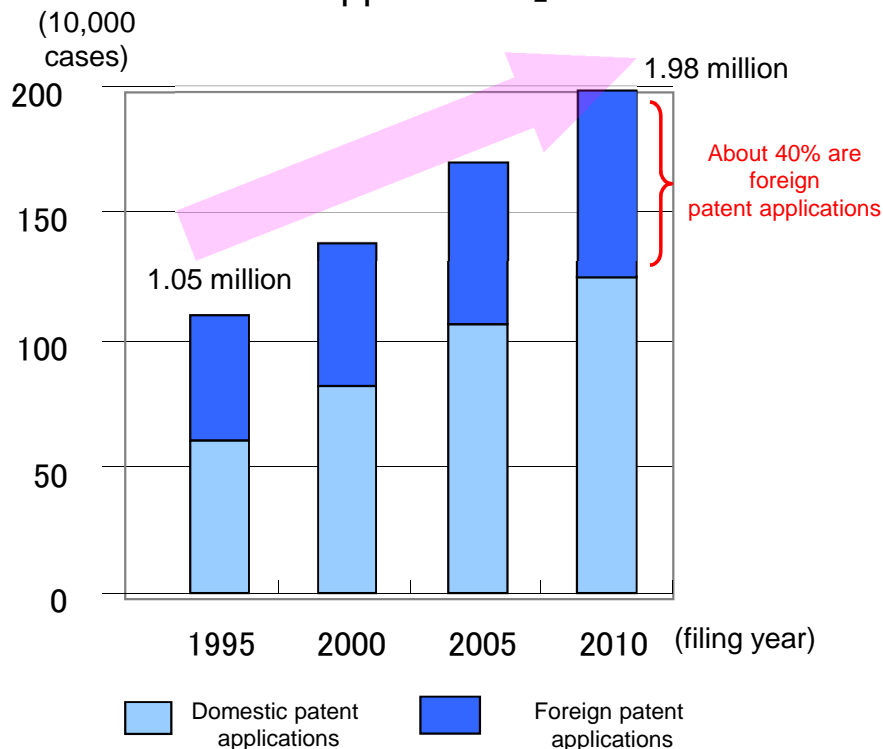


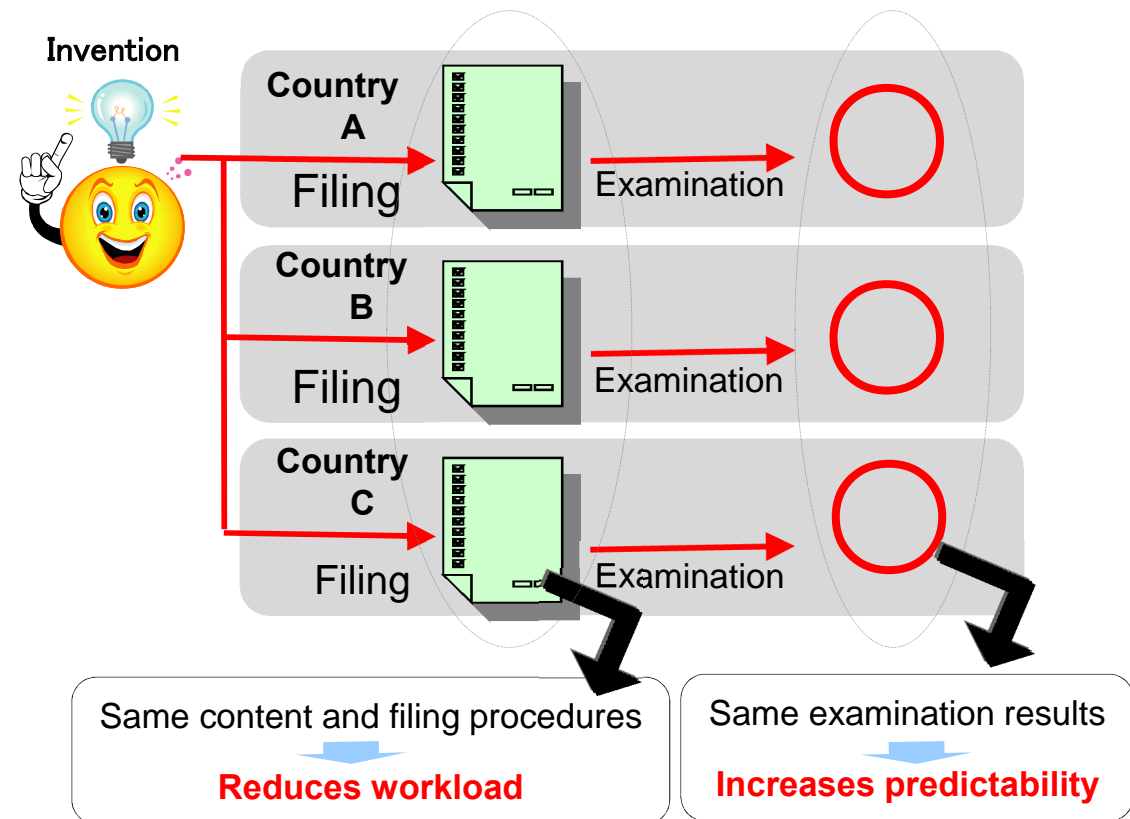
The necessity for a harmonized patent system

