

UK Consultation on Patents Grace Periods

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Subject of the consultation

What is this about, and why does it matter?

Patents help businesses protect their R&D investments by giving them the right, for a limited time, to stop others from using their technology without permission. Because patents are such powerful legal tools, the criteria for granting them are very strict. One key criterion is that an invention be ‘novel’ - not known anywhere in world - when the patent application is filed. People sometimes bar their inventions from patent protection by disclosing them too soon.

This paper looks at whether a ‘grace period’ would help, and seeks your views. If you are not using the patent system now, we would like to know whether the options reviewed here could make patent rights more accessible to you, and your competitors.

How can someone disclose an invention ‘too soon’?

Because an invention must be novel to qualify for patent protection it must be kept secret before making the application. If the inventor were to show the invention to anyone else, for instance to contractors, investors, suppliers, customers *etc*, a later patent will be invalid unless the earlier disclosure was covered by a confidentiality agreement. This requirement applies for patents in the UK and Europe; notable exceptions include Japan and the US.

So what is the US ‘grace period’ system like?

Under US patent law an invention can be made public (eg: sold), and this will not prevent a valid patent application from being made at any time in the first twelve months after the earliest public disclosure. This allows research to be published or products to be developed and tested without a veil of secrecy, so that market success can be judged before going to the expense of filing for patent protection.

So how do the UK and Europe currently manage without ‘grace periods’?

Innovators in the UK and Europe are usually well aware that telling people about their invention or demonstrating it without a confidentiality agreement will prevent them from obtaining patent rights. This means that they get into the good practice of using confidentiality agreements when dealing with others and it encourages them to lodge patent applications as soon as possible. By filing a written description and some drawings (this presently costs nothing in the UK) they get a one year ‘priority period’ in which to decide

whether to take the application further here or abroad. For example, academics can lodge provisional patent applications based upon their scientific papers and then safely publish their research in journals, leaving any decision about whether to invest properly in patent protection until later in the year.

What is the difference between a grace period and a priority period?

The priority period covers the twelve months *following* the first filing of a patent application, whereas a grace period is concerned with the months *leading up to* filing. So, the priority date system allows an inventor to disclose his invention, and still file for patent protection abroad, provided he has at least one application filed (creating a priority date) before any disclosures are made. Conversely a grace period system allows disclosures, of one kind at least, to be made by the inventor before any patent has been filed anywhere at all.

So does a grace period have all the advantages of an early patent filing without the bureaucracy?

Not quite. There are several significant differences. The priority period comes from a long-standing international agreement recognised by almost all countries. This allows you to make a patent application in the UK and then decide up to twelve months later whether to make applications elsewhere (or a further application in the UK) without risking losing patent rights because of other people's actions. In particular your later application can't be made invalid by someone else independently inventing the same thing and disclosing it after you made your first application. Furthermore if other people start to use your invention after you have made your first application, they can't gain immunity to the effect of your later patent applications. Neither of these is necessarily true in grace period systems, particularly if you want protection in countries which do not have a similar grace period system themselves.

Does either system make it really safe to disclose an invention?

You take risks in any system unless you are confident that you have made a patent application which fully describes the final form of your invention before you disclose it. If you rely on the priority period from an early patent application and then disclose a further development you might lose the right to patent that further development. You can file several patent applications as the invention develops, but the final version must usually be filed within 12 months of the very first. On the other hand, if you disclose an early prototype and rely on a grace period then you risk losing all rights unless you are ready to file a final application within that grace period.

Would having both priority periods and grace periods cause any difficulties?

Any grace period would be in addition to priority periods, not instead. This means people would be less certain whether they were free to use new technology. A patent application for a new product or process must be published within 18 months of the priority date. So if the invention has been publicly known for 18 months, and no associated patent application is published, then it is safe to assume no patent protection will ever relate to that product or process. However, with the introduction of a grace period which permits disclosures before the priority date (for example up to 12 months earlier) the uncertainty as to whether the inventor will stake a claim to rights in the invention is extended. This is why some authorities who are prepared to consider allowing grace periods have said that any use of a grace period

by an applicant must be subtracted from their priority period, so that their patent application is published 18 months from their first public disclosure.

I've heard that grace periods are associated with 'the first-to-file issue'. What's that?

This is actually a separate matter, but commonly talked of at the same time. In the US, if two or more inventors develop the same invention independently, it is the *first to invent* it who is entitled to a patent. Elsewhere in the world, it is the *first to file* a patent application who is entitled to the patent protection. In the US this is seen as fair to the first inventor, but elsewhere is regarded a source of great confusion and expense because of the time and cost involved in litigation when people try to prove that they made an invention first.

