

Questionnaire Q170

Substantive Patent Law Treaty

I)

General Introduction

One of the main objectives of AIPPI is to work for the international harmonization of Intellectual Property as foreseen in article 2 of our Statutes.

It is therefore logical that AIPPI has been following very closely the work of WIPO in the context of substantive patent law harmonization.

Several of the proposals under discussion in the draft of Substantive Patent Law Treaty (SPLT) have been considered by AIPPI and those are Resolutions that express the view of our Association.

However, during the SPLT Seminar that AIPPI organized last January in Geneva, two new issues were raised by the participants on which AIPPI should express its opinion.

One relates to article 8(2) of the SPLT concerning the effects that earlier unpublished applications should have on younger applications (the so-called Secret Prior Art). The other relates to article 9 concerning the Grace Period.

For this reason, the Bureau, under the recommendation of Special Committee Q170 on Substantive Patent Law Treaty has decided to send this Questionnaire to the National Groups of AIPPI to know their opinion with the intention of adopting a Resolution on the occasion of the Geneva Congress next June.

II)

Art. 8 (2) SPLT ("Secret Prior Art")

Art. 8 (1) SPLT states that prior art consists of all information which was made available to the public before the relevant date (application date or priority date as the case may be) of the application to be examined (hereinafter referred to as „the later application“). The reason is that no one should be awarded a patent for something which has been in the public domain before. This applies to both novelty and inventive step/non-obviousness of the later application. There is a wide consensus about this concept even though there may be slight differences regarding certain details, e.g., the reasonable possibility for the public to access the published information. This definition generally excludes from prior art information which has not been made available to the public before the relevant date of the later application.

However, there is also a general consensus that certain information should be considered at least to some extent when it comes to assessing novelty and inventive step/non-obviousness of the later application. This is the subject of Art. 8 (2) SPLT. It concerns information contained in

an application (hereinafter referred to as „the earlier application“) which has been filed prior to the filing date of the later application but which has been published subsequently, namely on or after the relevant date of the later application. Such earlier applications are referred to in a number of countries as „secret prior art“ or “fictional prior art.” It is said to be fictional because it does not fall within the above definition of Art. 8 (1) SPLT.¹ Nevertheless, one has to realize that the information contained in the earlier application existed before the later application was filed and it thus shows that someone had previously invented that concept, described it and disclosed it at least to the Patent Office in a patent application. Therefore it cannot be disregarded. This applies in relation to a later application of a third party as well as to a later application of the same applicant as in the earlier application.

For the purpose of this questionnaire the term “secret prior art” shall be used with regard to earlier applications only. The term may have a different or wider meaning in certain countries. However, this questionnaire is limited to the problems of earlier applications and will therefore not deal with other issues.

Various aspects have to be considered when talking about secret prior art:

Questions

- What are the contents of the earlier application which should be considered?

“If the specifications of both applications are the same and the sets of claims request protection for different technical features, then double patenting will be avoided. Thus, initially the “claims-only” approach could look like the most appropriate one.

However, the scope of the claims may vary until the end of the examination (due to amendments proposed by either the Applicant or the Patent Examiner), since the inclusion in the claims of subject matter originally comprised in the specification, but that was not initially claimed, is possible. Consequently, double patenting may arise at any time during the patent proceedings, thus causing an uncertainty in the patent system.

Accordingly, we believe that the “whole-contents” approach should be the one to be considered.”

- What should be the effect of such an earlier application?

“We believe that the earlier application could affect the novelty of the later application. Since the coexistence of equal patents causes an uncertainty in the patent system, and taking into account that double patenting is avoided when novelty is observed, such requirement should be used during the substantive examination of the later application.”

- What date should be considered as the date of forming prior art of an earlier application?

“In our opinion, the understanding of Art. 8(2) (a) (ii) of the Draft SPLT is correct. In case the scope of the earlier application and its priority document(s) are the same, the date to be considered should be the priority(s) date. However, if novel subject matter is added in the earlier appli-

¹ The fictional character of this secret prior art is reflected e.g. in Art. 54 (3) EPC which reads „...shall be considered to be comprised in the state of the art“.

ation only the scope of the priority application shall be considered as the secret prior art in case the later application is filed before the earlier application.”

- Does the origin of the earlier application play a role?

