

A NOVELTY GRACE PERIOD FOR PATENT APPLICATIONS:

Its Legal and Practical Consequences

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Study prepared *for* the  
Commission of the European Communities

by

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Copenhagen, Institute of Legal Science

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Head of Division, Danish Patent and Trademark Office

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Chapter I

Introduction

1. It is a basic principle of contemporary patent law that a patent is granted for an invention only if it fulfills a strict novelty requirement. This requirement of novelty is objective and global and it implies that a patent cannot be granted if in any reasonable way the invention belongs to the state of the art whether this is due to the invention already being used or having been described or mentioned in a way making it possible to a wide or indefinite number of people to learn about it whereby a person skilled in the art is able to work the invention.

The justification of the strict novelty requirement is that only objectively new inventions constitute valuable contributions to Society. That is why only they ought to be rewarded with the exclusive right which is the substance of the patent right.

Likewise it is a general principle - at least in the European countries - that the inventor who first applies for a patent is entitled to the patent. He need not necessarily be the first inventor. The reasons for attaching great importance to the date of filing are partly legal - the filing date is easy to ascertain whereas the invention date is difficult to determine or prove - partly ideological: The exclusive right ought to be due to the inventor who through the patent application initiates the publication procedure being one of the crucial principles of patent law. Through the publication the public is informed about the state of the art and is thereby enriched, inter alia so that others do not spend time and money on trying to create something already invented.

Moreover, it is a fundamental principle that the exclusive right conferred by the patent is limited in time, to day normally limited to 20 years as from the date of filing of the application. The grounds for that are to be sought for in the wish not to let the patent right check the growth of society and hamper the freedom of competition - beyond the allotted period of protection, i.e. a period which it is attempted to fix so that it may be presumed to provide a reasonable stimulation of and reward for the inventive activity as well as the research and development involved.

Finally, it is a general principle that technological phenomena which may be the subject of commercial exploitation, are the object of free seizure - i.e. may be exploited by anybody - unless they are protected by a patent. The principle applies with certain qualifications, inter alia due to the law of unfair competition, protection of trade secrets etc., but apart from this it is of basic importance to the freedom of trade and the structure of modern competition. The reason is to be found here, too: It is considered to be the most expedient solution that everybody may make use of and exploit the present technology, only with all deference to the patents existing any time.

2. The mentioned four basic principles describe the principal lines of modern European patent law and at the same time form the background of the problem which is the subject of this study: The question if a novelty grace period ought to be introduced for the benefit of the inventor.

That problem typically arises in the following way: For some time the inventor has been working on an invention but his development of it has not been completed or his realization of the inventive idea

is not sufficiently sharp. Under such circumstances he needs to check the invention in practice - i.e. under real conditions of its functioning - or he needs to discuss it with colleagues, for instance at scientific congresses etc. to form a more clear picture of its real contents and technical foundation. However, his dilemma is that if he tests it in practice, or if he discusses it with others he will not any longer satisfy the strict requirement of novelty of the patent law. In his endeavours to finalize the invention he runs a considerable risk of destroying the possibility of patenting.

Here the problem has been described as a deliberate choice: The inventor would like to make some arrangements being in themselves reasonable and rational but due to the novelty requirement he is restrained therefrom. However, in a number of cases it is not a question of such a choice: If the inventor has no detailed knowledge of patent legislation he may publish the invention or start using it and not until then he realizes that it is patentable. At that time the possibility of grant of a patent is forfeited.

On the face of it, it is evident that the introduction of a novelty grace period for the benefit of the inventor can solve the mentioned problems. A novelty grace period means that the inventor is granted a further specified period - for instance of six or twelve months - within which his own activities do not prejudice his case in the way that they destroy the novelty of the invention. If the inventor is granted such a time-limit he has a reasonable opportunity to organize realistic experiments, to discuss the invention with others etc., and furthermore help is given to the unexperienced inventor who only with the aid of good friends or expert patent attorneys realizes that perhaps a valuable and patentable invention has been made.

Presented in this way, it may seem odd that a problem exists at all. The mentioned considerations and needs are immediately intelligible and reasonable, and the inventor does not seem to take anything away from anybody. In particular, it cannot be argued that he ignores the fundamental motives of the patent law: Assuming that the invention is "genuine", i.e. new in relation to the cognition of others and the general state of the art, and assuming that he applies for a patent later, he has met all the requirements of getting his exclusive right. He has enriched Society with his technical achievement and he has carried it to complete availability through the patenting. 4

However, a close analysis will make it clear that substantial counterconsiderations exist. Inter alia they are the following: Firstly, any novelty grace period implies a prolongation of the patent protection. First the inventor will be able to exploit the invention without a patent only to patent it later - if competition is approaching. This consideration speaks clearly in favour of any novelty grace period being quite short. As the time factor is crucial in the social balancing of the exclusive right, and as the time factor is critical in some industries, great caution must be shown in the case of extensions without general justification, i.e. justifications which cannot be applied to all inventions. If the time of protection is to be expanded - for instance out of consideration for the expensive pharmaceutical research - it ought to be done by extending the term of the patent as such, not by adding a time-limit before it starts to run.

Secondly, it may be argued that any access to make one's own publication and use - even within a narrow time-limit - creates legal uncertainty on the part of the competitors. The general principle is as mentioned that anybody may exploit known technology but if a



novelty grace period exists nobody knows where he stands. Is a patent applied for later, or has the inventor given up to acquire an exclusive right? In this case, too, even a short time-limit may be of great importance if competition is keen. To give the competitor a lead of e.g. 6 months may be fatal and without any reason at all if the inventor in spite of everything does not apply for a patent. A considerable distinctness is required of modern patent law as it involves a most efficient competitive device.

Finally, it must be realized that any novelty grace period inevitably could lead to considerable difficulties with regard to evidence. The disclosure effected by the inventor himself under cover of a novelty grace period could be taken possession of by others who could then claim that they had made the invention. Subsequently it could be attended with insuperable difficulties to establish if that is the case or if in reality two competing inventions exist.

Other counterconsiderations can be discussed, too, but those already mentioned should suffice to prove that the problem if a novelty grace period ought to be introduced or not, is a genuine problem: There is much to be said both for and against it.

The subject of the present study is to survey the problem of a novelty grace period and to present the relevant considerations and counterconsiderations with a view to balancing them against each other. In this connection it will be considered if the existing needs lead to the recognition of a novelty grace period or if they lead to other modifications of the patent law system. Here like elsewhere it applies that a problem does not necessarily lead to a well-defined alternative (acceptance or rejection). Other possible solutions may be discussed. Tertio datur.

3. The problem concerning a novelty grace period is not a new one. For the time being novelty grace periods exist in certain countries, while other countries have had novelty grace periods for a number of years but have given them up later. This is the case of Germany, among others. The discussions have been going on for a number of years, during recent years, in particular, within the AIPPI. The problem looks a bit different in the various countries as a number of differences remain between the patent legislations of the countries. Thus it is necessary to make an exposition of the principal lines of the national systems of the individual countries before a more general analysis is carried through. 6

The scheme of the representation is thus the following: In chapter II an account is given of the legal situation in national law of the individual countries. In principle, the account is limited to covering the Member States. However, by way of introduction information is given about the situation in the United States of America and in Japan due to the great importance of these countries in the field of technology. In addition to a survey of the legal situation in each country the chapter contains information about the arguments presented in each country pro and con a novelty grace period and by that an idea is given of how the problem is being looked upon in each of the States to the extent the problem has been brought up for discussion.

In chapter III the contents of the international conventions are described, including the discussions which have taken place at the international level. In this respect the international organization AIPPI has constituted an important forum of debate.

In chapter IV a cross analysis of the problem is carried through. It contains an enumeration of the

arguments having been advanced both for and against a novelty grace period, and an attempt is made to analyse whether these arguments are well-founded, including also an evaluation of the importance attributed to the stated needs.

On the basis of this some conclusions are drawn in chapter V, i.e. a motivated attitude to the main problem and to the special questions derived from it.

The Legal Situation in National Legislations

The present European patent laws normally do not comprise real novelty grace periods, but only limited novelty grace provisions. These provisions, predominant in the national patent laws in those Common Market countries which have accomplished harmonization with the European Patent Convention, are to be seen on the background of the superior requirement of a patentable invention, i.e. the requirement of absolute novelty.

The requirement of absolute novelty applies in the countries which have accomplished complete harmonization with the European Patent Convention. The philosophy behind the requirement is that only really new inventions enriches technology and only the detached enrichment is decisive. According to the legal definition, everything made available to the public by means of a written or oral description, by use or in any other way is held to be comprised in the state of the art - irrespective of time or place. This concept and its international extension is a cornerstone of the international cogency of the patent system. Formerly it was allowed foreigners to obtain a patent right in a country for an invention which he had seen being worked or had even worked himself in his native country.

Foreign patent applicants in Europe, e.g. applicants from United States of America, are affected by the requirement of absolute novelty. To European applicants for a patent in the United States of America a different system applies. The American rules concerning anticipation differs a lot from the European ones. The decisive point is not the

filing date or the priority date (if priority has been claimed) but the time when the invention has been made (The principle of First-to-Invent). To this must be added that everything which at this point was known or used by others in the United States, or patented or described in a printed publication in the United States or in a foreign country, constitutes a bar to novelty. Furthermore, a novelty bar exists if the invention was patented or described in a printed publication in the United States or in a foreign country or had been worked publicly in the United States more than 12 months prior to the date of filing.

In the case of Japan the novelty requirement is territorially limited, too, except for descriptions of the invention in printed publications. These constitute anticipation both if published inside and outside Japan.

The account of the legislation of the several Common Market countries is led off with a description of present law in the United States and Japan. Those countries are important trade partners to the Community and the technological development and its conditions there has a great impact on the situation in Europe. This holds true whether the industries of these countries are viewed as competitors or as part of the basis of continued technological growth in the common western world.

Afterwards an account is given of present law as regards a novelty grace period in the Common Market countries. The earlier legal situation is mentioned, too, as it implies a valuable empirical basis. Besides, the earlier legal situation showed a far more varied picture as the harmonizing effect of the European Patent Convention and the Strasbourg Convention on the Unification of Certain Points of Sub-

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stantive Law on Patents for Invention did not settle in the national patent laws until the last half of the 1970'es. As for each country the specific national deliberations in connection with a rule granting a real novelty grace period have been reproduced, including, too, an account of the respective provisions about exhibition protection. The exhibition protection can be understood as a special case in the discussion about a novelty grace period, yet a case which to day is of minor importance.

U n i t e d   S t a t e s   o f   A m e r i c a

The American novelty concept differs a lot from that of the European patent legislations. This is partly due to the principle of the first inventor having the right to be granted a patent, partly due to the fact that in assessing the novelty it is not only decisive what was known at the date of filing but also the state of the art at the date of the invention.

American law allows a novelty grace period of one year. However, its grace period differs in character from both the extensive novelty grace provisions known in Europe before the harmonization of the 1970'es and the limited provision emanating from Art. 4(4)(a) of the Strasbourg Convention and which to-day recurs in national legislations.

The American Patents Act of 1939 Title 35 USC Sec. 102 lays down the conditions for patentability, novelty and loss of right to patent. Sec. 102 has the following wording:

- "A person shall be entitled to a patent unless -
- (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or
- (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or
- (c) he has abandoned the invention, or
- (d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on

an application filed more than twelve months before the filing of the application in the United States, or

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(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other."

The provisions of Sec. 102(b) are of particular interest in analysing novelty grace provisions and they will be further dealt with below.

By way of introduction it must, however, be pointed out that in cases where the following circumstances exist more than one year before the filing date they do absolutely bar the novelty (Sec. 102(b)):

1. Description of the invention in a printed publication, no matter by whom or where in the World.
2. Patenting of the invention, no matter by whom or where in the World.
3. Public use of the invention by somebody in the United States.
4. Offer for sale of the invention by somebody in the United States.

The following circumstances are prejudicial according



to Sec. 102 if they exist before the date of invention:

1. Description of the invention in a printed publication anywhere in the World (Sec. 102(a)).
2. Patenting of the invention, no matter where in the World (Sec. 102(a)).
3. Others' knowledge of the invention or use of the invention by others in the United States (Sec. 102(a)).
4. Filing of a patent application by a third person in the United States, leading to a granted patent in which the invention is described (Sec. 102(e)).
5. The invention of a third person who has not abandoned, suppressed or concealed it (Sec. 102(g)).

The last-named circumstances no.s 1-5 may constitute a novelty bar even when they occur within the grace period of one year prior to the filing date. However, their effects may be avoided provided that the inventor is able to prove that the date of his invention is earlier.

It holds good of all the kinds of anticipation that they must disclose the subject-matter for which patent protection is sought with sufficient clarity to instruct those ordinarily skilled in the relevant art to recreate it and the anticipating source must place the claimed subject-matter within public reach.

The Statutory bar provision in Sec. 102(b) applies when "the invention" was patented, described in a printed publication, in public use or on sale more than one year prior to the first inventor's application filing date. Exact identity is not required,<sup>1)</sup> it is enough if two processes or devices are substantially the same or if advance from one invention to the other does not amount to "invention". The requirement non-obviousness applies both at the time of

invention and at the time one year prior to the date of application for a patent.

The fact that the invention was "patented . . . . in this country or a foreign country" or that the invention was "described in a printed publication in this country or a foreign country" constitutes a bar to novelty. An earlier patenting as a bar to novelty is only of interest with respect to countries which grant patents without or prior to the publication of a printed specification.<sup>2)</sup> In other cases novelty will be lost in accordance with Sec. 102(a) by the printed, unexamined patent application (Offenlegungsschrift) which a growing number of countries publish 18 months after the priority date of a patent application. Patenting abroad may also exclude a patent in the United States in conformity with Sec. 102(d). The concept "described in a printed publication" is liberally interpreted. It is not limited to the traditional process of printing, and a single typewritten dissertation placed in one library as well as a microfilm article qualifies. A paper distributed at a professional conference outside the United States and an unindexed copy in a university library can be a publication.