What are other grace periods like?

Grace periods take several different guises, and have been used in the UK and other countries at various times in the past. Grace periods can be shorter (or longer) than twelve months, and could allow any disclosure by the applicant, or only limited disclosures of a particular type (eg: publication in an academic journal, or on the internet, but not marketing). A range of models is presented at section 2.

The main arguments

[Click here](#) for a summary of some of the main arguments used for and against the introduction of a grace period.

How to respond

Tell us what you think

We want to know what you think about this so that Government policy is evidence-based and relevant to business, inventors, and consumers - in other words to you. So, whether you are an inventor, a business making or using innovative products or methods, a consumer, or are otherwise interested, we want to hear from you.

We would like you to consider and answer the questions in our [questionnaire](#). But please feel free just to tell us what you think in a different format if that is easier for you.

Openness

This is a public consultation exercise. As such, your comments will also be made public unless you make clear in responding that you want them to remain confidential. We shall be preparing a summary of responses which will be publicly available and will be sent to people who have replied.

When should you reply?

Responses are welcome up to 30 April 2002.

How to join in the debate.

By filling in the form on our website, or by e-mail, fax or letter to:

Mike Richardson
Intellectual Property Policy Directorate
The Patent Office
Concept House
Cardiff Road
Newport
NP10 8QQ

Fax: +44 (0)1633 814922
E-mail: policy@patent.gov.uk

Comments about this consultation process

This consultation is being conducted according to the Cabinet Office Code of Practice on Written Consultation. If you have any comments or complaints about how it is being handled, please tell the Patent Office's Consultation Co-ordinator, who is:

Valerie Waters
Consultation Co-ordinator
The Patent Office
Concept House
Cardiff Road
Newport
NP10 8QQ

Tel: +44 (0)1633 813784
Fax: +44 (0)1633 814509
E-mail: valerie.waters@patent.gov.uk

Different models for grace periods

In various countries, past and present, there have been grace period systems for patents of one type or another. They differ in duration, and in the form of disclosures they permit. Five example models are presented below, in order of diminishing freedom, but this is not an exhaustive list.

Model A (as per the US)

Any disclosure (eg: sale or publication), *whether or not by the applicant*, will not invalidate a patent application, if it occurred in the 12 months immediately prior to patent filing. (Note: However, the patent rights will pass to the first to invent if he/she is not the applicant)

Model B

Any disclosure by the applicant, *but not those made independently by others*, in the 12 months immediately prior to patent filing will not invalidate a patent application. The ‘applicant’ would usually be the inventor, or their employer if he/she is entitled to the patent rights.

Model C

Like Model B above, except that the period is only six months. Many Asian and Pacific regimes operate a six month grace period. Furthermore, the applicant would not be allowed to enforce any later granted patent against anyone who had first started to work their invention during the grace period as a result of seeing their disclosure.

Model D

A limited range of disclosures by the applicant in the six months immediately prior to patent filing will not invalidate a patent application. Permitted disclosures would include academic publications or conferences, or field trials, but would exclude general sale or marketing. The date of publication for the invention will be calculated from the earliest disclosure date, not the first filing date, so that the period of uncertainty as to whether patent rights will subsist in the invention is not protracted.

Model E (present situation in Europe)

All disclosures of the invention, whether or not by the applicant, which are sufficient in their detail to enable another to work the invention, will invalidate the patent application if they take place before the priority date without a confidentiality agreement in place. There are only two exceptions (i) that the disclosure took place at a certified international exhibition (criteria very strict, most exhibitions don’t count to invoke this exception) or (ii) the disclosure took place by unlawful breach of a confidentiality or secrecy obligation. In either case the patent application must be filed within six months of disclosures of these two types.

Arguments For and Against Grace Periods

Arguments for grace periods

1. Inventors would not lose their rights through accidental disclosure. Indeed, many do not realise they have an invention worth protecting until they see others’ interest in it.
2. Academics would have the freedom to share research results at seminars or conferences, through journals or on the internet without having to waive any prospect of patent rights.
3. Inventors could engage in field trials, prototyping and negotiating with potential distributors or customers without the need for every relationship to be covered by cumbersome confidentiality agreements. Presently the only alternative is to secure an early patent filing date before disclosing to third parties, but often it is better to do more development work on the invention before lodging a patent application.
4. A patent in the US must disclose the ‘best mode’ for carrying out the invention. The duration of the grace period can give an inventor the time needed to work out the optimum conditions for inclusion in the patent application which otherwise might not be valid.