“Yes. It is our understanding that only when the national phase of a PCT patent application has been entered in a specific country/region such application would be eligible as prior art therein. It is important to bear in mind that double patenting would only pose risk in case the PCT application may actually lead to a patent.”

- Does it make a difference if the earlier application was not made by a third party?

“No. We understand that in case the same applicant files a subsequent patent application, the Applicant should either abandon the earlier one and use it as an internal priority document or proceed with the two applications, provided that the subject matter of the later application is novel.”

When answering these questions one has to bear in mind the reasoning behind the concept of secret prior art. This reasoning is two-fold. On the one hand, an invention should only be protected in a particular country/territory by one patent. Double patenting needs to be avoided. In other words: the *same* invention should not enjoy multiple and extended patent protection in the same country/territory. On the other hand, there is also the need to avoid self-collision. This is closely linked to the problem of double patenting. The question is whether the same principles of secret prior art apply when the applicant of the earlier application and of the later application are – at least partially – identical or whether an exception should be allowed.

1. Contents of the earlier application to be considered

The first part of the question deals with the extent to which the earlier application should be considered when examining the later application. Information may be contained in the claims, in the specification, in the drawings and also in an abstract if available.

The “claims only” approach limits the comparison with the earlier application to the claims. Effectively, only what is disclosed in the claims can be considered as secret prior art. One can argue that the claims disclose the invention. In order to prevent double patenting it would only be necessary to exclude from the later application subject matter which has been identified in the earlier application by the applicant as the invention. On the other hand, there is lack of legal certainty. Claims may vary during the application proceedings and even after grant so that one cannot ascertain to what extent the earlier application is relevant.

On the contrary, the “whole contents” approach takes into consideration the entire contents of the earlier application. Views here differ as to whether also an abstract should be included in the assessment of secret prior art. The advantage of the whole contents approach is that the contents stay unchanged during the life of the earlier application and can be defined exactly. It is not relevant how the earlier applicant drafted the claims. What is contained in the application as a whole is then secret prior art. An exception may have to be made with regard to the abstract which in many cases originates from the Patent Office and cannot therefore be considered authentic. Art. 8 (2) SPLT and Rule 9(1) of the Regulations are based on the whole contents approach.

The Groups are invited to state whether, in the context of Art. 8 (2) SPLT, the whole-contents approach or the claims only approach is favourable and what the reasons are for their position.

2. Effect of earlier applications

One of the most controversial aspects concerns the question of whether secret prior art should be considered only when assessing the novelty of the later application or also its inventive step/non-obviousness.

In answering this question one has to take into account again the purpose of considering pending, unpublished applications in general, i.e. the avoidance of double patenting. This clearly shows the need to include such applications in assessing novelty. What has been disclosed in an earlier application – even unpublished – cannot form the subject matter of a patent based on a later application if this is the same invention.

The situation may be different when it comes to inventive step/non-obviousness. Here one faces a situation where the invention incorporated in the later application is not the same as in the earlier application. The inventions are not identical. Therefore, one can argue that there is no need to consider the earlier application as prior art. This is one of the reasons why AIPPI has, in its Resolution Q167, expressed the view that an earlier application should only be considered to form part of the prior art with regard to novelty but not with regard to the inventive step.

However, there are valid arguments against this approach and jurisdictions where the strict approach is not followed, in particular, the US which applies pending applications for purposes of assessing non-obviousness from their US filing date. This is done either directly or even in combination with any other reference which may have been published or may also have been part of the secret prior art. The reason for this approach is the belief that it is sound policy to have only one patent for an invention, and that applicants should not be able to obtain up to 18-month extensions for obvious variations and third parties should not be able to obtain patents on obvious variations of earlier patents. This is in contrast to the practice of assessing novelty in many countries such as before the European Patent Office, which is limited to a so-called “photographic novelty”. Only if the subject matter of the later application is “photographically” identical with the earlier application it will be refused as lacking novelty. Even slightest deviations in the later application might already lead to novelty although the contents of the later application is entirely obvious for the man skilled in the art in the light of the earlier application and does therefore not merit the grant of a patent. In cases like these it seems appropriate to consider pending unpublished applications also with regard to the inventive step/non-obviousness. Another reason is that the issuance of two or more patents having only non-obvious differences in the subject matter claimed means that competitors could be confronted with several overlapping patents owned by different parties for essentially the same patentable invention.

