 4 had some other affiliation.
210. In the prior user rights section of the EPO survey, the affiliation of the 54 respondents was as follows: 17 were from large corporations (no SMEs); 14 from law firms; 11 were patent professionals, 4 were affiliated to university/research institutions and 8 represented user associations. As far as

technical areas were concerned, these were represented as follows:
mechanics: 11; electrical/electronics: 5; telecommunications: 2; computers: 1;
chemistry: 10; biotechnology: 0; pharmaceuticals: 10; others: 9. It appears that
some respondents indicated “other” where in fact they worked in more than 1
technological area, such as a patent professional or a lawyer might.

211. It is recalled once again that there were 4 redundancies in responses to European questionnaires, all of which were from user associations. Thus, for empirical questions where it may be assumed that individual responses are based on personal experience, there is no redundant data.

III. **EMPIRICAL ISSUES**

212. The Tegernsee Joint Questionnaire attempted to gather some empirical data regarding the experience of respondents with prior user rights. In this section of the survey, several elements placed limitations on the usefulness of the data gathered.
213. First, the US provision on prior user rights, 35 USC § 273, has been in force for only 13 years, and prior to the enactment of the AIA, was limited to business method patents only. Moreover, the amended provision under the AIA only came into force on 16 March 2013, *ie* after the present user consultation was carried out (See *USPTO Report*, p.59). Due to the limited data provided by the *USPTO Report*, some charts in this section are confined to data from JP and Europe.
214. Within Europe, there are also data variations amongst surveys which may partly be explained by the fact that prior user rights have only been in force under UK national legislation since 1978, whereas in DE, DK and FR, the existence of prior user rights in national legislation have been part of the national legal landscape for far longer. For results of individual surveys in absolute numbers as well as in percentages, reference is made to Appendix II: *Table of Aggregate Results*.
215. Second, the data on frequency of experience with prior user rights gathered by the German delegation was difficult to tabulate, so that the *DPMA Report* presented its data in terms of whether respondents either had had experience of prior user rights in the various constellations, or had not, regardless of the frequency of such events.
216. Thus, for these empirical questions, it was decided to reflect the negative responses of those respondents which had no experience of prior user rights, the number of respondents who gave no answer to those particular questions, and to aggregate the positive responses received of those having had experience with prior user rights in the constellations mentioned in the survey. The resulting numbers for each delegation except the US, but including a consolidated figure for all European surveys combined, may be consulted in the appended Annex II to the prior user rights section of the report: *Table of data showing experience of prior user rights in Japan and Europe*.

217. This table does not reflect empirical results from the US survey, as the data, as provided by the USPTO, was analysed and presented in a form different from that of the results of the other delegations. For this reason, charts in relation to this data will also only show JP and European results, with US results being reported on in the text.

218. At the outset, it must be borne in mind that the empirical data presented here is not considered to be reliable enough to allow the drawing of solid conclusions. However, it is argued that interesting trends can nevertheless be identified.

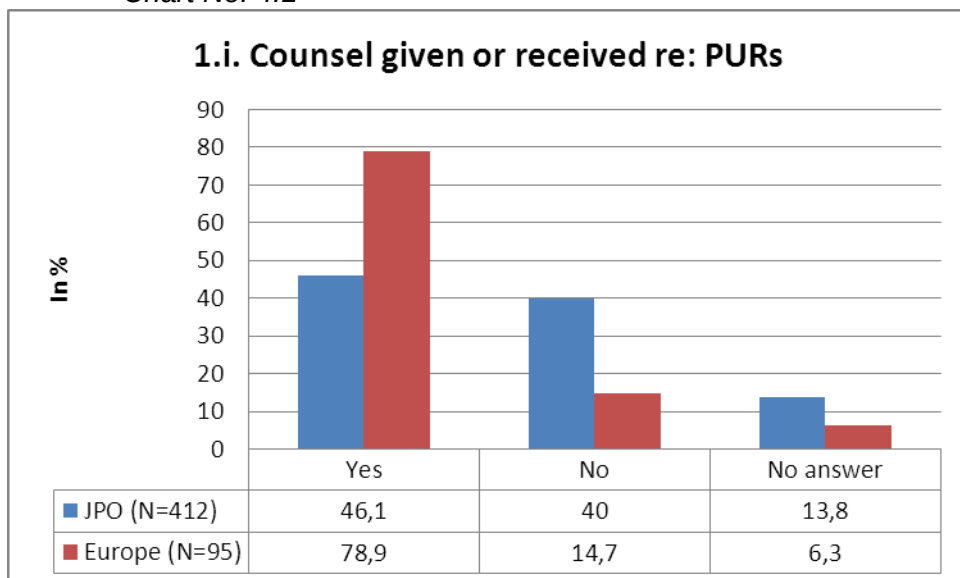
A. FREQUENCY OF INSTANCES OF PRIOR USER RIGHTS

a) Frequency of counsel re: prior user rights

219. Generally, prior user rights do not become an issue very frequently, with only 1,46% of respondents to the JP survey and 4,9% of respondents to European surveys stating that they had counselled or received counsel regarding prior user rights “more than 100 times/very often”.

220. However, occasional experience with prior user rights is quite widespread in Europe with 78,9% of respondents having either counselled or been counselled in the past in this regard. According to the DE survey, as many as 91,2% of respondents have had such experience. In Japan, this figure is remarkably lower, at 46,1%.

Chart No. 4.1



Given the limited US data which does not allow the calculation of percentages, all charts in this section are confined to results from JP and Europe.

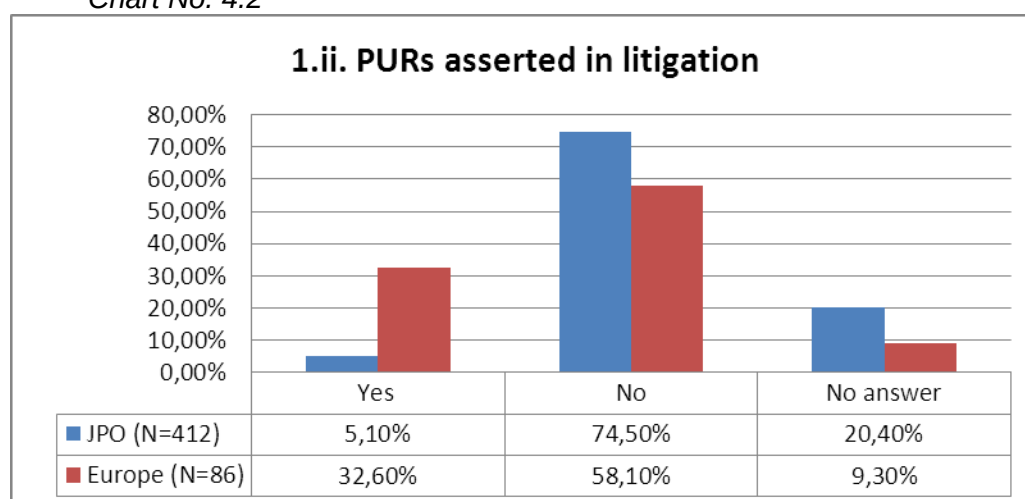
221. Within the US survey, 77 respondents responded to this section with many indicating that they had very little or no experience with such rights. Nevertheless, respondents claimed to have counselled or been counselled 1277 times regarding the availability of prior user rights, and it is specified that

the number is almost entirely concentrated among a very small percentage of individual respondents (*USPTO Report*, p. 59).

b) Prior user rights asserted in litigation

222. Respondents were asked whether they had ever asserted prior user rights in litigation. There were broad variations in the responses across regions. 32,6% of respondents in Europe (data confined to survey results of the EPO, DE and FR only) reported having asserted prior user rights in litigation, compared to only 5,1% of respondents in Japan.

Chart No. 4.2



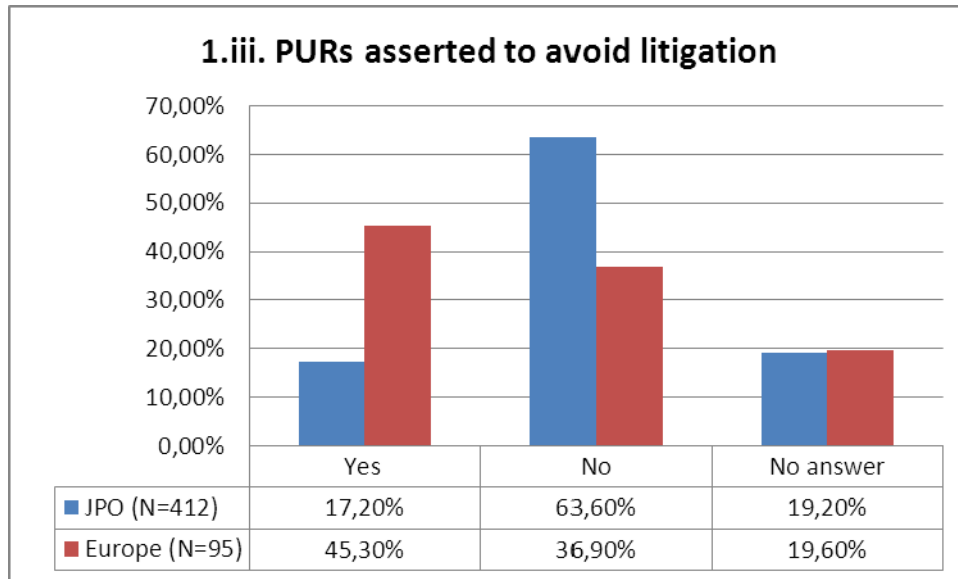
Note: European figures reflect only EPO, DE and FR data, as no data available from DK or UK surveys.

223. In the US, respondents reported asserting such rights in litigation an aggregate of only 45 times, which is not surprising given the short time span of availability of these rights in the US (the home market of approximately half of the respondents to the US survey) and their limitation to business method patents at the time the survey was carried out.

c) Prior user rights asserted to avoid litigation

224. Many more respondents reported having asserted prior user rights in order to avoid litigation, or infringement proceedings, including settlement or licensing negotiations, with 17,2% of respondents in Japan and 45,3% of respondents in Europe having done so (compare Charts 4.2 and 4.3).

Chart No. 4.3

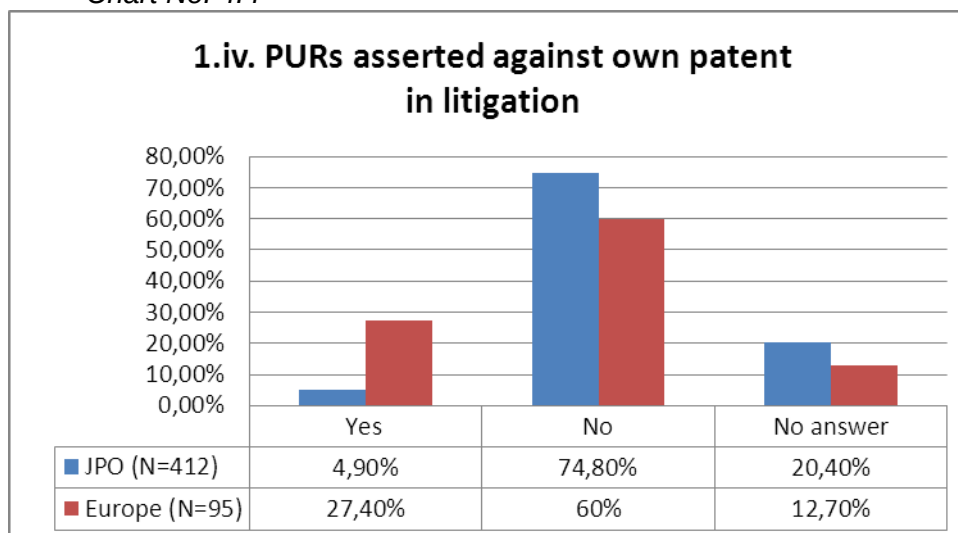


225. The same phenomenon may be observed in the US data, where 106 instances of respondents having asserted prior user rights to avoid litigation were reported, (as opposed to 45 instances of such rights being asserted in proceedings).

d) Prior user rights asserted against own patent in litigation

226. Respondents were then asked how often prior user rights had been asserted against their own patents in litigation. This was the case for 4,9% of respondents to the JP survey, and for 27,4% of respondents to European surveys. In the US survey, respondents reported having had prior user rights asserted against them in only 26 cases.

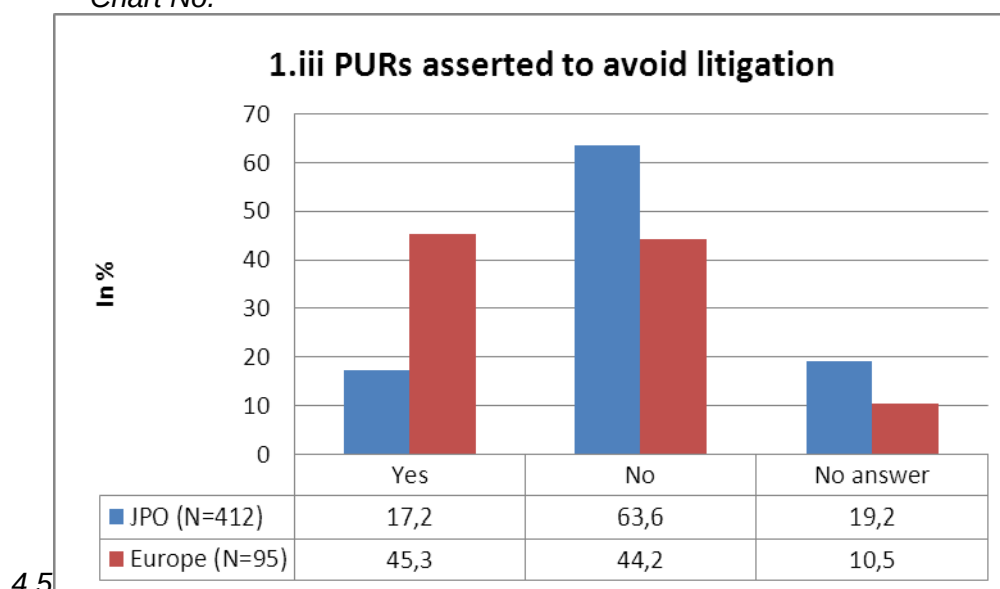
Chart No. 4.4



e) Prior user rights asserted against own patent to avoid litigation

227. Finally, 12,4% of respondents to the JP survey reported having had prior user rights asserted against them in order to avoid litigation, whereas this was the case for 40% of respondents to European surveys. In the US survey, respondents reported 64 instances of prior user rights being asserted by another party against their own patent to avoid litigation.

Chart No.



f) Discussion of results

228. There was a large spread between figures reported in Japan and in Europe. Much higher levels of experience with prior user rights in Europe than in Japan were consistently reported throughout the empirical questions above, suggesting that prior user rights play a much more significant role in the national patent systems in Europe than in Japan.

229. Given that asserting prior user rights and having them being invoked against one's own patent in litigation show the same event from two sides of the courtroom, one would have expected the figures in Charts 4.2 and 4.4, to be roughly consistent. This appears to be the case, with respectively 5,1% and 4,9% of JP survey respondents reporting assertion of patents in litigation either for or against themselves, compared to respectively 32,6% (for) and 27,4% (against) of European survey respondents (although the latter two figures emanate from different sets of respondents, see above). US survey results do not suggest such consistency, with assertion of prior user rights reported in 45 cases, compared with prior user rights being invoked against respondents in only 26 cases.

230. A certain consistency could also be expected between Charts 4.3 and 4.5 as the figures gathered reflect the assertion of prior user rights to avoid litigation seen, this time, from both sides of the bargaining table. 17,2% of respondents to the JP survey reported assertion of prior user rights by them, whereas 12,4%

of them reported having these rights asserted against them in order to avoid litigation. The figures for Europe in this regard are 45,3% and 40% respectively. In the US, 106 cases of prior user rights assertion to avoid litigation were reported, as opposed to facing such assertion against one's own patent 64 times.

231. Whilst it can be observed that the data collected for JP and Europe in Charts 4.3 and 4.5 remain respectively within the same order of magnitude, this is not true of the US data.
232. However, across all jurisdictions, regardless of whether in the board room or a court of law, it is interesting to note that respondents consistently report a higher level of assertion of prior user rights by them, than of prior user rights being opposed to them.
233. Finally, the figures in Charts 4.3 and 4.5 (assertion to avoid litigation) are much higher than those contained in Charts 4.2 and 4.4 (assertion in litigation), a trend mirrored in the data supplied by the US survey. This relation between the two sets of data in all jurisdictions would suggest that prior user rights may be successfully invoked outside the courtroom to avert litigation (otherwise, one would expect the numbers of instances in which prior user rights were invoked to be similar in both tables), but this is a mere inference, as not enough is known from the data to be able to draw a solid conclusion in this regard.

The data gathered in this section is not considered to be sufficiently reliable to allow the drawing of any detailed solid conclusions.

Generally, the occasional experience of being counselled with regard to prior user rights appears to be widespread, but the frequency with which prior user rights are actually invoked is very low.

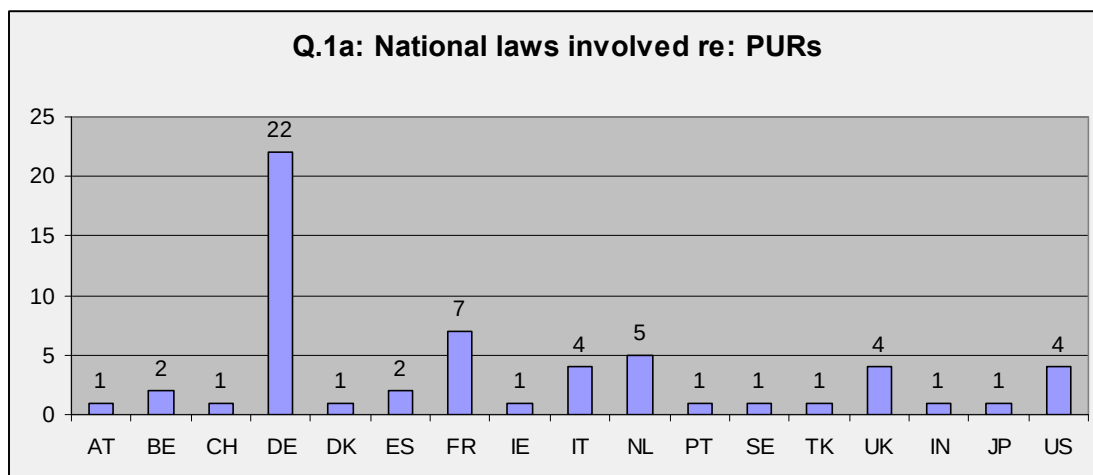
For all the factual constellations investigated, prior user rights appear to be much more frequently invoked in Europe and play a much more significant role in the national patent systems there than in Japan.

B. NATIONAL LAWS INVOLVED

234. Respondents to the Tegernsee Joint Questionnaire were requested to indicate which national laws were involved in the occurrences described in the questions above.
235. In the EPO survey, respondents generally indicated experience with prior user rights within their own jurisdictions. However, there was one notable exception: many non-German respondents reported having experience with prior user rights in Germany. This is surmised to be due at least partly to the fact that

Germany has the highest rate of patent litigation in Europe (See *EPO Report*, p. 101).

Chart No 4.6



Note: Numbers refer to number of respondents reporting having experience with prior user rights under national law, not instances of prior user rights. Respondents could indicate several jurisdictions.

