

Question Q233

National Group: The Swedish AIPPI Group

Title: **Grace period for patents**

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The Swedish Group wishes to make the following introductory comments.

Like patent law in other countries, Swedish patent law is based on international agreements, such as the Paris Convention for the Protection of Industrial Property (Paris Convention), the Patent Cooperation Treaty (PCT), the European Patent Convention (EPC), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and the Patent Law Treaty (PLT).

The European Patent Convention ("EPC") and the development within the European Patent Office have been given particular weight by the Swedish Supreme Administrative Court and the Swedish Supreme Court. Sweden became a party to the EPC in 1978 and the Swedish Patents Act is highly harmonized with the PCT and the EPC. Also, practise in Sweden develops in conformity with the EPC as interpreted by the European Patent Office.

A key principle in Swedish law is that any official document is public as soon as it is filed with a governmental body or government authority. There are, however, exceptions. According to the Public Access to Information and Secrecy Act, business secrets submitted in e.g. a matter concerning regulatory approvals shall be kept secret and shall not be made public as a general rule. Judgment on whether the information shall be kept secret or made public lies with the governmental body or government authority and the inventor has basically no possibility to influence the governmental body's decision on whether to keep the material secret or to make it publically available. This may lead to problems for inventors similar to those which are in focus of Q233.

Questions

Questions

The Groups are invited to answer the following questions under their national laws. If both national and regional laws apply to a question, please answer the question separately for each set of laws.

Please number your answers with the same numbers used for the corresponding questions.

I. Analysis of current law and case law

- 1) Does your country or region provide a grace period of any kind for patent applicants? As used in these questions, “grace period” includes any situation where a disclosure prior to a patent filing date that would normally qualify as prior art to the patent application is disqualified as or removed from the prior art.

Swedish Patents Act (SE): Yes, but in a very limited sense.

European Patent Convention (EPC): Yes, but in a very limited sense.

- 2) If the answer to Question (1) is yes, please answer the following sub-questions:
a) What is the duration of the grace period?

SE/EPC: 6 months.

- b) From what date is the grace period calculated? Please indicate the effect, if any, of an international filing date and/or a Paris Convention priority date.

SE/EPC: The grace period is calculated from the filing date of the national SE application/European application. If the SE/European application is a national/regional entry of a PCT application, the grace period is calculated from the international filing date. An earlier Paris Convention priority date does not have any effect on the grace period.

- c) What types of intentional acts, disclosures, or exhibitions by the applicant (including the inventor or co-inventor) qualify for the grace period?

SE /EPC: Display of the invention by the applicant or his predecessor in title at an official, or officially recognized, international exhibition falling within the terms of the Convention on international exhibitions signed at Paris on November 22, 1928.

- d) What types of unintentional acts, disclosures, or exhibitions by the applicant (including the inventor or co-inventor) qualify for the grace period?

SE /EPC: Unintentional acts, disclosures or exhibitions by the applicant do not qualify for the grace period.

- e) What types of acts, disclosures, or exhibitions by a third party who is not the applicant, inventor, or co-inventor qualify for the grace period?

SE /EPC: An evident abuse in relation to the applicant or his predecessor in title.

Comment, SE: Although the grace period has very rarely been the subject of judicial consideration in Sweden, the Swedish Supreme Administrative Court upheld a decision of the Swedish Patent and Registration Office in 1975 in which it was stated that the term “abuse” relates to a relationship which is inappropriate in relation to the applicant, for example, where a third party discloses information on the invention under circumstances which amount to a breach of confidence. The view of the Patent Office and the Court was

that the inadvertent early disclosure of an application by the German patent authorities did not amount to such an “abuse”.

- f) To the extent not already answered in Question 2) e) above, is there any situation where a disclosure by a third party who did not learn of or derive the invention from the inventor(s) can be covered by the grace period?

SE/EPC: No.

- g) Is any type of statement or declaration by the applicant required to invoke the grace period?

SE: No.

EPC: Yes, if the applicant or his predecessor in title has displayed the invention at an official, or officially recognized, international exhibition as defined above in 2 c).

If yes:

What are the requirements for the statement/declaration?

EPC: The applicant shall state, when filing the European patent application, that the invention has been so displayed, and shall file a supporting certificate within the time limit and under the conditions laid down in the Implementing Regulations.

When must the statement/declaration be filed?

EPC: when filing the European patent application.

- h) Is the grace period defined by a statute or regulation? If so, please provide a copy of the relevant portion of the statute or regulation.

Yes.

EPC: Article 55 EPC.

