

August 11, 2015

Mr. John Alty
Chief Executive and Comptroller General
Intellectual Property Office, United Kingdom
Chair, Group B+ Sub-Group on Patent Harmonisation

Email: saito-kenji2@jpo.go.jp

RE: AIPLA Supplemental Comments on Substantive Items Raised
in the Group B+ Sub-Group Paper on Patent Law Harmonisation
(B+/SG/2/10, Dated May 27, 2015)

Dear Chairman Alty:

The American Intellectual Property Law Association (AIPLA) is pleased to have the opportunity to provide the attached supplemental comments which respond to the substantive items raised in the Group B+ Sub-Group “Patent Harmonisation: Objectives and Principles Paper.”

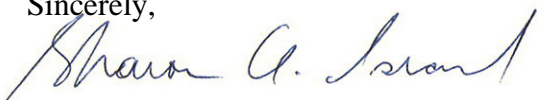
AIPLA is a national bar association of approximately 14,000 members who are primarily lawyers in private and corporate practice, government service, and the academic community. AIPLA’s members represent a wide and diverse spectrum of individuals, companies, and institutions and are involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property rights. Our members represent both owners and users of intellectual property in the United States and throughout the world.

AIPLA believes that the B+ Paper represents a very positive step toward achieving Harmonization and that all of the issues in the B+ Paper should be addressed as a package. AIPLA is making these recommendations in order to try to achieve a possible consensus as part of an overall Harmonization package, and suggests that the B+ Sub-Group also consider addressing those areas of the Industry Trilateral Paper where industry has reached a consensus.

These recommendations reflect AIPLA’s contribution to the ongoing discussions aimed at achieving a compromise package for Industry Trilateral and B+. They are not a “final approval” by AIPLA of either the package, or of any positions on individual issues set forth herein. Any final compromise package, including any positions on individual issues, remains fully subject to further approval by the AIPLA Board of Directors.

AIPLA appreciates the opportunity to provide these comments on the substantive issues and looks forward to continuing the dialogue as we move forward.

Sincerely,



Sharon A. Israel
President
American Intellectual Property Law Association

AIPLA COMMENTS ON THE SUBSTANTIVE ITEMS RAISED IN THE B+ PAPER ON PATENT LAW HARMONIZATION

August 2015

AIPLA appreciates the opportunity to comment on the B+ Paper on Patent Law Harmonization. This submission supplements our earlier letter providing answers to procedural questions in the Chair's Note. It also supplements the Policy and Elements paper of the Industry Trilateral, which indicates areas of consensus among the Industry Trilateral associations, and we reaffirm those here.

Please note that these recommendations on substantive harmonization reflect AIPLA's contribution to the ongoing discussions aimed at achieving a compromise package for Industry Trilateral and B+. They are made in order to achieve a possible consensus and are not in any sense a "final approval" by AIPLA of either the package, or of any positions on individual issues set forth herein. Any final compromise package, including any positions on individual issues, remains fully subject to further approval by the AIPLA Board of Directors.

PREAMBLE

AIPLA generally agrees with all of the objectives of the Global Patent system as recited in the Preamble of the B+ Paper. AIPLA would also suggest that a Global Patent system should be based upon "best practices," while giving appropriate consideration to the differences currently existing in various patent systems.

I. NON-PREJUDICIAL DISCLOSURES/GRACE PERIOD

In a first-to-file system, inventors should be encouraged to file patent applications on their inventions as early as possible. A Grace Period therefore should be considered as a limited "safety net" for the first-to-file principle.

a. Disclosures by Applicant/Inventor

With respect to disclosures by or on behalf of an Applicant/inventor, all such disclosures made during a fixed period of time before the filing date or priority date (where claimed) should be considered as non-prejudicial. Whether it is an accidental disclosure or a deliberate disclosure (which should be discouraged by appropriately balanced disincentives), all such disclosures should be non-prejudicial. The difficulty in determining the intent or purpose of the disclosure before an Office or during litigation militates against any inquiry into subjective factors. Accordingly, any disclosure by or on behalf of the Applicant should fall within the Grace Period "safety net."