Apparently, the two positions laid out above seem to be irreconcilable. In order to come to a harmonization one may have to search for a “third way”. One suggestion is to extend the concept of novelty and to go away from a purely “photographic” novelty. This extended novelty concept includes not only what has been expressly disclosed in the earlier application but also information which the man skilled in the art obtains through his general knowledge or with the help of other references mentioned in the earlier application.² This concept is e.g. applied in Germany. It comforts those who find the photographic novelty concept too narrow. At the same time, it avoids double patenting to some extent necessary and does not exceed the original purpose of secret prior art by utilizing it only in the assessment of novelty and not in the assessment of inventive step/non-obviousness.

² See Helfgott/Bardehle/Hornickel in WIPR 01/04, p. 22 seq.

The Groups are invited to express their views as to the extent to which secret prior art should be considered and what the reasons are for these views. This includes a discussion of the definition of “novelty” in the sense of photographic novelty or a wider sense. It should also be stated if secret prior art should only be used without any reference to other (secret) prior art or whether a combination of earlier applications with other documents should be permissible. The last question is certainly only relevant if the answer to the first question includes the assessment of inventive step/non-obviousness.

3. Date of earlier application

The general situation of an earlier application is that it has a filing date which is earlier than the relevant date of the later application, but has been published only on or after the relevant date of the later application.

However, also another situation is possible. It may be that the “earlier” application claims the priority date of a third application that could then be called the “previous” application. The actual filing date of the earlier application may be later than the relevant date of the later application so that it is in fact not earlier but obtains this name only as a result of the priority date of the previous application. In this case a double fiction is applied. Firstly, the secret prior art becomes fictional because it was not published before the relevant date of the later application (see the general situation described above). The second part of the fiction concerns the recognition as an “earlier” application. It is only considered earlier as a result of claiming the priority of a previous application. Art. 8 (2) (a) (ii) of the Draft SPLT provides that, in this specific situation, the earlier application can only be considered as secret prior art as far as the disclosed subject matter is contained in both the earlier application and the previous application.

The Groups are requested to state whether they agree with this concept or whether amendments are necessary and what the reasons are for their position.

4. PCT applications as earlier applications

Art. 8 (2) (b) SPLT deals with PCT applications as earlier applications. There is no specific discussion about including national and regional applications as earlier applications. Regarding PCT application there is consensus that they should be included as well. The views are split, however, as to which PCT applications have to be considered as secret prior art. One position could be to consider the mere application without any additional requirement, i.e. the application as soon as it has been filed (provided it is published at a later stage). The other option limits PCT applications to those applications which have entered into the national or regional phase, i.e. those of which the processing or the examination has started before the national or regional Patent Office. These are the alternatives which are currently under discussion in the context of Art. 8 (2) (b) SPLT. Alternative A includes only the latter category of PCT applications, whereas Alternative B comprises all PCT applications.

There are good reasons for both positions. Double patenting is not a risk unless the application may actually lead to a patent. This is only the case after the application has entered the regional or national phase. One also has to bear in mind that, unlike in the past, today a PCT application automatically designates all countries possible. Therefore the applicant of the later application cannot conclude from the list of designated countries if the application has to be considered as secret prior art or not. In the past, this could eliminate certain PCT applications as irrelevant at least to some extent. This is no longer possible under the new PCT rules. Taking into account that relying on pending unpublished applications is an exception to the general rule that prior art should be public and should therefore be kept to a minimum, this would justify considering only PCT applications which are being processed in a specific country. Otherwise, the applicant of the earlier application would also obtain an unjustified benefit by simply designating the country

over those applicants who, in the case of a national application, have to file an application in the country with all consequences. These reasons speak in favour of Alternative A. This position is shared, among others, by the German Patentanwaltsskammer.

On the other hand, there is a significant delay after publication of the PCT application until the national or regional phase is entered. The decision to do so can be delayed by the applicant until 30/31 months after filing. This leads to more uncertainty for the applicant of the later application as well as for third parties and also the examining offices. Thus it might even cause delays in the examination process, since one has to wait until the 30/31 months are up before one can assess whether a certain application has to be considered as secret prior art and to what extent. Furthermore, Art. 11 (3) PCT states that an application which has received an international date of filing and which designates a PCT Contracting State (now all of them) is considered to be a regular patent application in that specific country. Therefore, this view favours Alternative B (e.g. shared by EPI).

