Article 9 – Introduction of a Grace period

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§ 9 SPLT contains provisions for the introduction of a grace period\(^1\) into patent law. Currently there is no world-wide 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 is also a number of countries that do not provide a grace period. These countries rely on an „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 2003\(^2\) discovered 26 countries providing a grace period for patents (e.g. Australia, China, Japan and the USA\(^3\)) and 10 countries providing no grace period (e.g. Chile, Germany\(^4,5\), Norway, Switzerland\(^6\)). 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-introduction\(^7\)) of the Grace Period into Patent Law. Quite a number of publications have been written\(^8\) and the European Patent

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1. 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.
2. to be published
3. It has nevertheless to be noted that in the US the grace period is part of the first-to-invent system according to which the true and first inventor is generally entitled to a patent. This is also true if the inventor publishes his invention (after the invention is completed but before patent filing) if he files within a year after completion of the invention).
6. 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)
7. However, Germany does provide a grace period for utility models
8. Straus names 33 countries in his Expert Opinion
9. Some countries already have had a grace period and deleted it together with the introduction of the EPC (e.g. Germany).
10. e.g. Bunke, Gefährdung der Rechtssicherheit durch Wiedereinführung einer Neuheitsschonfrist?, Mitteilungen der deutschen Patentanwälte, 1998, S. 443 ff., Götting, Die Neuheitsschonfrist im
Office requested two expert opinions on this matter. One has been provided by Prof. Straus\(^9\) (Max-Planck Institute for Foreign and International Patent, Copyright and Competition Law, Munich), the other one by J. Galama\(^10\) (Philips International B.V.). Whereas Straus favors the introduction of a grace period, Galama opposes the grace period\(^11\).

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 disadvantages and creates (additional) legal uncertainties\(^12\). 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"\(^13\).

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 mislead 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 period\(^15\), declarations of the applicant of early publications\(^16\), or training programs for users of the patent system\(^17\).

\(^9\) See footnote 3, above
\(^11\) 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).
\(^12\) 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 applicants 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).
\(^13\) It should be noted that prior user rights are not provided in the USA.
\(^14\) 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 10, above
AIPPI has adopted two resolutions in favor of the grace period\textsuperscript{18}.

AIPPI is of the opinion that a 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 2004\textsuperscript{19}.

AIPPI has in preparation of such a resolution conducted a survey between its member organizations\textsuperscript{20} 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 the relevant facts (time and place of early publications and/or evidence that a certain publication is based on the concept of the inventor).

The key elements of such procedural measures could be (details to be discussed):

1. Introduction of a grace period of 12 months prior to priority date for all kinds of publications
2. Applicant/Patentee has to declare at a certain point in time\textsuperscript{21} that publications have occurred prior to filing
3. Applicant/Patentee has to provide details/circumstances of publications having been made prior to filing
4. Applicant/Patentee has the burden of proof to show that publications are derived directly or indirectly from inventor
5. If applicant's/patentee's declarations on prior art are wrong those publications become prior art
6. Patent applications should be published 18 months after filing
7. Patent term should be 20 years from filing date.

\textsuperscript{18} Q75 Buenos Aires Congress 1980, Q75 Moscow ExCo 1982
\textsuperscript{19} www.aippi.net
\textsuperscript{20} to be published
\textsuperscript{21} details to be discussed