- Economic globalization has contributed to increasing the number of companies and universities that are expanding their international business activities and research activities. There is a growing trend in terms of applicants who file patents in multiple countries.
- A global, harmonized patent system will enable applicants to file the same content under the same procedures, anywhere in the world. As a result, this will reduce the applicants' workload and improve the predictability of patentability, since the same examination results can be achieved.

【The current status of international patent applications】



【Advantage of patent harmonization】



The drive for raising the momentum toward global patent harmonization

- On September 16, 2011, the [America Invents Act](#) (AIA) was enacted and moved the United States to a first-to-file system of awarding patents. This was a major focal point in the dialogue on global patent harmonization.
 - The enactment of this Act increased the momentum towards patent harmonization.
- [The Tegernsee Group](#) was formed in July 2011. It consists of members from the patent offices of Japan, the United States, some European countries (the United Kingdom, Germany, France, Denmark), and the European Patent Office (EPO). The discussion on patent harmonization has been advancing ever since.
- The [IP5 Offices](#), namely the Japan Patent Office (JPO), the United States Patent and Trademark Office (USPTO), the European Patent Office (EPO), the Korean Intellectual Property Office (KIPO), the State Intellectual Property Office of the People's Republic of China (SIPO), that account for about 80% of all patent applications filed worldwide, commenced discussions on patent harmonization, too.

(Key issues)

- ✓ First-to-file and first-inventor-to-file☆
- ✓ **(1) Grace period**
- ✓ Definition of prior art☆
- ✓ **(2) Treatment of conflicting applications** ☆
- ✓ The definition of novelty, inventive step
- ✓ Best mode requirement ☆
- ✓ **(3) 18 month publication**
- ✓ **(4) Prior user rights** ☆

Issues with a ☆ have seen progress towards harmonization due to the enactment of AIA.

Grace period: Until when and to what extent can publications in academic journals and the like be allowed, before patent applications are filed? In Europe the scope is narrow.

Treatment of conflicting applications: To what extent does an invention) which has been filed but not yet disclosed, have the power to oppose applications that were filed at a later date? This differs per country.

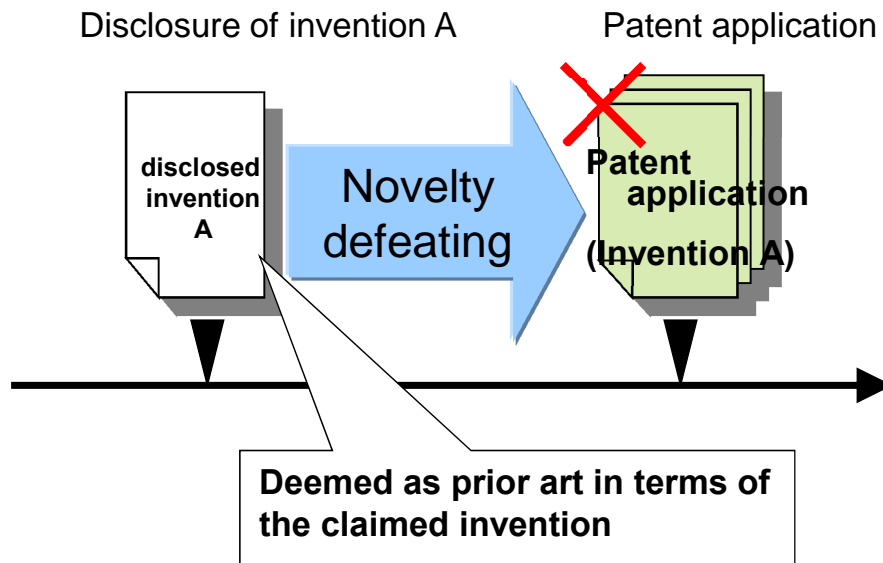
18-month publication: In many countries applications that have been filed are published after 18 months. However, in the U.S. applicants in some cases can forgo this publication process.