236. In Germany, 26 respondents, or 66.7% of all respondents, reported having experience with prior user rights in Germany. Other jurisdictions mentioned were FR, UK, US, SE, AT (See *DPMA Report*, p. 36). In the UK, 3 of 9 respondents had had experience with prior user rights in the UK, and 1 respondent also had experience in Germany (See *UK IPO Report*, p. 31). FR and DK did not provide any data on this point. However, respondents to the DK survey commented that “prior user rights are a national issue while companies operate internationally” (see *DKPTO Report*, p.2).
237. In Japan, most respondents also reported having claimed prior user rights in JP only, with only 12 respondents having claimed such rights in CN, 8 in the US, 4 in a European country, 1 in KR, 1 in TW and 1 in IN. Thus, it was concluded that it was very rare for Japanese users to claim prior user rights overseas, a conclusion also supported by the results of the discussions in the Roundtables held by the JPO (See *JPO Report*, p.19).
238. Finally, given the short time span during which prior user rights under 35 USC § 273 were available prior to the enactment of the AIA, and in regard to business method patents only, the US Report noted with interest that 34 of the 49 respondents who answered the question regarding the national laws under which they had experience of prior user rights identified US national law as relevant, with AU garnering 5 mentions and European countries only 2 (See *USPTO Report*, p. 59).

Most users tend to have experience with prior user rights within their jurisdiction of origin, where they are more likely to be holders of patents, and also have their main area of activity.

There is generally limited experience with prior user rights abroad, with the exception of DE, probably due to the high volume of patent litigation there, which involves also large numbers of non-German parties.

C. AREAS OF TECHNOLOGY INVOLVED

239. In all jurisdictions, variations in frequency across technological areas were observed.
240. Generally, the top three areas in which prior user rights are most likely to occur are the mechanics, electrical/electronic and chemistry areas, as shown by Chart No. 4.8 below. This is the case nationally/regionally for both Japan and Europe.
241. However, in the US, the top area is that of computers, which is unsurprising, since the only area in which prior user rights could accrue in the US prior to the entry into force of the AIA were business method patents, and these are more likely to be found in conjunction with computer technology. On the other hand, given that fact and the infrequency with which these rights are claimed overseas, the other US figures in the charts above are somewhat unexpected.

Chart No. 4.7

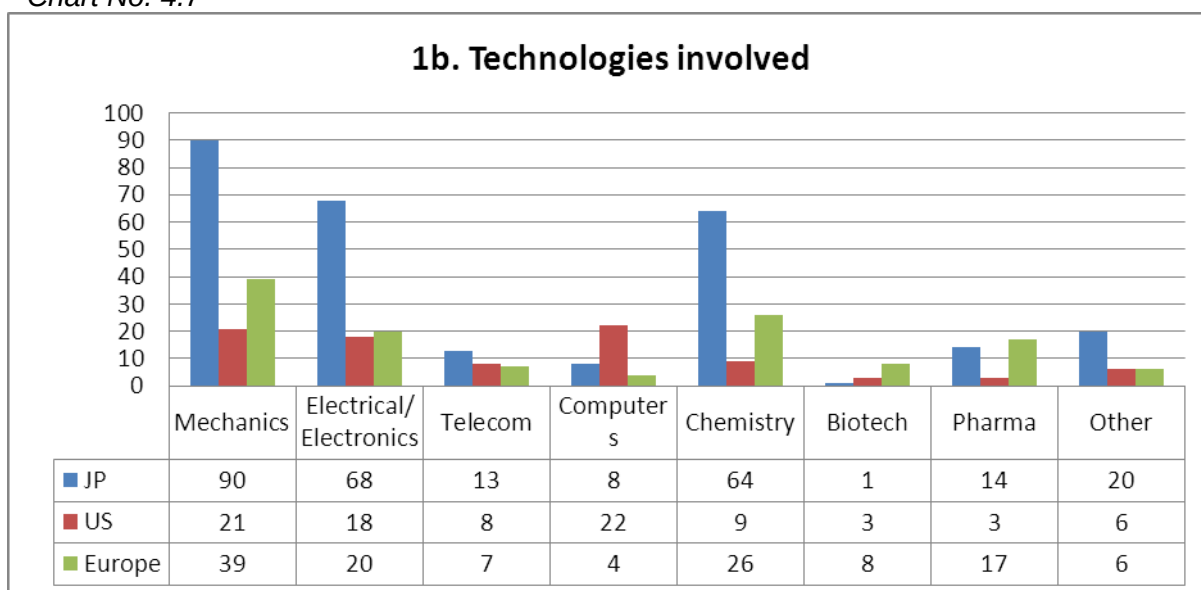
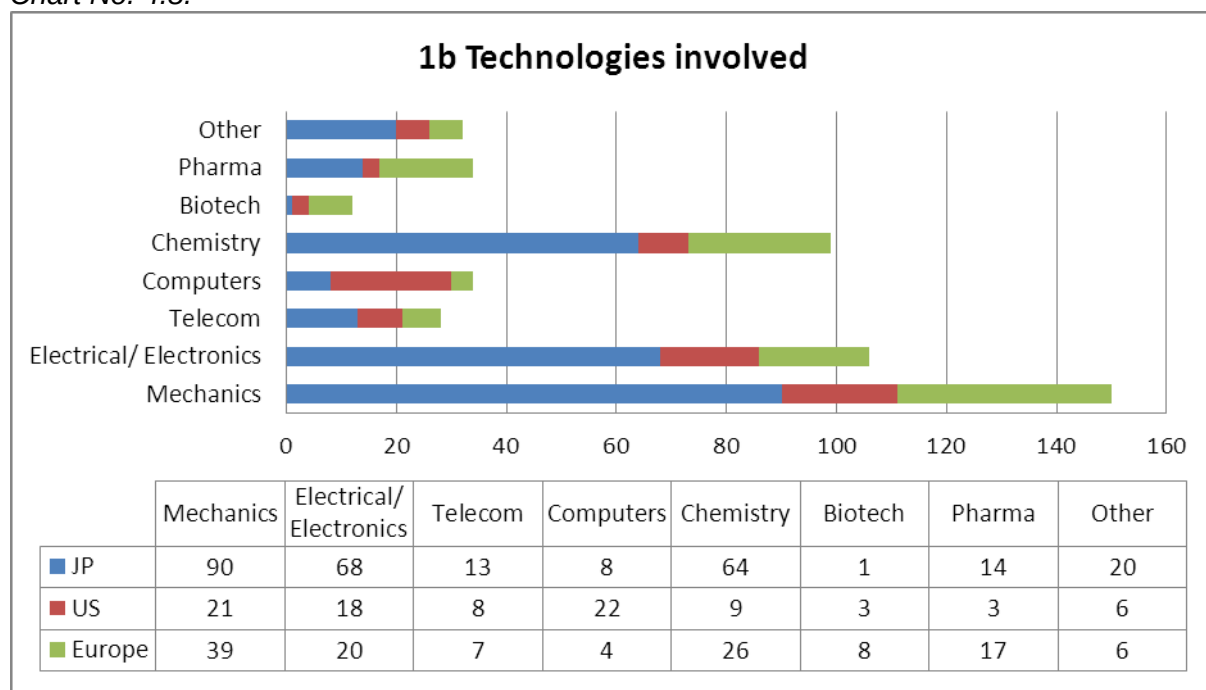


Chart No. 4.8.



242. As far as Europe is concerned, it is important to bear in mind that where a prior user invoked serious and effective preparations to use an invention, this may in theory occur for any type of invention as such preparations may be carried out secretly. However, since Europe operates under an absolute novelty requirement, once a prior user has progressed to actual use of the invention, only such inventions which may be used in such a manner as not to make the invention available to the public are susceptible of giving rise to prior user rights. Otherwise, such prior public use becomes an invalidating use preventing a valid patent from being granted. Thus, prior user rights frequently arise in relation to method inventions, machines which may be hidden from view, or inventions which cannot be successfully reverse-engineered, so that their actual use does not result in a prior enabling disclosure (See also *EPO Report*, p. 102).

To conclude, variations in frequency across technologies would be expected to occur, and the Tegernsee survey results suggest that this is in fact the case. Beyond that, the data gathered is not considered reliable enough to draw any further inferences.

IV. POLICY ISSUES

A. GENERAL CONSIDERATIONS

243. Prior user rights were included in substantive patent law harmonization discussions in the past mainly because they are considered by some to constitute an essential element of the definition of a safety-net grace period. As such, the emphasis was placed on the conditions for these rights to arise, rather than on their scope.
244. The Tegernsee Joint Questionnaire explored user views on four particular aspects of prior user rights: (a) the question of derivation from the patentee in good faith, a pivotal issue for some in the definition of a safety-net grace period; (b) minimal requirements for the accrual of rights; (c) the critical date for accrual of rights; (d) whether there should be some exceptions to prior user rights for some categories of patents or right-holders. These elements were gleaned from the disparities which were noted between the national laws of the different delegations in Europe, Japan and under the new AIA in the US upon drawing up the Tegernsee Matrix document of 2011 and the Tegernsee Study on Prior User Rights of 2012.
245. In Europe, this led to users reacting to the survey and in the hearing by considering two discrete issues: the harmonization of prior user rights *per se*, and the harmonization of prior user rights within the context of international substantive patent law harmonization including a grace period.

B. BEST PRACTICE

a) Derivation from the patentee in good faith

246. It appears to be a universal requirement for prior user rights to arise that the person claiming them be in “good faith”, this requirement attaching to both the acquisition of the knowledge of the invention as well as to the carrying out of activities on which the right of prior use may be founded.
247. In DK, FR and the UK, this is a statutory requirement (the DK statute requires that the prior acts not constitute an “evident abuse” of the applicant). In DE, it is the courts which require “*Redlichkeit*” or good faith on behalf of the prior user. None of the statutes in Europe prevent derivation from the patentee on principle – the good faith requirement is the sole gatekeeper provision.
248. In Japan, prior user rights arise in cases of independent invention, or derivation from an independent inventor, provided there is no knowledge “of the content of [the] invention claimed in a patent application”, pursuant to Art. 79 of the Japan Patent Act.
249. Under the AIA, good faith is also explicitly required by 35 USC §273(a)(1). However, in addition, the AIA sets the critical date for accrual of prior user rights to the earlier of either one year prior to the effective filing date or to the

date of the first graced disclosure to the public (35 USC § 273(2)), and further disposes in 35 USC §273(e)(2) that a person may not assert prior user rights “if the subject matter on which the defense is based was derived from the patentee or persons in privity with the patentee”.

250. Thus, the statutes in both the US and Japan protect patent owners from assertions of prior user rights where knowledge of the invention was derived from the applicant/patentee. Thus, a prior use based – even in good faith – on pre-filing disclosures benefitting from the grace period, cannot ground prior user rights.
251. In Europe, prior user rights arise subject to a requirement of good faith, up until the priority or filing date. In DE national law as it was prior to its alignment with the EPC, a grace period existed, but with prior user rights defined as they are today in § 12 of the German Patent Act. For this reason, the insistence of European delegations on prior user rights during SPLH discussions under the Basic Proposal in 1991 as well as the SPLT in the 2000s was always based on the understanding that these might be a deterrent to pre-filing disclosure, by creating a risk for inventors if they elected to disclose first and file later. It is one of the two hallmarks of the so-called “safety-net” grace period, restrictively defined so as to promote filing first, prior to any disclosure, thereby enhancing legal certainty, the other being that the grace period does not grace intervening disclosures from third parties based on independent invention.
252. Respondents were thus asked question IV.2a: *“Given that it is generally a requirement for acquiring prior user rights that the prior user has acted in good faith, should prior user rights nevertheless be unavailable if the prior user derived knowledge of the invention from the patentee, even though the knowledge could be considered to have been derived in good faith ?”*.
253. The results of the questionnaire were clear: a majority of respondents to the JP (67,2%) and US (58,8%) surveys were of the opinion that in such a constellation, no prior user rights should accrue, even if such derivation had occurred in good faith. Moreover, a closer analysis of US results according to the origin of the respondents shows that 68,7% of US respondents to the US survey would deny the accrual of prior user rights where derivation from the patentee had occurred in good faith (See *USPTO Report*, p. 62). This position mirrors that of the AIPPI, in its written submission to the EPO within the Tegerensee Use Consultation (See *EPO Report*, p. 113).
254. In Europe, however, the most popular answer to this question, at 46,2% was that prior user rights should indeed accrue in such a case, suggesting that a different trend might exist in Europe.
255. To this admittedly convoluted question, acquiescence from respondents to rights arising required in effect a double negative, *ie* such rights should “not be unavailable”. Respondents to the EPO survey complained that the question “*could have been worded more clearly*” (see *EPO Report*, p.103). It was this early realisation which prompted the EPO to include 2 additional questions in

the grace period section of the EPO questionnaire, going to the systemic issues within a grace period context of (a) where the risk in pre-filing disclosures should lie, and (b) what was the role of prior user rights (See *EPO Report*, pp. 48-51). The responses to these questions are included in Annex I to the present section on prior user rights, which constitutes an integral part of this report.

256. Finally, the issue of derivation from the patentee in a grace period context was addressed in detail during the Hearing of European users held at the EPO in February 2013. Several participants even took the view that where prior use was based on public information, (such as a pre-filing disclosure during the grace period by the subsequent applicant), it should not be possible to stop such third parties from continuing such use post-grant. In essence, in the view of some European users, absent breach of confidence, reliance on public information should be considered to occur in good faith (See *EPO Report*, pp. 111- 112).
257. This position is consistent with that of FICPI, set out in its written submission to the EPO within the framework of the Tegernsee consultation process: “*Any third party who acquires knowledge from a pre-filing disclosure and starts using the invention or makes substantive preparations for such use, may be awarded prior user rights*”, a position also coinciding with that of the IP federation as expressed in its written submission to the EPO. (*EPO Report*, p. 113, §§ 415 and 417 respectively).
258. These results suggest that there is a considerable divide between European positions as expressed in the Hearing and suggested in the responses to question IV.2a of the questionnaire and both the views of respondents to the JP and US surveys as well as the existing provisions of the national laws of JP and the US.

Chart No. 4.9

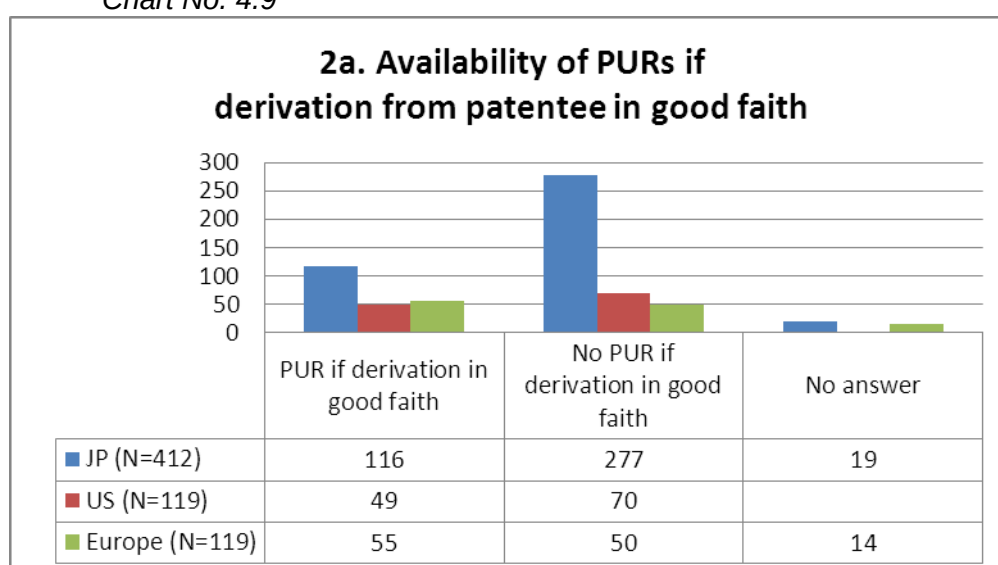
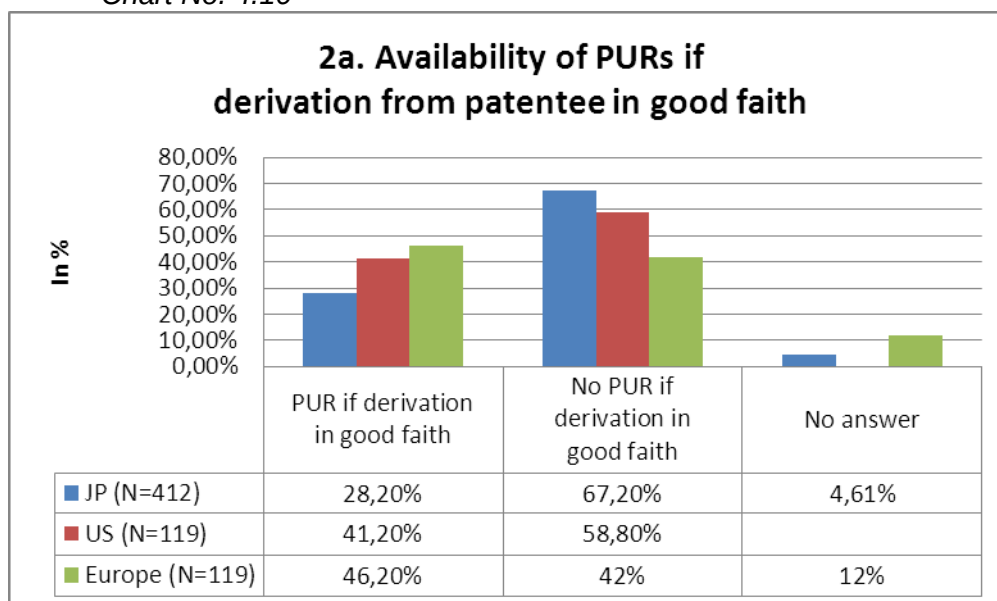


Chart No. 4.10



The results of the Tegernsee Questionnaire on the issue of availability of prior user rights where the invention was derived from the patentee in good faith are inconclusive, due to the lack of clarity of question IV. 2a.

Bearing this limitation in mind: a majority of respondents in JP and US appear to believe that inventors making use of the grace period should be shielded from prior user rights accruing to third parties where the invention was derived from the patentee, even in good faith, in line with the policies of their respective national laws.

However, in Europe, responses suggest that a majority of respondents believe that prior user rights should be defined so as to protect third parties in good faith prior to the priority/filing date as well as operate as a disincentive to pre-filing disclosure.

To conclude, results suggest that there is a divergence in the understanding of the systemic function of prior user rights in a grace period context between users in JP and the US on the one hand and users in Europe on the other.

b) Minimal requirements for the accrual of prior user rights

Respondents were requested to identify the minimal conditions for prior user rights to arise. The multiple choice question allowed multiple box-markings, which was not entirely coherent since "minimal" requirements were being requested, rather than "which requirements" should be deemed to qualify. Further parsing of raw data would have been necessary to identify the least

onerous requirement selected by every single respondent and compute results on that basis. In most jurisdictions, this was not done.

