

PRESENTATION:

**WIPO UPDATE:
PATENT LAW HARMONIZATION
AND THE GRACE PERIOD**

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Ladies and Gentlemen, good afternoon. This is my sixth visit to Seattle and it always give me pleasure to come here, especially to this High Tech Summit. It has provided me with a wonderful opportunity to get acquainted with and renew friendships with the members of CASRIP, as well as old and new friends from all over the world.

Today I am going to talk about the WIPO's perspective on patent law harmonization. But before I start my presentation, I think I should take this opportunity to provide you with some information about some of the topics that have been discussed in this conference.

WIPO has been working on the enforcement of judgments for a couple of years. It involves some rather new issues. These issues, especially the Paris Conference issues, came to our attention for the first time a year and a half ago when we were discussing the private international law being in conflict with copyright and related rights. And one participant from Japan, Professor Togauchi, raised the issue of equal bilateral exchange of information. And that's what was discussed yesterday morning—The Hague Conference issues.

Then this matter came up in the context of WIPO-WITA agenda, which was mentioned by some of the speakers. Last September, WIPO organized an international conference on "intellectual property rights and property and intellectual costs." And WIPO launched a WIPO-WITA agenda with a ten point initiative. That initiative was launched by the Director General of WIPO, and finally was endorsed by the General Assembly at that international conference.

The conference will be held again this year. The recommendations for the action programs state, "Coordination with the other international organization in the formation of appropriate international positions on horizontal issues affecting intellectual property, in particular the validity of electronics contracts and jurisdiction." In other words, the member states have mandated WIPO to work on the jurisdiction issue in the context of electronics

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commerce. And suddenly, this issue has been taken out in the context of trademarks. At a meeting this March a very extensive discussion took place on the basis of the documents of what WIPO is. And the sub-committee has concluded that this issue is not worthy of deep consideration because in their view the issue is quite stable, so is not appropriate for trademark to expressly earmark this issue.

So against this background the WIPO is now ready to convene an international meeting early next year, with experts on intellectual property rights and experts on private international law, to discuss this matter in an interdisciplinary manner—including all intellectual property rights and perhaps choice of law and equalness, maybe even arbitration of the court of remedies. So this is the development and the most up-to-date information about the WIPO treaties in the field of private international law. I hope this might be interesting to some of you.

The second thing I should mention is the biodiversity issue, which has been one of the core issues of WIPO for some years. Of our approximately 18 main projects, it is the “togetherness program,” if we may call it so, of global intellectual property issues. We have traditional knowledge versus technology in corporations, and we have been working on this topic for some time, but the real issue came up in the context of patent law harmonization. Towards the end of the property work in the different contexts of the Patent Law Treaty, one of the member states proposed to include in the draft Patent Law Treaty the provisions concerning the intellectual property and genetic resources. And there were two meetings of the Standing Committee on Patent Law (CPS) between conferences.

The first one was the Working Group on Biotechnology, which took place last October. The purpose of the meeting was to identify issues to handle concerning biotechnology and biodiversity. The second meeting was on intellectual property and limited resources, which adhered more to the proposal made by the sub-member states. And now I have the privilege of seeing the Chairman of that meeting here in this room: Mr. Weerawit.

The meetings did not reach a consensus concerning how to handle these issues of intellectual property and genetic resources. And extensive consultations have taken place in Geneva under the auspices of WIPO. Just before the start of the diplomatic conference on the Patent Law Treaty, we agreed to continue the discussion forum, which will be at the discretion of the Director General. So what is happening in Geneva is informal consultation, and some proposals or suggestions were made at September's General Assembly. I hope that a decision will be made concerning these issues, and if there is a forum, there is going to be a very extensive discussion on those issues. So that is the most up-to-date information concerning biodiversity issues discussed at the WIPO.

Now, let me speak about the WIPO's perspective on patent law harmonization. This is a big deviation from the pattern of the discussion. But I thought that it is most appropriate for me to speak about the harmonization

issues at this conference because this is a good moment, since less than two months ago the Patent Law Treaty (PLT) on patent formalities was adopted in a different conference in Geneva. However, this meeting, although a milestone in the history of patent law harmonization, does not complete the exercise of WIPO, at least in this area; on the contrary, it constitutes a first step in a productive series of efforts to be exercised by the organization.