The Groups are invited to state their position as to when PCT applications should be considered as secret prior art and what the reasons are for their position. Although the discussions have shown that there are probably no further options beyond the Alternatives A and B, the Groups are also welcome to present further suggestions which might provide more unanimity in the SPLT negotiations.

5. Identity of the applicant

The last part of the question deals with the issue of so-called “self-collision”. This occurs when the applicants of the earlier application and of the later application are identical. In the context of Art. 202 PLT AIPPI has adopted the Resolution Q89C expressing the view that an exception to the concept of “secret” prior art should be made when there is at least a partial identity of the applicants provided that double patenting would still be excluded and that an internal priority could be claimed.

Again the purpose of avoiding double patenting is decisive. There is a justification to consider earlier applications as prior art in cases where the applicant of the later application has not made a further contribution to the state of the art. However, this becomes moot if the applicants are the same provided that double patenting is still prohibited. Rule 9 (3) of the Regulations addresses this problem and provides for a practical solution which also recognizes that Art. 8 (2) SPLT is based on a pure fiction.

The Groups are requested to state whether they favour an exception to the application of Art. 8 (2) SPLT in cases of “self-collision” and if so, under what conditions the exception should apply.

III)

Article 9 SPLT (Grace Period)

Article 9 SPLT contains provisions for the introduction of a grace period³ into patent law. Currently there is no worldwide harmonization on the grace period. A number of countries provide a “*grace period*” that excludes publications of the inventor(s) of an invention (or publications “*based on the conception of the inventor(s)*”) from the prior art. There are also a number of countries that do not provide a grace period. These countries rely on a „absolute novelty requirement“. Inventors having published their inventions prior to a patent application lose the possibility of patent protection in these countries. An AIPPI survey conducted in 2003⁴ discovered 26 countries providing a grace period for patents (e.g. Australia, Canada, China, Japan and the USA) and 10 countries providing no grace period (e.g. Chile, Germany^{5,6}, Norway, Switzerland)⁷. The fact that a number of economically important countries (e.g. EPC countries) do not provide a grace period significantly limits the advantages of the grace period in the other countries since e.g. a Japanese inventor taking advantage of the grace period in Japan will not receive an European Patent. Thus, if the inventor is trying to achieve patent protection in Japan and in the EP countries he is not allowed to publish his invention prior to his patent application (priority filing) and therefore not take advantage of the grace period in Japan.

There is already a discussion for some time (especially in the countries of the European Patent Convention (EPC)) on the introduction (or re-introduction⁸) of the Grace Period into Patent Law. Quite a number of publications have been written⁹ and the European Patent Office requested two expert opinions on this matter. One has been provided by *Prof. Straus*¹⁰ (Max-Planck Institute for Foreign and International Patent, Copyright and Competition Law, Munich), the other one by *J. Galama*¹¹ (Philips International B.V.). Whereas *Straus* favors the introduction of a grace period, *Galama* opposes the grace period¹².

It is undisputed that a grace period is beneficial in certain situations especially in academic environments with a high number of co-operations and a high output in terms of publications or with inexperienced users of the patent system but also in technical fields that are in need of public tests (e.g. agriculture). It is on the other hand also undisputed that a grace period has

³ Since the author of this paper strongly believes that the readers of this paper are familiar with the general topic of the grace period no clear definition of the term grace period is provided herein.

⁴ To be published.

⁵ The European Patent Convention (EPC) does not provide a grace period. However, some member states of the EPC have different rules for national applications (e.g. The Netherlands or Spain).

⁶ However, Germany does provide a grace period for utility models.

⁷ Straus names 33 countries in his Expert Opinion.

⁸ Some countries already have had a grace period and deleted it together with the introduction of the EPC (e.g. Germany).

⁹ e.g. Bunke, *Gefährdung der Rechtssicherheit durch Wiedereinführung einer Neuheitsschonfrist?*, *Mitteilungen der deutschen Patentanwälte*, 1998, S. 443 ff., Götting, *Die Neuheitsschonfrist im Patentrecht*, *Mitteilungen der deutschen Patentanwälte*, 1999, S. 81 ff., Dänner, *Gefährdung der Rechtssicherheit durch Wiedereinführung einer Neuheitsschonfrist?*, *Anmerkungen zu Bunke*, *Mitteilungen der deutschen Patentanwälte*, 1999, S. 47 ff.; Bardehle, *Der Streit um die Neuheitsschonfrist in entscheidender Phase*, *Mitteilungen der deutschen Patentanwälte*, 1999, S. 126 ff.