SE: Chapter 1, Section 2, paragraph 5 of the Swedish Patents Act, which is adapted to the EPC, and which reads as follows:

A patent may be granted despite the fact that the invention was made available to the public within six months prior to the filing of the application,

(1) as a result of evident abuse in relation to the applicant or his predecessor in title, or

(2) because the invention was displayed by the applicant or his predecessor in title at an official, or officially recognized, international exhibition falling within the terms of the Convention on International Exhibitions signed at Paris on November 22, 1928 (SÖ 1996:30).

- i) Is there any special situation where only certain types of applicants/inventors are allowed to benefit from graced disclosures? (such applicants/inventors may include SMEs, universities, individuals, etc.)

SE/ EPC: No.

Policy

- 3) If your country or region provides a grace period for patents, please answer the following sub-questions:
- a) What are the policy reasons behind this grace period?

SE: When the new Swedish patent law was prepared and drafted in the 1960's, the novelty requirement was extended to the requirement of 'absolute novelty' we know today. There was an expansion of what kinds of publications and actions that were considered to be a breach of novelty, from only printed publications and certain use in public, to all kinds of disclosures before the filing date.

However, the new patent law held two explicit exceptions from novelty; disclosures resulting from an evident abuse of the applicant, and disclosures at official or officially recognized international exhibitions, in line with the draft Strasbourg Patent Convention.

The committees preparing the draft deemed it reasonable that disclosures without the consent of the inventor would be protected from injurious patent consequences. Such protection was however only applicable if the invention obviously had been disclosed as a result of an abuse vis à vis the applicant or his predecessor in title. Regarding disclosures at certain exhibitions, the new patent law was more limited than the old law, motivated by the practical insignificance of the rule and because it was feared that the rule would put the inventors at risk, leading them to exhibit their inventions with the consequence that the exhibitions could be considered as a novelty bar in other countries.

The committees also discussed whether there should be an exception from the novelty requirement if the inventor had pre-published the invention, for example by a presentation at a scientific forum, before the filing date of a patent application. It was however deemed to be unnecessary, as it in general should be no major problem or cost for the inventor to protect himself by filing a patent application before the pre-publication.

The proposal for a new patent law was referred to interested parties for consideration. These parties were not entirely positive to the proposed absolute novelty requirement. It was held that an absolute novelty requirement was much too narrow considering the extensive information activities traditionally practiced by scientists, regarding their scientific results. It was also stressed that there would be considerable problems with (official) public documents being used against patent applications, since applications to the Research Council and other documents filed with official agencies, as a general rule, become public. An absolute novelty requirement would therefore also require a change in the law of Secrecy, so that documents filed with the Research Council could be withheld from the public. One of the parties referred to asked for a grace period according to the grace period in force in the USA at the time, i.e. a possibility for the inventor to file a patent application within one year after publication, without the publication being considered as a novelty bar.

The Head of the Ministry of Justice, however, thought that there were strong principal reasons to enforce an absolute novelty requirement. The interest of society not to grant patents to inventions that had already been made publicly available prevailed over the reasons motivating a grace period.

EPC: The initial draft of the EPC was in line with the draft Strasbourg Patent Convention and the basic concept regarding pre-filing disclosures was therefore limited to non-prejudicial disclosures. Pursuant to Article 11 of the Paris Convention, countries were under the international obligation to provide a "temporary protection" to inventions which were exhibited at "official or officially recognized international exhibitions". A broader scope was rejected on

the grounds that this would give inventors a false sense of security leading them to lose their rights if they filed in those countries.

- b) Is the grace period, as it currently exists in your country or region, considered useful?

The exception for disclosures at official or officially recognized international exhibitions is extremely limited and has little or no practical use.

The exception regarding disclosures resulting from an evident abuse of the applicant is also limited, but would indeed be useful for the applicant facing such a situation of evident abuse.

- c) Is the grace period considered more useful for a certain class of stakeholders (for example, individuals, universities, small businesses, or large businesses)?

No.

- d) How often is the grace period used? If you are unable to provide a quantitative answer to this question, please indicate one of: often; occasionally; or almost never.

Almost never.

- 4) If your country or region does not provide a grace period for patents, please answer the following sub-questions:
 - a) What are the policy reasons behind not providing a grace period?
 - b) Would a grace period be useful for stakeholders in your country or region?
 - c) Would a grace period be considered more useful for a certain class of stakeholders (for example, individuals, universities, small businesses, or large businesses)?
- 5) What are the positive aspects of the grace period law of your country or region?

