



March 22, 2016

**VIA EMAIL ONLY**

CIPO Consultations  
Canadian Intellectual Property Office  
50 Victoria St.  
Gatineau, QC K1A 0C9  
Canada

**RE: Consultation on principles guiding the harmonization of substantive patent law**

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FICPI Canada is pleased to have the opportunity to provide comments on the subject consultation.

FICPI is an association of IP attorneys in private practice with members in almost 90 countries, on all continents. FICPI CANADA is one of almost 40 national sections and associations of which FICPI is comprised.

While all of the points being considered in the consultation are important, FICPI has devoted a significant amount of time to the matter of a universal grace period. Below, we would like to explain the evolution of our position on this topic to show you that we have been thinking about it for a long time. With this in mind, you may better appreciate our specific comments pertaining to the consultation in the attached document, which is named Appendix A – Consultation.

Many Canadian FICPI members have been active through the years on work involving a universal grace period.

FICPI has discussed and strongly supported a uniform universal grace period in the international patent system since at least 1981. Many resolutions have been passed over the years. Most recently in 2013 the topic was again brought forward for discussion, resulting in a FICPI White Paper, attached to this submission as Appendix B – FICPI White Paper on Grace Period.

**History of grace period study within FICPI**

In 1983 WIPO's International Bureau undertook study of a grace period. FICPI, even at this early stage, recognized the need to bring better balance to the international

IP system by instituting a uniform grace period across all countries and regions. This was recognized as especially important for small and mid-sized business.

Historically, efforts to include a grace period in Article 4 of the Paris Convention failed in 1934 and 1958, as did similar efforts in respect of Article 12 of the PLT. Nonetheless, since its modern effort began in the 1980's, FICPI has remained diligent in its support for and promotion of an international grace period.

When, in 1986, WIPO's Committee of Experts on the Harmonization of Certain Provisions in Patent and Utility Model Laws supported measures aimed at greater international harmonization, FICPI confirmed its support for an internationally uniform grace period.

Harmonization efforts subsequently moved towards a "balanced package" solution and in 1987 FICPI supported the adoption of a first to file system for all and an international grace period. The balanced package initiative did not succeed at that time.

The topic of grace period was addressed again in 1997 when major offices began the drive to standardize search procedures and formalities through the Patent Law Treaty. FICPI took the position that such efforts would be frustrated whilst, for example, international standards on grace period varied.

Although the PLT efforts concluded, this did not signify that the theme lost its relevance. Indeed, in 2000 FICPI resolved to encourage reconsideration of the introduction of an international grace period.

The European Commission organized an Expert Workshop in 2002 and FICPI again stated its support for a grace period, specifically one of 12 months duration and covering any form of disclosure, but suggested a requirement to file a declaration of the disclosure. FICPI resolved that the requirement for filing a declaration was inconsistent with the grace period concepts contained in the Substantive Patent Law Treaty (SPLT), and would be a dangerous trap for the unwary and unsophisticated IP users.

In 2004 while supporting a "reduced package" in respect of SPLT efforts, FICPI again publicly supported a first to file system and a harmonized international grace period. FICPI also urged that, generally, efforts should focus away from centralization and instead in harmonization on areas of practical benefit to users. The SPLT efforts stalled in 2005, and at that time FICPI supported continued efforts towards harmonization of grace periods and attempted to educate developing countries as to the possible loss of their ability to express views and influence the harmonization process if the major Patent Office countries decided to act multilaterally.

In 2007 and 2008 FICPI refined its positions on several aspects of the grace period. Most significantly, a position was reached that while any country should have the right to determine whether a specific disclosure is derived from the inventor there should be no requirement for a general mandatory declaration.

In conjunction with the Tegernsee Group work (2011-2012) and following patent law reforms in the US (2012), Japan (2012) and Korea (2013), FICPI revisited the issue of grace period, updating its past work on the topic. A Special Grace Period Working Group within FICPI's Work and Study Commission was formed and produced the attached FICPI White Paper.

### **Current Position of FICPI**

FICPI continues to favour an international grace period that excludes the Applicant's own intentional or unintentional disclosure from the prior art for the purposes of assessing novelty and inventive step. FICPI also continues to support incentives to encourage an applicant to file as soon as possible after disclosure. As such, FICPI believes the grace period should work as a safety net for inventors and not as a general filing strategy.

### **Rationale for a Uniform Grace Period**

The rationale behind the position taken by FICPI includes recognition of the practicalities of today's research and development. Not only are there pressures on inventors to publish at an early stage but at least in most technical fields, early publication of advancements is good for social and economic welfare. An internationally widespread and uniform grace period allows for early transfer of technology while retaining the inventor's right to file an application. One of the most important justifications in support of an international grace period is that it levels the playing field for uninformed inventors who now risk inadvertent loss of rights through early disclosure. The availability of a grace period also speeds commercial development incentivizing the transformation of ideas into new products. Another advantage of an international grace period is that it affords to all an extended possibility to protect inventions and therefore encourages investment in production capability and marketing -again with social and economic benefit.

As for benefits to the overall system, a harmonized grace period would bring greater legal certainty. Third parties can evaluate validity with greater certainty and this will again enhance investment. Furthermore, in channeling disclosed inventions through the patent system the invention becomes classified and retrievable making subsequent reliance on the invention for technological innovation possible. Also, patent applications filed using the grace period will invoke presentation of prior art, a full disclosure and claims for new features. This will improve and make more accessible the overall knowledge in a field of technology.