"Public use" constitutes another statutory bar to novelty if it occurs in the United States. The inventor's public use more than one year prior to filing of a patent application excludes a patent. A third person's public use is anticipatory both if it has started more than one year before the inventor files his application, and even if that is not the case, if it is prior to the date of the invention which a patent is applied for. According to legal usage very little use and very little publicity are required in order to constitute a public use. The use of a product or process in its natural and intended way even if it is hidden from truly public view due to the

nature of the invention or e.g. the use occurs inside a factory is public. However, secret use with the inventor's consent under limitation, or restriction, or injunction of secrecy may not constitute public use. Both the inventor's secret use and third person's secret use permitted by the inventor are considered as public use in cases of commercial exploitation. The view is here - as in the case where the inventor conceals his invention, and uses it for his own profit - that the ultimate object of the patent legislation<sup>3)</sup> being to benefit the public by the use of the invention after the temporary monopoly shall have expired otherwise is not taken into consideration. "The inventor shall not exploit his discovery competitively after it is ready for patenting, he must content himself with either secrecy or legal monopoly." The question whether secret use without the inventor's consent constitutes public use still lacks definitive resolution in American patent law. At least it goes that if the use by any person other than the inventor is commercial it will rarely be found to be non-public.<sup>4)</sup>

The fact that a subject-matter for which a patent has been applied for has been "on sale" is a bar to novelty if it has taken place more than one year prior to the filing of a patent application. Pursuant to legal usage<sup>5)</sup> even a single sale prior to the critical date will result in an invalid patent. Even if no delivery is made, the existence of a sales contract plus reduction of the invention to practice beyond the stage of experimentation constitutes placing the invention "on sale".<sup>6)</sup> Earlier legal usage worked with the so-called "On Hand" Doctrine<sup>7)</sup> according to which neither an offer nor an actual contract was a sufficient placing on sale unless a completed and working model of the invention existed prior to the critical date. That doctrine seems now to have been left,<sup>8)</sup> thus requiring now that (1) the complete invention claimed must have been embodied in or obvious in view

of the thing offered for sale, that (2) the invention must have been tested sufficiently to verify that it is operable and commercially marketable and that (3) the sale must be primarily for profit rather than for experimental purposes. 16

The Experimental Use Doctrine breaks through the rule that public use of the invention or the invention being on sale constitutes a statutory bar to novelty and thus patentability. In this respect legal usage goes back to the year of 1878. The Supreme Court<sup>9)</sup> recognized that with regard to some inventions it can be necessary (in concreto: road paving) that the testing to some extent has to be in public, and has to be for a substantial period of time, and that is without constituting a novelty bar to a patent application not filed until more than one year later, or without taking the late filing as an expression of the inventor having abandoned his invention, cf. Sec. 102(c). The period of public use must, however, be confined to what is reasonably necessary under the circumstances.<sup>10)</sup> The applicant is allowed to make experiments not only with a view to developing, perfecting, completing or reducing to practice the invention. In one case<sup>11)</sup> the inventor was allowed to test it, not only for a reduction to a definitive form but for a determination as to the worth of exploiting his ideas as part of the experimental period but the inventor's retention of control over the invention is normally essential to a finding of experimental use. Experiment does not include market testing or attempts to develop buyer demand for the invention. That is considered to be commercial exploitation of a completed invention. If on the other hand it is clear that it is experimental use, the fact that the public incidentally derives benefit from it, does not in itself imply loss of novelty.

Particular problems arise when the alleged experiments have had a dual purpose. In such circumstances some decisions have attached importance to the fact if the use was primarily experimental and only incidentally for trade or profit or stated that the use must be solely for experimental purposes. Other decisions have made a comprehensive valuation both of the sale and of the use. In these cases the decisive stress was laid on the facts that the public use is by or under the control of the inventor, and for no longer period than is reasonably necessary to determine by experiment whether the invention is complete or requires modification or change before final adoption.<sup>12)</sup>

The exception to the anticipatory effect of "public use" or "on sale" implied in the Experimental Use Doctrine does not show itself clearly defined by legal usage. The decisions are partly conflicting, and numerous are the writers who emphasize that each individual case can only be judged by its details and furthermore that the issue is not predictable.<sup>13)</sup>

Notes:

1. Chisum: Patents, Vol. 2 § 6.02(3), Benjamin W. Colman: Identity Tolerance: Under the "On Sale" and "Public Use" Provisions of Section 102(b), JPOS 1972, p. 23-53 (p. 34) and Robert L. Zieg: Developments in the Law of "On Sale", JPOS 1976, p. 470-504 (p. 479).
2. Avery/Mayer: Das US-Patent, 2. Aufl., 1982, p. 86-89.
3. Stedman: Patents, 1939, p. 197 and Chisum: Ibid. § 6.02(5).
4. Chisum: Ibid. § 6.02(5).
5. Minnesota Mining & Manufacturing Co. v. Kent Industries 409 F, 2d 99, 161 USPQ 321 (6th Cir. 1969).
6. Zieg: Ibid. p. 472.
7. Chisum: Ibid. § 6.02(6).
8. Chisum: Ibid. § 6.02(6) Timely Prods. Corp. v. Arron (1975) 523 F 2d 288, 187 USPQ 257 (2d. Cir.)
9. City of Elizabeth v. American Nicholson Pavement 97 US 126, 24 L Ed. 1000 (1878).
10. Cf. International Tooth-Crown Co. v. Gaylord. 140 US 55, 35 L Ed. 347, 11 S. Ct. 716 (1891) and Chisum: Ibid: § 6.02(7).
11. Aerovox Corp. v. Polymet Mfg. 67F.2d 860, 20 USPQ 119 (2d Cir. 1933).
12. Chisum: Ibid § 6.02(7).
13. See among others Avery/Mayer: Ibid. p. 90.

## J a p a n

The present Patents Act of 1959, as latest amended in 1978, lays down the novelty concept in Sec. 29, and Sec. 30 contains a number of exceptions to the novelty requirement. Inventions which were publicly known or publicly worked in Japan prior to filing of the patent application and inventions which were described in a publication distributed in Japan or elsewhere prior to the filing of the patent application are not patentable according to Sec. 29(1).

Sec. 30 has the following wording:

"In case with respect to such inventions which a person entitled to obtain a patent has caused to fall under any of the items of Article 29 paragraph 1 in the course of an experiment, by presenting in a printed publication or in a research meeting in writing which is to be held under the sponsorship of such scientific organizations as being designated by the Director-General of the Patent Office, such a person has applied for a patent within six months as from the day on which such inventions have come to be classified as such, such inventions shall be deemed not to have fallen under any of the items of the same paragraph.

2. In case with respect to an invention which has come to fall under any of the items of Article 29 paragraph 1 against the will of the person entitled to obtain a patent, the person has applied for a patent within six months as from the day on which it has thus come to fall, the same as in the preceding paragraph shall apply likewise.

3. In case with respect to an invention which has come to fall under any of the items of Article 29 paragraph 1 by being displayed by a person entitled to obtain a patent at an exhibition held by the Government or a local public body (hereinafter referred to as the "Government, etc.") or at an international exhibition held, within the territory of a country

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belonging to the Paris Convention, by its Government, etc. or an entity with the permission thereof, or at an international exhibition held, within the territory of a country other than those belonging to the Paris Convention, by its Government, etc. or an entity with the permission thereof, as designated by the Director-General of the Patent Office, the person has applied for a patent within six months as from the day on which such invention has thus come to fall, the same as in paragraph 1 shall apply likewise.

4. Any person who is desirous of being favoured with the application of the provisions of paragraph 1 or the preceding paragraph with respect to an invention in respect of an application for a patent, shall submit a document stating therein that effect simultaneously with the submission of an application for a patent, and also submit a document which certifies that an invention thus applied for a patent is the one provided for in paragraph 1 or the preceding paragraph to the Director-General of the Patent Office within thirty days as from the day on which the application for a patent has been submitted."

The provision includes both prior publication by the applicant himself and publications which have taken place against his will. The protection at exhibitions does not give a priority right, but includes exhibitions held in Japan as well as exhibitions abroad if only the exhibitions are held by the Government or a local public body or an entity with the permission thereof. By a court decision<sup>1)</sup> it has been established that the exhibition of the invention at a fair without the will of the proper owner does not constitute a bar to novelty if a patent application is filed within 6 months. That also holds good when the public exhibition arises from the son of the later patent applicant.



Some recent Japanese decisions<sup>2)</sup> illustrates the interpretation of the concept "published it in print" in Sec. 30(1). In the latest decision concerning this question, Decision of the Tokyo High Court, June 22, 1982,<sup>3)</sup> it has been established that the novelty grace period does not apply in cases where an earlier application for the same invention, filed abroad, has been published in the Official Gazette of the country in question as part of its procedure for the grant of patents. By this a doubt which had existed for many years was eliminated.<sup>4)</sup>

Notes:

1. Tokyo High Court of April 26, 1971.
2. Made by Board of Appeal August 8, 1974 (mentioned by Esaki GRUR Int. 1982.231(232)) and July 12, 1975.
3. Reproduced in IIC 1983.549 and in GRUR Int. 1983.117.
4. Further elucidated by Esaki: Ibid.

Present Law

The Patents Act in force in Belgium is the Act of 1854 as latest amended 1974. Unlike the patent legislation of most other countries the Act does not define the novelty requirement directly. Sec.s 24 and 25 of the Act e contrario lay down the novelty concept by indicating the grounds for revocation of a patent.

According to Sec. 24

"A patent will be declared null by the courts for the following reasons:

- (a) when it is proved that the patented matter has been used, carried into effect or worked commercially by a third party within the Kingdom before the legal date of the invention, importation or improvement;
- (b) .....
- (c) when it is proved that, prior to the date of filing, the complete specification and the exact drawings of the patented matter have been produced in a printed and published work or collection, unless as far as patents of importation are concerned, this publication is exclusively due to a legal requirement."

Sec. 24(a)<sup>1)</sup> implies that manufacture, sale or prior working<sup>2)</sup> by the applicant or his successor in title be it inside or outside Belgium does not constitute a bar to novelty - without a further time limit in relation to the filing date. The employees of the applicant are identified with him. A third person's use of the invention in Belgium which takes place independent of the inventor or by an act incurring damages, cf. Code Civil 1807, Art. 1382, implies loss of novelty. Contrary to the patent legislation of several other countries from that time it is not a

condition of loss of novelty according to Belgian law that the public is rendered capable of working the invention by a third person's use or sale of the invention. Naturally that concerns patents for processes in particular. With the clear attitude to the effect of a third person's exploitation of the invention with respect to the novelty concept it is of no interest to form an estimate of the question whether the exploitation has been made possible by carelessness, error or the like on the part of the inventor.

If on the other hand the applicant has explained the invention in a published work or collection, that is considered to be prejudicial and excludes the grant of a patent, cf. Sec. 24(c), of course for instance except when his publications are confidential publications distributed to some people inside a company. This is the case no matter whether the publication in print has taken place in Belgium or abroad. The concept of "published work or collection" (ouvrage ou recueil imprimé et publié) is to be understood as contrary to hand-written and includes also the cases where lithographic or photographic reproduction techniques have been used.<sup>3)</sup> Any publication in print by a third person which does not occur as part of a patent application procedure will likewise result in the revocation of the patent, even when the publication is unauthorized.

An oral disclosure of an invention at a public meeting or a public lecture with or without picture does not constitute a bar to novelty.<sup>4)</sup>

National Deliberations

The Belgian Group of AIPPI<sup>5)</sup> has informed in 1981 that a proposal to the effect that the inventor's own prior publication shall be accepted as an excep-

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tion to the requirement of absolute novelty as laid down in the European Patent Convention cannot be agreed to by the Group. The reason is that the proposal will expose the inventors to the following dangers: The inventor will run the risk of being deprived of his invention by third parties which, becoming aware of the divulgation, would apply for a patent before him. It will very often be difficult for the inventor to make the necessary proof in order to succeed in an action for recovery of the patent.

### Protection of Inventions at Exhibitions

No explicit provision granting protection of inventions at exhibitions exists in the legislation. However, as far as international exhibitions are concerned usually a royal decree is issued<sup>6)</sup> granting every exhibitor who orders a certificate from the local authority where the exhibition takes place, with a description of the object of the exhibition enclosed, the right that the working or publication of the invention caused by the exhibition is not considered to be prejudicial. Furthermore, he enjoys the rights for a patent, however, only for a period running from the display at the exhibition till the end of the third month calculated from the closing of the exhibition. The title to issue a royal decree includes as mentioned only international exhibitions. Under the provisions of the Patents Act there are no possibilities of granting protection at national exhibitions, i.e. exhibitions which are not open to the participation of foreigners.<sup>7)</sup>

About protection of inventions at exhibitions vander Haeghen<sup>8)</sup> - commenting on Art. 11 of the Paris Convention - declares that the provision is not used very much in practice and that inventors must be strongly advised not to base themselves on it and postpone the filing of a patent application.

Notes:

1. Picard & Olin: Traité des Brevets d'Invention, 1866, p. 231-232 and vander Haeghen: Brevets d'Invention, Marques et Modèles, 1928, p. 184.
2. Picard & Olin, Ibid, p. 232.
3. Further examples vander Haegden, Ibid, p. 185-186.
4. vander Haegden, Ibid, p. 186.
5. AIPPI Annuaire 1980/II, p. 215-216.
6. Alexander-Katz: Das Patent- und Markenrecht aller Kulturländer, 1924, Belgium, p. 12 and Schanze: Patentrechte des Auslandes, Band I, Das belgische Patentrecht, 1907, p. 20-21.
7. Schanze: Ibid, p. 21.
8. Ibid, p. 241.

Present Law

The novelty concept in Sec. 2(1) and (2) of the present Danish Patents Act, 1978, corresponds to that of the European Patent Convention as defined in Art. 54(1)-(3). Sec. 2(5) of the Danish Patents Act continues:

"Patents may, however, be granted for inventions made available to the public if the disclosure of the invention occurred within 6 months preceding the filing of the application and if it was in consequence of:

- (i) an evident abuse in relation to the applicant or his legal predecessor, or
- (ii) the fact that the applicant or his legal predecessor has displayed the invention at an official, or officially recognized, international exhibition falling within the terms of the Convention on International Exhibitions, signed at Paris on the 22nd November, 1928."

Apart from an amendment on a point of form in 1978, after which it is expressly said that the exception only covers officially recognized exhibitions falling within the terms of the Convention of 1928 - applying even before the amendment in 1978 - the provision has remained unchanged since the Patents Act of 1967.

Sweden like the other Nordic countries has had a provision exactly like the Danish one since 1967. In Sweden the question of the content of the concept of "evident abuse" has been under consideration in a very special case. By the decision of the Regeringsrätten (the Supreme Administrative Court) of September 30, 1975,<sup>1)</sup> it was judged in a case where a patent had been applied for both in Sweden and in Germany that the fact that the German Patent Office by a mistake had published the invention 5 days prior to the filing

of a patent application in Sweden could not be considered to constitute such an evident abuse in relation to the applicant which is a prerequisite to the application of the exemption clause of Sec. 2. That decision confirms an earlier decision made by the Swedish Board of Appeal in a quite similar case.<sup>2)</sup>

### Earlier Legal Situation

With one exception no rule existed before the entry into force of the 1967 Act on January 1, 1968, allowing in particular cases prejudicial circumstances before the filing of a patent application not to be taken into consideration. The exception was Sec. 28 of the Patents Act of 1894 as latest amended in 1958, concerning protection of articles which have been presented at international exhibitions.

### National Deliberations

Even though the Nordic Patent Committees<sup>3)</sup> at the time of the preparatory legislative work knew both the EEC-Draft and the Strasbourg Convention, they took an independent decision on the question of introducing a novelty grace period. With respect to the inventor's own prior publication the decisive fact for the committees was the view that the public has a certain claim to be sure that inventions which have been made available to the public may be exploited, too, without any risk of being attacked by patents applied for not until later. Besides, the public has a claim to know as early as possible which acts are or may be expected to be prohibited by a patent protection, and which acts may freely be performed. However, the committees mentioned that it appeared to be attractive if the patent legislation made it possible that inventors to a large extent got a chance during their work with their invention to get into touch with special experts in fields connected with their invention,

and that by lectures to a scientific forum they were given the possibility to have a further expert discussion of the problems which the invention may give rise to. Still, the conclusion was that no special exception to the novelty provision was introduced to the benefit of the inventor's prior publication. At the same time it was further pointed out that usually the filing of a patent application before publication will not cause the inventor much difficulty or put him to substantial expense.