The duration of the Grace Period should be 12 months rather than 6 months. To have different Grace Periods for different reasons again raises unnecessary complications before an Office or during litigation. Considerations of cost, differences in evidentiary standards, and even institutional capability to conduct the necessary investigations weigh heavily against subjective standards. Accordingly, a uniform fixed period of time should be specified. Because of international collaboration between companies, the length of time for pharmaceutical trials, and other reasons, a 12-month Grace Period is warranted.

The Grace Period should be measured with respect to the applicable priority date (where claimed). If a Grace Period is measured only with respect to a national filing date, such system would not achieve harmonization and would not be the proper subject of a treaty. Additionally, if it is measured only before a national filing date, it is already covered by the Paris Convention and would seldom be useful to those who rely on foreign filing.

RECOMMENDATION – Any disclosure by or on behalf of an Applicant/inventor during a twelve-month Grace Period before the filing date or priority date (where claimed) of an application is non-prejudicial to the Applicant/inventor.

b. Disclosure By Third Parties

Any disclosure by a third party that is based upon independent activity should always be prejudicial against an application filed later by someone else.

If a third-party disclosure was based upon evident abuse, such as breach of contract or the like, it should be non-prejudicial.

To the extent the third-party disclosure is derived in good faith from an Applicant's Grace Period disclosure, it should be non-prejudicial. Such third-party disclosure is comparable to the same Applicant, after disclosing a first Grace Period disclosure, subsequently disclosing the same invention in a second Grace Period disclosure. With respect to the public, it is the same disclosure published twice. Thus, it should make no difference whether the second disclosure was published by the Applicant or a third party, and it should be non-prejudicial.

To the extent, however that the third party added additional independently developed information, the independently developed portion should be prejudicial.

To the extent a third party made, used or sold, or had serious business preparations for making, using or selling the innocently derived invention, it should not be prejudicial. With respect to the public it makes no difference if the Applicant himself had made, used or sold it in public, or an innocent deriver does so; it is covered by the Grace Period. However, in the interests of fairness, such good faith deriver should obtain prior user rights to permit continued use of such invention.

RECOMMENDATION – Third-party disclosures of an invention, prior to an Applicant's filing or priority date (if claimed) and independently developed, are prejudicial against the Applicant even if the Applicant published his invention prior to the filing or priority date (if claimed).

Third-party disclosures based upon evident abuse are always non-prejudicial.

Third-party disclosures based upon information derived from the inventor without any evident abuse or breach of duty or agreement (i.e., innocently and in good faith) are non-prejudicial.

Third-party activities, prior to the Applicant's filing date or priority date (if claimed) and based on an innocent and good faith use of an Applicant's disclosure, may qualify for prior user rights.

c. Declaration or Submission

To the extent the information is known to an Applicant, the information should be submitted to the Patent Office identifying the disclosure that should be covered by the Grace Period. Such submission should be made by the date of the 18-month publication. Such submission may be provided as a simple identification, merely listing the disclosure in a form.

Failure to file such a submission should not invalidate the application or any resulting patent. An appropriate administrative penalty, other than abandonment or withdrawal of the application, may be imposed if there is such a failure.

RECOMMENDATION – When an Applicant knows of a disclosure prior to the filing or priority date (if claimed), the Applicant should submit the information of any disclosure to be covered by a Grace Period on a simple form (similar to an IDS form) and submit it to the Patent Office by the 18-month publication date. Failure to file such a submission should not invalidate the application or any resulting patent. An appropriate administrative penalty, other than abandonment or withdrawal of the application, may be imposed if there is such a failure.

II. PUBLICATION OF APPLICATIONS

The Industry Trilateral Elements Paper already indicated a consensus by the IT3 to publish all applications at 18 months with no opt-out. The B+ Paper indicated a series of exceptions. As part of a consensus package, we recommend that at least some of the exceptions should be accepted.

RECOMMENDATION – Applications should be published at eighteen months with no opt-out, except for applications withdrawn, finally refused, or deemed to be finally refused prior to publication, and those that are subject to national security, immorality, prejudicial to public order, contain offensive material, or are subject to a court order not to be published.