A uniform grace period offers inventors tangible and direct benefits including the right to commercially exploit the fruits of the inventor's work. Applicants will also benefit from the ability to properly characterize and expand on the original idea disclosed thereby affording that applicant a reasonable scope of protection. Inventors can, with a grace period, more easily improve the invention by for example working out specific embodiments, constructing prototypes, collecting data to prove utility and perhaps even carrying out validation trials during the grace period.

A grace period may also protect against self-collision in the situation wherein a priority filing is invalid but additional features were disclosed after filing and included in a later application.

Particular benefit may be derived for applicants who must test their inventions openly while development of the invention is being completed. Similarly, the incompatibility of academic pressure to share research results and dangers of early disclosure where a grace period is not available will be alleviated.

Recognizing the increasing ability for geographically disparate researchers to collaborate, a uniform grace period is essential to facilitate communications without undue concern for inadvertent disclosure. This again furthers technological development and innovation.

Finally, and very significantly given the contribution to many economies of this segment of activity, small and mid-sized businesses are the very ones most likely to have limited knowledge of novelty rules and therefore at greatest risk for loss of rights. As such, the creation of an internationally harmonized grace period levels the playing field allowing SME's to have better opportunities to capitalize on their technological innovations.

### **Uniformity**

A grace period brings balance and fairness to the IP system. While many countries have grace period provisions these are not useful to a globally active applicant. Disclosure anywhere will preclude patent rights in Europe since an application there would be rejected for lack of novelty. For this reason FICPI is of the view that there should be uniformity in the availability of a grace period. There should also be uniformity in the duration of that period and in provisions relating to third party disclosures and activities during a grace period and after a pre-filing disclosure.

### **The Widespread Availability of a Grace Period**

Many countries have grace period provisions. Furthermore, some countries in which a grace period is not currently available may have had one in the past. An example is Germany. The experience of FICPI members is that a grace period works as intended to the benefit of inventors and the system. This is the case in US,

Canada, Brazil, Australia, Russia, Estonia, Japan and Korea. Recent adoption of a grace period in Japan has resulted in the precise benefits speculated, namely uptake by universities and SMEs. What renders these grace periods less effective is the lack of uniformity and the exposure to clients outside of their home country owing to a grace period not being available in e.g. Europe and disclosure anywhere preventing protection in this important geographic area.

### **Third Party Uncertainty**

The primary concern in introducing a novelty grace period is that it will make freedom to operate analysis more difficult. This is what appears to have led European Industry to refrain from embracing a grace period. However this position ignores the current situation wherein new technology is not publicly available for 18 months in any case, and there is currently uncertainty surrounding an Applicant's pre-filing activities in countries with no grace period.

### **Mandatory Declarations**

Mandatory declarations are of concern to FICPI members as these are seen as potential traps for the unwary. An exception for accidental disclosure is minimally needed. FICPI is not in favour of a mandatory declaration but if one is deemed essential it should be voluntary. Mechanisms to determine if a specific disclosure is derived from the inventor may be appropriate and will likely be studied in greater depth by FICPI. If the use of mandatory declarations is to be imposed, such declarations should at least have uniformity.

### **Third Party Activities Between Disclosure and Filing**

Information disclosed by third parties but derived from the inventor should be graced. However independently acquired subject matter disclosed prior to the filing date should be considered novelty destroying, should not be graced and should not be included in the patent granted to the applicant who made a pre-filing disclosure. Similarly, any third party who acquires knowledge from a pre-filing disclosure, or acquires that knowledge independently, and starts using the invention or makes substantive preparations for use, should be awarded prior user rights. As such FICPI supports a system wherein prior user rights are preserved regardless of the presence of a grace period, with the sole condition being that the use occurred before the filing date.

### **Burden of Proof**

To provide an adequate balance, FICPI maintains that the initial burden of proof in respect of relying on the grace period should lie with the applicant who benefits from the grace period.

### **Date from Which the Grace Period runs**

FICPI members recognize advantages and disadvantages associated with calculating the grace period from the priority versus the filing date. There is good support for either alternative.

### **Grace Period as a Safety Net**

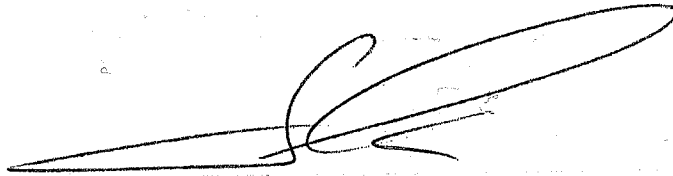
FICPI considers the proper application of a grace period is for it to work as a safety net. That is, the grace period should be a strictly limited exception to absolute novelty provisions. The system should prioritize the incentivization of early filing. This is best accomplished by entrenching the ability of third parties to acquire prior user rights when they have used or made substantial preparations for such use after a pre-filing disclosure but before the Applicant files a patent application.

We hope you find the above background helpful.

We now refer you to the attached Appendix A with our comments specifically relating to the consultation.

If you have any questions, please do not hesitate to contact us.

Yours Truly,

A handwritten signature in black ink, appearing to be 'John W. Knox', written over a horizontal line.

John W. Knox  
FICPI Canada President