259. Three options were laid out: "Preparations to use the invention"; "Actual use of the invention" and "Prior knowledge of the invention". This created a further problem, at least for European respondents. In the US, actual use is required for prior user rights to accrue under the AIA. However, in Japan and in Europe, "effective and serious", or "substantial" preparations to use the invention meet the required standard for rights to arise (except for France, which recognises a "*droit de possession personnel*", or a "right of personal possession", which theoretically is based on prior knowledge of the invention). Thus, the formulation of the question clearly put some respondents in Europe in a quandary, as mere "preparations", whatever their stage, scale or seriousness, did seem to some respondents to be too low a threshold on the one hand (see *UK IPO Report*, p.32), but actual use too high a threshold on the other.
260. The results of the raw data are presented below, but due to the flaws in the question mentioned above, the data is not considered to yield meaningful results, with one exception: it can be concluded that for the overwhelming majority of respondents in all three blocs, mere prior knowledge of the invention should not be sufficient to ground prior user rights. This was true even within the FR survey, where only 36,4% of respondents were in favour of prior knowledge sufficing to qualify for prior user rights, although this mirrored the national norm (see Appendix II to the Report, *Table of Aggregate Results*, FR, p.126).
261. As far as requiring actual use versus preparations to use the invention, JP respondents appeared to be roughly evenly split between the actual use requirement (77,4%) and that of preparations (75,8%), the issue remaining of what their reaction would have been had the preparations been specified to be "substantial". Moreover, given the numbers (304 in favour of actual use, 298 in favour of preparations to use, with N=412), clearly, there is substantial overlap between the two groups, and we do not know the number of respondents who in each case ticked only one of the two options.
262. US respondents clearly favoured actual use to constitute a minimal requirement (87% against 45,3% of respondents who opined that preparations to use should suffice), whereas a clear majority of Europeans considered "preparations to use" should suffice (64,7%), although one should be cautious not to interpret this result as endorsing a lower threshold than that currently existing in Europe, as seen below.

Chart No. 4.11

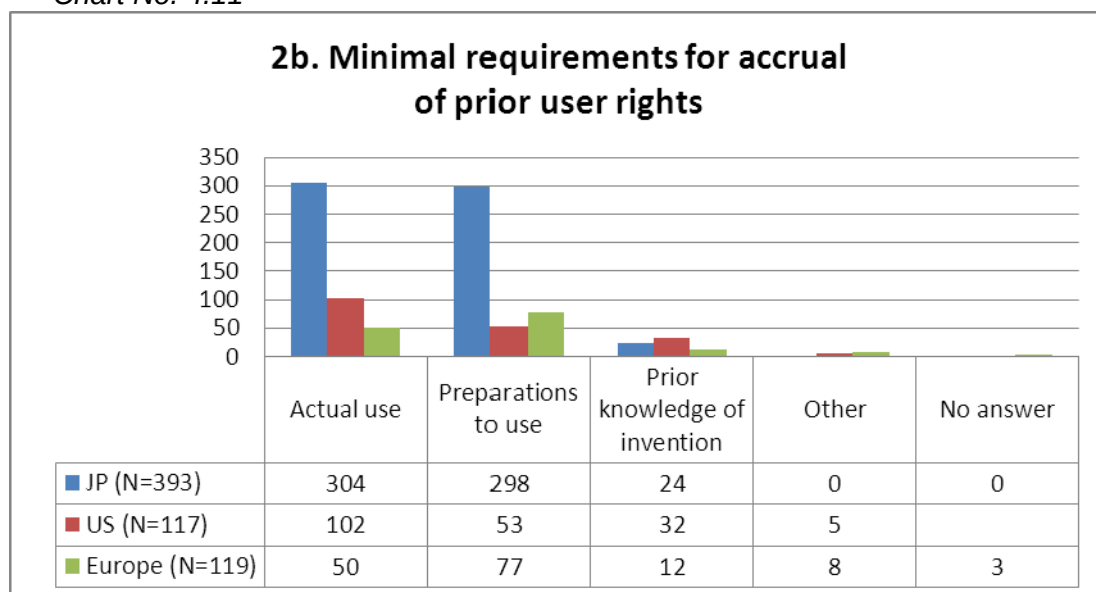
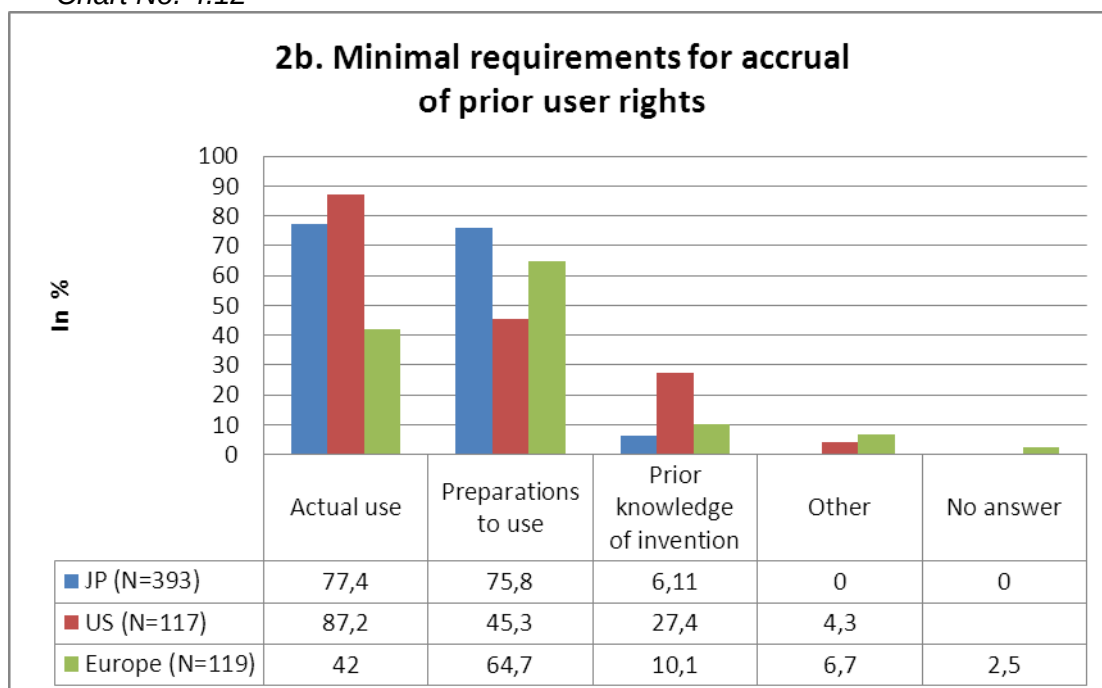


Chart No. 4.12



263. For this reason, in addition to setting out survey responses as collected, the EPO also reported on these results parsing the responses of individual respondents to identify the “minimum” requirement. In addition, all the respondents which had answered “other”, specified that this was because they felt preparations should qualify provided they were “serious and effective”, or “incurring significant investment”, *ie* meet the standard of “substantial preparations”. Although it is methodologically flawed to assume that all respondents having indicated “preparations to use” as a requirement interpreted these as reaching the threshold of “substantial preparations” prevailing in Europe, all the comments made on this point in the questionnaire emphasised that this was the spin put on the phrase by those respondents.

264. The aggregate amount of respondents to the EPO survey who supported either preparations to use or, as specified, “substantial preparations to use”, represented 75% of respondents.
265. This is opposed to 19% of respondents to the EPO survey who supported actual use, roughly a third of which were affiliated with universities/research institutions, which may be argued to have an interest in restricting access to prior user rights. These rights may well be of reduced importance to them as many of their activities in dealing with patented subject-matter will fall within the experimental use exception regardless of when such activity began, whereas prior user rights acquired by third parties will be able to be asserted against patents they hold (See *EPO Report*, p. 104-106).

Due to flaws in the design of question IV.2b going to the minimal activity requirements for accrual of prior user rights, it may only be concluded that in all three regions, an overwhelming majority of respondents believe that mere prior knowledge of the invention should not suffice as a minimal requirement for prior user rights to accrue.

c) Critical date for accrual

266. A second divergence between US national law and the national laws of JP, DE, DK, FR and UK is that of the critical date for prior user rights to accrue, *ie* the date at which the constitutive elements giving rise to the rights must exist, such as knowledge of the invention, substantial preparations or actual use.
267. Whereas in all the other Tegersee countries, the conditions for a prior user right to accrue must be met prior to the priority or filing date, in the US, 35 USC § 273 (a)(2) commercial use of the invention must have occurred at least 1 year before the earlier of either the effective filing date of the claimed invention; or the date on which the claimed invention was disclosed to the public in a manner that qualified for the exception from prior art under section 102(b). The apparent purpose of this is to account for disclosures made during the grace period.
268. At the outset, it must be stated that the reliability of the data may be questionable, given the overlapping nature of the possible responses, as well as the fact that the Tegersee Joint Questionnaire allowed multiple answers (see comments in *USPTO Report*, p. 69).
269. This meant that to determine the proportion of respondents who wished to depart from the rule of the priority/filing date as a critical date which currently exists in most jurisdictions, data would have had to be analysed to determine how much overlap existed between the options, and filter those respondents who checked the priority/filing date only from those who also checked one or both of the others.

270. The EPO did this parsing in analysing its data, so that the EPO figure that 68,5% of respondents endorsed the priority /filing date as the critical date, entered into the *Table of Aggregate Results* (Appendix II), is a clean figure: these respondents definitely opposed the other two rules (see *EPO Report*, p. 106-107). It is emphasised that the priority/filing date as a critical date was also unanimously endorsed by all the user associations participating in this section of the EPO survey, as well as by the written submissions of FICPI and AIPPI.
271. As a matter of interest, without such parsing, 81,4% of respondents to the EPO survey checked the box corresponding to this rule, which would then translate into a consolidated figure of 78,15% of respondents to the European surveys.
272. Perusing the US report, it is observed that 61,19% of US respondents to the US survey opposed the requirement that the activity giving rise to prior user rights be required to take place prior to the beginning of the grace period, where such a grace period is provided (See *USPTO Report*, p. 70, Table 5.17). Likewise, 82,09% of US respondents to the US survey opposed that the activity giving rise to the prior user rights be required to take place prior to the pre-filing disclosure, if such a disclosure has been made. These opinions stand in contrast to the prior user rights regime set forth in 35 USC §273, which requires qualifying activities to take place at least a year prior to the earlier of either the priority or filing date, or the graced prior disclosure (See *USPTO Report*, p.70, Table 5.18).
273. Consequently, even given the imperfections of both the question and its analysis, it can be concluded that the vast majority of respondents shared the view that the critical date for accrual of these rights should be the priority or filing date, entailing that where a grace period is provided, prior user rights should be able to accrue throughout the grace period. This view is held by 78,9% of respondents to the JPO survey, 65,5% of respondents to the US survey and 72,3% of respondents to the European surveys (including parsed EPO data and non-parsed data from the other European delegations, reflecting the figures as represented in Appendix III: *Table of Consolidated Results*).

Chart No. 4.13

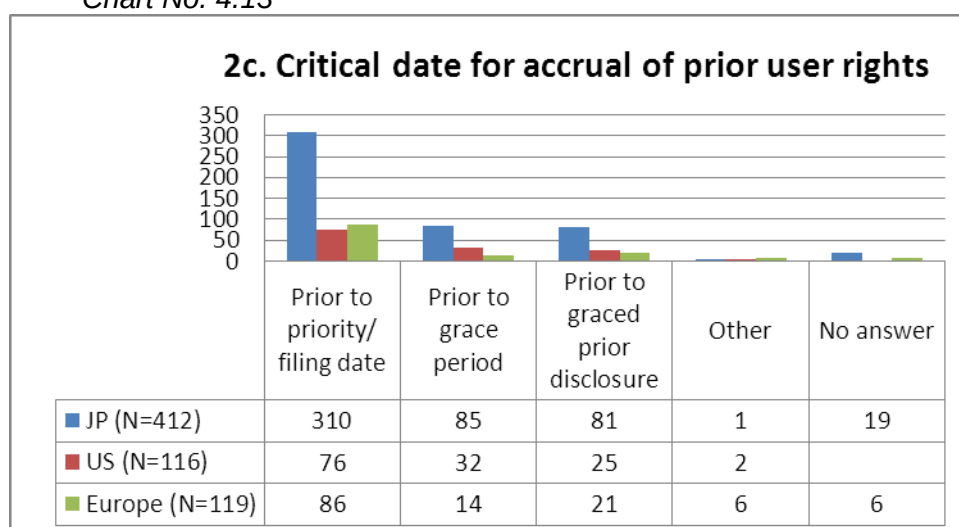
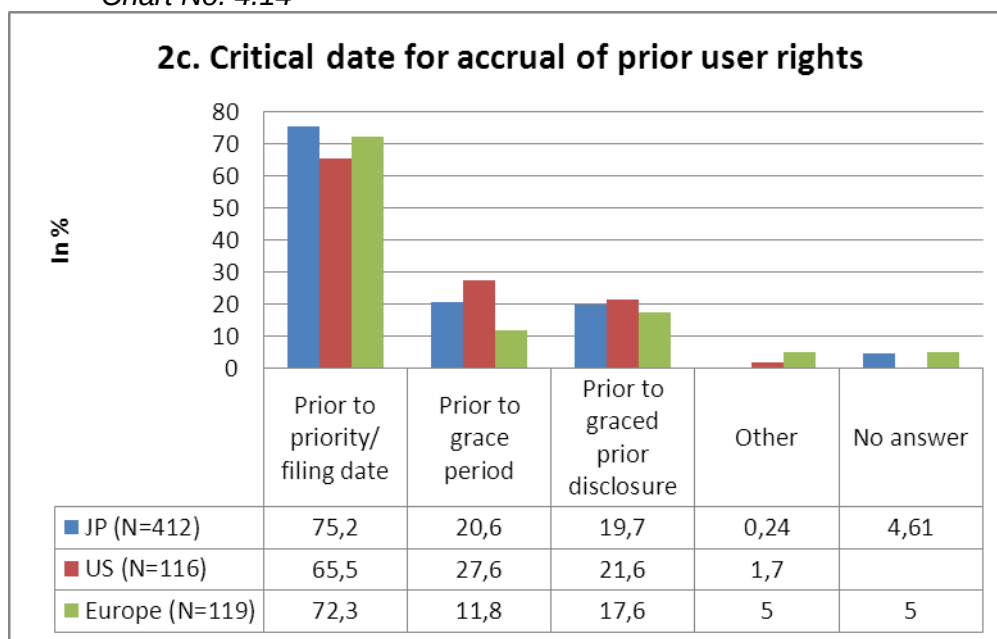


Chart No. 4.14



In terms of the critical date for accrual of prior user rights, the majority of respondents in all jurisdictions support that prior user rights be available until the filing, or if applicable, the priority date of the application of the patent against which they arise, whether there is a grace period or not.

d) Exceptions to prior user rights

274. Respondents were asked whether exceptions to prior user rights should exist with respect to “certain patents”. The background behind this issue is the current provision 35 USC § 273(5)(A) in the US, which disposes that prior user rights are unavailable “if a patented invention, when made, was owned or subject to obligation of assignment to an institution of higher education or a technology transfer organization whose primary purpose is commercialization of technologies developed by institutions of higher education”.
275. The overwhelming majority of respondents in all three blocs were against exceptions to prior user rights being granted: 82,3% of respondents to the JP survey, 87,4% of respondents to the European survey and 92,7% of respondents to the US survey. Thus, it was in the jurisdiction in which the exception existed that the highest proportion of respondents opposed it. Moreover, whilst the sample size was very small, it is interesting to note that 6 of 7 respondents to the US survey representing universities/research institutions, who are the beneficiaries of the US exception, also opposed the inclusion of such exceptions (see *USPTO Report*, p. 74).

276. Respondents to the UK survey, (perhaps influenced by the now superseded US rule confining prior user rights to business methods only), stated that in view of Art. 27(1) TRIPs, any distinction between inventions in different fields of technology should be avoided (See *UK IPO Report*, p. 33). However, here, an exception was contemplated which was defined not on the basis of the area of technology of the patent concerned, but rather based on the identity and nature of the inventing entity or patent holder.

Chart No. 4.15

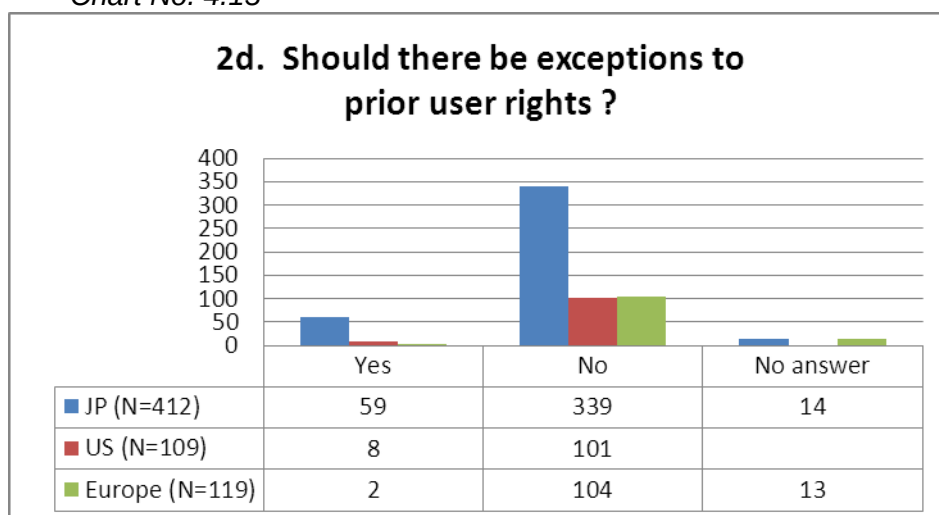
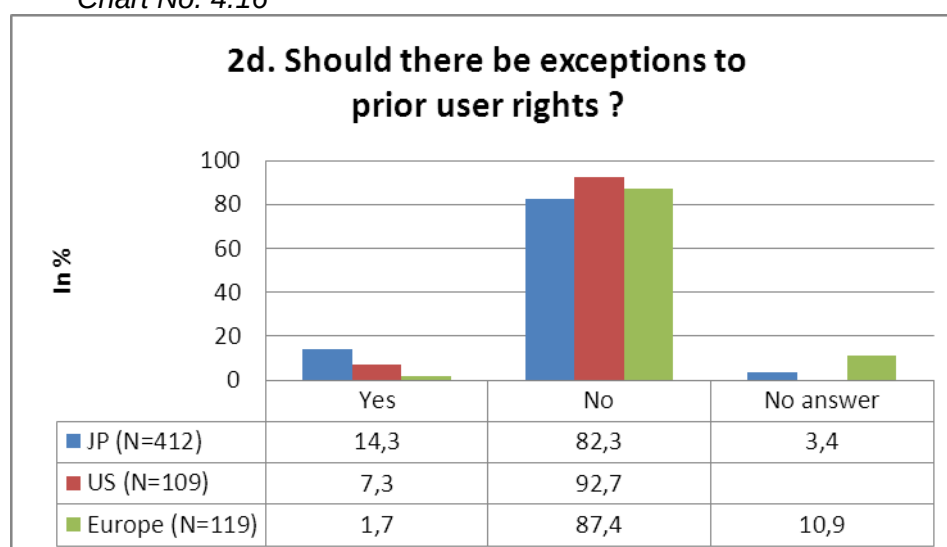


Chart No. 4.16



The overwhelming majority of respondents to the Tegernsee surveys in all three regions are opposed to exceptions to prior user rights being provided.

C. IMPORTANCE OF HARMONIZATION

277. Respondents were asked to indicate the importance they ascribed to the international harmonization of prior user rights: 81,7% of respondents to the US survey, 84% of respondents to the JP survey and 74% of respondents to the European surveys, consider the harmonization of prior user rights to be important or critical.
278. Interestingly, within the US survey, 92,8% of European respondents to the US survey viewed the harmonization of prior user rights as critical or important, whereas only 74 % of US respondents to the US survey shared this view, whilst 26% of US respondents viewed the issue as “not important”. In addition, the breakdown of results according to technical field effected by the USPTO showed that respondents in the fields of electronics/ computer/communications constituted the highest concentration of respondents viewing harmonization of prior user rights as critical or important (see *USPTO Report*, pp. 60 and 61, Table 5.3).