SE: The current law in Sweden only provides for two exceptions to absolute novelty, i.e. evident abuse and a disclosure at certain international exhibitions. A positive aspect of this regime is predictability: the law is easy to understand and to practice. Any other type of disclosure to the public forms part of the prior art and will constitute a novelty bar.

For patent applicants, the novelty rule is clear, and has to be observed strictly; You must keep the invention secret up to the filing date. It can easily be understood that communications with persons not bound by a secrecy agreement (implicit or explicit) have to be avoided, and any testing of an invention has to be made in strict secrecy, without the possibility for the public to obtain information about the invention.

For third parties, freedom to operate searches can be carried out with some certainty. If a public disclosure has been made and there is no corresponding pending patent application or granted patent, the invention can probably be used by anybody within Sweden. The only uncertainty for third parties is unpublished patent applications filed *before* the public disclosure.

EPC: The same arguments apply as for Sweden, with some exceptions. When a public disclosure has been made, a freedom to operate search can be made and give useful information for most of the EPC member states. However, since national law in EPC member

states differ slightly, there are still uncertainties to take into consideration. For instance, in Estonia you have to check whether a national patent application has been filed within 12 months from the date of the disclosure.

6) What are the negative aspects of the grace period law of your country or region?

SE and EPC: The current patent legislation, with an absolute novelty requirement, is insufficient and the two exceptions available are much too narrow. With this in mind, the negative aspects of the current legislation may be summarized as follows.

For inventors and their legal successors, a public disclosure of an invention made before filing a patent application will constitute a novelty bar (with the two exceptions detailed above), leaving no possibility to obtain a valid patent in most of Europe.

Furthermore, inventors and applicants with limited knowledge of the patent system run the risk of disclosing inventions, intentionally or inadvertently, before filing a patent application. This is particularly (but not exclusively) a problem for university researchers and SMEs, e.g. for those who depend on filing financial grant applications or other documents with government bodies and authorities in Sweden, since such applications and documents may become public upon filing.

7) As a practical matter, are the procedures and strategies of patent applicants in your jurisdiction affected by the grace period laws of other countries or regions? If so, in what way?

Yes. Patent applicants having their place of business or residing in Sweden have to observe the novelty rules in all EPC member states, meaning that the patent applicant will not enjoy patent protection in most of Europe after having disclosed the invention in public. The only markets available, with retained patent protection, are those of other jurisdictions having a grace period, provided of course that patent applications are being filed within the grace period in the respective foreign jurisdictions. Thus, the applicants may file patent applications shortly after the disclosure (and in any case within the grace period) in such jurisdictions, e.g. in the US, Canada, Brazil, Australia, Japan, Korea, China, Russia and/or Estonia.

II. Proposals for harmonisation

The Groups are invited to put forward proposals for the adoption of harmonized laws in relation to grace periods for patents. More specifically, the Groups are invited to answer the following questions *without* regard to their national laws.

8. In your view, and assuming a proper balance is struck between the rights of the applicant and the rights of the public at large, is a grace period for patents desirable?

Yes, the Swedish Group supports a grace period provided that these conditions are met:

- Harmonization through a truly international agreement with the same basic characteristics everywhere. It must be implemented by a vast majority of countries and regions having a patent system.
- Legal certainty and predictability.
- The grace period should function mainly as a safety net, encouraging the inventor/applicant to file a patent application as early as possible after disclosure.
- The duration of a grace period should not affect the effective term of secrecy of the patent application.

- Pre-filing disclosures made independently by third parties, whether before or after the applicant's first disclosure, should *not* be graced but should form prior art when assessing novelty and inventive step.
- The scope of what is and what is not graced must be clear, i.a. in regard to a subsequently filed patent application claiming subject-matter which is different from what is disclosed.

9. Is harmonization of laws relating to grace periods for patents desirable?

It is not only desirable but absolutely necessary. A fundamental prerequisite for a grace period should be a truly international agreement with the same basic characteristics everywhere. It must be implemented by a vast majority of countries having a patent system, not only the ones that already have some form of effective grace period system. Otherwise, the risk for misleading the inventor/applicant would be too high. Even for informed inventors/applicants, a system which is not harmonized would be of substantially less value.

