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MEETING: EXCO Meeting in Seville, Spain

MEETING DATE: November 4-7, 2007

DRAWN UP BY: Klaus Roitto, Reporter, Workshop 1

SUBJECT: Report on Workshop 1 - "Alternatives to a Mandatory Declaration in connection with the Grace Period"

PURPOSE: For information

TABLED TO: All attendees



**From: Ivan Ahlert, Chairman Workshop 1
Klaus Roitto, Reporter Workshop 1**
Date: 5 November 2007
**Re: Report from Workshop 1 - "Alternatives to a Mandatory Declaration in
connection with the Grace Period"**

Attendees:

Ivan Ahlert	Brazil	Chair	
Klaus Roitto	Finland	Reporter	
Noel Brett	Australia	Alan Senior	UK
Greg Chambers	Australia	Eva Somfai	Hungary
Gustavo Barbosa	Brazil	Adam Szentpeteri	Hungary
Bill Edgar	Canada	Kazuaki Takami	Japan
Robert Storey	Canada	Arild Tofting	Norway
Werner Roshardt	Switzerland	Lennart Karlström	Sweden
Heinz Bardehle	Germany	Danny Huntington	USA
Anne Schouboe	Denmark	Mike Kirk	USA
David Bannerman	UK	Ray Stewart	USA

Introduction

The chair Ivan Ahlert opened the workshop by referring to the preparatory document EXCO/ES07/WOR/2201 informing on elements to be considered when setting out rules for a harmonised grace period, one element being entitlement and another declaration. The chair informed that the question of mandatory declaration came up in a recent Group B+ meeting because the UK was of the opinion that a mandatory declaration would be the right approach. According to the UK a mandatory declaration would solve the problem of uncertainty for third parties to know whether an applicant for a patent wishes to benefit from a grace period or not and would also reduce the uncertainty whether or not a prior disclosure could be valid prior art against a later patent application. FICPI, however, already has a resolution against a mandatory declaration. The chair informed further that in Brazil (having a grace period system), the patent office has regulated the law by making optional the submission of a declaration as to previous disclosures, and the chair continued by asking Heinz Bardehle, who has practiced with grace period questions under the old German patent law (which allowed grace period), to inform how the German grace period system worked, and asked him to inform about what might have been the reasons that a declaration on demand might have been criticized.

Discussion and conclusion

Heinz Bardehle started the discussion by informing in rather detail how the grace period worked in practice in Germany when it still was in use before the time of the EPC. The grace period is still in use under the German utility model system. Third parties could send a letter to the applicant and ask him to declare whether a certain disclosure was covered by the grace period. The applicant had an obligation to give an honest answer. The applicant was not allowed to mislead the third party, and if he gave no answer, he would lose the possibility to



have his disclosure graced. This German system which did not require a mandatory declaration, but a declaration on demand, worked very well.

It was questioned how to know in different cases whether a declaration by the applicant shall be considered to be sufficient.

It was also recognized that the applicant had a possibility to mislead third parties as regards prior art disclosures and he could hence create uncertainty.

Bardehle was of the opinion that a mandatory declaration would not solve the problem of uncertainty, because it is in practice impossible in all cases to inform what exactly has been disclosed, when something has been disclosed and under which circumstances. This is especially the case for public use. A system with mandatory declaration is not good and would not solve this problem.

It was reminded that it is always the person who wishes to rely on the grace period that has the burden of proof of as to whether a certain disclosure falls under the grace period. It was also questioned what would be the appropriate term for the applicant for providing evidence for entitlement to a grace period. Entitlement can be difficult to establish and it might be a consuming work to find out evidence.

Bardehle appreciated that the burden to prove derivation can be very difficult and that is precisely the reason that the applicant should file his patent application as soon as possible and not to rely very much on a grace period. Another reason to file urgently is not to create legitimate rights to third parties owing to prior own use/disclosure.

Many participants were of the opinion that patent offices are not equipped with the required personnel and skills to handle the question whether a declaration, possibly including testimonies etc., is to be considered as a sufficient proof in order to establish entitlement. It was generally thought that the courts would be the correct forum to decide such a question. It was considered that only in simple cases the patent offices would have the capacity to decide. It was, however, noted that the patent offices could function as a mediator between the applicant and a third party. Also, there should be a possibility to appeal a decision of the patent office.

One participant considered that a declaration on demand could be the best way to declare entitlement to a grace period. The declaration on demand was, however, explained to be problematic in the USA, because it is difficult to state whether one misleads or not the patent office and misleading the patent office is considered inequitable conduct. It was also reminded that in the USA there is a "duty to disclose".

The chair then asked the participants who is in favor of a declaration on demand and who is against. About 50 % were in favor of a declaration on demand, and about 50 % against, and most participants had an opinion.

The participants were informed that the Swedish patent act under certain circumstances allows an applicant to perform prior public tests without these tests being a bar against a later patent application filed by the applicant although no ordinary grace period provisions are included in the act.

It was appreciated that very few applicants wish to utilise grace period provisions, for the reason that there are many countries not having such provisions. In these countries a prior disclosure will be novelty destroying for a later patent application.



There was also a opinion that if grace period is accepted in all countries, the utilization of a grace period could be common, which is not good for third parties. The utilization of a grace period should be something exceptional and used only as a safety net.

The chair concluded that no consensus could be found on “declaration on demand” and also concluded that under this workshop there was not time enough to consider the other elements, for example “reduction of the secrecy period” mentioned in the preparatory paper EXCO/ES07/WOR2201.

As a result of the discussions and appreciating the complexity of the issue the chair suggested before the end of the workshop an outline for a resolution giving much freedom, said resolution being based on the submissions as follows:

- 1) every country should have a 12 months grace period,
- 2) there should be no mandatory declaration, and
- 3) every country shall be free to adopt procedures to determine whether the inventor/applicant is indeed entitled to the grace period with respect to certain disclosures.

No objections against such a resolution were made by the participants.

The chair thanked the participants for their excellent contributions and closed the meeting.

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