5. US inventors already enjoy the benefit of a 12 month grace period in the US market. Introduction of a similar system in Europe would give inventors here equivalent benefits.
6. All of the above benefits would increase access to and use of the patent system, with consequential improvements for the trend of innovation.

Arguments against grace periods

1. The present system is clear and simple. Introduction of grace periods may mislead inventors into thinking that they are safe to disclose their inventions in all circumstances, or confuse inventors as to when their grace period 'clock' started ticking.
2. Inventors wishing to file patents abroad will be caught out in those countries which do not recognise grace periods. In other words, a disclosure allowed under a European grace period might still invalidate a patent outside Europe.
3. The 18 month interval between filing and publication of a patent application already makes life uncertain for innovators as they wait to see which of their competitors' products are going to be covered by patents. By adding a grace period to the publication period the length of the interval of doubt is increased.
4. A grace period should not be introduced which benefits US inventors unless it is part of a package of measures to get the US to adopt the 'first to file' patent system as used by the rest of the world.
5. A grace period system will encourage people to delay filing patents and securing priority dates, thereby increasing the risk that intervening disclosures by third parties (eg: a competitor) will invalidate or reduce the scope of patent applications.
6. The number of inventions 'lost' through premature disclosure is very low, and the introduction of a grace period is therefore aimed at solving a problem which does not really exist. The supposed benefits do not outweigh the risks and the confusion.

This formal consultation is now closed and consequently this form no longer functions. You may still send comments to mike.richardson@patent.gov.uk but we cannot guarantee to take these into account when drawing up the conclusions.

Grace Period Questionnaire

We will welcome all observations on grace periods. Even if you are opposed to the introduction of a grace period system in the UK and Europe, your views on what form a grace period should take (if, for example, it cannot be avoided) will still be valued.

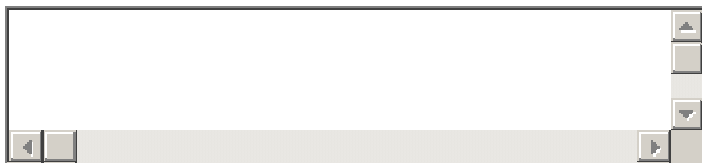
A1. Are you in favour of the introduction of a grace period?

Yes

No

Don't know

Considering the arguments for and against presented earlier, which do you believe are the most decisive or significant?

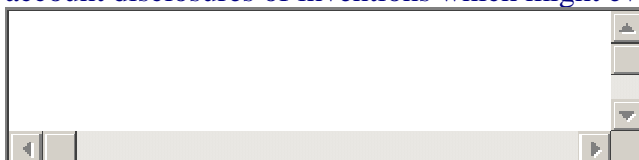


A2. Would a grace period necessarily have any adverse effects on third parties?

A "third party" could be, for example, a company working independently in the same technical area as the inventor.

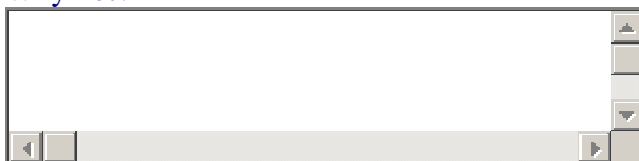
Yes

If so, what might they be? What costs might third parties endure in having to take into account disclosures of inventions which might eventually be protected by patents?



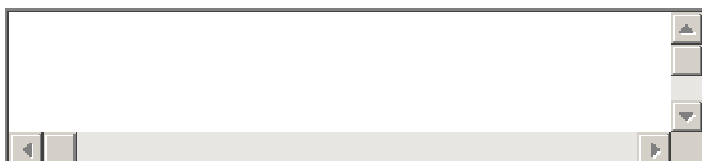
No

Why not?



A3. The effect of the Internet

Do you consider that the increasing use of the Internet significantly affects the arguments for or against the grace period – *if so, why? – if not, why not?*



A4. Are there any other general considerations which you think should be taken into account when devising a grace period system for use in the UK?

If so, what are they? Why are they important?



A5. Did you make your views known to the Commission at the time of its Hearing in 1998?

Yes

If so, has your position changed since then?

No

A6. Would the introduction of a grace period change the strategy of you or your company/institution/employer to filing or not filing patent applications?