¹⁰ See Straus, “Expert Opinion on the Introduction of a Grace Period into European Patent Law”, http://www.european-patent-office.org/news/headlns/2000_07_25_e.htm#Straus, paragraph 47–52 and references cited therein.

See also J. Straus, *Grace Period and the European and International Patent Law*, *Studies in industrial property and copyright law*, Vol. 20, C.H. Beck, 2001..

¹¹ http://www.european-patent-office.org/news/headlns/2000_07_25_e.htm#Galama.

¹² It may be noted that *Galama* is in his opposition in line with the majority of European Industry (e.g. UNICE, EFPIA, BDI) whereas *Straus* is in line with the majority of academic institutions and patent attorney associations (e.g. FICPI).

disadvantages and creates (additional) legal uncertainties¹³. The main disadvantages of a grace period are:

1. From the date of publication of the invention the public has to wait longer (18 months plus term of grace period) until it is clear if a patent application has been filed and what is claimed in it.
2. The publication of an invention may stipulate third parties to practice the invention creating a "prior user right".
3. Sometimes it may be difficult or even impossible to assess for the public if the applicant of a patent application is entitled to the grace period in view to a piece of prior art, e.g. if author and inventor are not identical or the identity is not obvious (e.g. in case of name changes due to marriage)¹⁴.
4. Unexperienced inventors may be misled by the concept of the grace period and disclose too much too early and jeopardize thereby their own patent applications.

However, since there is no internationally harmonized grace period it is mere speculation how frequent and to what extent which disadvantage will occur. Nevertheless some authors support additional measures to fight the disadvantages described above like early publications of patent applications claiming a grace period¹⁵, declarations of the applicant of early publications¹⁶, or training programs for users of the patent system¹⁷.

AIPPI has adopted two resolutions in favor of the grace period¹⁸.

AIPPI is of the opinion that an internationally harmonized grace period within the framework of the SPLT would be beneficial for patent applicants as well as for the public and would outweigh the disadvantages of its introduction.

AIPPI has followed closely the discussions regarding the pros and cons of a grace period and is taking into account the arguments regarding legal certainty for applicants/patentees and third parties. AIPPI is willing to re-discuss this issue and adopt a further resolution containing measures that minimize legal uncertainties created by the introduction of a grace period. Such a resolution will be discussed (and hopefully adopted) during the AIPPI congress in Geneva in June 2004¹⁹.

AIPPI has in preparation of such a resolution conducted a survey between its member organizations²⁰ and it seems that the majority of the countries does believe that legal uncertainties created by the grace period can be minimized by additional procedural measures like declarations of the applicant (together with the application or during prosecution) providing

¹³ Users of the patent system are used to a *certain* extent of legal uncertainties. It is e.g. uncertain which claims of a patent application will be granted during prosecution since this depends on the prior art as well as on the applicant's requests (and maybe data submitted during prosecution). The scope of a patent is furthermore somewhat unclear until it is interpreted by the court (e.g. in the light of the "doctrine of equivalence", even in the presence of a footnote to Art. 69 EPC).

¹⁴ It has been argued that the burden of proof is with the applicant and that the underlying facts may be determined within an opposition procedure or a nullity/invalidity suit. However, with respect to the timelines (average time of patent grant plus average time of opposition procedure) it is clear that such procedures are way too long and too expensive to satisfy the needs of the interested public.

¹⁵ e.g. Bardehle, *Mitteilungen der deutschen Patentanwälte* 2003, p. 245-247.

¹⁶ e.g. Bardehle, see footnote 14, above.

¹⁷ Galama, see footnote 11.

¹⁸ Q75 Buenos Aires Congress 1980, Q75 Moscow ExCo 1982.

¹⁹ www.aippi.net.

²⁰ To be published.

the relevant facts (time and place of early publications and/or evidence that a certain publication is based on the concept of the inventor).