During the discussions which have taken place in Denmark in 1981 in connection with the AIPPI Question 75: Prior disclosure and prior use of the invention by the inventor, the attitude has been negative to the introduction of a novelty grace period as regards the applicant's own prior publication. In particular, the reflection has been that the now existing possibility of easy world wide communication invites to fraud in a system in which an applicant is allowed to publish the invention long time before the filing of a corresponding application. The applicant may find himself in the impossible situation in which he has to prove that a publication of the invention elsewhere was in fact derived from his own disclosure or worse somebody may have filed an application in another country maybe more elaborate than his own disclosure. Moreover it has been mentioned that it would seem that the introduction of a grace period for the inventor will entail a large number of doubtful cases and further administrative costs, and it would furthermore seem that the advantages accruing from such a period of grace are so small that only in case it were universally adopted would it be of any practical use. Therefore this development should wait until other unification of the various patent laws has taken place.



Protection of Inventions at Exhibitions

The former Danish Patents Act<sup>4)</sup> Sec. 28 had the following wording:

"If an invention has been displayed in this country at an international exhibition which is recognized as such by the Minister of Commerce, when filing an application to the Patent Commission at the latest 6 months after the display of the invention at the exhibition, the inventor shall be entitled to the grant of patent no matter if the invention during that period of time has been described or used as mentioned in Sec. 1, no. 3. By a royal decree it may be decided that the same applies to inventions displayed at international exhibitions in a foreign country provided they have been recognized by the Government of the State in question ....

For inventions which prior to the filing of a patent application in a foreign country have been displayed at an international exhibition as mentioned in subsection (1) of this section, the priority period always runs from the day on which the article was introduced into the exhibition and may never exceed 12 months from that moment ...."

In view of the insignificance of the rule in practice and of the risk involved in through these provisions inducing inventors to let their inventions be displayed with the effect that their later patent applications abroad are rejected due to the publication which has taken place, the Nordic committees were of the opinion in the Report<sup>5)</sup> that the rule ought to be limited in such a way that in the future it should only cover the exhibitions defined in the Convention on International Exhibitions of 1928. In this connection the committees had an eye to the corresponding limitation

in the draft Strasbourg Convention and the draft EEC Patent Convention.

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According both to the Patents Act of 1894 and the passed Act of 1967 and the above-mentioned international conventions the protection of inventions at exhibitions covers goods and processes as they use the wording "display of the invention" whereas the Paris Convention Art. 11 only mentions goods. As will appear from the wording of Sec. 28 of the 1894 Act the protection as concerns exhibitions abroad was dependent on reciprocity. That condition has later been considered unnecessary.

Notes:

1. NIR 1976.233-34.
2. Carlman: Patent, Administrativ patentpraksis i Sverige, 1978, p. 189 et seq.
3. Betenkning (Report) angående nordisk patentlovgivning, NU 1963:6, p. 139-141.
4. Consolidate Act No. 361, December 19, 1968.
5. Supra note 3, p. 137.

G e r m a n y

Present Law

Nowadays novelty is required in accordance with Sec. 3 in the Patents Act 1981. Sec. 3 in its version in Art. IV No. 3 IntPatÜG (Sec. 2 of the 1968 Act) goes back to the Strasbourg Convention Art. 4 and corresponds to the EPC Art.s 54 and 55.<sup>1)</sup> Hereby also German law took over the requirement of absolute novelty, and in doing so the state of the art was considerably extended.

Sec. 3(4) has the following wording:

"For the application of subsections (1) and (2), disclosure of the invention shall not be taken into consideration if it occurred no earlier than six months preceding the filing of the application and if it was due to, or in consequence of:

1. an evident abuse in relation to the applicant or his legal predecessor; or
2. the fact that the applicant or his legal predecessor has displayed the invention at an official or officially recognized international exhibition falling within the terms of the Convention on International Exhibitions signed at Paris on November 22, 1928.

Sentence 1, paragraph 2, of the present subsection shall apply only if the applicant states, when filing the application, that the invention has been so displayed and files a supporting certificate within four months following the filing. The exhibition referred to in sentence 1, paragraph 2, shall be published by the Federal Minister of Justice in the Official Journal (Bundesgesetzblatt)."

By the entry into force of this provision the protection provided by the novelty grace period of the 1968 Act and by the Act concerning Protection of In-

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ventions, Designs and Trademarks at Exhibitions of March 18, 1904,<sup>2)</sup> was abolished, cf. IntPatÜG Art. VI and Art. XI Sec. 3(6). Neither protection at an exhibition covered by this Act nor protection in accordance with the earlier novelty grace period can be claimed in applications filed on January 1, 1981 or later, cf. IntPatÜG Art. XI Sec. 1(2) and (3).

### Earlier Legal Situation

In the period from 1936 till the amendment of the Act in 1980-81 the concept of novelty was laid down in Sec. 2 as follows:

"An invention is not new if at the time of filing (Sec. 26) in published publications from the latest 100 years it is already described or already used in the home country so publicly that use by other persons skilled in the art seems possible. A description or use within six months prior to the application shall not be considered, if it is based upon the invention of the applicant or his legal predecessor."

The reason for introducing the special novelty-provision in German law was threefold.<sup>3)</sup> (1) The new provision should prevent the unjust damage which may be caused by the description of the invention in printed publication by third person or by public use without the will of the inventor prior to filing of a patent application. (2) The provision should make allowance for the need of the less experienced inventors or inventors of moderate means to explain his invention publicly for learning whether it is profitable to apply for a patent. (3) The provision should also neutralize the harshness implied in that the unexperienced inventor due to lack of knowledge of the rules of law publishes his invention prior to the filing of a patent application and thereby excludes himself from patent owing to lack of novelty

of the invention.

The reason for fixing the novelty grace period at 6 months was to avoid an unnecessary delay of filing a patent application and to avoid troubles in establishing facts during the procedure of the patent application. The legislator by introducing a novelty grace provision for German inventors did not overlook the risk they might run later if they wanted a patent in countries not having a corresponding rule of grace. However, the possibility of achieving in time corresponding provisions at an international level was estimated optimistic as the discussions at the London Conference in 1934 showed a positive attitude to a novelty grace period.

Description or use made with as well as without the will of the later applicant was covered by the grace period.<sup>4)</sup> Only when the prior use or prior publication was based upon the independent invention of a third person did the novelty grace period not apply. The rule of novelty grace implied a modified novelty concept as concerns the applicant's own or others' prior publication or prior use based upon the invention of the applicant. It was not a priority right. Novelty and inventive step was considered on the basis of the state of the art on the filing date of the application.

The acts which without a novelty grace period would take away the novelty of a patent application were "description" and "use". Description was considered only to include printed prior publications, not oral disclosure. This was a consequence of the relative novelty concept as defined in Sec. 2, first sentence. According to this provision public printed publications included books, periodicals, patent publications, a filed application for a utility model which has been laid open to public inspection, typewritten texts, photocopies, microfilms and many other

things.<sup>5)</sup> Also foreign writings irrespective of their language were included. The decisive fact was whether the publication was suited for, and intended for and it was possible to multiply and spread it to the public.<sup>6)</sup>

Use included the public use in the home country, cf. also the connection with the novelty concept in the first sentence. Use abroad did not spoil the novelty for which reason the novelty grace rule did not need to include such use. The novelty grace rule applied to German citizens as well as foreigners applying for a patent in Germany. By the requirement of "public use" it was evident that acts unknown to the public did not make the 6 months period run, nor was that the case where indeed the public had become acquainted with the invention but the technical solution which the invention represents had not become known to it. Furthermore, "use" was not to be understood as tangible as in Sec. 2, first sentence, in which knowledge of the technical solution of the invention was required to constitute use.<sup>7)</sup>

The novelty grace rule in Sec. 2, 2nd sentence, presupposed that the acts, which without the rule would take away the novelty, should be based upon the invention of the applicant or his predecessor. In other words, there should be a prior publication which could not have taken place without knowledge of the invention of the applicant. If a third person had made an independent prior publication it was a situation of double-patenting. However, the purpose of Sec. 2, 2nd sentence, suggested that the concept "based upon the invention of the applicant" did not imply the requirement of a completed invention. Thus a description or use of the invention was considered to be covered by the grace period even when not until later the inventor got the idea to apply for a patent and even when at the time of the act he had not

realized the technical rule, that is to say he has not yet made the invention.<sup>8)</sup> If the completed invention had not been described till the filed application, Sec. 2, 2nd sentence, did not need to apply at all. If the inventor at the time of the prior publication had finished his invention, the provision intended also to give him a respite for consideration within which he could discuss the invention with others and make up his mind whether to spend money on filing a patent application or not. The requirement that the description or use is based "upon the invention" was only meant to delimit the result of intellectual activity on the part of the applicant or the predecessor with respect to that of other persons.<sup>9)</sup>

The application of the novelty grace period presupposed a personal identity between the applicant or his predecessor and the person to whom the prior publication could be traced back. The mentioned identity had to exist at the time of publication and could not be "made up for" by assignment of the application to the person who made the publication as he is a successor in title.<sup>10)</sup> Analogous an applicant could not by having transferred to him an application published less than 6 months earlier and thereby comprised in the state of the art, achieve that the novelty grace period applied to his application.

When the invention had been made by several inventors and one or more had published the invention or used it publicly less than 6 months before the filing of a patent application, any of them could avail himself of the special rule of grace.<sup>11)</sup> The fact that the invention had been traded several times prior to the prior publication or the public use had no importance if only an unbroken chain existed causally leading e.g. the use back to the inventive concept.<sup>12)</sup> The burden of proof in that respect lay on

the applicant.

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Personal identity was also considered to exist when an employee or a legal person was the inventor but the prior use or prior publication had been made by the employer or the legal person.<sup>13)</sup> The predecessor of an employee could invoke the novelty grace period in case of public prior use by the employer when the employee had violated his obligation to put his invention at the disposal of the employer. Even in cases of violation of a professional secrecy or of unlawful appropriation of knowledge of the invention the prior publication was considered to be due to the invention and could justify the grant of a novelty grace period.<sup>14)</sup> Under these circumstances the proper owner had to claim the refusal of the unlawfully filed patent application and subsequently file a new application indicating himself as the proper owner, cf. Sec. 4(3) of the former Patents Act. Conversely the unlawful owner who had filed a patent application could not invoke the novelty grace provision as regards prior publication made by the proper owner of the invention.<sup>15)</sup>

Due to the exact demands of personal identity considered contained in the provision by virtue of the words "based upon" the invention of the applicant or his legal predecessor, the question was raised not only whether there should be an invention in the general legal sense, cf. above, but also the question whether there should be identity between the subject-matter of the prior publication and the subject-matter of the later filed application (identity of subject-matter). The last-named condition was not a prerequisite of invoking the novelty grace provision. Indeed, that would only most badly correspond to the realities of practical life. Precisely the unexperienced patent applicants who according to the official commentaries to the Bill were to be protected by the rule in Sec. 2, 2nd sentence, frequently do not apply



for protection of the published invention in its original form but on the contrary of a later developed suitable form which cannot be considered as equivalent. The provision also included the cases where the invention covered by the patent application bordered on the prior publication.

It is true that through a period legal usage and jurisprudence by a narrow interpretation was inclined to require complete possession of the invention at the time of prior publication - however, without requiring complete identity between the subject-matter belonging to the state of the art and the application, nor requiring that the content of the application had become completely known by the prior publication. However, by the decision of the Federal Court of Justice (BGH) of December 19, 1978,<sup>16)</sup> this line was left. It constituted a return to the fairness considerations referred to in the official commentaries to Sec. 2, 2nd sentence, in the Bill of 1936. At the same time the earlier idea that the later application must show inventive step compared to close prior publications was abandoned. In its decision BGH said that from the point of view of fairness considerations it makes no difference whether the invention - with or without the will of the entitled person - shortly before the filing of a patent application has become completely known, or the inventive concept only has become known to the public provided that a person skilled in the art without inventive efforts may attain the subject-matter of the later application. In the first case the novelty requirement would exclude the patentability, in the second case the requirement of inventive step.

When the prior publication concerned an identical prior application the novelty grace period had no legal effect. Here the prohibition of double-patenting under Sec. 4(2) of the Act then in force fixed

a limit to the use of the novelty grace period. When there was not identity between the later application and the prior published earlier application, the latter did not exclude the issue of a patent according to the later application. That held good no matter whether the later application contained a further improvement or presentation of the subject-matter of the earlier application, or it differed from the earlier application in some other way. In particular, those problems arose in the relationship between a main patent laid open to public inspection as a Auslegeschrift less than 6 months before the filing of an application for a patent of addition. Through many years opinions were divided on the question if the novelty grace period could be claimed in an application for a patent of addition to avoid loss of novelty due to the publication of the main patent. Some decisions<sup>17)</sup> refused to accept invoking of the novelty grace period on the ground that the wording of Sec. 2, 2nd sentence, is "the invention of the applicant or his predecessor" and not "an invention of ...".<sup>18)</sup> Furthermore, the decisions were based on the provision in Sec. 10 of the Act then in force which allowed patents of addition and which explicitly concerned improvement or further development of an other invention. Other decisions arrived at the opposite result.<sup>19)</sup> Here the view was that according to legal usage a patent of addition could be granted not only for independent inventions but also for inventions not implying an inventive achievement compared with the state of the art to which the main patent also belonged. In the latter case the invention which was the subject-matter of the main patent made up the same invention as the one which was the subject-matter of the application for the patent of addition, and the invention contained in the latter application was close to the one prior published by the laying open to public inspection of the main patent. The above-mentioned, more varied

interpretation was among others shared by Weissig and Busse.<sup>20)</sup>

The novelty grace period covered description or use "within six months prior to the application". The time-limit was calculated from the filing date of the German patent application. This involved that the period could not be accumulated with a possible priority right or an exhibition priority.<sup>21)</sup> There was no reason why this should be the case, partly because the novelty grace period differed from the so-called priority right and exhibition priority as these gave the applicant the advantage that all disclosures having a later date comprised in the state of the art had no importance in deciding on the patentability of the invention, partly because a foreign applicant would be unnecessarily favoured in comparison with a German national applicant unless he, too, file abroad the first time. The rule implied that for instance the conflict between a German inventor who prior-publishes his invention March 1 and not until August 1 files a patent application and the third person who files a patent application for the same invention in Denmark July 1 and files November 1 in Germany claiming priority from the Danish application was solved in the way that the German inventor could not be granted a patent in Germany.<sup>22)</sup>

The novelty grace period was to be observed ex officio, and in case of doubt it lay with the Patent Authority to prove the lack of patentability.

The legal positions in a relationship between an inventor X and a third person Y as regards the non-prejudicial disclosures may hereafter be summed up as follows:

1. Public description or use has taken place more than 6 months before X files a patent application.

When a third person had described/used the invention independent of X's invention, X could not be granted a patent. If the third person for instance in connection with the public use had committed a breach of confidence towards X by acting contrary to a duty to keep the invention secret, the conception of law until RGZ 167.339 (=GRUR 1942.57) was that the publication was not prejudicial - in any case in case of use (contrary to a published description).