Chart No. 4.17

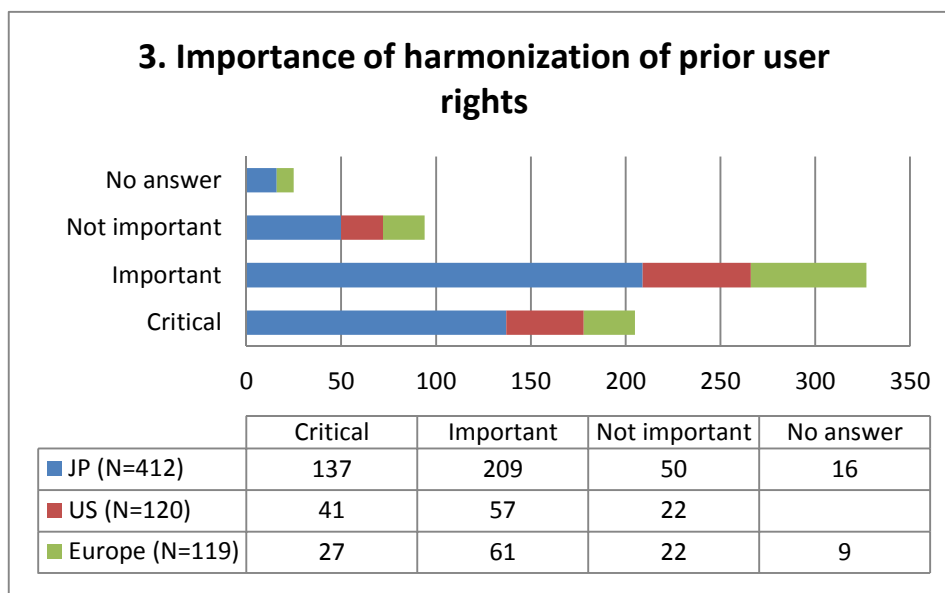
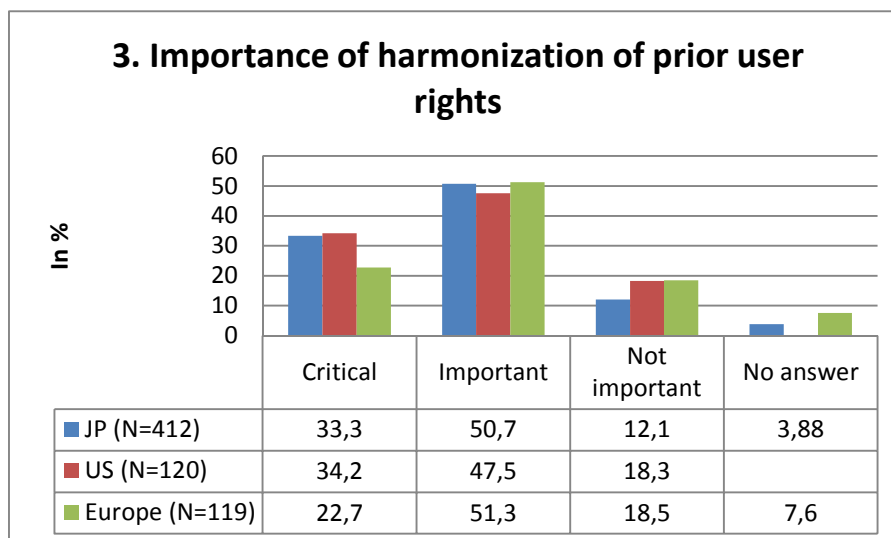


Chart No.4.18



279. During the Hearing of European users conducted at the EPO in February 2013, it was opined that prior user rights should be harmonized within Europe as a first step (*EPO Report*, p. 110). This was echoed by some participants in the DE, FR and UK surveys, (See *DPMA Report*, p. 10; *INPI Report*, p.6; *UK IPO Report*, p.34). Moreover, it was also opined that the absence of a prior user right territorially co-extensive with the market covered by the unitary patent would be a problem (*EPO Report*, p. 111).
280. The vast majority of participants in the Hearing at the EPO believed that prior user rights were “absolutely indispensable” to the patent system within the context of a grace period, as an essential component of the definition of the grace period, and thus supported their inclusion in the harmonization process, as a mandatory, not an optional provision (See *EPO Report*, pp. 111, §402; p. 112-113).
281. Finally, several respondents to the EPO Tegernsee survey, stated that they had two opinions: one of the importance of harmonization of prior user rights *per se*, which they found was not important, and another regarding the harmonization of prior user rights within the framework of a possible harmonization of grace period regimes, which they found to be critical. If these opinions are taken on board, the number of respondents to the EPO survey regarding harmonization as either important or critical climbs to from 79% to 87% of respondents, and the overall figure for Europe becomes 77,1%, whilst the number of respondents in Europe finding harmonization of prior user rights not to be important falls to 15,1% (see *EPO Report*, pp. 108-109).
282. This differentiated opinion was echoed by users in the UK as well “We do not consider international harmonization of prior user rights as important, except in the harmonization of grace period regimes” (see *UK IPO Report*, p.34).

The vast majority of respondents in all three blocs consider the international harmonization of prior user rights *per se* to be important or critical.

European respondents consider such harmonization to be even more important if the international harmonization of prior user rights is considered within the context of a grace period.

V. CONCLUSIONS / EXECUTIVE SUMMARY

283. The empirical data gathered in the prior user rights section of the Tegernsee Joint Questionnaire is not considered to be sufficiently reliable to allow the drawing of any detailed solid conclusions.
284. Generally, the occasional experience of being counselled with regard to prior user rights appears to be widespread, but the frequency with which prior user rights are actually invoked is very low. It is interesting to observe that for all the constellations investigated above ((1) Frequency of counsel re prior user rights; (2) Assertion of rights in litigation by respondent; (3) Rights asserted to avoid litigation by respondent; (4) Assertion of rights in litigation against respondent; (5) Rights asserted to avoid litigation against respondent), prior user rights appear to be much more frequently invoked and play a much more significant role in the national patent systems in Europe than is the case in Japan (or the US, where these rights are new).
285. Most users tend to have experience with prior user rights within their jurisdiction of origin, where they are more likely to be holders of patents, and also have their main area of activity. There is generally limited experience with prior user rights abroad, with the exception of experience of rights in DE, probably due to the high volume of patent litigation there, which involves also large numbers of non-German parties.
286. Variations in the frequency of prior user rights across technologies would be expected to occur, and the Tegernsee survey results suggest that this is in fact the case.
287. The results of the Tegernsee Joint Questionnaire on the issue of availability of prior user rights where the invention was derived from the patentee in good faith are inconclusive, due to the lack of clarity of the relevant question IV.2a. Bearing this limitation in mind, the following may be observed: a majority of JP and US respondents appear to believe that inventors making use of the grace period should be shielded from prior user rights accruing to third parties having

derived the invention from them, even in good faith, which would be in line with the policies of their respective national laws.

288. However, in Europe, responses during the Hearing showed that a majority of participants believe that prior user rights should be defined so as to protect third parties in good faith prior to the priority/filing date as well as operate as a disincentive to pre-filing disclosure. This was the preferred response to question IV.2a of the Tegernsee Joint Questionnaire as well.
289. To conclude, results suggest that there is a divergence in the understanding of the systemic function of prior user rights in a grace period context between users in JP and the US on the one hand and users in Europe on the other.
290. Due to flaws in the design of question IV.2b going to minimal activity requirements for accrual of prior user rights, it may only be concluded that in all three regions, the overwhelming majority of respondents believe that mere prior knowledge of the invention should not suffice as a minimal requirement to ground prior user rights.
291. As far as the critical date for the accrual of prior user rights is concerned, the majority of respondents in all jurisdictions support prior user rights being available until the filing, or if applicable, the priority date of the application of the patent against which they arise, whether there is a grace period or not.
292. The overwhelming majority of respondents to the Tegernsee surveys in all three regions are opposed to exceptions to prior user rights being provided.
293. The vast majority of respondents in all three blocs consider the international harmonization of prior user rights *per se* to be important or critical. European respondents consider such harmonization to be even more important if the international harmonization of prior user rights is considered within the context of a grace period.

Annex I - Section on prior user rights – Additional EPO questions

Responses to additional questions included in the EPO survey on allocation of risks regarding pre-filing disclosures in a grace period context

294. Question IV.2a of the Tegernsee questionnaire was formulated thus: *"Given that it is generally a requirement for acquiring prior user rights that the prior user has acted in good faith, should prior user rights nevertheless be unavailable if the prior user derived knowledge of the invention from the patentee, even though the knowledge could be considered to have been derived in good faith ?"*
295. Arguably, the basic issue to be addressed was in fact: who should bear the risk of early adoption of new technology in a pre-filing disclosure, grace period context?
296. The first additional question was: *"Assuming that a grace period exists, as a matter of policy, in your view, who should bear the risks associated with pre-filing disclosure?"* Faced with the choice between (a) The inventor and (b) Third parties, an overwhelming majority of respondents (61 of 69 respondents, including 8 of 9 European user associations, for a total of 88% of respondents to the additional questions of the EPO survey) opined that the inventor who did not file prior to disclosing his invention should bear any risks associated with pre-filing disclosure. Only 4 respondents, or 5,8% (one university, one respondent from the US and 2 patent practitioners) replied that the risk should lie with third parties.
297. When respondents were asked how they considered the relation between prior user rights and the grace period by indicating their agreement with a set of statements (multiple checks were possible): 43 of respondents to the EPO survey or 62,3% agreed with the statement that *"Prior user rights are an essential component of a safety-net grace period, and contribute to enhancing legal certainty by discouraging pre-filing disclosure where such disclosure may be avoided."* This can only be the case if derivation in good faith from the patentee can form a basis for prior user rights to accrue. Only this creates a "risk" acting as a disincentive in cases in which disclosure or lack thereof can be controlled by the inventor or his successor in title.
298. In contrast, only 2 respondents or 2,9% (one university, one US corporation) agreed that *"Prior user rights should be precluded from arising during the grace period, even for third parties in good faith, because otherwise, the grace period would be a trap for the unwary."*
299. Only 8 of 69 or 11,6% agreed with a statement consisting essentially in a basic clarification of the Tegernsee Joint Questionnaire question: *"Prior user rights should be precluded from arising where the knowledge of the invention was derived from the subsequent patentee, even where the obtaining of the knowledge of the invention by the third party occurred in good faith - for*

instance, where it was made freely available prior to filing and its origin could not be traced." These respondents included one university and 3 respondents of US origin. This response is consistent with that to the other clearly framed additional question to the EPO questionnaire as well as the reaction of users during the EPO Hearing,

300. There were 17 or 24.6% of respondents who opined that "*Prior user rights are irrelevant to the definition of a grace period*". This figure should be nuanced by considering that of those 17 respondents, 8 were against the grace period in principle.
301. These results support the conclusion that there is a considerable divide between European positions as expressed in the Hearing and suggested in the responses to question IV.2a of the questionnaire and the policy pursued by existing provisions of the national laws of JP and the US.

Annex II - Table of Data Showing Experience of Prior User Rights in Japan and Europe

The data on the frequency of prior user rights issues contained in the 5 European Tegermsee reports could not be collated, as data had not been uniformly analysed. Since data showed that prior user rights issues generally arise infrequently, data was grouped to compare whether respondents had experience with prior user rights in these constellations or not. The table below was drawn up accordingly, showing negative responses and lack of response, whilst aggregating all positive responses.

PRIOR USER RIGHTS (PURs)	JP No.	JP %	Europe No.	Europe %	EPO No.	EPO %	DE No.	DE %	FR No.	FR %	UK No.	UK %	DK No.	DK %
Total number of respondents	412		95		46		34		6		6		3	
1.i. <u>Counsel re: PURs:</u>														
Yes	190	46,1%	75	78,9%	35	76%	31	91,2%	5	83,3%	3	50%	1	33,3%
No	165	40%	14	14,7%	6	13%	3	8,8%	1	16,7%	3	50%	1	33,3%
No answer	57	13,8%	6	6,3%	5	10,9%							1	33,3%
1.ii <u>PURs asserted in litig.:</u>			N=86											
Yes	21	5,1%	28	32,6%	14	30,4%	13	38,2%	1	16,7%	N/A		N/A	
No	307	74,5%	50	58,1%	24	52,2%	21	61,8%	5	83,3%				
No answer	84	20,4%	8	9,3%	8	17,4%								
1.iii <u>PURs asserted to avoid litigation:</u>														
Yes	71	17,2%	43	45,3%	20	43,5%	19	55,9%	1	16,7%	2	33,3%	1	33,3%
No	262	63,6%	42	44,2%	17	36,9%	15	44,1%	5	83,3%	4	66,7%	1	33,3%
No answer	79	19,2%	10	10,5%	9	19,6%							1	33,3%
1.iv <u>PURs asserted against own patent in litigation:</u>														
Yes	20	4,9%	26	27,4%	12	26%	14	41,2%	0	0%	0	0%	0	0%
No	308	74,8%	57	60%	24	52,2%	20	58,8%	6	100%	5	83,3%	2	66,7%
No answer	84	20,4%	12	12,7%	10	21,7%					1	16,7%	1	33,3%
1.v <u>PURs asserted against own patent to avoid litigation:</u>														
Yes	51	12,4%	38	40%	20	43,5%	15	44,1%	1	16,7%	2	33,3%	0	0%
No	280	68,0%	46	48,4%	16	34,8%	19	55,9%	5	83,3%	4	66,7%	2	66,7%
No answer	81	19,7%	11	11,6%	10	21,7%							1	33,3%

APPENDIX I - TEGERNSEE JOINT QUESTIONNAIRE

PART I: Identification of the respondent

1. Name of the respondent: _____
2. Title: _____
3. Email address: _____
4. Phone number (optional): _____

All information identifying the respondent will be kept confidential. The results of the questionnaire will be anonymous, and no comment received within the framework of this questionnaire will be attributed.

PART II: Information about the Respondent

*** Indicates required responses**

1. Which of the following best describes your affiliation? *

- ☐ Corporation
- ☐ University/Research Institution
- ☐ Individual Inventor
- ☐ Patent Professional
- ☐ Law Firm
- ☐ Other (business/legal association, etc.) _____

2. If you represent a business or are an individual inventor: *

- a. Please estimate the total number of employees.

- ☐ 0-10
- ☐ 11-100
- ☐ 101-500
- ☐ 501-1000
- ☐ Greater than 1000

b. What is your primary area of technology or industry? *

- ☐ Mechanics
- ☐ Electrical /Electronics
- ☐ Telecommunications
- ☐ Computers
- ☐ Chemistry
- ☐ Biotechnology
- ☐ Pharmaceuticals
- ☐ Other _____

3. In which of the following jurisdictions is your residence or primary place of business?*

- ☐ Europe
- ☐ Japan
- ☐ United States
- ☐ Other _____

4. In which of the following offices do you most frequently file applications (limit: one)? *

- ☐ European Patent Office
- ☐ Japan Patent Office
- ☐ United States Patent and Trademark Office
- ☐ Other _____

5. On average, how many applications do you file per year in the office identified in your response to Question 4?* _____

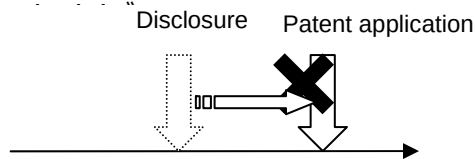
Part III: Grace Period

Background:

A grace period is a period of time before a patent application is filed for an invention, and during which time the invention could be disclosed through various means without its novelty being lost, due to the grace period being in effect. Disclosures of this nature are usually referred to as “non-prejudicial disclosures”.

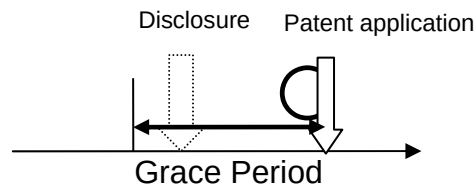
Many countries/regions have introduced some sort of grace period in their patent systems, though the grace periods may differ in various ways. The following diagram is an explanation by way of illustration of the basic concept behind the grace period.

《 First-to-file



The disclosure of the invention prior to filing the patent application becomes novelty-defeating "prior art" against the application.

《 Grace Period》



When an application is filed within a certain period of time after the invention is disclosed, the disclosure does not prejudice patentability of the invention.

Questions:

1. If you are affiliated with a business, does that business conduct joint research with universities/research institutes? If you are affiliated with a university or research institution, do you conduct joint research with private companies?

- ☐ Often
- ☐ Occasionally
- ☐ Hardly
- ☐ Never
- ☐ Not applicable

2. Have you ever felt the need to file a patent application after you or your client(s) disclosed a research (and/or product development) result?

- ☐ Yes
- ☐ No
- ☐ Not applicable

- a. If "Yes" in Question 2, why did such necessity arise?

- ☐ Error on the part of the inventor/person entitled to file or an employee
- ☐ Breach of confidence
- ☐ Disclosure at a trade show
- ☐ Disclosure during business negotiations
- ☐ Disclosure during trials/public experiments
- ☐ Disclosure in an academic communication (Article, Conference)
- ☐ Other – Please specify:_____

b. If “Yes” in Question 2, how did you deal with it?

- ☐ I filed anyway.
- ☐ I filed in all jurisdictions where I could rely on a grace period.
- ☐ I gave up on patenting and decided to protect the invention as a trade secret.
- ☐ Other – Please specify:_____

3. If you are affiliated with a business or a university/research institution or are an individual inventor, to what extent do your researchers/employees (including yourself, as appropriate) understand the patent system, including the grace period?

- ☐ They have sufficient knowledge about the patent system, including the grace period.
- ☐ They have a basic idea of the patent system but little to no understanding of the grace period.
- ☐ They have little to no understanding of the patent system.
- ☐ Not applicable

4. Have you or your client(s) ever relied on the grace period?

- ☐ Yes
- ☐ No

a. If “Yes” in Question 4, in which countries and under what circumstances did you or your client(s) rely on the grace period?

Please explain your answer. _____

b. If “Yes” in Question 4, how frequently have you or your client(s) relied on it?
Please choose the closest one.

- ☐ Less frequently than once per 1,000 patent applications
Please specify, if possible:_____
- ☐ Once per 1,000 patent applications
- ☐ Once per 100 patent applications
- ☐ Once per 10 patent applications
- ☐ More frequently
Please specify, if possible:_____

- c. If “Yes” in Question 4, have there been any specific instances where your or your client’s reliance on the grace period has directly led to or been a particular contributing factor in the success of your or your client’s business and/or research activities?

☐ Yes
☐ No

Please provide additional details/explanation as appropriate. _____

- d. If “Yes” in Question 4, have you or your client(s) ever experienced any problems in terms of the procedures involved when invoking the grace period?

☐ Yes
☐ No

Please explain your answer, including the countries involved. _____

5. Have there been instances where you or your client(s) were unable to obtain a patent because a grace period was not available?

☐ Yes
☐ No

Please explain your answer, including the approximate number of instances and the countries involved. _____

- a. If “Yes” in Question 5, have there been instances where you or your client(s) were able to obtain a patent in one country but not in another country because the grace periods were either not harmonized or a grace period was not available in the other country?

☐ Yes
☐ No

Please explain your answer, including the countries involved and the approximate number of instances. _____

6. Has the unavailability of a grace period been a factor for you or your client(s) in making business and/or research decisions beyond those associated with a particular invention?