Prior user rights: In many countries, prior users can continue using inventions if the inventions have been used since before the patent application filing. However, the U.S. prior user rights are allowed under certain conditions.

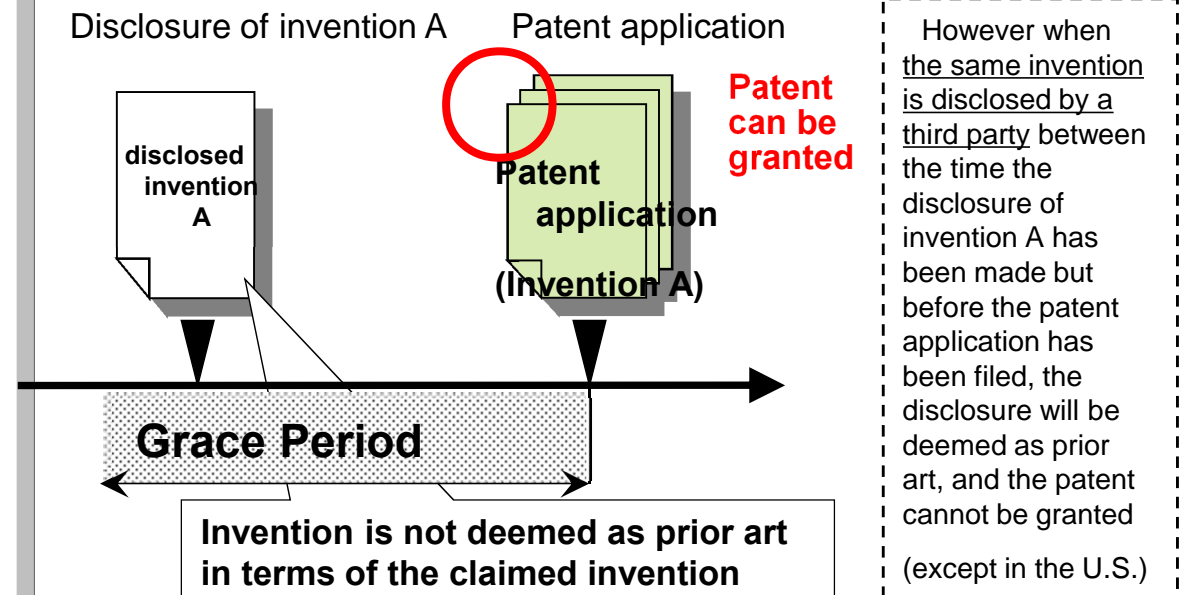
Grace period (1)

- A “grace period” is a specified period of time before an application has been filed, and during which time the invention could be disclosed through various means without its novelty being lost, due to the grace period being in effect.
- Generally, when an invention is published, the disclosed invention becomes prior art and that fact alone would be novelty defeating of the claimed invention in view of the same prior art. As a result, a patent will not be granted. This is the fundamental principle of the first-to-file system. In cases where this principle is deemed too harsh for the inventors, the grace period is applied.
- The grace period allows an applicant to file a patent, even when disclosing one’s own invention, because the disclosure will not be deemed as prior art of the claimed invention.