If the inventor himself had described his invention publicly or used it publicly, such circumstances could become part of the state of the art and thereby constitute prejudicial disclosures or exclude the necessary inventive step when a patent application was filed more than 6 months later.

2. Public description or use has taken place less than 6 months before the inventor X files a patent application.

The own publication of the inventor was not considered prejudicial due to Sec. 2, 2nd sentence. When a third person had committed a breach of confidence in connection with the publication, that was not considered to be prejudicial as the novelty grace period here lent a hand: The publication was "based upon" the later inventor X's invention. If Y's invention had been made independent of X, the legal position depended on, who published first whereas it hereafter made no difference whether X or Y filed a patent application before the other. If only X had used or described his invention publicly, that fact was decisive and not who was later the first to file a patent application. To the independent third person Y a prior use right could be attributed provided he had acted in good faith.

National Deliberations

At the Birth of the 1981 Act

Sec. 3(4) of the 1981 Act meant a final break with the more comprehensive novelty grace provision known in German law in the years 1936-1980. At the time of the law preparation which took place in 1975-76 on the part of the Bundesrat (Federal Council)<sup>23)</sup> the wish was expressed to add an exemplification to the concept of "evident abuse" in order to facilitate the application of that till then unknown concept. However, the Bundesregierung (Federal Government)<sup>24)</sup> refused to do so. The argument used was that the concept had been chosen in two international treaties and thus the aim of harmonization would be lost if every national legislator interprets the concept in stead of allowing a common interpretation to develop by court decisions in the member countries. Rechtsausschuss des Bundestags (Legal Committee of Parliament),<sup>25)</sup> too, determined on not using the possibility to make reservation for a transitional period of 5 years as provided by the Strasbourg Convention Art.s 12(1)(b) and 12(2), especially because the European Patent Convention would enter into force for Germany before. To German applicants this would have involved great risk as their prior publication would not be prejudicial according to German national law but exclude the grant of a patent in case of a later filing of a European patent application for the same invention in the other member states of the European Patent Organisation.

In the official German commentaries<sup>26)</sup> to the Strasbourg Convention it is said about the elements of the act of evident abuse that this has not already been realized when a third person has published the invention without the active consent of the inventor or his successor in title. In addition it is requir-

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ed that the inventor or his successor in title has done everything necessary to keep the invention secret, and that the third person has communicated his knowledge of the invention in a way or to the public thereby infringing a contractual or legal duty in relation to the inventor or his successor in title.

In spite of the fact that the harmonization with the Strasbourg Convention and the European Patent Convention implied the abolition of the earlier far-reaching novelty grace provision, no objection from research quarters which was able to influence legislator was heard during the reading of the Bill.<sup>27)</sup> In 1978 Bossung<sup>28)</sup> pointed out that science would be affected by the abolition of the novelty grace provision as concerns one's own prior publication. He stated that often scientists are forced to publish the results of their basic research which indeed contains discoveries and cognitions but which not yet constitute completed patentable inventions. In so doing the research achievements form part of the state of the art. A later patenting of obvious uses is excluded hereafter.

After the Amendment of the Act in 1980-81.

In connection with the AIPPI-discussions of Question 75 the German Group<sup>29)</sup> advocated the following amendment of Art. 11 of the Paris Convention having however not taken a final position as regards the question whether the time-limit ought to be 6 or 12 months:

"(1) The grant of a patent, utility model or certificate, inventor's certificate or industrial design shall not be denied in any of the countries of the Union because of a disclosure attributable to the applicant or his legal predecessor which is made within one year preceding the date of application.

(2) This provision shall not apply to disclosures occurring through publication of the application or notice of the grant of such a right in a country of the Union."

Subparagraph (2), which was intended to foreclose double-patenting, according to the German Group needed to be discussed more thoroughly, but such a provision should be energetically pursued as it would be applicable immediately in some states and would lead to harmonization of national law in others. The German Group concludes that harmonization of the law in all or a large number of the member countries of the Paris Union would at any rate result in great benefits not only to the inventor, but also to the general public and patent offices, since there will be fewer patent applications for incompletely developed inventions.

#### Protection of Inventions at Exhibitions

In the period of 1904-1980 a special Act concerning protection of inventions, utility models, industrial designs and models at exhibitions was in force in Germany. The legal text had the following wording:

"Inventions, utility models, industrial designs and models exhibited at a national or international exhibition as well as trademarks placed on an article which is exhibited itself enjoys a temporary protection in accordance with the provisions below:

1. By decree of the Minister of Justice in Bundesgesetzblatt (Official Gazette) it is decided in each individual case that the temporary protection shall apply to the exhibition in question.
2. The temporary protection has the effect that the exhibition or a later use or a later publication of the invention, the design or trademark does not exclude the obtaining of a statutory patent, de-

sign or trademark protection, always provided that the application for such protection is produced by the exhibitor or his successor in title within a time-limit of 6 months after the opening of the exhibition. The application precedes other applications filed after the day of exhibition."

The main importance of this Act consisted in granting a real priority, a date of the invention back to the exhibition without filing a patent application provided that this happened at the latest 6 months after the opening of the exhibition. The priority in relation to other applications included only applications which had been filed later than the actual exhibition of the invention. If on the other hand a patent application had been filed with the Patent Authority by anybody but the exhibitor on the same day as the exhibition took place, the later application filed by the exhibitor did not enjoy a preferential or an equal right vis-à-vis the former application. In this situation the time of filing at the Patent Authority was decisive. According to a court decision of 1932<sup>30)</sup> the Act applied also when a licensee had exhibited the invention.

Protection of inventions at exhibitions was only secured by showing of the invention. If nothing but advertising material had been distributed, the Act concerning protection at exhibitions could not be invoked, only the ordinary novelty grace period laid down in Sec. 2, 2nd sentence, of the Patents Act. Any later publication of the invention outside the exhibition by use or by printed publication lost its prejudicial effect<sup>31)</sup> and it was not even necessary to examine whether the publication had any relation to the exhibition. It was not required that the applicant invoked exhibition priority during the examination of the application, only when he did it the exhibition priority was indicated on the patent spe-



cification and in the Register of Patents.

Exhibition priority might also be claimed by foreigners having as a necessary prerequisite that their native country granted an equivalent right to German citizens. It was a regular practice that a Government notice in compliance with no. 1 of the Act could be published for exhibitions abroad as well.

Notes:

1. Blatt 1976, 264-270.
2. Blatt 1904, 181 et seq.
3. Blatt 1936, 103-104.
4. Benkard PatG 1981, p. 228.
5. RPA April 2, 1942 = GRUR 1942.321.
6. See e.g. G. Klauer, JW 1936.187(188).
7. H. Tetzner: Das materielle Patentrecht der Bundesrepublik Deutschland, 1972, p. 289.
8. H. Tetzner: Ibid, p. 339.
9. Cf. the decision "Zugseilführung", GRUR 1969.271(273).
10. V. Tetzner: Leitfaden des Patents- und Gebrauchsmusterrechts der BRD, 1977, p. 30, and Busse, Patentgesetz, 1956, p. 122.
11. Krausse/Kathlun/Lindenmaier: Das Patentgesetz, 1970, p. 121.
12. The decision "Lückenlose Kette" GRUR 1978.637.
13. Benkard: Patentgesetz, 1981, p. 230.
14. On this opinions differed Benkard: Patentgesetz, 4. Aufl., p. 144. Opposite V. Tetzner: GRUR 1974.121(123).
15. V. Tetzner GRUR 1974.121.
16. GRUR 1969.271.
17. RPA decision of June 9, 1941 (=Mitt. 1941.186) and Mitt. 1956.110.
18. Quotation from RPA decision of June 9, 1941.
19. RPA decision of November 3, 1941 (=Mitt. 1942.24) and Mitt. 1963.75.

20. Weissig: Mitt. 1957:221 and Busse: Patentgesetz, 1956, p. 209.
21. Weber: GRUR 1938.811(812). The decisions "Aminosulfid" GRUR Int. 1967.274 and "customer prints" GRUR 1971.214.
22. Nor could the Dane be granted a patent, but that was due to the provision of Sec. 2, first sentence.
23. Blatt 1976, 347.
24. Blatt Ibid.
25. Blatt 1976, 348.
26. Blatt 1976, 339.
27. Beier/Straus: Der Schutz wissenschaftlicher Forschungsergebnisse, 1982, p. 36.
28. GRUR Int. 1978.381-398, 393.
29. AIPPI Annuaire 1980/II, p. 202-205.
30. RGZ 137,64.
31. Krausse/Kathlun/Lindenmaier: Das Patentgesetz, 5. Aufl., 1970, p. 99.

Present Law

The Patents Act in force in Greece is Act No. 2527 of September 24, 1920. The novelty requirement is laid down in Sec. 2, according to which "an invention shall not be considered novel if, at the time of application for a patent of invention, it is sufficiently known within the Kingdom or has been described in publications or by drawings existing in Greece in a way making it possible for an expert to put the invention into practice".

According to Greek law the novelty of an invention is thus only lost by use or prior publication in Greece. It is of no importance who has brought about the prior description or use. The novelty is lost no matter if it is the inventor himself who has disclosed his invention to the public, or if it is a third person who with or without the will of the proper owner has used or published the invention.<sup>1)</sup>

In Greek law no protection of inventions at exhibitions exists.

Earlier Legal Situation

No patent legislation existed in Greece prior to the 1920 Act. Moreover, there was no possibility of protecting inventions before that time as Roman Law was still prevailing and it recognized only title to "res".<sup>2)</sup>

National Deliberations

A Bill amending the Greek Patents Act is in preparation. That work is a consequence of the planned Greek accession to the European Patent Convention and

the Community Patent Convention. Like in a number of the other European countries. part of the national patent legislation will be harmonized with the conventions.

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Notes:

1. See Elias J. Xiros: Das Recht an der Erfindung vor der Patenterteilung nach Deutschem und Griechischem Recht, 1938, p. 12.
2. Xiros, supra, p. 5.

Present Law

The present French Patents Act of 1968, as latest amended in 1978, defines the novelty concept in Sec. 8 in the same way as Art. 54 of the European Patent Convention. Sec. 9 contains the abuse clause from the Strasbourg Convention:

"1. For the application of Section 8, a disclosure of the invention shall not be taken into consideration in the following two cases:

1<sup>o</sup>. if it occurred within the six months preceding the filing of the patent application;

2<sup>o</sup>. if the disclosure is the result of publication, after the date of that filing, of a prior patent application and if, in either case, it was due directly or indirectly to:

(a) an evident abuse in relation to the applicant or his legal predecessor, or

(b) the fact that the applicant or his legal predecessor has displayed the invention at an official, or officially recognized, international exhibition falling within the terms of the revised Convention on International Exhibitions signed at Paris on November 22, 1928.

2. In the case of paragraph 1(b), paragraph (1) shall apply only if the applicant states, when filing the patent application, that the invention has been so displayed and files a supporting certificate within the period and under the conditions laid down by decree."

No court decisions exist in connection with the provision.

## Earlier Legal Situation

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The Patents Act in force in France from 1844 till 1968 contained a principle of absolute novelty, and in principle it was a matter of secondary importance if a divulgation which had taken place was intentional or not on the part of the inventor who applied for a patent later. However, already early court decisions<sup>1)</sup> established that publication made by a person who had taken possession of the invention or who had learnt about the invention under the terms of a fiduciary relationship and later fraudulently published it, did not detract from the novelty.

By the 1968 Act the limited exception to the requirement of absolute novelty developed by court decisions was given statute form to a large extent. Thus Sec. 8 prescribed that "disclosure within a period of six months prior to a patent application does not constitute a bar to novelty if such disclosure is the direct or indirect result of a clear violation (abus caractérisé) of the rights of the applicant or his legal predecessor". The provision covers the cases where the invention has been published against the will of the inventor.<sup>2)</sup> The fact that the abuse must be "caractérisé" implies that the rule does not apply when the publication is due to an error or lack of care on the part of the inventor. About the "abus caractérisé" in the 1968 Act and the "abus évident" in the 1978 Act the French Group in connection with the AIPPI discussions<sup>3)</sup> states that the wording of both Acts does not cover the situation where the inventor has not been deprived of the invention fraudulently but still it has been communicated freely under a obligation of secrecy, or an obligation of secrecy has been breached by the person on whom it falls. That interpretation does not seem to be in accordance with the above-mentioned or with the interpretation of the corresponding provision in

No precedents exist, whether under the 1968 or the 1978 Act, to throw further light on the provision in question.<sup>4)</sup>

### National Deliberations

Shortly after the introduction of the special novelty grace period into the German Patents Act of 1936 Casalonga<sup>5)</sup> argued strongly against the introduction of a corresponding rule into French patent legislation. His argumentation not only referred to such a novelty grace period being contrary to the legal philosophy according to which the inventor's exclusive right pursuant to the patent is a quid pro quo for Society's getting to know his invention via the official publication of the patent specification and consequently the obligation of Society to the inventor does not set in in case of lack of novelty due to publication prior to the filing of a patent application. He also referred to the practical difficulties which such a novelty grace period would cause as regards proof of the priority of the invention, and in this context he dissociated himself from the American system. Moreover, he accentuated the difficulties in achieving an international agreement about the contents and the temporal delimitation of such a novelty grace period.

The view in France since the amendment of the Act in 1978 as expressed by the French Group of AIPPI<sup>6)</sup> is that a prospective international novelty grace period should be in accordance with the spirit of the European Patent Convention. The Group considers that six months is a reasonable period of time but considers that the concept of "evident abuse" (manifest violation) should be clarified by referring, but not restricting the definition, to the two cases most

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frequently encountered in practice, namely usurpation of the invention by a third party and non-compliance by a third party with an incumbent obligation of confidentiality whether contractual or deriving from the status of such third party. In all cases, the inventor must be protected not only against primary disclosure but also against any secondary disclosure deriving therefrom, always provided the primary violation and the part played thereby in such other disclosures can be determined.

Concerning disclosures at exhibitions the French Group sees only disadvantages in increasing the number of exhibitions qualifying for exoneration.

#### Protection of Inventions at Exhibitions

Since 1968 the French Patents Act Sec. 8 allows exhibition protection at official, or officially recognized, international exhibitions falling within the terms of the Convention on International Exhibitions of 1928. At the entry into force of the mentioned Act the Act of April 13, 1908,<sup>7)</sup> was repealed. It concerned temporary protection of industrial property at foreign international official, or officially recognized, exhibitions and at exhibitions in France or in the colonies arranged with the authorization or under the patronage of the Government granting a temporal protection for 12 months. As the 1908 Act gave protection from all officially recognized exhibitions, the number of exhibitions at which temporary protection might be obtained, was considerably reduced.

In his comment on especially the exhibition protection Mathély<sup>8)</sup> states: The possibility of temporary protection at exhibitions has always been criticized. In reality, as long as a common international system does not exist the temporary protection risks to deceive the inventor who benefits of an immunity



in the country where protection is granted but whose invention will be regarded as disclosed in the other countries. As to the reduced possibility of claiming exhibition protection after the amendment of the Act in 1968 he states: This reduction is not contrary to the interests of the inventors as at the same time it minimizes the risks which were involved.