☐ Yes
☐ No

Please explain your answer. _____

7. Have there been instances where reliance by another on the grace period has negatively affected your or your client's business and/or research activities?

☐ Yes
☐ No

Please explain your answer, including the approximate number of instances. _____

- a. If "Yes" in Question 7, at what stage did these negative consequences occur:

☐ Between publication of the application and grant of a patent to another party
☐ After the grant of a patent to another party but before any litigation regarding the validity or infringement of the patent
☐ During litigation of the validity or infringement of another party's patent

8. Do you think that a grace period is an important feature of patent law?

☐ Yes
☐ No

9. In principle, are you in favor of a grace period?

☐ Yes
☐ No

10. If "Yes" in Questions 8 and 9, please check the box next to each of the following statements that you agree with:

A grace period should:

☐ take account of and balance the goals of the patent system and the needs of the scientific community
☐ protect inventors against the consequences of breach of confidence and theft of information
☐ allow inventors to test the marketability of their inventions and/or attract venture capital financing before undertaking the expense of pursuing patent protection for the innovation
☐ 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 his invention from him
☐ protect the inventor who first disclosed an invention against any interference from third parties in the interval between first disclosure and filing, including disclosures from independent inventors of their own inventions
☐ have a safety net function only, meaning that if inventors choose to disclose their invention prior to filing, they should bear the risk of such disclosures and the investments of third parties in good faith who adopt technology which appears to be freely available prior to the filing or priority date should be protected

☐ I agree with none of the above statements.

Please add any comments you deem necessary:_____

11. Please check the box next to each of the following statements that you agree with:

- ☐ A good reason to implement a grace period is that it is user-friendly for those that may not be knowledgeable about the patent system, including small and medium enterprises (SMEs) and individual inventors.
- ☐ A good reason not to implement a grace period is that it complicates the patent system.
- ☐ A grace period diminishes the predictability and legal certainty of the patent system.
- ☐ 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
- ☐ Other – please specify:_____

12. Some patent systems require applicants to declare entitlement to the grace period by providing certain information about any pre-filing disclosures they are aware of within a prescribed period of time after filing the application. In other systems, the grace period arises by operation of law, i.e., no formal procedures for obtaining its benefits are required. Do you believe declarations or similar prescribed procedures should be mandatory for invoking the grace period?

☐ Yes

☐ No

a. If you answered "Yes" in Question 12, please indicate for which of the following reason(s) (check all that apply):

- ☐ It enhances legal certainty for third parties, including during the post-grant phase
- ☐ It simplifies the work of patent offices and may eliminate the need for an extra communication
- ☐ You have experience with declarations in existing systems and do not feel it imposes an undue burden on applicants
- ☐ Other – please specify:_____

b. If you answered "No" in Question 12, please indicate for which of the following reason(s) (check all that apply):

- ☐ You are concerned that failure to identify or misidentification of a disclosure in the declaration, even due to an honest mistake or oversight, might result in the disclosure not being graced
- ☐ You are concerned that it will lead to applicants trying to manipulate the system
- ☐ It imposes an additional burden on applicants.
- ☐ It imposes an additional burden on patent offices.
- ☐ Other – please specify: _____

13. 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. Some patent systems provide a grace period of 6 months before filing, and others provide 12 months. What length of time (in months) do you believe is appropriate for the grace period?

- ☐ 6 months
- ☐ 12 months
- ☐ Other – please specify and explain: _____

14. Regardless of the duration of the grace period, from which date should the term of the grace period be computed:

- ☐ The filing date only
- ☐ The filing date, or, if applicable, the priority date
- ☐ Other – please specify: _____

15. Do you think the grace period should be internationally harmonized?

- ☐ Yes
- ☐ No
- ☐ No opinion/Don't know

Please explain your answer. _____

16. In terms of achieving a sufficient level of international harmonization, which of the following matters, if any, do you believe are required to be harmonized? Check all that apply:

- ☐ Mode of disclosure (e.g., in writing, orally, at an academic conference, etc.)
- ☐ Scope of the grace period (e.g., disclosures emanating from the inventor/applicant only, disclosures resulting from breach of confidence, theft or misappropriation of information, third party disclosures based on independent invention etc.)
- ☐ The duration (e.g. 6 months, 12 months, etc.)
- ☐ The date from which the term of the grace period is computed (e.g. actual filing date, priority date)
- ☐ Declaration or other formal requirements for invoking the grace period
- ☐ The availability and scope of prior user rights during the grace period
- ☐ None of the above
- ☐ Other – please specify:_____

17. Please feel free to add any other comments concerning the grace period that you wish to make:_____

Part IV: Publication of Applications (“18-Month Publication”)

Background:

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. On the one hand, 18 months is thought to represent a reasonable period of time after filing of the application for the inventor to make an assessment whether to continue prosecution of the application or to withdraw or abandon it. On the other hand, 18 months is believed to be a reasonable period of time for third parties to wait to obtain information about a new technology.

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 underlying policy is to allow the inventor to make a suitably informed decision whether to continue seeking patent protection or to keep 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. The availability of potentially lucrative information during the period of time between 18-month publication and grant of the patent provides competitors worldwide the opportunity to copy or design around

technologies that are stuck in examination backlogs, although it should be noted that third parties may be subject to liability for infringement accruing from the time the application is published, if provisional rights are afforded once the patent is granted. A system that requires 18-month publication may also deprive the applicant of an opportunity to withdraw an application in favor of keeping the information in it a trade secret if search or examination results are not provided before publication sufficient to enable the inventor to make a reasonable assessment of the likelihood of obtaining patent protection.

Questions:

1. Considering the issue from the perspective of patent applicants, is 18 months from the earlier of the filing date or the priority date of the application:

☐ Too long
☐ Too short
☐ Reasonable

2. Considering the issue from the perspective of third parties, including the public, is 18 months from the earlier of the filing date or the priority date of the application:

☐ Too long
☐ Too short
☐ Reasonable

3. Should all applications not otherwise withdrawn, abandoned or subjected to secrecy orders or similar proceedings be published at 18 months from the earlier of the filing date or the priority date, assuming 18 months is a reasonable period of time considering the interests of applicants and third parties?

☐ Yes
☐ No

4. If a jurisdiction requires publication of all applications at 18 months, should that jurisdiction also require the competent authority to make search and/or examination results available to the applicant sufficiently in advance of the 18 month date under certain conditions so that the applicant can make an informed decision whether to withdraw or abandon their application before publication?

☐ Yes
☐ No

Please provide additional details/explanation as appropriate. _____

5. Have you or your client(s) ever taken advantage of the provision in the United States to opt-out of publication at 18 months?

☐ Yes Approximate number of times per year _____
☐ No

6. If your answer to Question 5 was yes, did you or your client(s) opt-out of publication to prevent competitors from copying or designing around the invention?

☐ Yes
☐ No

Please provide additional details/explanation as appropriate. _____

7. Have you ever had a competitor copy or design around your or your client's invention after the application was published at 18 months?

☐ Yes Approximate number of instances _____
☐ No

Please provide additional details/explanation as appropriate. _____

8. Have you or your client(s) ever been negatively affected as a direct result of a U.S. application not being published within 18 months due to the applicant opting out of publication?

☐ Yes Approximate number of instances _____
☐ No

Please provide additional details/information as appropriate. _____

9. Has the lack of an opt-out provision in a particular jurisdiction caused you or your client(s) to either consider or actively pursue trade secret protection as an alternative to obtaining a patent on an innovation?

☐ Yes Approximate number of instances _____
☐ No

Please provide additional details/information as appropriate. _____

10. Considering that the publication opt-out rate in the United States has been declining for the last several years and is currently at approximately 6% of applications filed per year (equating to about 22,000 non-publication requests in 2011), and further taking account of USPTO strategic plans that call for reaching 10 months pendency to first office action by 2014, do you consider the United States' 18-month publication regime to be effectively aligned with regimes in other jurisdictions that require all applications to be published at 18 months?

☐ Yes
☐ No

11. How important do you consider international harmonization of publication of applications to be?

- ☐ Critical
- ☐ Important, but not critical
- ☐ Not important

12. Does your answer to question 11 change if a grace period is included along with publication of applications among the issues to be considered for international harmonization?

- ☐ Yes
- ☐ No

Please provide additional details/explanation as appropriate. _____

13. Are there any other issues in relation to 18-month publication of patent applications that you believe should be addressed from the standpoint of international harmonization? Please explain. _____

Part V: Treatment of Conflicting Applications

Background:

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 later published, and the applications disclose common subject matter. Such applications are said to “conflict” because the contents of the earlier-filed application only become publicly available as prior art after the filing or priority date of the application being examined. 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. It is a particularly difficult issue to address, requiring a balance to be struck between the interests of the first applicant, subsequent applicants and the general public.

The treatment of conflicting applications is different under the legal regimes 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, earlier-filed, later published applications (“secret” prior art) are relevant to the examination of novelty only, and anti-self-collision is not provided. In the United States, “secret” prior art 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, including minor differences, provided the inventions are “substantially the same”, but is not relevant for examination of inventive step, with anti-self collision applying.

There are likewise 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 America Invents Act, 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.

Questions:

1. In your experience, in approximately how many applications have you or your client(s) been faced with the citation of a conflicting application filed by another applicant in the region in which you conduct your main patenting activity?

☐ Less frequently than once per 100 patent applications: Please specify if possible: _____
☐ Once per 100 patent applications
☐ Once per 10 patent applications
☐ More frequently. Please specify if possible: _____
2. In your experience, in approximately how many applications have you or your client(s) been faced with the citation of a conflicting application previously filed by you or your client(s) (i.e., faced a "self-collision" situation) in the region in which you conduct your main patenting activity?

☐ Less frequently than once per 100 patent applications: Please specify if possible: _____
☐ Once per 100 patent applications
☐ Once per 10 patent applications
☐ More frequently - Please specify if possible: _____
3. Have you or your client(s) 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?
If the answer is yes, please indicate the number of cases:

☐ No
☐ Yes, in two different jurisdictions; Number of cases: _____
☐ Yes, in three or more different jurisdictions; Number of cases: _____

4. If you responded “Yes” in question 3, was the outcome different in each jurisdiction?
For each response, please indicate the number of cases:
- ☐ No; Number of cases: _____
 - ☐ Yes, the scope of protection granted was different;
Number of cases: _____
 - ☐ Yes, the patent was granted in at least one office and the application rejected in at least one other; Number of cases: _____
5. If you responded “Yes” in question 3, if the decision to grant or the scope of protection varied across jurisdictions, please indicate the cause(s) of such variation, and the number of cases to which such cause applied:
- ☐ The rules on the effect of conflicting applications only
Number of cases: _____
 - ☐ Both the rules on conflicting applications and other factors (for example: rules on novelty, grace period, or other differences in examination practice)
Number of cases: _____
If so, please explain which other factors influenced the outcome: _____
 - ☐ Other factor(s) alone
Number of cases: _____
Please indicate factors: _____
6. Assuming that 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:
- a. Have you or your client(s) ever experienced difficulties licensing a technology or been subjected to multiple infringement claims for the same or similar subject matter that you believe to be directly attributable to the presence of a “patent thicket?”
 - ☐ Yes
 - ☐ No
 - b. If your answer to Question 6(a) was “Yes”:
 - i. In which of the following markets did such a “patent thicket” occur ?
 - ☐ United States
 - ☐ Europe
 - ☐ Japan
 - ☐ Other – please specify: _____

ii. Which of the following, if any, do you believe or know to be the cause of the “patent thicket(s)” in question?

- ☐ Two or more patents owned by a single entity
- ☐ Two or more patents owned by different entities
- ☐ A combination of the above
- ☐ Other – please specify:_____

iii. Based on your experience, in which of the following technology areas is the presence of such “patent thickets” most prevalent (more than one box may be checked)?

- ☐ Mechanics
- ☐ Electrical /Electronics
- ☐ Telecommunications
- ☐ Computers
- ☐ Chemistry
- ☐ Biotechnology
- ☐ Pharmaceuticals
- ☐ Other _____

7. How important do you consider international harmonization of the treatment of conflicting applications to be?

- ☐ Critical
- ☐ Important, but not critical
- ☐ Not important

Please provide a reason for your answer:_____

8. Which of the following approaches do you believe strikes the best balance among the competing interests involved in the treatment of conflicting applications (please choose one)?

- ☐ Conflicting applications should be relevant for the examination of novelty only with no consideration of who filed the application (no anti-self-collision).
- ☐ 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).
- ☐ 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).
- ☐ Other (please briefly describe the approach or name a country operating on that basis)_____

Please provide a reason for your answer: _____

9. For conflicting applications filed under the Patent Cooperation Treaty (PCT), which of the following do you believe constitutes an international best practice?

[] 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.

[] 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.

[] Other - please explain _____

10. Are there any other issues in relation to treatment of conflicting applications that you believe should be addressed from the standpoint of international harmonization? Please explain. _____

Part VI: Prior User Rights

Background:

A prior user right is the right of a party to continue the use of an invention where that use began before a patent application was filed for the same invention.

The main purpose of prior user rights is to strike a balance between the effects of the first-to-file principle on the one hand and prior user considerations on the other.

Prior user rights are provided for by the different national patent legislations and such provisions in national legislation only have national effect. However, whilst the national provisions on prior user rights have common ground, there are also differences in the conditions under which they may be acquired.

The main differences which have been identified in the national provisions relate to the critical date by which prior use must have occurred, whether actual use must have taken place or whether preparations for use may suffice, the effect of patentee-derived subject matter, and whether there should be any exceptions to the applicability of the prior user rights defense to infringement.

This section of the survey aims to obtain the views of users on the effects of these differences in prior user rights provisions.

Questions:

1. How many times (approximately) have you or your clients:

Counseled/been counseled regarding the availability of prior user rights: _____

Asserted prior user rights in litigation: _____

Asserted prior user rights to avoid litigation/infringement proceedings, including settlement or licensing negotiations: _____

Had prior user rights asserted against you in litigation: _____

Had prior user rights asserted against you to avoid infringement/litigation, including settlement or licensing negotiations: _____

a. Which national law(s) was/were involved during the above occurrences? _____

b. What technologies were involved (more than one box may be checked)?

- ☐ Mechanics
- ☐ Electrical /Electronics
- ☐ Telecommunications
- ☐ Computers
- ☐ Chemistry
- ☐ Biotechnology
- ☐ Pharmaceuticals
- ☐ Other _____

2. In terms of best practices:

a. Given that it is generally a requirement for acquiring prior user rights that the prior user has acted in good faith, should prior user rights nevertheless be unavailable if the prior user derived knowledge of the invention from the patentee, even though the knowledge could be considered to have been derived in good faith?

- ☐ Yes
- ☐ No

b. Which, if any, of the following activities by a third party acting in good faith do you believe should minimally suffice to give rise to prior user rights? More than one box may be checked.

- ☐ Preparations to use the invention
- ☐ Actual use of the invention
- ☐ Prior knowledge of the invention
- ☐ Other: _____

- c. At what point in time relative to the actual filing date or the priority date of the patent at issue should the activity giving rise to prior user rights be required to take place? More than one box may be checked.

- ☐ Any time prior to the actual filing date or the priority date
☐ If a grace period is provided, prior to the beginning of the grace period
☐ If a grace period is provided, and a qualifying grace period disclosure is made, at a date prior to the grace period disclosure
☐ Other: _____

- d. Should exceptions to prior user rights be provided with respect to certain patents?

- ☐ Yes
☐ No

Please explain your answer. _____

3. How important do you consider international harmonization of prior user rights regimes to be?

- ☐ Critical
☐ Important, but not critical
☐ Not important

4. Are there any other issues with respect to prior user rights that you believe should be addressed from the standpoint of international harmonization? Please explain.

Part VII: Other Issues

1. Are there any areas of patent law, other than grace period, publication of applications, treatment of conflicting applications, or prior user rights, where differences in national law cause problems for you or your client(s)?

APPENDIX II - TABLE OF AGGREGATE RESULTS
TEGERNSEE USER CONSULTATION

The purpose of the following table is to allow an at-a-glance survey of the results in the different jurisdictions.

Methodological note: The relevant total amount of respondents in a group is indicated at the top of the absolute numbers cells for each question (e.g. N=69). Thus, percentages are calculated on the basis of the relevant sub-group where appropriate. As it is agreed that “raw data” is to be included, respondents to the questionnaire who did not answer the particular question are reflected under “no answer”, included in the total, and thus taken into account in the calculations of the percentages.

Question / Issue	JP No.	JP %	US No.	US %	EPO No.	EPO %	DE No.	DE %	FR No.	FR %	UK No.	UK %	DK No.	DK %
GRACE PERIOD (GP)														
Total number of respondents:	412				69	-	39		11		9		6	
1. <u>Joint projects bus./research:</u>	N=412		N=161		N=69		N=39		N=11		N=9		N=6	
Often	94	22.8%	28	17.4%	13	18,8%	18	46,2%	5	45,4%	5	55.6%	2	33,3%
Occasionally	176	42.7%	29	18.0%	10	14,5%	7	17,9%	2	18,2%	0	0	1	16,7%
Hardly	43	10.4%	14	8.7%	0	0%	4	10,3%	1	9%	0	0	0	0%
Never	30	7.28%	18	11.2%	1	1,4%	0	0%	0	0%	1	11,2%	0	0%
Does not apply/No answer	69	16.7%	72	44.7%	45	65,2%	10	25,7%	3	27,3%	3	33,3%	3	50%
2. <u>Need to file a patent application after disclosure:</u>	N=412		N=191		N=69		N=39		N=11		N=9		N=6	
Yes	320	77.7%	127	66.5%	50	72%	20	51,3%	6	54,5%	7	77.8%	3	50%
No	87	21.1%	36	18.8%	10	16,6%	13	33,3%	2	18,2%	1	11.2%	1	16,7%
Does not apply/No answer	5	1.21%	28	14.7%	9	13,4%	6	15,4%	3	27,3%	1	11,2%	2	33,3%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

2a. <u>Grounds for pre-filing disclosure:</u>	N=320		N=127		N=50		N=20		N=6		N=7		N=3	
Error	121	37.8%	19	15.0%	14	28%	6	30%	3	50%	5	71.4%	2	66,7%
Breach of confidence	4	1.25%	5	3.9%	6	12%	6	30%	1	16,7%	3	42.8%	1	33,3%
Trade show	95	29.7%	18	14.2%	4	8%	8	40%	1	16,7%	1	14.2%	0	0%
Business negotiations	61	19.1%	18	14.2%	10	20%	10	50%	3	50%	1	14.2%	0	0%
Trials/experiments	17	5.31%	11	8.7%	10	20%	2	10%	3	50%	4	57.1%	2	66,7%
Academic publication	230	71.9%	33	26.0%	28	56%	14	70%	4	66,7%	7	100%	2	66,7%
Other	18	5.63%	18	14.2%	2	4%	1	5%	1	16,7%	1	14.2%	0	0%
No answer	0	0%	5	3.9%										
2b. <u>Where pre-filing disclosure occurred:</u>	N=320		N=127		N=50		N=20		N=6		N=7		N=3	
Filed anyway	99	30.9%	19	15.0%	9	18%	6	30,0%	4	66,7%	1	14.3%	1	33,3%
Filed in countries where GP	239	74.7%	82	64.6%	28	56%	12	60,0%	1	16,7%	3	42.8%	1	33,3%
Protected invention as trade secret	32	10.0%	10	7.9%	6	12%	2	10,0%	1	16,7%	0	0	0	0%
Other	16	5.00%	11	8.7%	9	18%	6	30,0%			2	28.6%	0	0%
No answer	0	0%	5	3.9%										
3. <u>Level of understanding of patent system, including GP:</u>	N=412		N=158		N=69		N=39		N=11		N= 9		N=6	
Sufficient	172	41.7%	31	19.6%	11	15,9%	14	35,9%	1	9%	1	11.1%	5	83,3%
Basic idea patents / no understanding GP	157	38.1%	54	34.2%	28	40,5%	11	28,2%	7	63,6%	3	33.3%	0	0%
No understanding	15	3.64%	19	12.0%	3	4,3%	3	7,7%	0	0%	0	0	0	0%
Does Not Apply/No answer	68	16.5%	54	34.2%	27	39,1%	11	28,2%	3	27,3%	5	55.5%	1	16,7%
4. <u>Reliance on the grace period:</u>	N=412		N=180		N=60		N=34		N=8		N= 6		N=3	
Yes:	280	68.0%	121	67.2%	40	66,7%	19	55,9%	3	37,5%	6	100%	2	67%
No:	126	30.6%	59	32.8%	18	30%	15	44,1%	5	62,5%	0	0	1	33%
No answer:	6	1.46%	0	0%	2	3,3%	0	0%	0	0%				