Within the AIPPI survey mentioned above it seems common ground that:

- a) The patent term should be 20 years from *filing date* (irrespective of a grace period).
- b) Patent applications should be published 18 months *after filing* (irrespective of a grace period).
- c) Applicant/Patentee has the burden of proof to show that publications are derived directly or indirectly from inventor.
- d) If a declaration is requested by the Applicant/Patentee (in whatever procedure, at whatever point in time; see below) then the result of a false declarations by the applicant/patentee should be that the publication becomes prior art.

Working on the assumption that SPLT will include some sort of Grace Period, it seems, however, that there is need to discuss the following questions:

Questions

- 1) What would be the term for the grace period (6/12 months)?

“Based on the Brazilian experience, a suitable term for the grace period is 12 months. Such term allows an easier harmonization of the system, since the majority of the countries accepting the grace period already use a 12 month term.”

- 2) Does the Applicant/Patentee have to declare at a certain point in time²¹ that publications have occurred prior to filing?

“Yes.”

- 3) If the answer to question 2) is “yes” then the question arises: What would be the point in time at which the Applicant/Patentee has to submit a declaration?
 - Together with the patent application?
 - Within a fixed time period after application (3 months/ 6 months/ 12 months/other time period)?
 - On request (by patent office, court/ third party)?

“We believe that the Applicant/Patentee would have to declare the disclosure of the invention upon request of the Patent Office.”

- 4) If the answer to question 2) is “yes” then the question arises:

²¹ Details to be discussed.

Does the Applicant/Patentee have to provide details/circumstances (time, place, content, participants, etc.,) of publications (especially of non-printed publications) having been made prior to filing?

“Yes, the Applicant/Patentee has to submit details in order to provide clear evidences of the disclosure.”

AIPPI's National Groups are therefore requested to discuss the questions 1) to 4) mentioned above and provide their helpful comments.

When answering these questions please take into account the following considerations:

- I. The assumption of the author is that in the majority of the cases in which a grace period is used the prior publication will be a printed publication with clear authorship and in which the author is identical to the inventor of the later filed patent. These cases are easy to evaluate by the patent offices as well as by third parties and therefore no need to file a declaration can be seen.
- II. There may be a minority of cases in which the relationship between the author of the publication and the inventor of the later filed application is not obvious. There may be another minority of cases in which the publication is not printed and/or may not clearly indicate authorship (e.g. oral presentations, public use, marketing brochures)²². In such cases neither the patent office (nor patent court) nor third parties can clarify the situation. Without any declaration of the applicant (on behalf of the inventor) the patent office (or patent court) would have to come to the decision that the publication is prior art against a patent application.
- III. Given the current timelines of patent examination (often several years from date of filing) the uncertainty of a third party whether a certain publication is considered as piece of prior art against a given patent application is unfavorable. It seems therefore necessary to have a procedure in which publications mentioned under II. (above) are considered.
- IV. Given the fact that only a minority of cases will be critical a declaration of all applicants regarding prior publications seems unjustified.
- V. In quite a number of cases the applicant/patentee is a bigger organisation (e.g. multi-national company). Within such organizations the problem may occur that e.g. a marketing department publishes information without the knowledge of the inventor and/or the patent department. A declaration of the patent department on behalf of the inventor or the company (applicant) filed with the patent application may therefore be wrong without the applicant's intent.
- VI. From the assumptions and observations given above the following procedure seems to provide the maximum benefit to applicants/patentees, patent offices and third parties:
 - i. Applicant files patent application without any kind of declaration.
 - ii. If a patent office reveals in a search prior art it may ask for evidence that the prior art is exempted by the grace period. Such evidence would have to be presented by the applicant in the form of a declaration in a reasonable amount of time.
 - iii. If a third party reveals in a search prior art it may present such prior art to the patent office or court at any point in time. The patent office/court will then have to ask the applicant/patentee for evidence that the prior art is exempted by the grace period. Such evidence would have to be presented by the applicant in the form of a declaration in a reasonable amount of time.
 - iv. The patent office decides on the applicability of a grace period within a reasonable amount of time (some months) independent of other examination steps (novelty, inventive step, unity, sufficient disclosure, etc.)
 - v. All decisions concerning the applicability of a grace period to a certain patent application should be entitled to an appeal procedure.

²² An additional problem is that patent offices may not be able to find these publications.