III. CONFLICTING APPLICATIONS

a. Extent of Use of Conflicting Applications

In order to avoid multiple patents on the same invention, and to avoid “patent thickets,” it is appropriate to use a conflicting application for both novelty and obviousness defeating purposes.

However, it appears a bit counterintuitive to say that on the date of filing of the conflicting application one skilled in the art could have combined this “secret prior art” (which was not public) with other “secret prior art” (which also was not public).

Therefore, a “best practice” approach would be to utilize the conflicting application for novelty defeating purposes as well as for obviousness determinations. However, obviousness should be judged only from that one reference itself, including all cited prior art contained therein. Whatever one skilled in the art would be able to determine as obvious from that reference itself, without combining it with extrinsic references, could be used for a rejection. However, to the extent the conflicting application as published identifies or incorporates other prior art or other information, that should be taken into account for obviousness purposes.

We note that this type rejection for novelty and for lack of inventive step (obviousness) from one reference is already being performed in a PCT Search and Written Opinion as part of an “X” category rejection.

RECOMMENDATION – Conflicting applications can be used against third parties for novelty and obviousness purposes. However, obviousness should be found only using the earlier conflicting application by itself (together with references cited in the published application or patent), as it would be interpreted by one of ordinary skill in the art, but without combining it with other extrinsic references (no “mosaic”).

b. Self-Collision

We appreciate that one way of avoiding multiple patents on the same invention and avoiding “patent thickets” is through self-collision; thereby applying the conflicting application the same way against the same Applicant as against third parties. However, in the United States where there exists Continuation Practice, CIP Practice, the CREATE ACT, Restriction Practice, and no time stamping of same day filing, the entire patent system may be uprooted with self-collision.

Accordingly, anti-self-collision should continue to exist in the U.S., as it is a fundamental principle underlying many aspects of the U.S. patent system. However, in the U.S. anti-self-collision is tempered with restrictions that would alleviate the burden of double enforcement due to multiple patents. We recommend that an option be provided, whereby countries can choose either self-collision or anti-self-collision coupled with measures to avoid double enforcement situations. These restrictions would effectively require that if multiple patents do issue on the same invention, they must all be enforced as if all of the claims were in one patent, e.g., terminal disclaimers, common ownership, or other measures should be provided. The result of anti-self-collision with such effective measures should be the equivalent of self-collision.

RECOMMENDATION – Apply anti-self-collision together with provisions against separate enforcement of the resulting patents, or apply self-collision, at the option of each country.

c. **Treatment of PCT application**

With the increased speed with which patent prosecution is taking place, prior art should be cited as soon as it is publicly available. To wait until a PCT Application enters into the National Phase may place a validity cloud over every patent that issues, as patents continue to issue earlier than (30) months. Accordingly, a PCT conflicting application should be available as a reference as of its publication date (in any language), and be effective as prior art as of its PCT filing date or priority date (when claimed).

RECOMMENDATION – A PCT conflicting application should be available for use as prior art against third parties in all member states as of its publication date and regardless of the language of its publication and be effective as prior art as of its PCT filing date or priority date where claimed.

IV. PRIOR USER RIGHTS

The Industry Trilateral Elements Paper addressed most of the prior user rights issues and IT3 has achieved a large measure of consensus on these issues. With regard to the activity that would qualify for prior user rights, a standard of effective and serious preparation should apply to provide protection for the investments made prior to the filing date or priority date (if claimed).

With respect to the issue of territoriality, prior user rights should be effective only in the countries or regions where a prior use has taken place or where effective and serious preparations have been made for such use.

RECOMMENDATION – Prior user rights should be available without exceptions. It should permit continued use or use envisioned by the preparations. Such preparations should be effective and serious business preparations. The preparations should take place before the filing date or priority date where claimed. Such activity should be based upon independent development or good faith derivation, and should not be based upon abuse or breach of confidence. The right should be effective only in the countries/regions where the prior use has taken place or where effective preparations have begun for such use.