《The First-to File Principle》



《Grace period (Exceptions to lack of novelty)》



Grace period (2)

【Comparison of the systems in Japan, the U.S. and Europe】

		Europe	Japan	U.S.
Type of disclosure	Disclosure by the patent applicant	Displayed at international exhibitions	No restrictions	No restrictions
	Disclosure by third parties	Disclosure by evident abuse	Unwanted disclosure Secondary disclosure due to the applicant's disclosure	Unwanted disclosure Secondary disclosure due to the applicant's disclosure Independent disclosure of the invention after the disclosure by applicant*
Duration		6 months	6 months	12 months
Computed from		Filing date	Filing date	Filing date or the priority date
Declaration or prescribed procedures		Necessary	Necessary	Unnecessary

*In the U.S., even if an invention was disclosed by a third party, as long as the invention was disclosed (published) prior to that by the applicant, it is possible to obtain a patent. For this reason, the system in the U.S. after the AIA was enacted is sometimes called the "first-to-disclose" system.

18 month publication

- After 18 months from the filing of the patent application, the patent application will be published.
- In Japan and Europe, all applications are published. However in the U.S., under certain conditions, applicants can opt to forgo pre-grant publication (“opting out”).

[System in Japan and Europe]

- 18 months after the filing date (or the priority date), all pending applications will be published, except for those that were cancelled or abandoned.

[System in the U.S.]

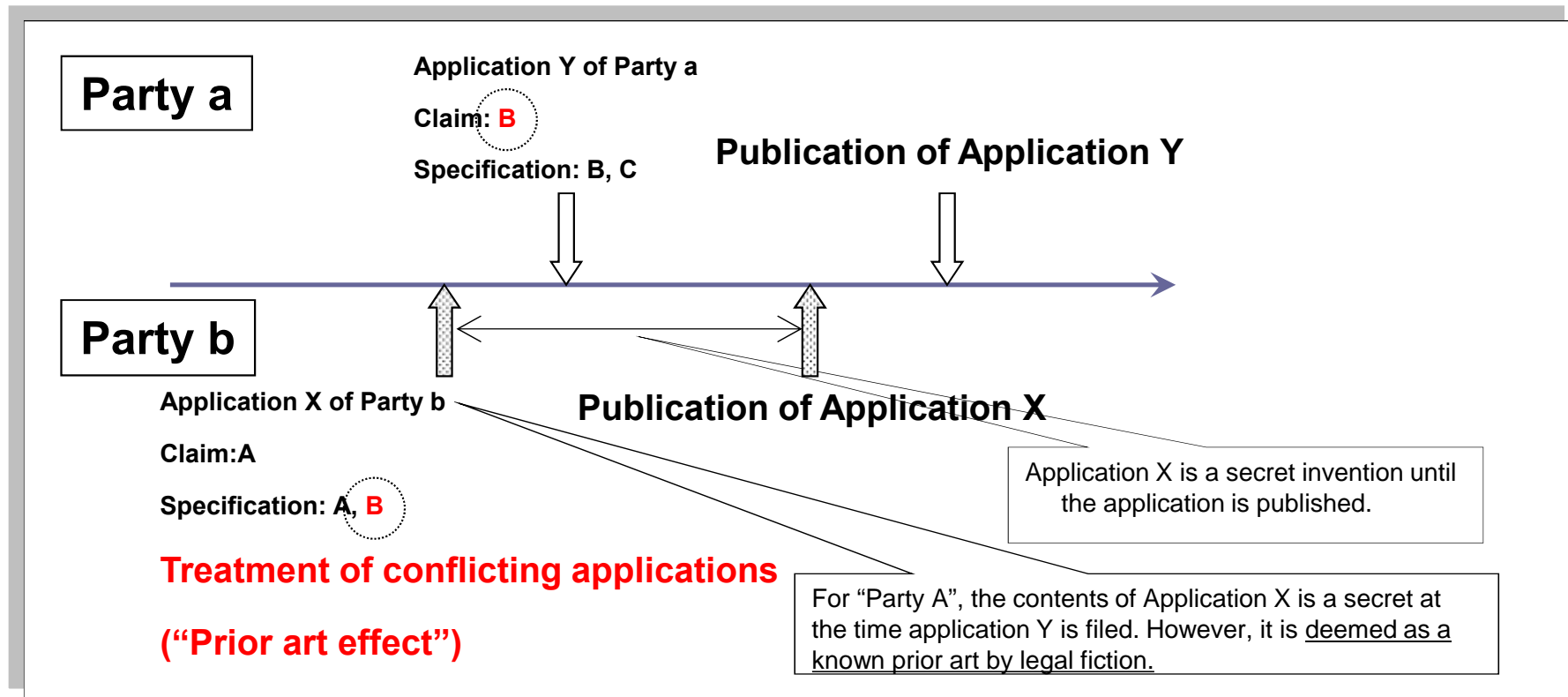
- 18 months after the filing date (or the priority date), in principle all pending applications will be published.
- However, on condition that the application has not been filed in other countries that have made 18-month publication a requirement (and that also they will not file in such countries in the future), the applicant may request that the patent application in the U.S. not to be published. (After the examination, if the patent is granted, then the details of the invention that has been granted will be published.)