Notes:

1. The Court of Paris, November 22, 1882, and the Court of Grenoble, May 12, 1885, Ann. 1883,95 and 1886,10.
2. Mathély: Le Droit Français des Brevets d'Invention, 1974, p. 149, and Devant, Plasseraud, etc: Les Brevets d'Invention, 1971, p. 75-76.
3. AIPPI Annuaire 1980/II, p. 241-244.
4. The information comes from the AIPPI Annuaire 1980, II, p. 242.
5. Traité de la Brevetabilité, 1939, p. 246-248.
6. AIPPI Annuaire 1980/II, p. 241-244.
7. Blatt 1908, 178.
8. Mathély: Le Droit Français des Brevets d'Invention 1974, p. 150.

Present Law

The Irish Patents Act in force has not yet been harmonized with the European Patent Convention or the Strasbourg Convention. Ireland has ratified the Strasbourg Convention, but is not yet member of the European Patent Organisation.

The Irish Patents Act of 1964, as amended in 1966, in Sec.s 47 and 48(1) provides the following novelty grace period:

"Sec. 47. Subject as hereinafter provided, an invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published before the priority date of the relevant claim of the specification, if the patentee or applicant for the patent proves -

- (a) that the matter published was obtained from him or (where he is not himself the true and first inventor) from any person from whom he derives title, and was published without his consent or the consent of any such person; and
- (b) that the application for a patent or (in the case of a convention application) the application for protection in a convention country was made not more than six months after the date of such publication:

Provided that this subsection shall not apply if the invention was before the priority date of the claim commercially worked in the State, otherwise than for the purpose of reasonable trial, either by the patentee or applicant for the patent or any person from whom he derives title or by any other person with the consent of the patentee or applicant for the patent or any person from whom he derives title.

(2) Where a complete specification is filed in pur-

suance of an application for a patent made by a person being the true and first inventor or deriving title from him, an invention claimed in that specification shall not be deemed to have been anticipated by reason only of any other application for a patent in respect of the same invention, made in contravention of the rights of that person, or by reason only that after the date of filing of that other application the invention was used or published, without the consent of that person, by the applicant in respect of that other application, or by any other person in consequence of any disclosure of the invention by that applicant if the first-mentioned application was made not more than six months after any such use or publication.

(3) Notwithstanding anything in this Act, the Controller shall not refuse to accept a complete specification or to grant a patent, and a patent shall not be revoked or invalidated, by reason only of any circumstances which, by virtue of this section, do not constitute an anticipation of the invention claimed in the specification.

Sec. 48(1). An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only of the communication of the invention to a Minister of State or to any person authorised by such a Minister to investigate the invention or its merits."

According to Sec. 2 "published" means made available to the public by the written or spoken word or by public use, or in any other way.

These provisions must be seen in connection with the novelty concept of the Act. The requirement of novelty in Irish law is relative at the application stage. In Sec. 12 it is prescribed that the examiner "shall make investigation for the purpose of acer-

taining whether the invention, ... has been published before the date of filing of the applicant's complete specification in any specification filed in pursuance of an application for a patent made in the State" and ... whether the invention ... has been published in the State before the date of filing the applicant's complete specification in any other document. These provisions are supplemented by a further detailed requirement of communication of the result of the search of a corresponding application in the United Kingdom and the Federal Republic of Germany.<sup>1)</sup>

After grant, a patent may be revoked if "the invention ... was claimed in ... another specification published on or after the priority date of the claim and filed in pursuance of an application for a patent in the State, the priority date of the relevant claim ... of the other specification being earlier than that of the claim" and if the invention (claimed in the complete specification) is not new having regard to what was published before the priority date of the claim.

#### Earlier Legal Situation

Prior to the 1964 Act, as amended in 1966, the Industrial and Commercial Property (Protection) Act of 1927, as amended in 1929, was in force.

Concerning acts which are not anticipatory Sec. 36, subsection 2, of the mentioned Act laid down the following rules:

"A patent is not considered invalid if only for the reason that the invention which is the subject-matter of the patent, or part of it, has been published before the date of the patent provided that the owner of the patent sufficiently proves in court that the published subject-matter derived or was obtained from him and that the publication occurred without his

knowledge or acceptance, and if he has learnt about the publication prior to the date of his patent application, that having learnt about the publication he has taken due care to file an application and obtain protection of the invention. The protection stipulated in this subsection does not extend to an owner of a patent who has worked his invention commercially in the Irish Free State for other purposes than carrying out reasonable experiments prior to the filing of a patent application."

This provision was supplemented by Sec. 60 which laid down rules prescribing that display at an exhibition and a lecture delivered to a learned society did not exclude the grant of a patent if certain steps were taken.

Sec. 60 had the following wording:

"The display of an invention at a commercial or international exhibition which has been established as such by the Minister or the publication of a description of the invention during the time of exhibition, or the use of the invention for the purposes of the display at the place of the exhibition, or a third person's use during the time of exhibition without the knowledge or the will of the inventor, or a lecture delivered by the inventor to a learned society, or the publication of the lecture in the minutes of the society, does not influence the right of the inventor to apply for and obtain patent protection, nor does it influence the validity of a patent granted according to the application, provided

- (a) that the exhibitor prior to the display of the invention or that the person who delivers the lecture or allows the publication in question furnishes the prescribed documents stating his intention to that effect to the Controller, and
- (b) that the patent application is filed before or within six months of the date of opening of the

exhibition or of the lecture or of the publication.

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(2) By a decree the Executive Council may declare this provision to be likewise applicable to any exhibition mentioned in the decree as in the case of an exhibition which has been established as being commercial or international by the Minister. Any such decree may prescribe that the exhibitor shall be exempted from his obligation to furnish the Controller with documents stating his intention to exhibit the invention, and no matter whether without further proof or on the conditions laid down in the decree."

### National Deliberations

In the Bill introduced in 1981 in order to render it possible for Ireland to ratify the European Patent Convention and at the same time to harmonize national patent legislation with the European conventions, the novelty concept of Art. 54 of the European Patent Convention has been adopted, cf. Sec. 8. In laying down the extent of a novelty grace period a departure from the concept of "evident abuse" has been chosen in the Bill. The Irish wording is close to the English Patents Act of 1977, Sec. 2(4)(a) and (b). Sec. 9 of the Bill says:

"For the application of Section 8 a disclosure of the invention shall not be taken into consideration if it occurred no earlier than six months preceding the filing of the patent application and if it was due to, or in consequence of:

- (a) a breach of confidence or agreement in relation to, or the unlawful obtaining of the matter constituting, the invention, or
- (b) the fact that the applicant or his legal predecessor has displayed the invention at an international exhibition which is either

official or officially recognised under the Convention on International Exhibitions signed at Paris on the 22nd day of November, 1928 or any subsequent treaty, convention or other agreement replacing that Convention; provided that the exhibitor states, when making the patent application, that the invention has been so displayed and files a supporting certificate within the period and under the conditions prescribed."

Protection of Inventions at Exhibitions

In Sec. 48(2) and (3), the present Act of 1964 prescribes the following about protection at exhibitions:

"(2) The exhibition of an invention at an international exhibition certified as such by the Minister, or the publication of any description of the invention during the period of the holding of the exhibition, or the use of the invention for the purpose of the exhibition in the place where the exhibition is held, or the use of the invention during the period of the holding of the exhibition by any person elsewhere, without the privity or consent of the inventor, shall not be deemed to be an anticipation of the invention:

Provided that-

- (a) the exhibitor, before exhibiting the invention, or permitting such publication, gives the Controller the prescribed notice of his intention to do so; and
- (b) the application for a patent is made before or within six months after the date of the opening of the exhibition.

(3) Notwithstanding anything in this Act, the Controller shall not refuse to accept a complete specification or to grant a patent, and a patent shall not be revoked or invalidated, by reason only of any

circumstances which, by virtue of this section, do not constitute an anticipation of the invention claimed in the specification." 60

As mentioned in the paragraph concerning national deliberations, the Irish Bill to amend the Patents Act as introduced in 1981 contains a provision in Sec. 9(b) allowing protection at exhibitions provided that the exhibitions in question are covered by the Convention on International Exhibitions.

Note:

1. Cf. J.W. Baxter: World Patent Law and Practice, 2nd ed., 1973, 1976, p. 91 et seq. and 111 et seq.



I t a l y

Present Law

Italy is among the countries which to day have a novelty grace period only to the extent known in Art. 4(4) of the Strasbourg Convention and in Art. 55 of the European Patent Convention.

Law on Patents for Inventions, Royal Decree No. 1127 of June 29, 1939, as amended in 1979, prescribes the following in Sec. 15:

"For the application of Section 14, a disclosure of the invention shall not be taken into consideration if it occurred in the six months preceding the filing of the patent application and if it was due to, or in consequence of, an evident abuse to the prejudice of the applicant or his legal predecessor.

The fact that the disclosure occurred at official or officially recognized exhibitions falling within the terms of the Convention on International Exhibitions signed in Paris on November 22, 1928 and its later revisions, also shall not be taken into consideration.

With respect to inventions for which priority is claimed under international conventions, the existence of the novelty requirement provided for under Section 14 must be evaluated with reference to the starting date of the priority."

Earlier Legal Situation

Prior to the general harmonization of the patent legislation in Europe, brought about by the international co-operation in the patent field at the end of the 1960'es and in the early 1970'es, a protection resembling a priority right was given to communications to a learned society and to the display of inventions at an exhibition. However, at the confe-

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rence for the revision of the Paris Convention in Lisbon in 1958 the Italian delegation unambiguously dissociated itself from a general novelty grace period covering the prior publication of the inventor himself.<sup>1)</sup> Yet Italy was among the countries voting in favour of the less far-reaching Japanese proposal<sup>2)</sup> contemplating a novelty grace period when a third person's prior publication of the invention is the result of an abuse in relation to the applicant.

Sec. 17<sup>3)</sup> prescribed:

"The inventor and his successor in title shall also benefit from the provisions of subsection 2 of the preceding section in cases where the invention first become publicly known through communications or dissertations having been published in the publications of the legally recognized, learned societies or academies of the country, provided, however, that the patent application is filed within 12 months of the publication.

(2) The date of the publication shall be indicated by the parties and having verified the correctness the Patent Office shall enter it in the Register of Patents and in the patent certificate; the priority date of the patent shall be dated back to the mentioned date."

Moreover, Sec. 28(3) laid down that:

"If a priority of a foreign application invoking the display at an exhibition or the publication in a scientific communication or dissertation is claimed, the applicant shall file with the Patent Office the necessary declarations and evidence in order to prove the priority."

As far as it is known there has never been made use of Sec. 17.<sup>4)</sup>

A publication of an invention prior to the filing of a patent application made by the inventor himself was prejudicial. Besides, legal usage and jurisprudence has always agreed upon that disclosure of the invention shall be considered anticipatory when it is due to lack of safeguards against non-secrecy, when the inventor has made a mistake or when the disclosure arises as an unforeseen contingency.

Otherwise with the judging of the extent of the absolute novelty concept in cases when the disclosure has taken place against the will of the inventor, e.g. by an act contrary to an obligation to keep the invention secret. It is true that the prevailing opinion and legal usage<sup>5)</sup> maintained an absolute requirement of novelty without any restriction for the sake of equity in such cases, but a minority was on the same lines as the opinion expressed by Italy at the conference for revision of the Paris Convention in Lisbon in 1958 and as present law in Italy after the harmonization of national legislation with the European Patent Convention.

A provision corresponding to Sec. 17 of the earlier Italian Patents Act exists in the Portuguese Patents Act of August 24, 1940, Sec. 10, subsection 2, still in force. Here a novelty grace period of 12 months is granted for publications of the invention, which is the subject-matter of a later patent application, through communications to scientific societies, corporations and technical industrial unions. However, the Portuguese provision does not admit antedating of the priority of the patent application like in the earlier Italian legislation.

#### National Deliberations

During the AIPPI discussions of Question 75 the Italian Group<sup>6)</sup> has taken up a positive attitude to

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extending the novelty grace provision as laid down in Sec. 15 of the 1979 Act to cover the inventor's own disclosure of his invention within six months prior to the filing of a patent application.

### Protection of Inventions at Exhibitions

The harmonization in 1979 also implied the giving up of the earlier - more extensive - Italian priority right from national and international exhibitions.

The protection was given in accordance with Sec.s 8 and 9:

"Sec. 8. Under the conditions specified in the following sections and within the limits laid down there the Minister of Corporations may grant temporary protection to new industrial inventions which are displayed at official, or officially recognized, national or international exhibitions in the territory of the State or in other countries given reciprocity.

Sec. 9. The temporary protection transfers the priority of the patent to the benefit of the inventor or his successor in title to the point in time when the article was delivered for display; the protection takes effect when the right of protection is filed in due form within 12 months after the delivery of the article, however, at the latest 12 months after the opening of the exhibition.

(2) In case of an exhibition in an other country, and if a shorter time-limit is laid down in its rules, the application for a patent must be filed within the mentioned time-limit."

A single court decision interpreted Sec.s 8 and 9 in the way that the exhibition protection did not cover a voluntary sale of the object of the invention after

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the holding of the exhibition. This decision was criticized severely,<sup>7)</sup> and if anything, its interpretation could be a consequence of Art. 55 of the European Patent Convention whose concept "in consequence of" a display of an invention at an international exhibition is not interpreted too narrowly.

Notes:

1. Actes, p. 354 and 360.
2. Actes, p. 364.
3. The 1939 Act as published in Blatt 1940,94.
4. Ubertazzi/Vohland: Das neue italienische Patentrecht, GRUR Int. 1980.11:
5. L. Vohland: Die Voraussetzungen der patentfähigen Erfindung in Italien im Vergleich zum Münchener Patentübereinkommen, 1981, p. 59-60.
6. AIPPI Annuaire 1980/II, p. 263-265.
7. Vohland: Ibid, p. 111-112.

Present Law

The present Patents Act in Luxembourg is the Act of June 30, 1880, as last amended by the Act of October 31, 1978.<sup>1)</sup> The novelty requirement is absolute as everything is new which has not been described in public printed publications prior to the filing of a patent application, nor has been used earlier publicly in Luxembourg or abroad rendering a subsequent use by other persons skilled in the art possible.

By the amendment of April 27, 1922,<sup>2)</sup> Sec. 2 was worded as follows:

"An invention is not considered to be new when at the time of filing pursuant to this Act, it has already been described distinctly in a public printed publication or it has been used publicly in the Grand Duchy of Luxembourg or abroad, whereby the working by other persons skilled in the art seems possible."

The Luxembourg patent legislation allows no novelty grace period, either for the applicant's own prior publications or his prior use.

National Deliberations

In the summer of 1983 the Government Council published a draft reform of the Patents Act.<sup>3)</sup> The draft contains a harmonization with the material patent law of the European Patent Convention. Thus the draft inter alia has taken over the novelty concept of the convention and contains an exhibition protection like the one of Art. 55(1)(b) of the convention and the clause concerning abuse as in Art. 55(1)(a).

Protection of Inventions at Exhibitions

No protection of such kind exists in Luxembourg.