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

4b. <u>Estimated frequency of reliance:</u>	N=280		N=121		N=40		N=19		N=3		N= 6		N=2	
< 1/1000	41	14.6%	12	9.9%	8	20%	1	5,3%	1	33,3%	0	0	1	50%
1/1000	73	26.1%	12	9.9%	10	25%	8	42,1%	2	66,6%	2	33.3%	0	0%
1/100	106	37.9%	28	23.1%	16	40%	9	47,4%			2	33.3%	0	0%
1/10	56	20.0%	33	27.3%	2	5%	0	0%			1	16.6%	0	0%
>1/10	3	1.07%	26	21.5%	1	2,5%	0	0%			1	16.6%	0	0%
No answer	1	0.36%	10	8.3%	3	7,5%	1	5,3%	0	0%			1	50%
4c. <u>Patents obtained with GP contributed to success:</u>	N=280		N=121		N=40		N=19		N=3		N=6		N=2	
Yes	77	27.5%	68	56.2%	15	37,5%	4	21,1%			3	50%	1	50%
No	195	69.6%	36	29.8%	22	55%	14	73,7%	2	66,6%	0	0%	0	0%
No answer	8	2.86%	17	14.0%	3	7,5%	1	5,3%	1	33,3%	3	50%	1	50%
4d. <u>Problems with procedures in invoking GP:</u>	N=280		N=121		N=40		N=19		N=3		N=6		N=2	
Yes	42	15.0%	11	9.1%	3	7,5%	1	5,3%			1	16.7%	0	0%
No	206	73.6%	96	79.3%	31	77,5%	13	68,4%	3	100%	4	66.7%	1	50%
No answer	32	11.4%	14	11.6%	6	15%	5	26,3%	0	0%	1	16.7%	1	50%
5. <u>Inability to obtain patent due to lack of GP:</u>	N=412		N=162		N=69		N=39		N=11		N= 9		N=4*	
Yes	139	33.7%	101	62.3%	42	60,8%	12	30,8%	6	54,5%	8	88.9%	3	75%
No	246	59.7%	61	37.7%	21	30,4%	21	53,8	3	27,3%	0	0%	1	25%
No answer	27	6.55%			6	8,7%	6	15,4%	2	18,1%	1	11.1%		
5. <u>No. of instances where lack of GP prevented patent prot.:</u>					N=42									
No figures cited					26	61,9%								
<10 cases in career					10	23,8%								
10-30 cases in career					4	9,5%								
>30 cases in career					2	4,7%								

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

5a. <u>Different pat. outcomes due to lack of GP harmoniz.:</u>	N=139		N=101		N=42		N=12		N=6		N= 8		N=3	
Yes	93	68.9%	91	90.1%	36	85,7%	8	66,7%	5	83,3%	8	100%	3	100%
No	42	31.1%	9	8.9%	6	14,3%	2	16,7%	1	16,6%	0	0%	0	
No answer	4		1	1.0%	0	0%	2	16,7%	0	0%	0	0%	0	
6. <u>Unavailability of GP a factor in bus./research decisions:</u>	N=412		N=147		N=69		N=39		N=11		N=9		N=6	
Yes	17	4.13%	76	51.7%	15	21,7%	5	12,8%			2	22.2%	0	0%
No	379	91.9%	71	48.3%	44	63,7%	29	74,4%	7	63,6%	4	44.4%	2	33,3%
No answer	16	3.88%			10	14,5%	5	12,8%	4	36,3%	3	33.3%	4	66,7%
7. <u>Negative effects of reliance on GP by a third party:</u>	N=412		N=143		N=69		N=39		N=11		N= 9		N=6	
Yes	8	1.94%	26	18.2%	12	17,4%	7	17,9%	1	9%	1	11.1%	1	16,7%
No	389	94.4%	117	81.8%	47	68,1%	26	66,7%	8	72,7%	7	77.7%	2	33,3%
No answer	15	3.64%			10	14,5%	6	15,4	2	18,2%	1	11.1%	3	50%
8. <u>GP an important feature of patent law:</u>	N=412		N=159		N=69		N=39		N=11		N=9		N=6	
Yes	307	74.5%	126	79.2%	38	55%	18	46,2%	9	81,8%	7	77.7%	4	67%
No	92	22.3%	33	20.8%	29	42%	21	53,8%	2	18,2%	1	11.1%	2	33%
No answer	13	3.15%			2	2,9%	0	0%	0	0%	1	11.1%	0	0%
9. <u>Position on grace period</u>	N=412		N=159		N=65		N=39		N=11		N=9		N=6	
In favour:	308	74.8%	125	78.6%	35	53,8%	15	38,5%	8	72,7%	7	77.7%	5	83%
Opposed:	89	21.6%	34	21.4%	28	43%	24	61,5%	3	27,3%	1	11.1%	1	17%
No answer	15	3.64%			2	2,9%	0	0%	0	0%	1	11.1%	0	0%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

10. <u>Policy goals:</u>	N=308		N=157		N=42		N=15		N=8		N= 7		N=5	
Balance patents and science	218	70.8%	104	66.2%	31	73,8%	9	60%	1	12,5%	6	85.7%	2	40%
Protect against breach of confidence	103	33.4%	117	74.5%	33	78,5%	11	73,3%	3	37,5%	7	100%	4	80%
Test marketability/attract venture capital	68	17.0%	84	53.5%	15	35,7%	7	46,7%	6	75%	5	71.4%	2	40%
Protect from re-disclosure own invention	106	22.1%	90	57.3%	22	52,4%	9	60%	0	0%	5	71.4%	1	20%
Protect from independent interval disclosure	92	29.9%	59	37.6%	9	21,4%	4	26,7%	0	0%	1	14.2%	0	0%
Safety net only	49	15.9%	44	28.0%	22	52,4%	5	33,3%	5	62,5%	2	28.6%	4	80%
None of the above	5	1.62%	13	8.3%	27	39,1%	2	13,3%	0	0%	0	0%	0	0%
11. <u>Systemic impact of GP:</u>	N=412		N=152		N=69		N=39		N=11		N=9		N=6	
User friendly for SMEs	164	39.8%	106	69.7%	28	40,5%	13	33,3%	3	27,3%	5	55.6%	0	0%
Complicates patent system	78	18.9%	37	24.3%	28	40,5%	21	53,8%	4	36,4%	1	11.1%	2	33,3%
Diminished legal certainty	57	13.8%	46	30.3%	44	63,7%	24	61,5%	6	54,5%	4	44.4%	4	66,7%
Early publication of research results in public interest	190	46.1%	98	64.5%	23	33,3%	7	17,9%	1	9%	5	55.5%	2	33,3%
Other	39	9.47%	17	11.2%	14	20,3%	4	10,3%	1	9%	2	22.2%	0	0%
12. <u>Mandatory declaration:</u>	N=412		N=149		N=69		N=39		N=11		N=9		N=6	
In favour	264	64.1%	49	32.9%	40	57,9%	25	64,1%	8	72,7%	7	77.8%	3	50%
Against	143	34.7%	100	67.1%	28	40,5%	14	35,9%	3	27,3%	2	22.2%	2	33.3%
No answer	5	1.21%			1	1,4%	0	0%	0	0%	0	0%	1	16,7%
12a. <u>Reasons for favouring mandatory declaration:</u>	N=264		N=49		N=40		N=25		N=8		N=7		N=3	
Enhances legal certainty for third parties	220	83.3%	40	81.6%	39	97,5%	24	96%	6	75%	7	100%	3	100%
Simplifies work of patent offices	111	42.0%	30	61.2%	23	57,5%	15	60%	1	12,5%	6	85.7%	2	67%
No undue burden on applicants	65	24.6%	7	14.3%	3	7,5%	6	24%	1	12,5%	1	14.2%	0	0%
Other	7	2.65%	9	18.4%	0	0%	3	12%	0	0%	2	28.6%	0	0%

Question / Issue	JP No.	JP %	US No.	US %	EPO No.	EPO %	DE No.	DE %	FR No.	FR %	UK No.	UK %	DK	DK
12b. <u>Reasons for being against mandatory declaration:</u>	N=143		N=100		N=28		N=14		N=3		N=2		N=2	
Concern that mistake could lead to GP not applying	67	46.9%	81	81.0%	17	60,7%	6	42,9%	1	33,3%	2	100%	1	50%
Possible manipulation by applicants	17	11.9%	41	41.0%	6	21,4%	3	21,4%	2	66,6%	1	50%	1	50%
Additional burden on applicants	109	76.2%	85	85.0%	21	75%	6	42,9%	0	0%	2	100%	1	50%
Additional burden on offices	36	25.2%	52	52.0%	14	50%	5	35,7%	1	33,3%	2	100%	1	50%
Other	5	3.50%	15	15.0%	2	7,1%	2	14,3%	0	0%	0	0%	0	0%
No answer			3	3.0%										
13. <u>Appropriate duration of GP:</u>	N=412		N=151		N=69		N=39*		N=11		N=9*		N=6	
12 months	115	27.9%	98	64.9%	18	26%	4	10,3%	3	27,3%	6	66.6%	1	16,7%
6 months	266	64.6%	35	23.2%	34	49,3%	28	71,8%	8	72,7%	2	22.2%	4	66,7%
Other/No answer	31	7.52%	18	11.9%	18	26%	11	28,2%	0	0%	2	22.2%	1	16,7%
14. <u>GP computed from:</u>	N=412		N=149		N=69		N=39		N=11		N=9		N=6	
Filing date only	139	33.7%	44	29.5%	12	17,3%	8	20,5%	3	27,3%	1	11.1%	1	16,7%
Filing or priority date	261	63.3%	95	63.8%	49	71%	27	69,2%	8	72,7%	7	77.7%	4	66,7%
Other	4	0.97%	10	6.7%	5	7,2%	7	17,9%			0	0%	0	0%
No answer	8	1.94%			3	4,3%	0	0%	0	0%	1	11.1%	1	16,7%
15. <u>Internationally harmonized GP:</u>	N=412		N=151		N=69		N=39		N=11		N=9		N=6	
In favour	350	85.0%	127	84.1%	54	78,2%	35	89,7%	9	81,8%	8	88.9%	5	83,3%
Opposed	12	2.91%	12	7.9%	6	8,7%	3	7,7%	2	18,2%	1	11.1%	0	0%
Don't know/No opinion	50	12.1%	12	7.9%	9	13%	0	0%	0	0%	0	0%	1	16,7%

*Numbers provided by the delegations, see UK Report p. 18; DE Report p. 17. Some respondents provided multiple responses.

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

16. <u>Elements requiring harmonization:</u>	N=412		N=151		N=69		N=39		N=11		N=9		N=6	
Mode of disclosure	327	79.4%	94	62.3%	56	81,1%	27	69,2%	8	72,7%	8	88.9%	2	33,3%
Scope	299	72.6%	121	80.1%	56	81,1%	27	69,2%	8	72,7%	9	100%	3	50%
Duration	357	86.7%	129	85.4%	63	91,3%	30	76,9%	11	100%	9	100%	3	50%
Date from which computed	322	78.2%	128	84.8%	63	91,3%	29	74,4%	7	63,6%	9	100%	3	50%
Declaration	211	51.2%	78	51.7%	35	50,7%	20	51,3%	4	36,3%	8	88.9%	2	33,3%
Prior user rights	132	32.0%	75	49.7%	43	62,3%	18	46,2%	1	9%	6	66.7%	1	16,7%
None of the above	4	0.97%	9	6.0%	4	5,8%	2	5,1%	0	0%	0	0%	0	0%
Other	5	1.21%	8	5.3%	6	8,7%	3	7,7%	0	0%	2	22.2%	0	0%

PUBLICATION OF APPLICATIONS:														
Total number of respondents:	412				63		39		11		9		7	
1. <u>Publication at 18-months / applicants' perspective:</u>	N=412		N=139		N=63		N=39		N=11		N=9		N=7	
Reasonable	343	83.3%	104	74.8%	51	80,9%	33	84,6%	9	81,8%	9	100%	7	100%
Too short	31	7.52%	10	7.2%	8	12,7%	2	5,1%	0	0%	0	0%	0	0%
Too long	25	6.08%	25	18.0%	3	4,7%	1	2,6%	0	0%	0	0%	0	0%
No answer	13	3.15%			1	1,6%	3	7,7%	2	18,2%	0	0%	0	0%
2. <u>Publication at 18-months / third parties' perspective:</u>	N=412		N=138		N=63		N=39		N=11		N=9		N=7	
Reasonable	287	69.7%	68	49.3%	46	73%	23	59%	7	63,6%	9	100%	5	71,4%
Too short	9	2.18%	9	6.5%	1	1,6%	0	0%	0	0%	0	0%	0	0%
Too long	111	26.9%	61	44.2%	15	23,8%	13	33,3%	2	18,2%	0	0%	0	0%
No answer	5	1.21%			1	1,6%	3	7,7%	2	18,2%	0	0%	2	28,6%
3. <u>Mandatory publication at 18 months:</u>	N=412		N=137		N=63		N=39		N=11		N=9		N=7	
In favour	353	85.7%	115	83.9%	57	90%	37	94,9%	10	90,9%	9	100%	6	85,7%
Opposed	55	13.3%	22	16.1%	5	8%	2	5,1%	0	0%	0	0%	0	0%
No answer	4	0.97%			1	1,6%	0	0%	1	9%	0	0%	1	14,3%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

4. <u>Should search/examination results be required in time for withdrawal prior to publication:</u>	N=412		N=135		N=63		N=39		N=11		N = 9		N=7	
Yes	189	45.9%	107	79.3%	54	85,7%	35	89,7%	9	81,8%	8	88.8%	5	100%
No	215	52.2%	28	20.7%	8	12,7%	2	5,1%	0	0%	1	11.1%	0	0%
Other													0	0%
No answer	8	1.94%			1	1,6%	2	5,1%	2	18,2%	0	0%	2	28,6%
5. <u>Experience of “opting out” at USPTO:</u>	N=412		N=130		N=54		N=34		N=7		N=6		N=4	
Yes	6	1.46%	54	41.5%	2	3,7%	5	14,7%	0	0%	0	0%	0	0%
No	401	97.3%	76	58.5%	51	94,4%	28	82,4%	7	100%	6	100%	2	50%
No answer	5	1.21%			1	1,8%	1	2,9%	0	0%	0	0%	2	50%
6. <u>Opted out at the USPTO to prevent copying/designing around by competitors:</u>	N=6		N=54		N=2		N=5		N=0		N=0	0	N=0	0
Yes	5	83.3%	41	75.9%	0	0%	5	100%						
No	1	16.7%	13	24.1%	2	100%	0	0%						
7. <u>Competitors copying/designing around after publication at 18 months:</u>	N=412		N=116		N=54		N=34		N=7		N=6		N=4	
Yes	129	31.3%	46	39.7%	26	48,1%	23	67,6%	2	33,3%	3	50%	1	25%
No	258	62.6%	70	60.3%	21	38,9%	6	17,7%	3	50%	2	33,3%	0	0%
No answer	25	6.07%			7	13%	5	14,7%	2	16,7%	1	16,7%	3	75%
8. <u>Problems due to competitors “opting out” from publication:</u>	N=412		N=121		N=54		N=34		N=7		N=6		N=4	
Yes	8	1.94%	25	20.7%	14	26%	15	44,1%	2	28,5%	0	0%	1	25%
No	390	94.7%	96	79.3%	34	63%	18	52,9%	5	71,4%	4	33,3%	1	25%
No answer	14	3.40%			6	11%	1	2,9%	0	0%	2	66,7%	2	50%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

9. <u>Protection by trade secret as alternative due to no "opting out"?</u>	N=412		N=126		N=54		N=34		N=7		N=6		N=4	
Yes	72	17.5%	34	27.0%	6	11,1%	3	8,8%	1	14,2%	0	0%	0	0%
No	331	80.3%	92	73.0%	46	85,2%	30	88,2%	6	85,7%	5	83,3%	2	50%
No answer	9	2.18%			2	3,7%	1	2,9%	0	0%	1	16,7%	2	50%
10. <u>US effectively harmonized on 18-months publication?</u>	N=412		N=121		N=63		N=39		N=11		N=9		N=7	
Yes	158	38.3%	65	53.7%	18	29%	12	30,8%	3	27,3%	2	22.2%	1	14,3%
No	238	57.8%	56	46.3%	42	66%	24	61,5%	6	54,5%	7	77.7%	3	42,9%
No answer	16	3.89%			3	5%	3	7,7%	2	18,2%	0	0%	3	42,9%
11. <u>Importance of harmonization of 18-months publication?</u>	N=412		N=134		N=63		N=39		N=11		N=9		N=7	
Critical	196	47.6%	32	23.9%	24	38%	22	56,4%	2	18,2%	2	22.2%	1	14,3%
Important	195	47.3%	83	61.9%	39	62%	14	35,9%	8	72,7%	7	77.8%	4	57,1%
Not important	6	1.4%	19	14.2%	0	0%	0	0%	0	0%	0	0	0	0%
No answer	15	3.6%					3	7,7%	1	9,1%			2	28,6%
12. <u>Importance if grace period included with 18-months publication amongst harmonization issues?</u>					N=63				N=11				N=7	
Critical					36	57,1%			0	0%			2	28,6%
Important					27	42,8%			7	63,6%			3	42,9%
Not important					0	0%			2	18,2%			2	28,6%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