[Legal background to the U.S. system]

- ✓ It is possible to sue a third party for damages when the third party copies the published invention. However for financially weak, small business entities, it is not easy to bring such a lawsuit.
- ✓ Small business entities that are not able to carry out research on prior art by themselves, are granted a reprieve, so they can judge whether to protect the invention by a patent or whether to not publish it and effectively protect it as a business secret.
- ✓ Although applicants can forgo pre-grant publication by applying, in reality, 95% of the patent applications in the U.S. are published after 18 months.

Treatment of conflicting applications (1)

- When examining the latter application, the latter application is sometimes refused based on the prior application, which has yet to be published (although in fact it is a secret prior art), being deemed as a known prior art by legal fiction. The prior art is called a “**conflicting application**”. (In Japan this is the “**Prior art effect**” in Article 29bis of the Japan Patent Law.) In the following diagram, Application X is the “conflicting application” for Application Y.
- In the diagram below, the point at which invention B, which is described in the specification of Application X, is considered to a prior art by legal fiction, is the same in Japan, the U.S. and Europe, in principle. However how the “conflicting application”, which is the prior art in terms of the examination of the latter application, is dealt with differs.



Treatment of conflicting applications (2)

【Comparison of the systems in Japan, the U.S. and Europe】

	Europe	Japan	U.S.
<p>The effect as a “prior art” (Regarding the examination of a latter application, to what extent should the invention described in the “conflicting application” be examined as a “prior art”)</p>	<p>Examination within the scope of novelty</p>	<p>Examination including the scope of “identical”*</p>	<p>Examination within not only the scope of novelty but also the inventive step</p>
<p>Self Collision/ Anti Self Collision (the examination of the latter application when the “conflicting application” and the latter application are by the same applicant (or the inventor))</p>	<p>Self Collision <u>Refuse the latter application.</u></p>	<p>Anti Self Collision <u>Do not refuse the latter application.</u></p>	<p>Anti Self Collision <u>Do not refuse the latter application.</u></p>

*Even if there is a difference between the matter used to define a claimed invention in the latter application and the matter defining a cited invention in the conflicting application, they are found to be identical if the difference is a minor one in the means for solving the problem.

Prior user rights

■ **“Prior user rights”** refer to rights that allow third parties to continue using (or continue making preparations to use) patented subject matters, as long as the patented subject matters were being used (or were being prepared to be used) by third parties, before the patent applications was filed.

【Comparison of the systems in Japan, the U.S. and Europe】

	Europe	Japan	U.S.*
The action of a third party that caused the prior user right to come into play	Using the invention, or making preparations to use (refer to note)	Working the invention or preparing for the working of the invention	Using the invention
The date on which the action of a third party, which caused the prior user right to come into play, should have taken place)	Filing date or the priority date	Time of filing or time of filing the priority application	One year prior to the filing date or the priority date One year prior to the disclosure of the invention to which the grace period applies
Asserting prior user right when notified about the invention from the patent holder	Possible (Depends on the interpretation of “good faith” of each country)	Not possible	Not possible
Exemption	N/A	N/A	A prior user right cannot be claimed for patents owned by universities, etc.

Note) In France, a prior user right is given when the invention is owned and without being used (or being prepared to be used). However such cases are rare.