Notes:

1. Industrial Property, November 1979, Laws and Treaties.
2. La Propriété Industrielle 1922.69.
3. GRUR Int. 1983.829.

Present Law

Sec. 2 of the Patents Act of the Kingdom of November 7, 1910, as last amended by the Act of the Kingdom of December 13, 1978, provides for an absolute novelty requirement. After that the following is laid down in Sec. 2(5) and (6):

"(5) This Section shall not apply to everything that was made available to the public within six months preceding the filing of a patent application as a direct or indirect consequence of either an evident abuse in relation to the applicant or his legal predecessor, or the fact that the applicant or his legal predecessor displayed the product in question or showed the process in question at an official, or officially recognized, international exhibition falling within the terms of the Convention on International Exhibitions signed in Paris on November 22, 1928, and last revised by Protocol of November 30, 1972.

(6) Official recognition of exhibitions in the Netherlands shall be accorded by Our Minister of Economic Affairs, and of exhibitions in the Netherlands Antilles by the Government of the country concerned."

Thus a disclosure by the inventor himself before the filing date or priority date may take away the novelty and inventivity of a process or product claimed.

Earlier Legal Situation

Until the amendment to the Act in 1978 Dutch law did not provide for a novelty grace period. However, information made on condition of secrecy did not exclude the patenting of the invention, but if those



to whom secrecy had been imposed had broken the obligation of secrecy, so that "sufficient public knowledge" had arisen all the same, the applicant could not appeal to this fact. Up to 1978 the Dutch novelty provision in Sec. 2 of the 1910 Act as later amended had the following wording: "Products and processes shall be deemed not to be new only when, at the time the application is filed, they may be of sufficient public knowledge, by description or otherwise, as to enable a person skilled in the art to manufacture or use them."

National Deliberation

In its Report in connection with the AIPPI discussions of Question 75 the Dutch Group<sup>1)</sup> states that industry, private inventors and other applicants are in general perfectly aware of the system of absolute novelty. No serious indications were found that any exception to the system, going further than the existing one, would be desirable.

The Dutch Group could not accept a suggestion that for the protection of certain inventors it would be desirable to establish days of grace during which any disclosure made by the inventor would not be prejudicial to his later patent application. On the one hand importance was attached to the fact that such a rule does not offer protection to the inventor vis-à-vis applications independently filed and disclosures independently made during the days of grace. On the other hand, if there would be misappropriation of the disclosed invention, the inventor would carry the considerable burden of proof of misappropriation. Furthermore, the Group found, there is the difficulty of determining, in the interest of the inventor, the contents of the disclosure, as the claims of a well defined application generally are much more far-reaching than the invention displayed by the inventor.

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The Dutch Group concluded that a system according to which a first (provisional) application is admitted, possibly at low cost, containing e.g. only a drawing or a rough description of the invention in the words of the inventor himself, whereafter, within a year, a further (complete) specification must be filed, meeting all the formal and substantive requirements, with priority going back to the first one, would be of greater benefit to those countries whose inventors might need it, and such a solution need not be incorporated in the Paris Convention.

### Protection of Inventions at Exhibitions

Not until the amendment to the Act in 1978 the possibility of claiming priority from an exhibition was limited to the special exhibitions defined in detail in the Convention on International Exhibitions of 1928. At the same time the present legislation prescribes an exception to the general novelty rule instead of a priority right. Sec. 8 of the Dutch Patents Act allowed an exhibition priority of six months from both national and international exhibitions.

Sec. 8 had the following wording:

"1. A person who at an exhibition in this Kingdom, arranged or recognized by the State, or an international exhibition in a country which is a member of the international Union, arranged or recognized by the State, displays a product or shows a process and afterwards within six months of the opening of the exhibition files a patent application for the displayed product or for the shown process or for an improvement of the product or process, shall enjoy the same rights as if he had filed a patent application on the day on which the product pursuant to the official certificate was present at the exhibition

or the showing of the process had begun. The above-mentioned official certificate shall be filed together with the patent application.

2. The recognition of exhibitions held in this Kingdom in Europe by the State is issued by the Minister who is in charge of the implementation of this Act; exhibitions held in the Colonies and the Possessions in other parts of the World are recognized by the Governors."

According to the statistics of the Dutch Patent Office exhibition priority was claimed only to a small extent. The table below shows the numbers of exhibition priorities claimed in the ten year period before 1978, compared with the numbers of patent applications in the same period in which a "normal" priority was claimed:

<u>Year</u>	<u>Exhibition priority</u>	<u>"Normal" priority</u>
1968	17	15.248
1969	8	16.285
1970	10	15.648
1971	16	15.072
1972	19	14.921
1973	9	15.079
1974	9	14.443
1975	5	12.766
1976	11	12.292
1977	3	12.201

Note:

1. AIPPI Annuaire 1980/II, p. 267-269.

Present Law

In the 1977 Act the novelty grace period got the following wording:

"Sec. 2(4): For the purpose of this section the disclosure of matter constituting an invention shall be disregarded in the case of a patent or an application for a patent if occurring later than the beginning of the period of six months immediately preceding the date of filing the application for the patent and either-

(a) the disclosure was due to, or made in consequence of, the matter having been obtained unlawfully or in breach of confidence by any person-

(i) from the inventor or from any other person to whom the matter was made available in confidence by the inventor or who obtained it from the inventor because he or the inventor believed that he was entitled to obtain it; or

(ii) from any other person to whom the matter was made available in confidence by any person mentioned in sub-paragraph (i) above or in this sub-paragraph or who obtained it from any person so mentioned because he or the person from whom he obtained it believed that he was entitled to obtain it;

(b) the disclosure was made in breach of confidence by any person who obtained the matter in confidence from the inventor or from any other person to whom it was made available, or who obtained it, from the inventor; or

(c) the disclosure was due to, or made in consequence of the inventor displaying the invention at an international exhibition and the applicant states, on filing the application, that the invention has been so displayed and also, within the prescribed period, files written evidence in support of the statement complying with any prescribed conditions."

In Sec. 2(5) it is said that references to the inventor include references to any proprietor of the invention for the time being and according to Sec. 130(1) an "international exhibition" means an official or officially recognized international exhibition falling within the terms of the Convention on International Exhibitions or falling within the terms of any subsequent treaty or convention replacing that convention.

Sec. 2(4) is alleged<sup>1)</sup> to be framed to have, as nearly as practicable, the same effects as the corresponding provisions of the European Patent Convention and the Strasbourg Convention. However, already in point of language it differs from the mentioned conventions. According to information from London no further reasons exist for this in the preparatory works on the Act. The reasons have been indicated to be that "it will not do"<sup>2)</sup> to have English judges wrestle with the Convention's (EPC's) vague language (evident abuse in relation to the applicant or his legal predecessor).

No court decisions concerning the interpretation of Sec. 2(4)(a) and (b) exist so far but the British provisions appear to exempt the disclosure of an invention even if it has also been made by an inventor who is quite independent of the applicant or his predecessor and the information comes from this separate source.<sup>3)</sup>

Under the 1949 Act Sec. 50(2) prescribed that an invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published before the priority date of the relevant claim of the specification, if the patentee or applicant for the patent proved-

"(a) that the matter published was obtained from him or (where he is not himself the true and first inventor) from any person from whom he derives title, and was published without his consent or the consent of any such person; and

(b) where the patentee or applicant for the patent or any person from whom he derives title learned of the publication before the date of the application for the patent or (in the case of a convention application) before the date of the application for protection in a convention country, that the application or the application in a convention country, as the case may be, was made as soon as reasonably practicable thereafter:

Provided that this subsection shall not apply if the invention was before the priority date of the claim commercially worked in the United Kingdom, otherwise than for the purpose of reasonable trial, either by the patentee or applicant for the patent or any person from whom he derives title or by any other person with the consent of the patentee or applicant for the patent or any person from whom he derives title."

No time-limit applied to this novelty grace provision. The same held good of the provision in Sec. 51(1) prescribing: "An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only of the communication of the invention to a Government department or to any person

authorised by a Government department to investigate the invention or its merits, or of anything done, in consequence of such a communication, for the purpose of the investigation."

This subsection covered any invention and was not limited to inventions for defense purposes. The subsection protected an applicant or patentee against unauthorised publication of matter obtained from him or his predecessor. The obtaining might have occurred in the United Kingdom or abroad and was not limited to patent specifications. A publication would be excused if the patentee, applicant or predecessor in title had knowledge of it so long as he did not consent to it and that on learning of the publication he acted diligently in making an application. The section mentioned only publication, not unauthorised use.<sup>4)</sup> The term "publication"/"publish" was defined in section 101 of the 1949 Act as meaning "made available to the public; and without prejudice to the generality of the foregoing provision a document shall be deemed for the purposes of this Act to be published if it can be inspected as of right at any place in the United Kingdom by members of the public, whether upon payment of a fee or otherwise".

The succeeding rule about publication at an exhibition or to a learned society has a time-limit of six months for filing of a patent application to avoid loss of novelty.

Sec. 51(2) had the following wording:

"An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only of-

- (a) the display of the invention with the consent of the true and first inventor at an exhibition certified by the Board of Trade for the purposes of this section, or the use thereof

with his consent for the purposes of such an exhibition in the place where it is held;

- (b) the publication of any description of the invention in consequence of the display or use of the invention at any such exhibition as aforesaid;
- (c) the use of the invention, after it has been displayed or used at any such exhibition as aforesaid and during the period of the exhibition, by any person without the consent of the true and first inventor; or
- (d) the description of the invention in a paper read by the true and first inventor before a learned society or published with his consent in the transactions of such a society,

if the application for the patent is made by the true and first inventor or a person deriving title from him not later than six months after the opening of the exhibition or the reading or publication of the paper as the case may be."

There is no more definite delimitation of the concept "a learned society". With regard to the word "paper" in this subsection Blanco White<sup>5)</sup> mentions that it would seem to be used as a term of art, excluding such other communications to learned journals as letters and the short communications used by scientists to secure priority of publication whilst a paper (in proper sense) goes through the lengthy procedure of acceptance and publication. It should be noted that this clause does not cover any consequential publication or use of the invention, and might even be held not to cover a bare reference to the published paper in some other journal. Presumably disclosure in a discussion following the reading of a paper was included. The exhibitions were those certified by the Department of Trade.<sup>6)</sup> In order to get an exhibition certified a particular procedure<sup>7)</sup> was to be followed, and foreign exhibitions could be certified.



Besides, the provision was limited to the cases where the inventor, and only he, has consented to a display of the invention. By a court decision it is established that Sec. 51(2)(d) concerning the time-limit of six months in relation to a publication of the invention in a lecture given to a learned society only applies to applications in the United Kingdom.<sup>8)</sup>

Pursuant to Sec. 51(3) an applicant were allowed a possibility to work his invention in public if it happened for the purpose of testing it:

"Thus, an invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that, at any time within one year before the priority date of the relevant claim of the specification, the invention was publicly worked in the United Kingdom-

- (a) by the patentee or applicant for the patent or any person from whom he derives title; or
- (b) by any other person with the consent of the patentee or applicant for the patent or any person from whom he derives title,

if the working was effected for the purpose of reasonable trial only and if it was reasonably necessary, having regard to the nature of the invention, that the working for that purpose should be effected in public."

In Cave-Brown-Cave's Application<sup>9)</sup> it was held that it was reasonable to send to a school for the purposes of trial a gymnast unit designed to be assembled by children, but that a six months' period was in excess of that required for reasonable trial. In this connection it was said that a patent could be revoked, inter alia if the applicant with respect to experimental working in public had gone beyond what was reasonably necessary having regard to the nature of the invention and the working had taken place in public. Although even commercial use may still be experimental

Blanco White,<sup>10)</sup> states that commercial application only too easily ceases to be either experimental or secret.

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### National Deliberations

It was contained in the terms of reference of the committee which submitted Banks' Report in 1970 that the government intended to ratify the Strasbourg Convention and that the Report should consider the necessary changes in British legislation.<sup>11)</sup> Although the committee had reservations on coming round to a requirement of absolute novelty, it concluded that the objections to adoption of an extension of the novelty criteria in the United Kingdom were not sufficiently strong to warrant its rejection.<sup>12)</sup> In this connection concerning disclosures in abuse of an applicant's rights<sup>13)</sup> the committee limited itself to stating that Art. 4(4) of the Strasbourg Convention will necessitate restricting the protection afforded to an inventor by Sec.s 50(2)(a) and 50(3) to those cases where an application is made within six months of the fraudulent disclosure, and the repeal of Sec. 50(2)(b) and of the proviso to Sec. 50(2). The final recommendation<sup>14)</sup> of the committee ran like this: Where wrongful publication of an invention takes place, otherwise than in a patent or patent application (and there is at the time no application for such invention), an application for that invention must be filed within six months of the wrongful publication if the novelty-destroying effect of the publication is to be avoided.

After the entry in force of the 1977 Act the British Group of AIPPI in connection with the AIPPI discussions of Question 75 has given its opinion about the current British legislation and a possible future international solution.<sup>15)</sup> Within the Group opinion is divided between those who favour the current,

strict approach to the matter, and those who would prefer that the inventor should be protected to some degree from the consequences of premature disclosure of his invention. Furthermore, the British Group regrets the disappearance from U.K. law, and favours the introduction internationally of the provision equivalent to that of Sec. 51(3) of the 1949 Act. The reason is that some inventions can only be tried out in public, and it is suggested that this is one form of disclosure which should not be prejudicial to the novelty of the invention.

There is unanimity on a further point, namely as to the almost total irrelevance of the provisions concerning protection at exhibitions of Art. 11 of the Paris Convention, Art. 55 of the European Patent Convention and Sec. 2(4)(c) of the 1977 Act.

Relating to a possible future international solution the opinions within the British Group are divided, too. Part of the Group prefers the strict approach, with no exceptions, that any voluntary disclosure, whether by publication or use, by the inventor will debar him from patent protection. The other part of the British Group is of the view that you could have a general provision to the effect that a patent application may be filed within a specified period of any disclosure emanating from the inventor. The specified period might be 6 or 12 months. Were such a provision to be favoured it should be considered whether, on filing his patent application, the inventor should be required to certify how and when his invention had been disclosed. Were such an exception for invention to be favoured internationally, the British Group consider that any consequential rules should be kept to a bare minimum. In particular, there should be no attempt to protect the inventor against the consequences of other events occurring between the date of his disclosure and the date of

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filing of his patent application. In particular, the patent applications could be deprived of validity by any intervening independent publication or application for patent protection.

The British Group adds that it would welcome international agreement that an invention which by its nature has to be subjected to trial in public should be entitled to protection despite its disclosure for the purpose of reasonable trial only, provided a patent application is filed, say, within 12 months of the trial. In this connection there is no information of how one is to delimit in detail those inventions which by their nature must be subjected to trial in public.

Notes:

1. CIPA Guide to the Patents Act 1977, 1982, p. 13.
2. J.C.H. Ellis: The Patents Act 1977, p. 23.
3. W.R. Cornish: Intellectual Property, 1981, p. 146.
4. CIPA Patent Law of the United Kingdom, 1975, p. 222.
5. Patents for Inventions, 1962, p. 119.
6. CIPA Patent Law of the United Kingdom, 1975, p. 224.
7. For further details, see CIPA Patent Law of the United Kingdom, 1975, p. 225.
8. Ethyl Corporation's Patent, R.P.C. 1963, 155.
9. R.P.C. 1958, 429.
10. Patents for Inventions, 1962, p. 108.
11. The British Patent System, Report of the Committee to Examine the Patent System and Patent Law, 1970, p. 19.
12. Ibid., p. 71.
13. Ibid., p. 74.
14. Ibid., p. 111.
15. AIPPI Annuaire 1980/II, p. 252-254.

