FÉDÉRATION INTERNATIONALE DES CONSEILS EN PROPRIÉTÉ INDUSTRIELLE

SUBJECT:	Pre-Grant Publication of All Applications	DATE:	December 10, 2009
		REFERENCE:	EXCO/AR10/CET/1301
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PURPOSE	Discussion	MEETING DATE:	January 10-14, 2010

BACKGROUND

FICPI has, in the past, repeatedly and consistently supported the introduction of a harmonized world-wide 12-month novelty grace period before the priority date of a patent application, whereby a disclosure of an invention derived directly or indirectly from the inventor during that period shall not be considered as included in the state of the art.[1]

FICPI has also in the past supported the introduction of a "first-to-file" system in the United States as part of efforts at international harmonization of substantive patent laws.[2]

Despite this support, efforts at harmonization by WIPO have effectively stalled.[3] Further attempts by a group of developed countries (the so-called Group B+ countries) to advance the harmonization discussions by promoting a limited package of issues also appear to have stalled.[4] This may be due, at least in part, to attempts by certain constituencies to link the issues of (1) a first to file regime and (2) a harmonized grace period with (3) pre-grant publication of all applications at 18 months from the first priority date. These attempts appear to reflect concerns that a grace period will create legal uncertainty when a first party publishes information about an invention, and other parties are unable to determine quickly whether a patent application has been, or will be, filed.[5]

The United States currently, and under the proposed Patent Law Reform Legislation of 2009, exempts from pre-grant publication those applications where the applicant has requested non-publication and certifies that the invention disclosed in the application has not and will not be the subject of a non-U.S. national or international application that will result in publication in 18 months from filing.[6]

The linkage of the issue of publication of all applications at 18 months in the United States with the issue of a grace period in the Group B+ countries, and the issue of the adoption of a "first-to-file" system in the United States as described above may currently be functioning to prevent the advancement of potentially valuable harmonization discussions.

REMOVING THE LIMITED EXEMPTION ON PUBLICATION IN THE U.S.

The ability of an applicant for a U.S. Patent to avoid pre-issuance publication is already a fairly limited one. The U.S. PTO imposes both substantive and procedural requirements to limit the situations in which it is appropriate for an applicant to request the nonpublication of a patent application.

Substantively, the U.S. PTO interprets 35 U.S.C. § 122 to require that the patent application make an actual inquiry into the question of whether the invention disclosed in the application has been, or

[1] FICPI Resolution Exco/AU08/RES/2 (April, 2008); FICPI Resolution 1 (June, 2007); FICPI Resolution 3 (May, 2005); FICPI Resolution No. 1 (October, 2002); FICPI Resolution G (June, 2000).
[2] FICPI Resolution 3 (May, 2005).
[3] "Patent Harmonization: What Happened?," WIPO Magazine, June, 2006 (http://www.wipo.int/wipo_magazine/en/2006/03/article_0007.html)
[4] FICPI Exco/ES07/CET/1302 (November, 2007)
[5] See Stoll, Robert L., "Rethinking the Grace Period: A USPTO Perspective," CASRIP Publication Series: Rethinking International Intellectual Property, No. 6, pp. 252-256 (2000).
[6] 35 U.S.C. § 122; S. 515, H.R. 1260, each entitled "Patent Reform Act of 2009" (2009). Neither of these version of the legislation modify existing § 122.

will be, the subject of an application filed in another country or under a multilateral international agreement, and to certify that the filing of such an application has not occurred, and will not occur, in the request for nonpublication, which must be filed at the time of filing of the U.S. patent application.[7]

Procedurally, the statute and rules limit the time in which the request for nonpublication can be made, and require that the nonpublication request be rescinded within a relatively short time frame should the patent applicant later decide to file one or more applications outside the United States.

The exception to 18 month publication in the United States is thus a fairly narrow one. As a result, it would appear that not much would be given up by eliminating it. This appears to be borne out by empirical evidence, which shows that a small (and decreasing) number of applications are not published at 18 months.[8] It is not clear whether this decrease is due to the increased clarity with which the U.S. PTO has explained the limited circumstances in which nonpublication may properly be requested, or is due to an increasing awareness on the part of small entities and individual inventors of the benefits of early publication, or a combination of these factors, or other factors.

In addition, the exemption seems unique to the United States. The ability of other countries to implement patent protection regimes that do not exempt applications for publication suggests that eliminating the exemption can be made to work in the U.S. as well.

Additionally, United States Patent Application Publications form an increasingly important source of available prior art during U.S. patent prosecution. Evidence suggests that around 70% of issued U.S. Patents list at least one published U.S. patent application among the "references cited."[9] This universe of available prior art to which the patent examiner has ready access is effectively reduced when patent applications are not published. For example, the availability of a copending patent application under 35 U.S.C. § 102(e) may go unnoticed because an examiner is less likely to be aware of a pending patent application that has not been published and entered into the PTO's searchable databases.