So the objective of my presentation is to explain WIPO's perspectives on the future within the area of patent law harmonization, including some thoughts on the possibility of addressing the issue of grace period on the international level. My presentation will be divided into four major parts. First, I will give some background on the history and the need for patent law harmonization. Secondly, I will briefly report on the outcome of the Diplomatic conference on the Patent Law Treaty that was delivered May 11 through June 2 of this year. Thirdly, I will give an overview of possible future activities of WIPO in the field of harmonizing and developing Patent Law. My presentation will conclude with certain issue pertaining to the Grace Period and some related issues, in the context of patent law harmonization.

As we are carried by the wave of globalization into the new millennium, few areas of the law are more touched by the term "globalization" than patent law, and in particular, harmonization of patent law. Indeed, transboundary research, production and trade have led to an increased need for international, sometimes global protection of inventions. Although the present national and regional systems have already undergone significant improvements in this regard, they still entail important activities and costs and are not fully satisfactory to the users of the patent system on an international level. This is why, since the last century, several treaties on the harmonization of patent law have been concluded by the international community.

The Paris Convention for the Protection of Industrial Property Rights, concluded in 1883, constitutes the foundation of the international patent protection framework. It regulates only some very basic fundamentals, such as national treatment, and priority rights and independence of patents obtained for the same invention in different countries. Further aspects of both formal and substantive patent law were left to national law. In the 1970's and 80's, several regional patent systems, such as EPO, EAPO, ARIPO, OAPI, and on the international level, PCT (Patent Cooperation Treaty) were created. Then the Uruguay Round negotiations under the auspices of the WTO resulted in the TRIPS Agreement of 1994, which regulates the substantive aspects of patent law, but only in limited areas such as patentable subject matter and duration of the patent.

In response to international calls for harmonizing patent laws, negotiations had already started as early as 1985 on the draft harmonization treaty, including substantive as well as formal aspects of patent law. The draft treaty was presented to a Diplomatic Conference in 1991, but was never

adopted due to divergences on some issues, in particular with respect to first-to-file versus first-to-invent and the introduction of the grace period. In view of difficulties in proceeding with substantive harmonization, member states authorized WIPO in 1994 to proceed with the work on a treaty on harmonization of patent formalities. After five years of discussions at WIPO, the Diplomatic Conference I mentioned was convened and adopted as the Patent Law Treaty.

The Patent Law Treaty on patent formalities was unanimously adopted by consensus, not by votes, on June 1, and on June 2 was signed by 43 countries. The PLT is now open for signature by WIPO member States until June 1, 2001. It will enter into force three months after ten countries have deposited their instruments of ratification or accession with the WIPO.

What does the PLT do? The PLT harmonizes and streamlines formal procedures with respect to national and regional patent applications and patents. With the significant exceptions for filing date requirements, the PLT provides the maximum sets of requirements that the office of a contracting party may apply. This means that a contracting party is free to provide for more generous requirements from the viewpoint of applicants and owners.

The Treaty contains particular provisions on several issues. Requirements for obtaining a filing date were standardized in order for applicants to minimize a loss of rights, and to minimize the loss of the filing date, which is of utmost importance in the entire procedure. As I mentioned before, requirements for obtaining the filing date are not maximum requirements, but constitute an absolute requirement, such that a contracting party is not allowed to accord a filing date before the whole of those requirements are fulfilled.

A set of formal requirements for national and regional applications were standardized by the incorporation into the PLT of the formal requirements on international applications under the PCT, including the content of the PCT request form and the use of that request form accompanied by an indication that the application is to be treated as a national application. This will eliminate or significantly reduce procedural gaps and differences between national, regional and international applications.

Standardized model international forms were agreed upon, which have to be accepted by offices of all contracting parties once the Treaty comes into force.