Chapter III

The International Conventions and the Discussions on the International Level

Article 11 of the Paris Convention is the cause of nearly all countries covered by this study recognizing, expressly or implicitly, that disclosure of an invention at an exhibition does not destroy its novelty. In this part a more detailed description is given of the discussions about a possible improvement of Art. 11 and of the various attempts at introducing a real novelty grace period into the Paris Convention. Art. 11 is the historical starting point of a real novelty grace period prescribing that prior disclosures by the inventor before a patent application is filed do not affect the invention's patentability. Furthermore, an account is given of the other international patent conventions with regard to non-prejudicial disclosures prior to filing of a patent application. The conventions will be dealt with chronologically according to their year of conclusion. Finally, WIPO's Model Law for Developing Countries and the interim result of the discussions under the auspices of AIPPI.

The Paris Convention

Protection of Inventions at Exhibitions

Art. 11 of the Paris Convention as we know it today has come into existence in three rounds.

Art. 11(1) prescribes that "the countries of the Union shall, in conformity with their domestic legislation, grant temporary protection to patentable inventions, utility models, industrial designs, and trademarks, in respect of goods exhibited at official

or officially recognized international exhibitions held in the territory of any of them".

The rule of protection at certain international exhibitions was among the original 19 articles. Since then it was amended in 1900 and last in 1925 when paragraphs 2 and 3 were added. However, Art. 11 was discussed again at the Revision Conferences in London 1934 and in Lisbon 1958.

Already during the preparations for the Hague conference the International Bureau realized that Art. 11 only established a principle, and that this being so the national legislations of the member States of the Union differed widely from one another. In order to improve this situation "à la fois compliquée et incertaine" a proposal was made providing a detailed regulation and a requirement of observance of a formality procedure on the part of the inventor. The proposal of the International Bureau had been worded as three alternatives.<sup>1)</sup> It was common to them that the exhibitions were to be advertised in la Propriété Industrielle. A time-limit of six months from the opening of the exhibition was to be applicable, and the inventor should have a certificate from the exhibition to be used as documentation vis-à-vis the national authorities if the inventor should want to invoke this special right of priority. This particular procedure was not adopted and the result of the conference was paragraphs 2 and 3 which have remained unchanged ever since.<sup>1a)</sup> However, the adoption of paragraph 2, 1st sentence was essential in pursuance of which the temporary exhibition protection does not extend the periods of priority of Art. 4 of the Paris Convention.

At the London conference in 1934 it was attempted once more to make the demands on the national legislations of the member States of the Union more

rigorous to improve an exhibition protection. The proposal of the International Bureau had been considerably simplified compared with the alternative proposals of 1924, but still it operated with a notification to the International Bureau about official or officially recognized international exhibitions and a rule about the filing of an exhibition certificate possibly together with a translation within three months from the filing of an application. Opinions varied, however, much and several proposals were made, but none was adopted.<sup>3)</sup>

The Lisbon conference in 1958 did not succeed in amending Art. 11 either. A majority<sup>4)</sup> was of the opinion that Art. 11 gives the inventor a false impression of security and thought that Art. 11 ought to be left out of the convention. In particular, the problems were concentrated on the definition of the concepts of "an international exhibition" and of "temporary protection" including the difficulties as to the proof of identity between the article displayed and the subject-matter of the patent later applied for.

The reason why Art. 11 has given rise to so many discussions is that the provision is worded vaguely in several respects. The member States of the Union are obliged to grant protection to patentable inventions, utility models, industrial designs and trademarks in respect of goods exhibited at certain exhibitions, but Art. 11 does not define in detail the character of the temporary protection according to national legislation. It is possible to grant a kind of right of priority, more or less similar to that recognized in Art. 4 of the Paris Convention.<sup>5)</sup> It may also be a provision prescribing that, during a certain period, such exhibition will not destroy the novelty of the invention and that the person who exhibits the invention also will be protected against

usurpation of his invention by third persons. National legislation may also choose to recognize the right of prior use in favour of the exhibitor as against possible rights acquired by third persons.

The exhibitions in question are: official or officially recognized international exhibitions. Although this concept corresponds to the definition in the Convention on International Exhibitions of 1928, it cannot be applied to the Paris Convention as the purpose of the two conventions is different. An exhibition will be considered to be "official" if it is organized by a State or other public authority. The concept of "officially recognized" covers the fact that the exhibition has been recognized as such by a State or other public authority. The lack of an unambiguous definition has resulted in most member States of the Union not having introduced a particular system granting exhibition protection as they do not feel obliged to do so by Art. 11. The most extensive system of exhibition protection applicable not only to international exhibitions but also to national exhibitions was found in Germany until the 1981 Patents Act.

Novelty Grace Period

Both at the London and the Lisbon conference proposals were made having further aims in view than just protecting the inventor who displays his invention prior to the filing of a patent application. In 1934 it was a question of an Italian and a Dutch proposal.<sup>6)</sup> The Italian proposal of a new article, Art. 11 bis, was the less far-reaching as the novelty grace period proposed only applied to publications in communications or collections of an academy or a learned society domiciled in a member State of the Union.<sup>7)</sup> The Dutch proposal was made as an addition to Art. 4. The novelty grace period should concern all kinds of



industrial rights and apply to communications and publications in general within six months prior to the filing of the rights, provided that the filing had been made by the inventor or the applicant and that the holders of the rights explicitly reserved for themselves the right of protection. The reason behind this proposal was that the requirement of the applicant filing an application has the incontrovertible effect of the invention being disclosed in the application in an incomplete state and that the possibility of improving and completing the application during the procedure raises the problem whether all the elements of the invention belonged to the contents of the application as originally filed. Further it was stressed that the proposed provision might help the authors of scientific discoveries publishing dissertations by allowing them respite to formulate a patent application. At the same time the provision proposed was intended to render Art. 11 superfluous.

None of the proposals was subjected to a more detailed discussion. But the conference adopted a resolution<sup>3)</sup> expressing that it is to be wished that national legislations introduce provisions granting the inventor a period of grace within which the author's information about or use of the invention does not exclude a later grant of a patent, nor causes the invalidity of the patent later applied for.

For the conference in Lisbon in 1958 the International Bureau submitted a proposal for the introduction of a novelty grace period in Art. 4, letter J, of the Paris Convention as part of the official programme. The proposal<sup>9)</sup> had the following wording:

"1. L'octroi d'un brevet ne pourra être refusé pour le motif que les éléments de l'invention qui fait l'objet de la demande ont été divulgués par une personne autre que l'inventeur ou son représentant dans

les six mois précédant la demande.

2. Cette même disposition sera applicable lorsque la divulgation est fait par l'inventeur lui-même ou son représentant, sous réserve des restrictions qui peuvent être imposées par la législation nationale du pays dans lequel la demande de brevet est faite."

Supporting the proposal the German delegation, however, emphasized that independent disclosures of a third person with the six months period should remain anticipatory. A large number of countries dissociated themselves unambiguously from a novelty grace period, in particular, referring to the fact that the article would give the inventor a false feeling of security and increase the legal insecurity of third persons as to the state of the art. That was the case of countries like Belgium, France, Italy, the Netherlands and Switzerland. Several of them could accept a novelty grace period covering the cases where the publication of a third person is the consequence of an abuse in relation to the inventor, whereas they were opposed to a grace period with respect to the disclosures of the inventor. This position was that of among others Denmark, Norway and Sweden. In spite of the fact that two proposed amendments tried to make allowance for this point of view, they were too extensive as regards the question of anticipation of a third person's disclosure in relation to the inventor and thus they were not adopted.

The Strasbourg Convention

The Council of Europe Convention on the Unification of Certain Points of Substantive Law on Patents for Invention of November 27, 1963, defines the novelty concept in Art. 4. The convention lays down a concept of absolute novelty which was quite new to most of the member countries of the Council of Europe in the

1960'es. The negotiations in the Council of Europe about that convention took place at the same time as the negotiations in Bruxelles concerning a European patent system for the Communities. Thus Art. 4(4) of the Strasbourg Convention like the later European Patent Convention operates with a rather limited exception from the requirement of absolute novelty.

Art. 4(4) prescribes:

"A patent shall not be refused or held invalid by virtue only of the fact that the invention was made public, within six months preceding the filing of the application, if the disclosure was due to, or in consequence of:

- (a) an evident abuse in relation to the applicant or his legal predecessor, or
- (b) the fact that the applicant or his legal predecessor has displayed the invention at official, or officially recognized, international exhibitions falling within the terms of the Convention on International Exhibitions signed at Paris on 22nd November 1928 and amended on 10th May 1948."

Even after lengthy discussions of this question there was no wish to introduce the German rule, neither in Strasbourg nor in Bruxelles. The conclusion was that the principal idea behind a novelty grace period, i.e. to cover the inventor's disclosure of his invention prior to filing a patent application when the disclosure is not caused by any abuse, was not accepted. The convention admits as little immunity as possible not to induce the inventors to feel free from care with regard to concealment of their inventions prior to filing a patent application. The reason<sup>11)</sup> was that still this immunity was not generally recognized at an international level, and thus the inventors in disclosing inventions prior to the filing of a patent application would run the risk

of the disclosure constituting anticipation in many other countries, and the possibility to file an application abroad later would be destroyed. As long as the idea of a novelty grace period is not recognized internationally a novelty grace period as extensive as the one known in Germany was considered to be a gift of the Danaides to the inventor.<sup>12)</sup> It has to be borne in mind, too, that during the negotiations about the Strasbourg Convention in the beginning of the 1960's the Lisbon Conference for the Revision of the Paris Convention in 1958 was not far away, and at the conference there had been an unambiguous dissociation from a novelty grace period in relation to the inventor's prior publications.

According to Art. 4(4)(a) the early disclosure is not anticipatory when it is due to an evident abuse to the detriment of the later applicant or his successor in title. The elements of the act of evident abuse have, however, not been realized when a third person has disclosed the invention with the active consent of the inventor or of his successor in title. It is thus required that the inventor or his successor in title has done everything necessary to keep the invention secret and that the third person has communicated his knowledge of the invention to the public or in a way which offends a contractual or legal obligation towards the inventor or his successor in title.

Art. 4(4)(b) prescribing that the display of the invention at official, or officially recognized, international exhibitions within six months preceding the filing of the application is not anticipatory, has given rise to animated discussions in Strasbourg as well as in Bruxelles, too. In particular, these discussions<sup>13)</sup> kept returning to the question to which extent Art. 11 of the Paris Convention binds the member States of the Union. The

disagreement did not concern the fact that Art. 11 of the Paris Convention puts the member States of the Union under an obligation to grant some kind of protection of display at international exhibitions, it concerned the question which type of international exhibitions should be comprised and who was to determine whether an exhibition can be recognized. So it was tried to put an interpretation as narrow as possible on the obligation of the member States of the Union in Art. 11 of the Paris Convention. That resulted in only exhibitions comprehended by the Convention on International exhibitions of 1928 being covered. The mentioned convention has a very narrow definition. In spite of the fact that German quarters pointed out that such a provision could only be considered to be a "confession with the mouth" to the obligation pursuant to Art. 11 of the Paris Convention, the other countries maintained their conception, and Art. 4(4)(b) got its present wording.

Art. 12(1)(b) allows each Contracting Party for five years starting from the entry into force of the convention the right "to grant valid patents for inventions disclosed within six months preceding the filing of the application, either apart from the case referred to in paragraph 4(b) of Article 4, by the inventor himself, or, apart from the case referred to in paragraph 4(a) of Article 4, by a third party as a result of information derived from the inventor".

#### The Patent Cooperation Treaty

As the Patent Cooperation Treaty, the PCT, does not establish an international, substantive patent law system substituting or supplementing the national patent law of the participating countries, it was not of immediate importance at the genesis of the treaty to consider creating a novelty grace provision. The PCT only organizes a centralized search and in respect

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of certain member States also a preliminary examination. This being so a regular novelty concept is not defined in the treaty.

In consideration of the carrying through of the international search of the International Searching Authorities Art. 15(4) prescribes that the International Searching Authority shall endeavour to discover as much of the relevant prior art as its facilities permit, and shall, in any case, consult the documentation specified in the Regulations. To this article Rule 33 about Relevant Prior Art for the International Search is added. Relevant prior art consists of everything which has been made available to the public anywhere in the world by means of written disclosure, and the International Searching Authority shall mention any written disclosure which refers to an oral disclosure, use, exhibition, or other means whereby the contents of the written disclosure were made available to the public. Further it applies to the international preliminary examination that a claimed invention shall be considered novel if it is not anticipated by the prior art as defined in the Regulations, cf. Art. 33(2). Rule 64 about Prior Art for International Preliminary Examination as far as it goes repeats the definition in Rule 33 about prior art and non-written disclosures.

In the way these provisions have been worded it is left to the designated Offices with respect to which the applicant wishes to proceed with the international application to decide whether oral disclosure, use, exhibition or other non-written means having taken place before the filing date of the international application, but not recorded in writing until later, implies that the invention is held to be comprised in the state of the art, and thus a patent cannot be granted.

According to the PCT every member State may decide for itself if a novelty grace period shall apply and, if so, a country is free to settle the further details. The same applies to a possible provision concerning temporary protection in case of a display of the invention at an exhibition prior to the filing of patent application.

### The European Patent Convention

In Art. 55 of the European Patent Convention Art. 4(4) of the Strasbourg Convention recurs. The articles correspond to each other word by word as to the measures not considered anticipatory. Only as regards the wording of the time-limit the articles differ. In the Minutes of the Munich Diplomatic Conference<sup>14)</sup> it is expressly mentioned that a patent application of a third person which has been filed prior to the application of the rightful inventor is non-prejudicial to novelty whether the 18 months publication of the application takes place less than 6 months preceding his filing date, or the filing date of the third person precedes and his patent application is published later than the filing date of the rightful inventor and thus should form state of the art according to Art. 54(3). The question if double protection is granted to the same invention depends on the rightful inventor bringing an action about the right to the invention for which a patent has been applied for in the first application and, on which of the possibilities indicated in Art. 61 he chooses, cf. also Rules 13-16. However, this question concerns the right to the invention and not the novelty provisions.

Norway and Finland proposed that the exhibition protection should be extended to cover international exhibitions which by the Government of the country organizing them have been declared to be exhibitions

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to which the provisions about exhibition protection are applicable. The proposal was rejected. The importance of the European Patent Convention not departing from the Strasbourg Convention which had already been signed was decisive, even if it was doubtful whether exhibition protection was still appropriate in modern times. Exhibition protection pursuant to Art. 55 only applies if the applicant when filing the European patent application states that the invention has been so displayed and files a supporting certificate within the prescribed period. Rule 23 of the Convention provides that the applicant must, within four months of the filing of the patent application, file the mentioned certificate. In addition to stating that the invention was in fact exhibited at the exhibition, it shall state the opening date of the exhibition and, where the first disclosure of the invention did not coincide with the opening date of the exhibition, the date of the first disclosure. The certificate must be accompanied by an identification of the invention, duly authenticated by the authority responsible for the protection of industrial property at that exhibition.