This, in turn, can result in a less reliable examination process, because when the nonpublished application later issues as a U.S. Patent, it will be available as prior art as of its earliest effective filing date under 35 U.S.C. § 102(e). In the meantime, the U.S. PTO may have issued claims that should have been rejected over the unpublished application, or may have to reopen, and further delay, patent prosecution to address issues raised by the newly discovered prior art. While the frequency with which this occurs is likely to be low (due to the fact that most U.S. patent applications are published), the impact on a particular patentee when this occurs may be very high. This impact is likely to be significantly reduced by publication of all U.S. patent applications.

Eliminating the publication exemption in the U.S. would therefore provide the benefit of increased transparency with respect to the available prior art, and would provide the benefit of increased ability of economic actors to determine whether a proposed activity will be likely to be impacted by an issued patent in the future. Moreover, these increased benefits would come at a relatively low cost, because relatively few patent applications can properly make use of the limited pre-grant publication exemption, and relatively few patent applicants actually do so. Based upon this analysis, FICPI should be in favor of eliminating the exemption in the U.S.

FAILURE TO ELIMINATE THE EXEMPTION SHOULD NOT STOP

[7] See 35 U.S.C. § 122(b)(2)(B)(i); 37 C.F.R. § 1.213; MPEP § 1122.

[8] See Crouch, Dennis, "Evidence Based Prosecution III: Publishing Patent Applications," Patently-O, October 1, 2006.

[9] See Crouch, Dennis, "The Increasing Role of Published Applications in Patent Examination," Patently-O, October 14, 2009.

HARMONIZATION ON THE ISSUES OF FIRST-TO-FILE AND A GRACE PERIOD

However, the publication of all applications at 18 months does not appear to be a logical prerequisite to implementation of a first-to-file system, or to the implementation of a grace period. A first-to-file system will provide increased legal certainty and eliminate a costly procedural determination of the first inventor, and these advantages are not negated by the existence of a relatively small number of U.S. applications that are not published at 18 months. Moreover, there is no indication that this small number of unpublished U.S. applications would prevent a first-to-file system from operating effectively in the U.S. To the contrary, the current proposals for patent reform in the U.S. include both a first-to-file system and maintenance of the limited exemption on pre-grant publication, suggesting that at least the U.S. Congress believes that such an arrangement is workable.

Similarly, the benefits provided by a grace period, such as eliminating a trap for unwary applicants who mistakenly publish their invention within a short time prior to filing a patent application are not negated by the existence of a limited exemption on pre-grant publication in the United States. Moreover, there does not seem to be any reason why a patent protection regime cannot function effectively with both a grace period and a limited exemption on pre-grant publication, since the United States has had such a system for a number of years.

As indicated above, the limited exemption on pre-grant publication in the United States is not a particularly significant one because (1) the exemption is unique to the United States, (2) does not appear to be widely used in the United States, and appears to be decreasing in use in the United States over time. Moreover, the benefits to non-U.S. applicants resulting from the adoption by the United States of a first-to-file system, and the benefits to U.S. applicants of the adoption of a grace period in the B+ countries, appear to dwarf any negative effects presented by the limited exemption to pre-grant publication in the United States.

Thus, there does not seem to be an overriding reason for treating the removal of the limited exemption for pre-grant publication in the United States as a necessary prerequisite for harmonization between the United States and Group B+ on the issues of adopting a first-to-file system in the United States and the adoption of a grace period in the Group B+ countries. Based upon this analysis, FICPI should be in favor of proceeding with harmonization on the issues of first-to-file and a grace period, irrespective of whether the United States eliminates the limited exemption to 18 month publication.

CONCLUSION

FICPI should be in favor of the elimination of the limited exemption to 18 month publication in the United States. However, the existence of the limited exemption should not affect the progress of harmonization between the United States and the Group B+ countries on the issues of first-to-file and a grace period, which should be considered on their own merits.

PROPOSED DRAFT RESOLUTION

FICPI, the International Federation of Intellectual Property Attorneys, broadly representative of the free profession throughout the world, assembled at its Executive Committee meeting held in Buenos Aires from January 10 to 14, 2010, passed the following Resolution

Having considered the limited exemption in the United States on pre-grant publication at 18 months;

Reiterating its position in favour of a harmonized world-wide 12-month novelty grace period before the priority date of a patent application, whereby a disclosure of an invention derived directly or indirectly from the inventor during that period shall not be considered as included in the state of the art, as expressed in FICPI Resolution Exco/AU08/RES/2 (April, 2008);

Reiterating its position in favour of the introduction of a "first-to-file" system in the United States as part of efforts at international harmonization of substantive patent laws, as expressed in FICPI Resolution 3 (May, 2005);

Resolves that the United States be urged to remove the limited exemption on pre-grant publication, and publish all applications for patent in the United States at 18 months from the first priority date; and

Urges that discussion on harmonization between the United States and the Group B+ countries proceed on the issues of the harmonized world-wide 12-month novelty grace period and the introduction of a "first-to-file" system in the United States, without regard to whether the United States removes the limited exemption on pre-grant publication.