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Discussions on International Substantive Patent Law Harmonisation

→ The IT3 Elements Paper

Peter R. Thomsen, President of economiesuisse
EGIP and member of BusinessEurope IT3 Group

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Context of IT3 Elements Paper

- Result of ca. 7 years IT3 negotiations
- Reflects status of Sep 2020
- Not to be understood as a finished proposal package
- but presenting elements that need to be considered forming basis for an international Substantive Patent Law Harmonization
- 2021/22: Intensified ongoing discussions, in particular within Europe
- Transparency of negotiations improving

IT3 Harmonisation Principles

- ❖ The IT3 is endeavoring to provide a comprehensive package that:
 - fairly **balances** the interests of **all entities, large and small**, individuals and universities
 - **encourages innovation** and protects the rights of innovators and third parties
 - Is practically **workable** for patent offices
- ❖ Given the currently wide diversity in relevant practice and principles with respect to these issues internationally, some **laws will have to change** in nearly every jurisdiction to achieve a globally harmonized package
- ❖ Harmonisation must be based on an agreement as to **an entire package**, rather than individual elements, to ensure the balance.

The IT3 Elements Paper - Overview

❖ Sections on:

- Definition of Prior Art (agreement **in line with EPC**)
- Conflicting Applications
- Grace Period with mandatory filing of a **Statement** in case of Pre-Filing Disclosure
- Prior User Rights (PUR)
- Defense for Intervening Users (**DIU**), a new defence similar to PUR but available if publication of the patent application does not occur at 18 months from a PFD that is to be graced
- **18-month Publication** of all patent applications (agreement **in line with European practice**)

❖ No agreement on all points within IT3

Conflicting Applications (prior rights)

- Second patent application filed on identical/similar invention as earlier first filed application, but before first application is published
- **Anti-self collision provision**: second application with identical claims that are broader or narrower than disclosure in earlier filed application would be allowable, IF FILED BY SAME APPLICANT
- New standard to examine whether later filed application is colliding with earlier filed prior right: **distance of invention** claimed in the later filed application going beyond common general knowledge of ordinary skilled person over disclosure of unpublished earlier filed application
- However, identical claims would be prohibited
- Further measures against **double-patenting**: optional to member states
- PCT-applications would count as prior rights for all active designated/elected countries

Grace Period

- ❖ **Grace Period** is a specific period of time preceding the filing of a patent application during which certain types of disclosures of the invention (for which the patent is filed) **do not destroy its novelty**
- ❖ Europe: “**Non Prejudicial disclosures**” – Article 55 EPC very limited. It applies to (i) evident abuse in relation to the Applicant and (ii) officially recognised international exhibitions
- ❖ Rest of the world: most other industrialised countries have a Grace Period, but the international landscape is a patchwork of different regimes:
 - gracing more disclosures or disclosures in more circumstances than EPC, or
 - conditioning the gracing to the filing of a statement identifying the disclosure, or
 - even granting strong protection and favouring dramatically the first-to-publish

Grace Period – IT3 Key Objectives

- ❖ Provide a Grace Period that:
 - Protects a Pre-Filing Disclosure (PFD)
as an exception to absolute novelty
 - Provides **legal certainty to Third Parties**
 - **Discourages** a Publish-First Policy
 - **Encourages** inventors and Applicants to **"file first"**

=> A **safety net approach**

Grace Period – IT3 Key Features

- ❖ Grace Period limited to disclosures by/for/from the original Applicant and includes disclosures derived from the original Applicant/Inventor
- ❖ **No Grace Period for independently developed and published subject matter** – intervening disclosures of subject-matter, which resulted from the independent work of third parties form part of the Prior Art
- ❖ Grace Period for partially re-disclosed and partially independently developed and published subject-matter
 - => Question of determination of whether the intervening disclosure is derived or not from the pre-filing disclosure

Duration: 6 or 12 months is still under debate, *12 months not excluded if an agreement on sufficient safeguards for Third Parties is reached*

Grace Period - Statement

- ❖ **Timely Filed Prior Art Statement protects Third Parties**
- ❖ The Statement should be filed at 16 months post Pre-Filing Disclosure (PFD) and triggers publication of patent application at 18 months post PFD, i.e. Third Party uncertainty for 18 months as at present under EPC
- ❖ The Statement will indicate what the PFD was, when and where it occurred, and where the PFD can be accessed if available
- ❖ A Statement can be filed later but before grant on payment of fees if failure was “unintentional” supported by evidence. No agreement was reached if it can be filed after grant. However, if it is not filed in timely manner or failure to file was not “unintentional” then no Grace Period applies
- **The timely filing of the Statement is a key feature in the protection of Third Parties**

Prior User Rights (PUR)

- ❖ Prior User Rights (PURs) are a **defence allowing a Third Party to continue its business** provided that certain conditions are met. The Policy Objectives are fairness and preservation of legitimate investments
- ❖ Three scenarios proposed by IT3:
 1. Third Party's activities based on wholly independent development: *full PUR*
 2. Third Party's activities that are based on abuse/breach of confidence: *no PUR*
 3. IT3 have not reached consensus on Third Party PUR defence in case of a derivation from a PFD
- Specification of **Objective Criteria** for PUR reliance is an open point in IT3 discussions

Defense of Intervening User Rights (DIU)

- ❖ DIU is a **defence available for Third Parties** (similar in nature to PUR defence) which counterbalances the possibility for the Applicant to file a Statement at any time during patent lifetime (but still with penalties if not filed in due time). In other words, DIU is an **additional incentive for the Applicant to file the Statement timely/protection for Third Parties**
- ❖ Obligation on Third Parties to perform due diligence
- ❖ A Third Party can use the invention under same terms as PUR if started such use in the period starting at 12 months after the earliest effective filing date and ending when the Statement was filed
- ❖ No agreement on DIU terms in case Statement is filed after grant
- ❖ Relatively complex new concept

Points for Discussion – Grace Period

- cover both: intentional and non-intentional disclosures
- based on the priority date/effective filing date or filing date of the affected application
- 6 or 12 months
- When should the Statement be filed
- Additional safeguards
 - Full PUR derivation
 - Is Defence of Intervening User too complex?
 - Should the burden of proof be on the applicant, e.g. in relation to redisclosures
 - Other safeguards?

Points for Discussion – PUR and DIU

- Change of activities
- Territorial scope
- Means of proof/ objective criteria
- Full PFD derived PUR

- DIU too complicated?

Points for Discussion – Conflicting Applications

- Is discrimination between own and third party applications ok?
- PCT applications during international phase: should they be relevant?