- No, I/we do not produce patentable inventions
- No, other factors prevent me/us from filing patent applications, irrespective of any grace period
- No, I/we already file patent applications, and a grace period will not affect my/our filing strategy
- Yes, I/we do not currently file patent applications, but a grace period would encourage me/us to consider filing patent applications
- Yes, I/we currently file patent applications, but a grace period would encourage me/us to file more patent applications
- Yes, I/we currently file patent applications, but a grace period would encourage me/us to file fewer patent applications

A7. Please tell us about yourself. Tick one which best applies

- Academic (student, researcher or teacher)
- Small business or SME (including commercial researchers)
- Large corporation (including commercial researchers and in-house patent professionals)
- Patent Agent or other legal professional (in private practice)
- Independent inventor
- Other - *Please specify*

B. Developing a model for a grace period

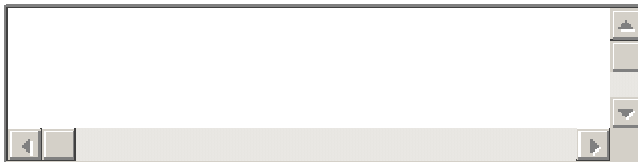
This section aims to determine the essential features of any future internationally agreed grace period. Even if you answered 'No' to question A1 your answers here are still important to us.

B1. Of the five models presented earlier as examples for possible grace period systems, which one most closely represents your preferred option?

- Model A
- Model B
- Model C
- Model D
- Model E

B2. What should be the objective of a grace period?

- To act only as a safety net for accidental or inadvertent disclosure?
- To provide only for special cases such as testing and evaluation before filing a patent application, presentation of scientific papers, or display at exhibitions?
- To accommodate the regular needs of researchers for early publication in paper or electronic (Internet) form?
- Other - if so, what?



B3. Whose disclosures during any grace period should be excluded from invalidating a patent application for lack of novelty?

- Those by anyone
- Those by the first applicant for a patent application
- Those by the "first" inventor (who might not necessarily be the first to file a patent application)

B4. Which disclosures during any grace period should be excluded from invalidating a patent for lack of novelty?

- Any disclosure anywhere
- Disclosures through marketing, trade fairs, trade conferences, exhibitions, customer trials and the like

- Disclosures at academic conferences (eg: for peer review of the invention rather than to sell it)
- Disclosures through research, field trials and the like
- Disclosures in trade press, academic journals, and on the internet
- Disclosures in academic journals but not others
- Only accidental disclosures (eg: breaches of confidence)
- Other disclosure criteria

B5. How long should any grace period be?

- 3 months to recover quickly from accidental or necessary untimely disclosures - *would this be long enough to meet the disclosure needs of researchers?*
- 6 months in line with provision for international exhibitions, and as commonly used in Japan?
- 12 months giving good opportunity to find backers, test prototypes and test the market before going to the expense of drafting an application - *would a shorter period suffice?*
- a different duration - *if so, what and why?*

B6. What should be the effect of third party action within any grace period?

If the first inventor wishes to rely on the grace period in securing a patent application, should a disclosure of the same invention, developed independently and co-incidentally by another ("third party") prevent any patent application by the first inventor despite the grace period?

- Yes
- No

If the third party has been using or preparing to use their invention, and then finds that the first inventor has filed a patent application, should they be restrained from using their technology if the first inventor's patent is later granted?

- Yes
- No

B7. From which date should any grace period be measured?

- The date on which a patent application is filed?
- The priority date for the patent application (ie: if the first patent application was filed abroad, its effective filing date in the UK is treated as being the same as the earliest foreign filing date)

B8. Should applicants have to declare that they have disclosed their invention prior to filing if they want to rely on the privileges of a grace period, and if so when?

- No
- Yes, at initial filing
- Yes, at any time before publication
- Yes, at any time (eg: only relying on the grace period if challenged post-grant) - *if so, how would this avoid increasing legal uncertainty?*

B9. When should a patent application be published?

- after the usual 18 months "period of uncertainty" between filing and publishing a patent application? - *if so, do you believe that the lengthening of this "period of uncertainty" by the duration of the grace period adversely affects third parties?*
- at 18 months after the disclosure which initiates the grace period (*i.e.* the usual 18 month publication interval is shortened by the length of the grace period)?

B10. Are there any other essential conditions which a grace period should satisfy?

If so, what are they? Why are they essential?

B11. Is there an alternative to the grace period?

For example greater use of provisional applications and better awareness of the need for

confidentiality could make grace periods unnecessary. What are the merits of the alternatives, and should they be used instead of, or as well as, a grace period?



This is a public consultation exercise. As such, your comments will also be made public unless you make it clear in responding that you want them to remain confidential. We shall be preparing a summary of responses which will be publically available.

Do you wish your comments to remain confidential: YES NO

Even if you wish your comments to remain confidential, we would still like your name and organisation to be supplied. This will help us to more accurately assess the views of your market sector.

Name:

Organisation:

If you would like to receive a copy of the consultation conclusion in due course, please complete the address form below. Your address will not be published or used for any other purpose.

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