A number of procedures before the patent offices were simplified, contributing to a reduction of costs for applicants as well as for the offices. Examples of such procedures are: the exceptions from mandatory representation, restrictions on requiring evidence, and the requirement for offices to accept a single communication in certain cases, such as power of attorney or the restriction of the requirement to submit a copy of an earlier application and a translation thereof.

Procedures were assured for the avoidance of unintentional loss of substantive rights as a result of a failure to comply with formality requirements, including the obligations of offices to note the file, the applicants or other concerned process, or extension of time limits, continued processing, reinstatement of rights and restrictions on grounds of revocation or invalidation of a patent for formal defects not noticed by the office during the application stage.

The implementation of electronic filing has been facilitated while ensuring the co-existence of both paper and electronic communications. The PLT provides that contracting parties are allowed to exclude paper communications and to fully switch to electronic communications after June 2, 2005. However, even after that date they will have to accept paper communications for the purpose of obtaining a filing date and for meeting a time limit. In this connection, an statement was agreed upon by the Diplomatic Conference, according to which industrialized countries will continue to furnish support to developing countries and countries in transition for the introduction of electronic filing.

Now the future work. After the successful adoption of the PLT, the Standing Committee of the Law of Patents (SCP) will hold its fourth session from November 6 to 14 this year. As to the future work of the SCP, WIPO's program and budget for 2000-2001 includes the following issues in particular: the consideration of the desirability and feasibility of further harmonizing of patent law; the desirability and feasibility of harmonizing rules concerning the patent law implications of disclosure of information on the Internet; the desirability and feasibility of establishing a central system for the recording of changes in patents and patent applications; and the desirability and feasibility of a system for the deposit of a databank of DNA sequence listings referred to in a patent application, with the effect that a reference in a patent application to the deposited listing would replace the whole contents of the listing.

As far as the substantive harmonization of patent law is concerned, the earlier draft Treaty on substantive and formal harmonization has already been mentioned. It included issues like early publication, grace period, first-to-file, and so forth. The recent resolution adopted by the Industry Advisory Commission (IAC), which is a purely advisory body of the Directorate General of the WIPO, has called for work in the medium-term for the treaty on harmonization of substantive patent law, with a view to facilitating greater mutual recognition of search and examination results by patent offices.

In addition to the recent resolution, the many voices are of the same line in many of the member States, as well as from the non-governmental organizations, for WIPO to take up substantive harmonization. One possible approach may be to start with issues of direct relevance and use for the realization of the resolution of such needs, in particular patentability issues, such as definitions of prior art, novelty and inventive step, the drafting and interpretation of claims, and the requirement of sufficient disclosure. A

further idea that might be considered in the future is the establishment of basic principles regulating an ideal global patent system, according to which a patent granted in a civil procedure would have effect in different countries, and it would co-exist with existing national patents system. During the next meeting of the SCP, certain of these issues will be submitted to the member States, which I expect will give some guidance to WIPO on how to proceed with further harmonization.

Let me talk a little bit about the Patent Cooperation Treaty. The basic objective of the PCT is to provide a single procedure for the filing of international applications. And this has been very successful. In 1999 over 74,000 international applications were filed. However, the PCT still involves some more complex procedures and is limited to the application stage, while patents are still granted by national or regional patent offices. To remedy this situation, several ideas have been put forward, such as a revision of the PCT itself in order to make it more user-friendly, or the idea developed by WIPO of a so-called PCT Certificate of Patentability, which I introduced in this forum just one year ago.

In the long-term perspective, the work undertaken by the SCP to harmonize substantive Patent Law and the developments under the PCT will be very thorough, will have commonality, and may even convert into a single global patent system. Indeed, if progress is made in the field of substantive harmonization, it will facilitate certain developments of the PCT, in particular the mutual recognition of search and examination results.

Meanwhile, developments of the PCT will enhance the chances of achieving a single global patent system, which is only conceivable if the main features of patent law are harmonized on the international level. This objective, however, is expected to be an extremely onerous task.