10. Please provide a standard that you consider to be best in each of the following areas relating to grace periods:

a) The duration of the grace period

The length of the grace period has to be carefully selected to provide a safety net for the applicant while minimizing the added legal uncertainty for third parties. Third parties will have to wait after finding out about a disclosure of new technology, through the grace period and the subsequent secret period (18 months) of a patent application, in order to know if a patent has been applied for and its protective scope. This speaks in favor of a shorter grace period. However, the duration of the grace period needs to be long enough to be useful to the applicant. The Swedish Group would encourage studies and surveys regarding the needs of the industry – if a shorter grace period provides a useful safety net for a larger percentage of the applicants this would be preferable, to shorten the period of legal uncertainty.

b) The date from which the grace period is calculated

The grace period should run up to the priority date of a patent application, i.e. until the filing date of the first patent application covering the (disclosed) subject-matter.

This would provide for a simple and internationally useful patent strategy with only minor legal and strategic changes to the current systems where no effective grace period is available today. A grace period calculated until the filing date of the subsequent (later) patent application, on the other hand, would practically eliminate the priority year for the applicant. Keeping the true possibility of claiming priority while being able to invoke a grace period, would also add to the legal certainty for the patent applicant since the term for filing a patent application claiming priority is fixed to the 12 months priority period, whereas a filing date dependant on a pre-filing disclosure date would often be more uncertain.

c) The types of intentional acts or disclosures by the applicant (including the inventor or co-inventor) that should be covered by the grace period

All types of intentional acts or disclosures.

d) The types of unintentional acts or disclosures by the applicant (including the inventor or co-inventor) that should be covered by the grace period

All types of unintentional acts or disclosures.

- e) The types of acts or disclosures by a third party who learned of or derived the invention from the applicant that should be covered by the grace period

Given that a grace period is applied worldwide, it should cover all kinds of disclosures by or derived from the person having the right to obtain a patent, including disclosures made by others with or without the consent of the inventor(s) or his successor in title, i.e. also cases of evident abuse in relation to the applicant. Pre-filing disclosures made independently by third parties, whether before or after the applicant's first disclosure, should *not* be graced but should form prior art when assessing novelty and inventive step.

Regarding the scope of subject-matter that should be graced, any disclosure which includes (but which may go beyond) subject-matter derived from the inventor, should be graced to the extent it is derived from the inventor. Only the additional subject-matter (not derived from the inventor) should constitute prior art.

- f) The types of acts or disclosures by a third party who did not learn of or derive the invention from the applicant that should be covered by the grace period

No types of acts or disclosures.

- g) The requirement for and content of any statement/declaration by the applicant to invoke the grace period

Yes, the applicant should declare *to the best of his knowledge* what has been disclosed regarding the invention prior to filing, when and how.

Applicants should not need to file a declaration in cases where the invention was made public against the will of the person having the right to obtain a patent.

If a statement/declaration is required, it should be filed within a short period of time from the filing of the application.

If a statement/declaration is required, the effects need to be specified for cases where such a statement/declaration has not been filed on time, but the applicant later wishes to invoke a grace period.

11. The Groups are invited to comment on any additional issue concerning grace periods for patents that they deem relevant.

Prior user rights should be available throughout the grace period, up until the priority date of the application, in order to protect third parties but also to entice the inventor or his legal successor to file a patent application prior to or shortly after disclosing the invention. The issue of prior user rights is critical. Therefore, the Swedish Group suggests that AIPPI studies the topic of prior user rights in relation to grace period.

It will be necessary to educate various groups, in particular inexperienced inventors, academics and SMEs to make them aware of the fact that, if they publish prior to filing, *others may publish similar solutions from which publications you will not be shielded, and others may even file patent applications on similar subject matter and/or start to use the invention so as to acquire prior user rights.* A grace period will not (and should not) provide an inherent right to obtain a patent. Rather, the disclosure may trigger others to develop and refine the invention, and the inventor may be severely restricted because of others' intervening rights. This is certainly a great educational task that has to be taken on by patent practitioners (even corporate patent attorneys), patent authorities, universities, etc.

SUMMARY

International harmonization should be sought to provide a grace period for patent applications on disclosed inventions. The grace period must be carefully balanced between the rights of the applicant and the rights of the public at large and needs to provide legal certainty and predictability, function as a useful safety net for the applicant but not affect the effective term of secrecy of the patent application. The scope of what is and what is not graced must be clear. The grace period should cover all kinds of disclosures by or derived from the person having the right to obtain a patent. The applicant should declare to the best of his knowledge what has been disclosed regarding the invention prior to filing, when and how, unless the invention was made public against the will of the person having the right to obtain a patent. Preferably, the grace period should run up until the priority date, rather than to the actual filing date of a subsequent patent application. The interplay between a grace period and prior user rights should be considered in a further study.