TREATMENT OF CONFLICTING APPLICATIONS														
Total number of respondents:	412				52		39		11		9		7	
1. <u>Frequency of conflicting third party applications:</u>	N=412		N=115		N=43		N=34		N=7		N=6		N=4	
<1/100	183	44.4%	63	54.8%	11	25,6%	11	32,4%	4	57,1%	1	16.6%	0	0%
1/100	144	35.0%	28	24.3%	14	32,6%	19	55,9%	3	42.8%	4	66.6%	1	25%
1/10-1/100					5	11,6%							0	0%
1/10	51	12.4%	16	13.9%	9	20,9%	4	11,8%	0	0%	1	16.6%	1	25%
More frequently	8	1.94%	8	7.0%	3	7%	0	0%	0	0%	0	0%	0	0%
No answer	26	6.31%			1	2,3%	0	0%	0	0%	0	0%	2	50%
2. <u>Frequency of self-collision:</u>	N=412		N=113		N=43		N=34		N=7		N=6		N=4	
<1/100	241	58.5%	57	50.4%	19	44,2%	19	55,9%	2	28,6%	2	33.3%	0	0%
1/100	110	26.7%	34	30.1%	15	34,9%	13	38,2%	4	57,1%	4	66.6%	0	0%
1/10-1/100					2	4,7%							0	0%
1/10	31	7.52%	19	16.8%	5	11,6%	2	5,9%	0	0%	0	0%	2	50%
More frequently	3	0.73%	3	2.7%	1	2,3%	0	0%	0	0%	0	0%	0	0%
No answer	27	6.55%			1	2,3%	0	0%	1	14,3%	0	0%	2	50%
3. <u>Conflicting patent families:</u>	N=412		N=113		N=43		N=34		N=7		N=6		N=4	
No such experience	355	86.2%	76	67.3%	19	44,2%	23	67,6%	4	57,1%	2	33.3%	1	25%
In 2 jurisdictions	27	6.55%	29	25.7%	19	44,2%	5	14,7%	1	14,3%	1	16.6%	1	25%
In 3 or more jurisdictions	14	3.40%	8	7.1%	7	16,3%	5	14,7%	1	14,3%	3	50%	0	0%
No answer	0	0%			1	2.3%	1	2,9%	1	14,3%			2	50%
4. <u>Outcome of colliding families in countries with different rules:</u>	N=41				N=23		N=10		N=2		N=4		N=0	
No differences	6	14.6%			5	11,6%	0	0%	0	0%	0	0%		
Different scopes granted	23	56.1%			20	46,5%	10	100%	2	100%	4	100%		
At least one grant and one rejection	20	48.8%			3	7%	0	0%	1	50%	0	0%		
No answer	2	4.88%												

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

5. <u>Causes of variation in outcome:</u>	N=43				N=23		N=10		N=2		N=4		N=1	
Rules on conflicting applications only	17	39.5%			6	26%	7	70%	2	100%	1	25%	1	100%
Both these and other rules	20	46.5%			17	73,9%	3	30%	0	0%	3	75%		
Other factors alone	2	4.65%			0	0%	0	0%	0	0%	0	0%		
No answer	2	4.65%												
6a. <u>Difficulties with patent thickets:</u>	N=412		N=115		N=43		N=34		N=6		N=6		N=4	
Yes	59	14.3%	36	31.3%	9	21%	5	14,7%	2	33,3%	1	16.7%	0	0%
No	332	80.6%	79	68.7%	30	70%	29	85,3%	3	50%	5	83.4%	2	50%
No answer	21	5.10%			4	9,3%	0	0%	1	16,7%			2	50%
6b.i. <u>Market(s) in which patent thicket occurred:</u>	N=59		N=36		N=14		N=9		N=2		N=1		N=0	
United States	19	32.2%	34	94.4%	6	42,9%	2	22.2%	2	100%	1	100%		
Europe	1	1.69%	9	25.0%	4	28,6%	5	55.6%	0	0%	0	0%		
Japan	27	45.8%	3	8.3%	3	21,4%	0	0%	0	0%	0	0%		
Other	0	0%	4	11.1%	1	7,1%	2	22.2%	0	0%	0	0%		
No answer	12	20.3%												
6.b.ii. <u>Causes of patent thickets:</u>	N=59		N=36		N=9		N=14		N=4		N=1		N=0	
Multiple patents /single entity	22	37.3%	18	50.0%	5	55,6%	6	42,9%	1	25%	1	100%		
Multiple patents /different entities	9	15.3%	12	33.3%	2	22,2%	2	14,3%	1	25%	0	0%		
Combination of both constellations	23	39.0%	15	41.7%	2	22,2%	6	42,9%	2	50%	0	0%		
Other	2	3.38%	2	5.6%	0	0%	0	0%			0	0%		
No answer	3	5.08%												

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

6.b.iii. <u>Areas of technology where patent thickets most prevalent:</u>	N=59		N=34		N=20		N=11		N=2		N=0	0	N=0	
Mechanics	33	55.9%	5	14.7%	1	5%	1	9,1%						
Electrical/Electronics	81*	137%	16	47.1%	1	5%	5	45,5%						
Telecommunications	34	57.6%	17	50.0%	6	30%	7	63,6%						
Computers	26	44.1%	20	58.8%	4	13,3%	6	54,5%						
Chemistry	34	57.6%	6	17.6%	1	5%	3	27,3%						
Biotechnology	8	13.6%	5	14.7%	2	10%	4	36,4%	1	50%				
Pharmaceuticals	10	16.9%	3	8.8%	4	20%	3	27,3%						
Other	11	18.6%	3	8.8%	1	5%	0	0%	1	50%				
7. <u>Importance of harmonization of treatment of conflicting applications:</u>	N=412		N=126		N=52		N=39		N=11		N=9		N=7	
Critical	174	42.2%	34	27.0%	24	46%	13	33,3%	2	18,2%	4	44.4%	3	42,9%
Important	191	46.4%	80	63.5%	24	46%	17	43,6%	4	36,3%	5	55.6%	2	28,6%
Not important	18	4.37%	12	9.5%	3	6%	6	15,4%	2	18,2%	0	0%	0	0%
No answer	29	7.04%			1	1,9%	3	7,7%	3	27,3%			2	28,6%
8. <u>Best practice:</u>	N=412		N=123		N=52		N=39		N=11		N=9		N=7	
Novelty only / No ASC (EPC)	36	8.74%	25	20.3%	36	69,2%	26	66,7%	5	45,4%	6	66.7%	4	57%
Enlarged novelty + Anti-Self-Collision (JP)	301	73.1%	29	23.6%	7	13,5%	1	2,6%	1	9%	0	0%	3	43%
Novelty + inventive step + ASC (US)	47	11.4%	60	48.8%	7	13,5%	10	25,6%	1	9%	2	22.2%	0	
Other	5	1.21%	9	7.3%	2	3,8%	2	5,1%	4	36,4%	0	0%	0	
No answer	23	5.58%									1	11.1%		
9. <u>PCT applications should enter prior art:</u>	N=412		N=110		N=52		N=39		N=11		N=9		N=7	
Upon entry into national/regional phase	260	63.1%	35	31.8%	26	50%	18	46,2%	3	27,3%	4	44.4%	5	71,4%
Upon publication	110	26.7%	67	60.9%	21	40,4%	14	35,9%	5	45,4%	5	55.5%	0	0%
Other/No answer	42	10.2%	8	7.3%	5	9,6%	7	17,9%	3	27,3%	0	0%	2	28,6%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

PRIOR USER RIGHTS (PURs)														
Total number of respondents:	412		77		54		39		11		9		6	
1.i. <u>Frequency of counsel re PURs:</u>	N=412		1277x		N=46		N=34 31	91,2%	N=6		N=6		N=3	
Never	165 (0)	40.0%			6	13%			1	16,7%	3	50%	1	33,3%
10 times or less over career	150	36.4%			19	41,3%			1	16,7%	2	33.3%	0	0%
11-30 times	19	4.61%			9	19,6%			2	33,3%	1	16.4%	1	33,3%
31-100 times	15	3.64%			5	10,9%			1	16,7%	0		0	0%
Over 100 times/very often	6	1.46%			2	4,3%			1	16,7%	0		0	0%
No answer	57	13.8%			5	10,9%	3	8,8%					1	33,3%
1.ii. <u>PURs asserted in litigation:</u>	N=412		45x		N=46		N=34 13	38,2%	N=6		N=0	0	N=0	
Never	307(0)	74.5%			24	52,2%			5	83,3%	0			
10 times or less over career	21	5.10%			13	28,3%			1	16,7%	0			
Many times	0	0.00%			1	2,2%					0			
No answer	84	20.4%			8	17,4%	21	61,8%						
1.iii. <u>PURs asserted to avoid litigation:</u>	N=412		106x		N=46		N=34 19	55,9%	N=6		N=6		N=3	
Never	262	63.6%			17	36,9%			5	83,3%	4	66.7%	1	33,3%
10 times or less over career	68	16.5%			19	41,3%			1	16,7%	2	33.3%	1	33,3%
11 times or more	3	0.73%			0	0%					0	0%	0	0%
20 times over career	0	0%			1	2,2%					0	0%	0	0%
No answer	79	19.2%			9	19,5%	15	44,1%			0	0%	1	33,3%
1.iv. <u>PURs asserted against own patent in litigation:</u>	N=412		26x		N=46		N=34 14	41,2%	N=6		N=6		N=3	
Never	308	74.8%			24	52,2%			6	100%	5	83.3%	2	66.7%
5 times or less	19	4.61%			12	26%					0	0%	0	0%
6 or more	1	0.24%			10	21,7%					0	0%	0	0%
No answer	84	20.4%			0	0%	20	58,8%			1	16.7%	1	33,3%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

1.v. <u>PURs asserted against own patent to avoid litigation:</u>	N=412				N=46		N=34		N=6		N=6		N=3	
Never	280	68.0%	64x		16	34,8%	15	44,1%	5	83,3%	4	66.7%	2	66,7%
10 times or less	48	11.7%			20	43,5%			1	16,7%	2	33.3%	0	0%
11 times or more	3	0.73%			0	0%							0	0%
No answer	81	19.7%			10	21,7%	19	55,9%					1	33,3%
1.b. <u>Technologies involved:</u>			N=52		N=35		N=30		N=4		N=3		N=1	
Mechanics	90		21	40.4%	17		18	60%	1	25%	2	66.7%	1	100%
Electrical/Electronics	68		18	34.6%	9		9	30%	1	25%	1	33.3%		
Telecommunications	13		8	15.4%	3		2	6,7%	2	50%	0	0%		
Computers	8		22	42.3%	3		1	3,3%			0	0%		
Chemistry	64		9	17.3%	14		11	36,7%	1	25%	0	0%		
Biotechnology	1		3	5.8%	2		6	20%			0	0%		
Pharmaceuticals	14		3	5.8%	10		6	20%	1	25%	0	0%		
Other	20		6	11.5%	4		2	6,7%			0	0%		
2a. <u>If knowledge derived from patentee even in good faith:</u>	N=412		N=119		N=54		N=39		N=11		N=9		N=6	
PURs should not be available	277	67.2%	70	58.8%	22	40.7%	17	43,6%	4	36,4%	5	55.6%	2	33,3%
PURs should be available	116	28.2%	49	41.2%	30	55.5%	16	41%	4	36,4%	2	22.2%	3	50%
No answer	19	4.61%			2	3,7%	6	15,4%	3	27,3%	2	22.2%	1	16,7%
2b. <u>Minimal requirements for PURs:</u>	N=412		N=117		N=54		N=39		N=11		N=9		N=6	
Actual use	304	73.8%	102	87.2%	10	19%	27	69,2%	2	18,2%	5	55.5%	6	100%
Preparations to use	298	72.3%	53	45.3%	35	64,8%	28	71,8%	7	63,6%	6	66.7%	1	16,7%
Prior knowledge of the invention	24	5.83%	32	27.4%	3	6%	5	12,8%	4	36,4%	0	0%	0	0%
Other	0	0%	5	4.3%	6	11,1%	0	0%	0	0%	2	22.2%	0	0%
No answer	19	4.61%			0	0%	1	2,6%	2	18,2%			0	0%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

2c. <u>Critical date for accrual of PURs:</u>	N=412		N=116		N=54		N=39		N=11		N=9		N=6	
Prior to priority/filing date	310	75.2%	76	65.5%	37	68,5%	30	76,9%	6	54,5%	8	88.9%	5	83,3%
Prior to beginning of grace period	85	20.6%	32	27.6%	9	16,7%	2	5,1%			3	33.3%	0	0%
Prior to graced prior disclosure	81	19.7%	25	21.6%	9	16,7%	6	15,4%	3	27,3%	3	33.3%	0	0%
Other	1	0.24%	2	1.7%	1	1,8%	1	2,6%			3	33.3%	1	16,7%
No answer	19	4.61%			1	1,8%	3	7,7%	2	18,2%			0	0%
2d. <u>In favour of exceptions to PURs:</u>	N=412		N=109		N=54		N=39		N=11		N=9		N=6	
Yes:	59	14.3%	8	7.3%	1	1,8%	1	2,6%	0	0%	0	0%	0	0%
No:	339	82.3%	101	92.7%	50	92%	32	82,1%	8	72,7%	9	100%	5	83,3%
No answer	14	3.40%			3	5,5%	6	15,4%	3	27,3%			1	16,7%
3. <u>Importance of PURs harmonization:</u>	N=412		N=120		N=54		N=39		N=11		N=9		N=6	
Critical	137	33.3%	41	34.2%	11	20%	14	35,9%	0	0%	1	11.1%	1	16,7%
Important	209	50.7%	57	47.5%	32	59%	16	41%	5	45,5%	4	44.5%	4	66,7%
Not important	50	12.1%	22	18.3%	9	16,6%	4	10,3%	5	45,5%	4	44.5%	0	0%
No answer	16	3.88%			2	4%	5	12,8%	1	9%			1	16,7%

Question / Issue	JP	JP	US	US	EPO	EPO	DE	DE	FR	FR	UK	UK	DK	DK
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		

INFORMATION REGARDING THE RESPONDENTS (TJQ)														
Total respondents	412		281		81		39		11		9		7	
1. <u>Affiliation of respondents</u>							N=39		N=11		N=9		N=7	
Large corporation	147	35.7%	47	16.7%	24	29,6%	23	59%	7	63,6%	2	22.2%	4	57,1%
SME	120	29.1%	36	12.8%	1	1.2%	2	5,1%			0	0%	0	0%
University/research institution	71	17.2%	24	8.5%	4	4,9%	0	0%			1	11.1%	0	0%
Individual Inventor	0	0.00%	43	15.3%	0	0%	0	0%			0	0%	0	0%
Patent Professional	60	14.6%	48	17.1%	21	25,9%	3	7,7%			1	11.1%	0	0%
Law Firm	4	9.71%	60	21.4%	21	25,9%	6	15,4%			2	22.2%	0	0%
Other /User associations	0	0.00%	20	7.1%	10	12,3%	5	12,8%	4	36,4%	3	33.3%	3	42,9%
No answer/Not determined	10	2.42%	3	1.1%	0	0%	0	0%			0	0%	0	0
1b. <u>Primary area of technology</u>			N=281				N=39		N=11		N=9		N=7	
Mechanics	57	13.8%	8	2.8%	21	25,9%	14	35,9%	3	27,3%	2	22.2%	2	28,6%
Electrical/Electronics	56	13.6%	26	9.3%	8	9,9%	5	12,8%	2	18,1%	0	0%	2	28,6%
Telecommunications	8	1.94%	15	5.3%	5	6,2%	1	2,6%	2	18,1%	0	0%	0	0%
Computers	3	7.28%	69	24.6%	4	5%	1	2,6%	1	9%	1	11.1%	0	0%
Chemistry	50	12.1%	10	3.6%	14	17,3%	15	38,5%	2	18,1%	0	0%	1	14,3%
Biotechnology	2	0.49%	7	2.5%	3	3,7%	3	7,7%			0	0%	0	0%
Pharmaceuticals	13	3.16%	8	2.8%	8	9,9%	11	28,2%	2	18,1%	1	11.1%	2	28,6%
Other	52	12.6%	28	10.0%	9	11.1%	0	0%	1	9%	2	22.2%	0	0%
No answer/Not determined	32	7.77%	110	39.1%	9	11,1%	9	23,1%	2	18,1%	3	33.3%	2	28,6%
3+4 <u>Geographical distribution</u>			N=281				N=39		N=11		N=9		N=7	
Europe	0	0.00%	87	31.0%	72	88,9%	33	84,6%	11	100%	6	66.7%	7	100%
Japan	411	99.8%	1	0.4%	1	1,2%	0	0%			1	11.1%	0	
US	0	0.00%	122	43.4%	4	4,9%	3	7,7%			3	33.3%	0	
Other	0	0.00%	37	13.2%	0	0%	1	2,6%			0	0%	0	
Non identified/Not determined	1	0.24%	34	12.1%	4	4,9%	5	12,8%			2	22.2%	0	

APPENDIX III - TABLE OF CONSOLIDATED RESULTS

TEGERNSEE USER CONSULTATION

The purpose of the following table is to allow an at-a-glance survey of the results in the different jurisdictions.

Methodological note: The relevant total amount of respondents in a group is indicated at the top of the absolute numbers cells for each question (e.g. N=412). Thus, percentages are calculated on the basis of the relevant sub-group where appropriate. As it is agreed that “raw data” is to be included, respondents to the questionnaire who did not answer the particular question are reflected under “no answer”, included in the total, and thus taken into account in the calculations of the percentages.

Question / Issue	JP	JP	US	US	Europe	Europe
	No.	%	No.	%	No.	%
I. GRACE PERIOD (GP)						
Total number of respondents:	412				134	
1. <u>Joint projects bus./research:</u>	N=412		N=161		N=134	
Often	94	22.8%	28	17.4%	43	32.1%
Occasionally	176	42.7%	29	18.0%	20	14.9%
Hardly	43	10.4%	14	8.7%	5	3.7%
Never	30	7.28%	18	11.2%	2	1.5%
Does not apply/No answer	69	16.7%	72	44.7%	64	47.8%
2. <u>Need to file a patent application after disclosure:</u>	N=412		N=191		N=134	
Yes	320	77.7%	127	66.5%	86	64.2%
No	87	21.1%	36	18.8%	27	20.1%
Does not apply/No answer	5	1.21%	28	14.7%	21	15.7%
2a. <u>Grounds for pre-filing disclosure:</u>	N=320		N=127		N=86	
Error	121	37.8%	19	15.0%	30	34.9%
Breach of confidence	4	1.25%	5	3.9%	17	19.8%
Trade show	95	29.7%	18	14.2%	14	16.3%
Business negotiations	61	19.1%	18	14.2%	24	27.9%
Trials/experiments	17	5.31%	11	8.7%	21	24.4%
Academic publication	230	71.9%	33	26.0%	55	64.0%
Other	18	5.63%	18	14.2%	5	5.8%
No answer	0	0%	5	3.9%		
2b. <u>Where pre-filing disclosure occurred:</u>	N=320		N=127		N=86	
Filed anyway	99	30.9%	19	15.0%	21	24.4%
Filed in countries where GP	239	74.7%	82	64.6%	45	52.3%
Protected invention as trade secret	32	10.0%	10	7.9%	9	10.5%
Other	16	5.00%	11	8.7%	17	19.8%
No answer	0	0%	5	3.9%		
3. <u>Level of understanding of patent system, including GP:</u>	N=412		N=158		N=134	
Sufficient	172	41.7%	31	19.6%	32	23.9%
Basic idea patents / no understanding GP	157	38.1%	54	34.2%	49	36.6%
No understanding	15	3.64%	19	12.0%	6	4.5%
Does Not Apply/No answer	68	16.5%	54	34.2%	47	35.1%