Now, the grace period. The term "grace period" is used in many different ways in developed countries all over the world. In this presentation, "grace period" is to be understood as a period, limited in time, preceding the date of filing or the date of priority, within which certain disclosure of the invention to the public shall not destroy the patentability of the invention.

Questions arise concerning whether the disclosure of the invention to the public shall not, or whether the disclosure must have been made under certain specific circumstances—where it has to be made by the inventor or his successor in title, or results from any act derived from the inventor. In certain countries—for example, the U.S. and Japan—a grace period was introduced a long time ago. Almost 40 countries all over the world provide a grace period in some form, but their scope and duration vary considerably. In most European countries there is no grace period as such, but rather an immunity limited to disclosures in two foreign cases, where an invention has been disclosed at an officially recognized exhibition, and where the disclosure results from an agent's abuse against the inventor, as provided for in Article 65 of the International Convention.

It is in this context of divergent solutions that, in Article 12 of the draft harmonization treaty, a general grace period was proposed. In sum, it provided that any disclosure of the invention by the inventor, by the office that has the disclosed information, or by any third party that obtained the information directly or indirectly from the inventor could not affect the patentability of the invention. Although the treaty was not accepted, ever since, and in particular during the past three years, the issue of introducing a grace period in Europe has given rise to continued debate.

Recently, the European debate on the grace period has been particularly intense. In 1997 the European Commission raised the issue in its Green Paper on the Community Patent and the Patent System in Europe. And in 1998, a hearing on the question took place in Brussels. One of the outcomes of that hearing was that the grace period has to be universal in scope, *i.e.*, not limited to European countries. In January 1999, the Committee on Legal Affairs and Citizens Rights of the European Parliament approved in principle the introduction of a grace period in Europe.

There are still further happenings in Europe. An important aspect to be taken into consideration is that the recent adoption of the Patent Law Treaty on patent formalities has paved the way for resuming harmonization of substantive Patent law. This result may revive the debate on the grace period issue on a more global level.

The debate on the grace period involves two basic perspectives. On the one hand, its supporters put forward that grace period would be favorable: number one, in the case of inadvertent publication by the inventor; number two, where an invention must be disclosed or filed before its completion; and number three, to allow early disclosure by research and more academic circles. Underlying all these cases is a fear that a patent system provides for the loss of substantive rights.

On the other side, the opponents of the grace period make, among others, the following points: number one, a general grace period would lead to legal uncertainty for the inventor since the publication by a third party after the disclosure by the inventor, but before his filing for patent application could constitute prior art in respect to the invention; number two, due to the differences between the United States of America and Europe, for example, an applicant could use a grace period in Europe, subsequently file his application in the European countries, and 12 months after filing in the United States of America may lose his right in that other country; number three, legal certainty would also affect third parties, such as on prior art as a general rule not discovering disclosures of an invention during the grace period. It should also be noted that among the countries that have introduced a grace period, many differences exist, in particular as to the scope of the immunity granted, the length of the grace period, or as to whether it precedes the filing date or the priority date.

It goes without saying that the issue of the grace period is closely linked to the definition of prior art. In view of that, and taking into consideration the rare and the complex situation, it may be more beneficial to seek a worldwide harmonized solution in the context of substantive patent harmonization. We are then pursuing national or regional approaches. This could be addressed on WIPO's Standing Committee on the Law of Patent.

Now let me conclude by saying the following. Through the recent adoption of patent treaties, further harmonization of the patent law has become one of the central adaptations of the international patent community. Once again, the future work of WIPO may, as the first step, address a number of central features related to patent law, such as definition of prior art, the conditions of patentability, and structure invention of rights. Some thought may also be given by the administration to certain elements which may constitute the basis for a future unified logging system for patent filing in the existing national systems.

Furthermore, in view of the recent developments with respect to the grace period, particularly in Europe, the issue would be included in future discussions on substantive harmonization at WIPO, in particular in the context of the regulation of prior art. A future resolution of the divergent issues of substantive harmonization will have a positive effect on the provisions of the PCT. It cannot be ruled out that in the future users of the international patent system will be able to be granted patents which will be recognized in many parts of the world.

Thank you very much.