Question / Issue	JP No.	JP %	US No.	US %	Europe No.	Europe %
4. <u>Reliance on the grace period:</u>	N=412		N=180		N=111	
Yes:	280	68.0%	121	67.2%	70	63.1%
No:	126	30.6%	59	32.8%	39	35.1%
No answer:	6	1.46%	0	0%	2	1.8%
4b. <u>Estimated frequency of reliance:</u>	N=280		N=121		N=70	
< 1/1000	41	14.6%	12	9.9%	11	15.7%
1/1000	73	26.1%	12	9.9%	22	31.4%
1/100	106	37.9%	28	23.1%	27	38.6%
1/10	56	20.0%	33	27.3%	3	4.3%
>1/10	3	1.07%	26	21.5%	2	2.9%
No answer	1	0.36%	10	8.3%	5	7.1%
4c. <u>Patents obtained with GP contributed to success:</u>	N=280		N=121		N=70	
Yes	77	27.5%	68	56.2%	23	32.9%
No	195	69.6%	36	29.8%	38	54.3%
No answer	8	2.86%	17	14.0%	9	12.9%
4d. <u>Problems with procedures in invoking GP:</u>	N=280		N=121		N=70	
Yes	42	15.0%	11	9.1%	5	7.1%
No	206	73.6%	96	79.3%	52	74.3%
No answer	32	11.4%	14	11.6%	13	18.6%
5. <u>Inability to obtain patent due to lack of GP:</u>	N=412		N=162		N=132	
Yes	139	33.7%	101	62.3%	71	53.8%
No	246	59.7%	61	37.7%	46	34.8%
No answer	27	6.55%			15	11.4%
5a. <u>Different pat. outcomes due to lack of GP harmoniz.:</u>	N=139		N=101		N=71	
Yes	93	68.9%	91	90.1%	60	84.5%
No	42	31.1%	9	8.9%	9	12.7%
No answer	4		1	1.0%	2	2.8%
6. <u>Unavailability of GP a factor in bus./research decisions:</u>	N=412		N=147		N=134	
Yes	17	4.13%	76	51.7%	22	16.4%
No	379	91.9%	71	48.3%	86	64.2%
No answer	16	3.88%			26	19.4%
7. <u>Negative effects of reliance on GP by a third party:</u>	N=412		N=143		N=134	
Yes	8	1.94%	26	18.2%	22	16.4%
No	389	94.4%	117	81.8%	90	67.2%
No answer	15	3.64%			22	16.4%
8. <u>GP an important feature of patent law:</u>	N=412		N=159		N=134	
Yes	307	74.5%	126	79.2%	76	56.7%
No	92	22.3%	33	20.8%	55	41.0%
No answer	13	3.15%			3	2.2%
9. <u>Position on grace period</u>	N=412		N=159		N=130	
In favour:	308	74.8%	125	78.6%	70	53.8%
Opposed:	89	21.6%	34	21.4%	57	43.8%
No answer	15	3.64%			3	2.3%

Question / Issue	JP No.	JP %	US No.	US %	Europe No.	Europe %
10. <u>Policy goals</u> :	N=308		N=157		N=77	
Balance patents and science	218	70.8%	104	66.2%	49	63.6%
Protect against breach of confidence	103	33.4%	117	74.5%	58	75.3%
Test marketability/attract venture capital	68	17.0%	84	53.5%	35	45.5%
Protect from re-disclosure own invention	106	22.1%	90	57.3%	37	48.1%
Protect from independent interval disclosure	92	29.9%	59	37.6%	14	18.2%
Safety net only	49	15.9%	44	28.0%	38	49.4%
None of the above	5	1.62%	13	8.3%	29	37.7%
11. <u>Systemic impact of GP</u> :	N=412		N=152		N=134	
User friendly for SMEs	164	39.8%	106	69.7%	49	36.6%
Complicates patent system	78	18.9%	37	24.3%	56	41.8%
Diminished legal certainty	57	13.8%	46	30.3%	82	61.2%
Early publication of research results in public interest	190	46.1%	98	64.5%	38	28.4%
Other	39	9.47%	17	11.2%	21	15.7%
12. <u>Mandatory declaration</u> :	N=412		N=149		N=134	
In favour	264	64.1%	49	32.9%	83	61.9%
Against	143	34.7%	100	67.1%	49	36.6%
No answer	5	1.21%			2	1.5%
12a. <u>Reasons for favouring mandatory declaration</u> :	N=264		N=49		N=83	
Enhances legal certainty for third parties	220	83.3%	40	81.6%	79	95.2%
Simplifies work of patent offices	111	42.0%	30	61.2%	47	56.6%
No undue burden on applicants	65	24.6%	7	14.3%	11	13.3%
Other	7	2.65%	9	18.4%	5	6.0%
12b. <u>Reasons for being against mandatory declaration</u> :	N=143		N=100		N=49	
Concern that mistake could lead to GP not applying	67	46.9%	81	81.0%	27	55.1%
Possible manipulation by applicants	17	11.9%	41	41.0%	13	26.5%
Additional burden on applicants	109	76.2%	85	85.0%	30	61.2%
Additional burden on offices	36	25.2%	52	52.0%	23	46.9%
Other	5	3.50%	15	15.0%	4	8.2%
No answer			3	3.0%		
13. <u>Appropriate duration of GP</u> :	N=412		N=151		N=134*	
12 months	115	27.9%	98	64.9%	32	23.9%
6 months	266	64.6%	35	23.2%	76	56.7%
Other/No answer	31	7.52%	18	11.9%	32	23.9%

*See explanation in Table of Aggregate Results.

Question / Issue	JP	JP	US	US	Europe	Europe
	No.	%	No.	%	No.	%

14. <u>GP computed from:</u>	N=412		N=149		N=134	
Filing date only	139	33.7%	44	29.5%	25	18.7%
Filing or priority date	261	63.3%	95	63.8%	95	70.9%
Other	4	0.97%	10	6.7%	12	9.0%
No answer	8	1.94%			5	3.7%
15. <u>Internationally harmonized GP:</u>	N=412		N=151		N=134	
In favour	350	85.0%	127	84.1%	111	82.8%
Opposed	12	2.91%	12	7.9%	12	9.0%
Don't know/No opinion	50	12.1%	12	7.9%	10	7.5%
16. <u>Elements requiring harmonization:</u>	N=412		N=151		N=134	
Mode of disclosure	327	79.4%	94	62.3%	101	75.4%
Scope	299	72.6%	121	80.1%	103	76.9%
Duration	357	86.7%	129	85.4%	116	86.6%
Date from which computed	322	78.2%	128	84.8%	111	82.8%
Declaration	211	51.2%	78	51.7%	69	51.5%
Prior user rights	132	32.0%	75	49.7%	69	51.5%
None of the above	4	0.97%	9	6.0%	6	4.5%
Other	5	1.21%	8	5.3%	11	8.2%

II. PUBLICATION OF APPLICATIONS:						
Total number of respondents:	412				129	
1. <u>Publication at 18-months / applicants' perspective:</u>	N=412		N=139		N=129	
Reasonable	343	83.3%	104	74.8%	109	84,5%
Too short	31	7.52%	10	7.2%	10	77,5%
Too long	25	6.08%	25	18.0%	4	3,1%
No answer	13	3.15%			6	4,6%
2. <u>Publication at 18-months / third parties' perspective:</u>	N=412		N=138		N=129	
Reasonable	287	69.7%	68	49.3%	90	69,7%
Too short	9	2.18%	9	6.5%	1	0,7%
Too long	111	26.9%	61	44.2%	30	23,2%
No answer	5	1.21%			8	6,2%
3. <u>Mandatory publication at 18 months:</u>	N=412		N=137		N=129	
In favour	353	85.7%	115	83.9%	119	92,2%
Opposed	55	13.3%	22	16.1%	7	5,4%
No answer	4	0.97%			3	2,3%
4. <u>Should search/examination results be required in time for withdrawal prior to publication:</u>	N=412		N=135		N= 129	
Yes	189	45.9%	107	79.3%	111	86%
No	215	52.2%	28	20.7%	11	8,5%
Other					0	0%
No answer	8	1.94%			7	5,4%
5. <u>Experience of "opting out" at USPTO:</u>	N=412		N=130		N=105	
Yes	6	1.46%	54	41.5%	7	6,7%
No	401	97.3%	76	58.5%	94	89,5%
No answer	5	1.21%			4	3,8%

Question / Issue	JP No.	JP %	US No.	US %	Europe No.	Europe %
6. <u>Opted out at the USPTO to prevent copying/designing around by competitors:</u>	N=6		N=54		N=7	
Yes	5	83.3%	41	75.9%	5	71,4%
No	1	16.7%	13	24.1%	2	28,6%
7. <u>Competitors copying/designing around after publication at 18 months:</u>	N=412		N=116		N=105	
Yes	129	31.3%	46	39.7%	55	52,4%
No	258	62.6%	70	60.3%	32	30,5%
No answer	25	6.07%			18	17,1%
8. <u>Problems due to competitors "opting out" from publication:</u>	N=412		N=121		N=105	
Yes	8	1.94%	25	20.7%	32	30,5%
No	390	94.7%	96	79.3%	62	59%
No answer	14	3.40%			11	10,5%
9. <u>Protection by trade secret as alternative due to no "opting out"?</u>	N=412		N=126		N=105	
Yes	72	17.5%	34	27.0%	10	9,5%
No	331	80.3%	92	73.0%	89	84,7%
No answer	9	2.18%			6	5,7%
10. <u>US effectively harmonized on 18-months publication?</u>	N=412		N=121		N=129	
Yes	158	38.3%	65	53.7%	36	27,9%
No	238	57.8%	56	46.3%	82	63,6%
No answer	16	3.89%			11	8,5%
11. <u>Importance of harmonization of 18-months publication?</u>	N=412		N=134		N=129	
Critical	196	47.6%	32	23.9%	51	39,5%
Important	195	47.3%	83	61.9%	72	55,8%
Not important	6	1.4%	19	14.2%	0	0%
No answer	15	3,6%			6	4,6%
12. <u>Importance if grace period with 18-months publication in harmonization package?</u>					N=81	
Critical					38	46,9%
Important					37	45,7%
Not important					4	4,9%

III. TREATMENT OF CONFLICTING APPLICATIONS						
Total number of respondents:	412				118	
1. <u>Frequency of conflicting third party applications:</u>	N=412		N=115		N=94	
<1/100	183	44.4%	63	54.8%	27	28.7%
1/100	144	35.0%	28	24.3%	41	43.6%
1/10-1/100					6	6.3%
1/10	51	12.4%	16	13.9%	14	14.9%
More frequently	8	1.94%	8	7.0%	3	3.2%
No answer	26	6.31%			3	3.2%

Question / Issue	JP No.	JP %	US No.	US %	Europe No.	Europe %
2. <u>Frequency of self-collision:</u>	N=412		N=113		N=94	
<1/100	241	58.5%	57	50.4%	42	44.7%
1/100	110	26.7%	34	30.1%	36	38.3%
1/10-1/100					2	2.1%
1/10	31	7.52%	19	16.8%	9	9.6%
More frequently	3	0.73%	3	2.7%	1	1%
No answer	27	6.55%			4	4.3%
3. <u>Conflicting patent families:</u>	N=412		N=113		N=94	
No such experience	355	86.2%	76	67.3%	49	52.1%
In 2 jurisdictions	27	6.55%	29	25.7%	27	28.7%
In 3 or more jurisdictions	14	3.40%	8	7.1%	16	17%
No answer	0	0%			4	4.3%
4. <u>Outcome of colliding families in countries with different rules:</u>	N=41				N=39	
No differences	6	14.6%			5	12.8%
Different scopes granted	23	56.1%			36	92,3%
At least one grant and one rejection	20	48.8%			4	10,3%
No answer	2	4.88%				
5. <u>Causes of variation in outcome:</u>	N=43				N=39	
Rules on conflicting applications only	17	39.5%			17	43,5%
Both these and other rules	20	46.5%			23	58.9%
Other factors alone	2	4.65%			0	0%
No answer	2	4.65%				
6a. <u>Difficulties with patent thickets:</u>	N=412		N=115		N=93	
Yes	59	14.3%	36	31.3%	17	18.3%
No	332	80.6%	79	68.7%	69	74.2%
No answer	21	5.10%			7	7.5%
6b.i. <u>Market(s) in which patent thicket occurred:</u>	N=59		N=36		N=26	
United States	19	32.2%	34	94.4%	11	42.3%
Europe	1	1.69%	9	25.0%	9	34.6%
Japan	27	45.8%	3	8.3%	3	11.5%
Other	0	0%	4	11.1%	3	11.5%
No answer	12	20.3%				
6.b.ii. <u>Causes of patent thickets:</u>	N=59		N=36		N=28	
Multiple patents /single entity	22	37.3%	18	50.0%	13	46.4%
Multiple patents /different entities	9	15.3%	12	33.3%	5	17.8%
Combination of both constellations	23	39.0%	15	41.7%	10	35.7%
Other	2	3.38%	2	5.6%	0	0%
No answer	3	5.08%				

Question / Issue	JP No.	JP %	US No.	US %	Europe No.	Europe %
6.b.iii. <u>Areas of technology where patent thickets most prevalent:</u>	N=59		N=34		N=33	
Mechanics	33	55.9%	5	14.7%	2	6%
Electrical/Electronics	81*	137%	16	47.1%	6	18.2%
Telecommunications	34	57.6%	17	50.0%	13	39.4%
Computers	26	44.1%	20	58.8%	10	30.3%
Chemistry	34	57.6%	6	17.6%	4	12.1%
Biotechnology	8	13.6%	5	14.7%	7	21.2%
Pharmaceuticals	10	16.9%	3	8.8%	7	21.2%
Other	11	18.6%	3	8.8%	2	6%
7. <u>Importance of harmonization of treatment of conflicting applications:</u>	N=412		N=126		N=118	
Critical	174	42.2%	34	27.0%	46	38.9%
Important	191	46.4%	80	63.5%	52	44.1%
Not important	18	4.37%	12	9.5%	11	9.3%
No answer	29	7.04%			9	7.6%
8. <u>Best practice:</u>	N=412		N=123		N=118	
Novelty only / No ASC (EPC)	36	8.74%	25	20.3%	77	65.3%
Enlarged novelty + Anti-Self-Collision (JP)	301	73.1%	29	23.6%	12	10.2%
Novelty + inventive step + ASC (US)	47	11.4%	60	48.8%	20	16.9%
Other	5	1.21%	9	7.3%	8	6.8%
No answer	23	5.58%			1	0.8%
9. <u>PCT applications should enter prior art:</u>	N=412		N=110		N=118	
Upon entry into national/regional phase	260	63.1%	35	31.8%	56	47.4%
Upon publication	110	26.7%	67	60.9%	45	38.1%
Other/No answer	42	10.2%	8	7.3%	17	14.4%
IV. PRIOR USER RIGHTS (PURs)						
Total number of respondents:	412				119	
1.i. <u>Frequency of counsel re PURs:</u>	N=412		1277x		N=61	w/o DE
Never	165 (0)	40.0%			11	18%
10 times or less over career	150	36.4%			22	36%
11-30 times	19	4.61%			13	21,3%
31-100 times	15	3.64%			6	9,8%
Over 100 times/very often	6	1.46%			3	4,9%
No answer	57	13.8%			6	9,8%
1.ii. <u>PURs asserted in litigation:</u>	N=412		45x		N=52	EPO +FR
Never	307(0)	74.5%			29	55,8%
10 times or less over career	21	5.10%			14	26,9%
Many times	0	0.00%			1	1,9%
No answer	84	20.4%			8	15,4%

Question / Issue	JP No.	JP %	US No.	US %	Europe No.	Europe %
1.iii. <u>PURs asserted to avoid litigation:</u>	N=412		106x		N=61	w/o DE
Never	262	63.6%			27	44,3%
10 times or less over career	68	16.5%			23	37,7%
11 times or more	3	0.73%			0	0%
20 times over career	0	0%			1	1,6%
No answer	79	19.2%			10	16,4%
1.iv. <u>PURs asserted against own patent in litigation:</u>	N=412		26x		N=61	w/o DE
Never	308	74.8%			37	60,6%
5 times or less	19	4.61%			12	19,7%
6 or more	1	0.24%			10	16,4%
No answer	84	20.4%			2	3,3%
1.v. <u>PURs asserted against own patent to avoid litigation:</u>	N=412		64x		N=61	w/o DE
Never	280	68.0%			27	44,3%
10 times or less	48	11.7%			23	37,7%
11 times or more	3	0.73%			0	0%
No answer	81	19.7%			11	18%
1.b. <u>Technologies involved:</u>			N=52			
Mechanics	90		21	40.4%	39	
Electrical/Electronics	68		18	34.6%	20	
Telecommunications	13		8	15.4%	7	
Computers	8		22	42.3%	4	
Chemistry	64		9	17.3%	26	
Biotechnology	1		3	5.8%	8	
Pharmaceuticals	14		3	5.8%	17	
Other	20		6	11.5%	6	
2a. <u>If knowledge derived from patentee even in good faith:</u>	N=412		N=119		N=119	
PURs should not be available	277	67.2%	70	58.8%	50	42%
PURs should be available	116	28.2%	49	41.2%	55	46.2%
No answer	19	4.61%			14	11.8%
2b. <u>Minimal requirements for PURs:</u>	N=412		N=117		N=119	
Actual use	304	73.8%	102	87.2%	50	42%
Preparations to use	298	72.3%	53	45.3%	77	64.7%
Prior knowledge of the invention	24	5.83%	32	27.4%	12	10.1%
Other	0	0%	5	4.3%	8	6.7%
No answer	19	4.61%			3	2.5%
2c. <u>Critical date for accrual of PURs:</u>	N=412		N=116		N=119	
Prior to priority/filing date	310	75.2%	76	65.5%	86	72.3%
Prior to beginning of grace period	85	20.6%	32	27.6%	14	11.8%
Prior to graced prior disclosure	81	19.7%	25	21.6%	21	17.6%
Other	1	0.24%	2	1.7%	6	5%
No answer	19	4.61%			6	5%

Question / Issue	JP	JP	US	US	Europe	Europe
	No.	%	No.	%	No.	%

2d. <u>In favour of exceptions to PURs:</u>	N=412		N=109		N=119	
Yes:	59	14.3%	8	7.3%	2	1.7%
No:	339	82.3%	101	92.7%	104	87.4%
No answer	14	3.40%			13	10.9%
3. <u>Importance of PURs harmonization:</u>	N=412		N=120		N=119	
Critical	137	33.3%	41	34.2%	27	22,7%
Important	209	50.7%	57	47.5%	61	51.3%
Not important	50	12.1%	22	18.3%	22	18.5%
No answer	16	3.88%			9	7.6%

INFORMATION REGARDING THE RESPONDENTS (TJQ)						
Total respondents	412		281		147	
1. <u>Affiliation of respondents</u>						
Large corporation	147	35.7%	47	16.7%	60	40.8%
SME	120	29.1%	36	12.8%	3	2%
University/research institution	71	17.2%	24	8.5%	5	3.4%
Individual Inventor	0	0.00%	43	15.3%	0	0%
Patent Professional	60	14.6%	48	17.1%	25	17%
Law Firm	4	9.71%	60	21.4%	29	19.7%
Other /User associations	0	0.00%	20	7.1%	25	17%
No answer/Not determined	10	2.42%	3	1.1%	0	0%
1b. <u>Primary area of technology</u>			N=281			
Mechanics	57	13.8%	8	2.8%	42	28.6%
Electrical/Electronics	56	13.6%	26	9.3%	17	11.6%
Telecommunications	8	1.94%	15	5.3%	8	5.4%
Computers	3	7.28%	69	24.6%	7	4.8%
Chemistry	50	12.1%	10	3.6%	32	21.8%
Biotechnology	2	0.49%	7	2.5%	6	4.1%
Pharmaceuticals	13	3.16%	8	2.8%	24	16.3%
Other	52	12.6%	28	10.0%	12	8.2%
No answer/Not determined	32	7.77%	110	39.1%	25	17%
3+4 <u>Geographical distribution</u>			N=281			
Europe	0	0.00%	87	31.0%	129	87.7%
Japan	411	99.8%	1	0.4%	2	1.4%
US	0	0.00%	122	43.4%	10	6.8%
Other	0	0.00%	37	13.2%	1	0.6%
Non identified/Not determined	1	0.24%	34	12.1%	11	7.5%