#### Model Law for Developing Countries on Inventions

WIPO's Model Law for Developing Countries on Inventions was published for the first time in 1965. Section 2 concerning novelty sets out the requirement of absolute novelty. However, an invention should not be deemed to have been made available to the public solely by the reason of the fact that, within the period of six months preceding the filing of the application for a patent, the inventor or his successor in title has exhibited it at an official or officially recognized international exhibition. The exhibition must be international and either official or officially recognized.



In 1979 a revised version of the Model Law was published. The section concerning novelty had undergone certain changes, not as far as the principle of absolute novelty was concerned, but in introducing a period of grace without limiting it to cases of display at an official or officially recognized international exhibition. In the commentary on Section 114 it is said that theoretically, universal novelty is more satisfactory since it corresponds to the very concept of a new invention. Sec. 114(3) prescribes that a disclosure to the public shall not be taken into consideration if it occurred within one year preceding the filing date and if it was by reason or in consequence of acts committed by the applicant or his predecessor in title. Paragraph 4 contains the same provision for cases in which the disclosure was by reason or in consequence of an abuse. Neither the preparatory works, nor the commentaries to Sec. 114 explain the extensions in relation to the 1965 Draft. WIPO informs that the wish was expressed to introduce a novelty grace period applicable to the early disclosures of the inventor himself in order to protect the ignorant inventor who for the first time makes an invention. No empirical examination of the need of such a grace period preceded the adoption of the amendment. In the commentary it is stated: Such a period of grace is of particular interest for a developing country since it is not always to be expected that the nationals of such countries will be fully aware at the time of making an invention of the importance of keeping it secret until a patent application is filed.

#### The Discussions Under the Auspices of AIPPI

Although the discussions about an internationally applicable novelty grace period failed at the revision of the Paris Convention in Lisbon in 1958, the idea of this is still alive.<sup>15)</sup> For the purpose of the

AIPPI Congress in Buenos Aires in 1980 it had been decided the year before that a report from the respective national groups should be drawn up concerning question 75 of the working programme of AIPPI: Prior disclosure and prior use of the invention by the inventor.

Prior to the congress a report had been presented by 21 countries.<sup>16)</sup> They showed that 5 countries (Belgium, Finland, France, the Netherlands and Sweden) dissociated themselves clearly from an amendment of Art. 55 of the European Patent Convention and from the introduction of a novelty grace period applicable to the inventor's own prior disclosure into the Paris Convention, too. As for the United Kingdom opinions were divided. Part of the British Group, Brazil, Spain and Israel wanted a possible grace period to be limited to covering acts for the purpose of experiments and disclosures in connection with negotiations about exploitation of the invention. The other countries advocated the introduction of a general novelty grace period into the Paris Convention.

These reports and the discussions in Buenos Aires in 1982 led to the adoption of a resolution in favour of the introduction and reintroduction respectively of a novelty grace period. The resolution expresses the wish that the grace period shall apply to all disclosures, be it a written or oral description, or use within six months prior to the filing of an application, and, if a priority has been claimed, prior to the filing of the first application, cf. Art. 4 of the Paris Convention. The grace period shall apply to patents, inventors' certificates and utility models. AIPPI recommended a provision to the above-mentioned effect introduced into the Paris Convention or a separate international agreement to this effect. The international organization of FICPI, too, has made a

resolution in favour of the introduction of a novelty grace period in 1981.

In the light of these resolutions it is part of the 1984/85 programme of the International (Paris) Union for the Protection of Industrial Property that the International Bureau will prepare a study on the arguments - for and against - a grace period and on the question of the desirability of a uniform solution. The study was due in March 1984<sup>17)</sup> and a first discussion took place in May 1984 in the Committee of Experts on the Grace Period for Public Disclosure of an Invention. The International Bureau considers it necessary and also justified to find a uniform and internationally viable solution providing for a general grace period, and it considers the most desirable form of achieving such harmonization to be the conclusion of an international treaty which should be a special agreement within the framework of Art. 19 of the Paris Convention. As expected the meeting showed that opinions were strongly divided, and the Committee of Experts decided<sup>18)</sup> that the study should be circulated to all member States of the Paris Union and to all interested intergovernmental and non-governmental organizations, giving them an opportunity to comment. A second session of the Committee will be convened later with the purpose of continuing in more detail the consideration of the questions which are the subject of the mentioned study. The discussions have not yet reached a stage where their outcome can be known for certain.

Notes:

- 1. Conférence de la Haye, Documents Préliminaires, 1924, p. 44 and 47-50.
- 1a. The wording of Art. 11, paragraphs 2 and 3 is the following:

"(2) Such temporary protection shall not extend the periods provided by Article 4. If, later, the right of priority is invoked, the authorities of any country may provide that the period shall start from the date of introduction of the goods into the exhibition.

(3) Each country may require, as proof of the identity of the article exhibited and of the date of its introduction, such documentary evidence as it considers necessary."

2. Actes de la Conférence Réunie à Londres, 1934, p. 161.
3. Ibid., p. 290-292.
4. Actes de la Conférence de Lisbonne, 1958, p. 447-459.
5. Bodenhausen: Guide to the Application of the Paris Convention, 1968, p. 150-151.
6. Actes de la Conférence Réunie à Londres, 1934, p. 293.
7. Ibid., p. 260-261, and reference by Klauer GRUR 1934.390.
8. Ibid., p. 592.
9. Actes de la Conférence de Lisbonne, 1958, p. 350 et seq.
10. Ibid., p. 363.
11. Denkschriften, Strassburger Patentübereinkommen, Blatt 1976.339.
12. Pfanner GRUR Int. 1962.551.
13. Pfanner, ibid., p. 552.
14. M/PR/I, points 61-76.
15. See for instance Hamburger GRUR Int. 1963.189-193 and Hoepffner GRUR Int. 1973.370-372.
16. AIPPI Annuaire 1980/II, p. 202-296 and AIPPI Annuaire 1980/III, p. 54-57 and 67.
17. WIPO document GP/CE/I/2, dated March 21, 1984.
18. See WIPO document GP/CE/I/3, dated May 11, 1984, paragraphs 70 to 72.

Chapter IV

Theoretical Analysis of the Problem and Assessment of its Importance

During the many years of discussion about a novelty grace rule at the international level and in the latest years, especially in Germany, a number of arguments pro and con, i.e. advantages and disadvantages of a novelty grace period have been produced. Before entering into a further debate and evaluation of advantages and disadvantages<sup>1)</sup> the hitherto adduced points of view are to be briefly summarized:

I Enumeration of advantages

1. The inventor is not sufficiently acquainted with patent law and by his disclosure he thereby causes an unintentional bar to the novelty of his own later patent application. Typically his first encounter with patent law occurs in the form of guidance by a patent attorney at a time when an oral or written disclosure of the invention already has taken place.
2. The inventor does not realize that a certain innovation involves a sufficient inventive step or not until further occupation with the problem does he understand that his initial thought leads to a patentable solution (in particular, publication of theoretical cognitions which have not yet been apprehended as the basis of a later invention).
3. The inventor needs practical testing of his invention which he, due to the limited possibilities of secrecy, cannot carry out without thereby making the invention available to third persons (e.g. a snow plough, agricultural machinery and sports equipment like ski bindings and wind surfers).

4. Research workers have to exchange information and to discuss with colleagues in order to be able to estimate the results of their research and if necessary to let them be verified through parallel experiments.

5. Isolated inventors and small and medium-sized enterprises, in particular enterprises in developing countries, do not have the opportunity to safeguard secrecy.

6. Individual inventors and small and medium-sized enterprises need assistance with construction or delivery of know-how from third persons.

7. Despite diligence as regards measures to secure secrecy, disclosures made by a third person do take place, traceable back to the inventor, without such publications constituting an abuse within the meaning of Art. 55(1)(a) of the European Patent Convention.

8. In order to obtain a good patent, an invention at the time of filing a patent application ought to be under consideration in its most comprehensive form. Without a novelty grace provision the applicants are forced to make a hasty filing of a patent application when suddenly one day it turns out to be necessary due to negotiations with a third person or due to the inventor's own publication.

9. The requirement of absolute novelty without any modifications as regards prior disclosure by the applicant himself forces such applicants to file a patent application as quickly as possible. Therefore a novelty grace period will imply a relief to the patent authorities and to the users by creating a decline in the number of printed, unexamined patent applications (Offenlegungsschriften) and thus reduce the flood of information material.

10. Spreading of the most current technical information is facilitated when it is not necessary to take any bar to novelty caused by disclosure into consideration.

11. The newest results of research are often for the first time published in lectures and articles in periodicals before a patenting becomes of current interest.

12. The WIPO Model Law for Developing Countries provides for a novelty grace period in its Sec. 114, even with a time-limit of 12 months in stead of one of 6 months like in earlier German law, and a novelty grace period has been introduced into the UPOV Convention.

13. The making of contracts will take place in a better climate because the mutual distrust is avoided which otherwise will exist between the parties not knowing if later they will stand opposite to one another in an opposition procedure or a lawsuit about the validity of the patent.

II Enumeration of disadvantages

1. The principle of absolute novelty is fundamental. Orderly considerations dictate clear rules of the decision on the question if an invention fulfills the requirement of absolute novelty or not.

2. The inventor shall be induced to file his application as soon as possible because of the general principle of publication.

3. The difficulties in proving a third person's alleged misappropriation of the invention may be very considerable.

4. The inventor does not need a novelty grace period

because he knows the effects of the requirement of absolute novelty.

5. A grace period may imply a danger of false security of the inventor as he has no protection against the disclosures and the filing of a patent application of an independent third person.

6. The possibility to apply for a patent abroad may be lost (unless the grace period is universal and uniform).

7. The legal insecurity increases as third persons become doubtful about the state of the art.

8. Competitors need to know as soon as possible if a product on the market form part of the state of the art and with that may be copied, or if a patent protection has been applied for.

9. As a matter of principle a novelty grace period implies a temporal extension of the exclusive right which causes misgivings from a social point of view.

III Further discussion of advantages and disadvantages

In a closer analysis of the enumerated arguments the need of the different groups of patent applicants and users of the patent system for a novelty grace period is to be examined. Moreover, it is to be examined to what extent the present patent law system makes allowance for such possible needs, and if that is not the case, how any such needs can be covered, be it by (re-)introduction of a novelty grace period or in some other way. In this connection it shall be examined how such rules fit into the present patent law system. By so doing it must be kept in view that Patent Law at a national level as well as at a global level secures and is the mainstay of rights of very



big economic and social importance, for which reason heavy demands are made on the legal sharpness and practicability of the system. Therefore needs, whether objective or personal, which are justified only in very individual considerations, cannot be made allowances for without further proof, even if this in the individual case may lead to situations looked on as unjust.

Below some circumstances of a more personal nature are brought up for discussion (A). Afterwards circumstances of a more objective nature are discussed (B). The division is only of a matter of presentation, the circumstances being often closely woven together in practice.

#### A. Personal Circumstances and the Like

##### A.1. Persons Unfamiliar with the Patent Law

a. It is often argued that individual, including completely "private", inventors who cannot be supposed to have a profound knowledge of the patent law system run the risk of suffering a irreparable loss of rights within a system like the present one, i.e. a system having a severe requirement of objective novelty without grace periods. Prior to an evaluation of the need of this group of patent applicants for special rules in the form of a novelty grace provision, their connection with and influence on innovation is to be outlined in a social connection. From inventors' quarters it is emphasized that in specific technical fields the majority of all essential inventions - namely between 70 and 80% - are based on an idea and on the initiative of one person and on the efforts made by small undertakings.<sup>2)</sup> It is reported that most important inventions these days continue to come from individual inventors and small firms whereas the majority of all inventions, whether

significant or not, arise in the laboratories and development departments of industry.

In the United Kingdom it has been estimated that in 1968 some 30% of United Kingdom-originating applications were attributable to private inventors.<sup>3)</sup> Within the various parts of technology the importance of the independent inventor varies. Studies show that in chemicals, pharmaceuticals and some fields of electronics they do not seem to be of much importance, but they continue to patent on a considerable scale in engineering and related fields. These inventors seem to concentrate, in 9 of 10 cases, on ideas that lead to new and improved products (as opposed to new processes). They are mainly pre-occupied with consumer goods, less so with capital goods and very little with industrial materials.

The British National Research Development Cooperation's experience<sup>4)</sup> with private inventors seems to be that only an extremely small number of private inventions submitted to it are worth exploiting, either on technical or economic grounds, although a very few do give rise to radically new developments. In its Annual Report for 1953-54 it was said that outside the field of light engineering and instrument manufacture, the isolated individual rarely appears to have any serious contributions to make to the advancement of technology. Adducing that for instance in Germany 55% of all applications in 1974-79 were submitted by the almost 77% of applicants that file between one and ten (on average 1,6) patent applications a year does not prove that these applications are not exactly the majority of the applications which do not lead to patent. This can be compared with the fact that in 1981 1.085 applications in Denmark were filed by Danish nationals, of which, however, 518 did not live to see the day of the 18 months-publication. A statistical survey made some

years ago within the Danish Patent Office of patent applications filed by Danish nationals within one year (approx. 800 applications) showed that one half had been filed by independent inventors, and the rest by more or less medium-sized firms. An overall evaluation is that both the independent inventor and the small enterprises probably play only a complementary rôle compared with the inventions of the big enterprises.

b. The particular need of the persons unacquainted with patent law for a novelty grace provision was touched upon in the official commentaries to the Bill which introduced the real novelty grace provision into German law in 1936. One argument out of three in favour of the introduction of the mentioned provision referred to the hardness of the legislation till then on unexperienced inventors in that they in ignorance of the law publish their inventions prior to the filing of a patent application and in so doing forfeit the prospect of a patent.<sup>6)</sup> This argument has later been followed up by the reflection that the first encounter of the individual inventor with patent law in the form of guidance by a patent attorney typically occurs at a time when an oral or written disclosure of the invention already has taken place, and consequently he needs a novelty grace period.<sup>7)</sup> These arguments appear to be somewhat dubious as the later is valid only in cases where the disclosure of the ignorant inventor has taken place within the space of time of a novelty grace provision fixed by the legislation in question; a space of time necessary for reasons of legal security. The former argument in its theoretical consequence should lead to a novelty grace period of a quite considerable length - presumably often of several years - a thing which is entirely unacceptable. Reasons of legal security in this connection are the possibility of enterprises to make themselves acquainted with existing and potential rights conferred by a patent, the extent of such

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rights and their date to avoid initiating an infringing production and with its business economical investments which later have to be given up with losses. Historically seen, this should have incidentally led to the introduction of a novelty grace period in e.g. France, having a particular reason for that, as an absolute novelty requirement existed there long before its introduction into German Law in 1980.<sup>8)</sup> As far as it is known there has, however, been no such wish. In France where a particular need for putting new life into innovation has been recognized, the introduction of a novelty grace period has not been included as part of the number of measures planned to improve the conditions of the enterprises, and of the scientists and the engineers working in R & D departments of the productive sector.<sup>9)</sup> Moreover, taking the relative novelty requirement then in force in Germany into consideration, considerably more uncertainty could have existed as regards the novelty of an invention in as much as the definition of the state of the art was more complex and thus more difficult for a person ignorant of patents to survey.

It is maintained that a novelty grace period for the benefit of the prior disclosure of one's own protects the ignorant inventor who no doubt has made an invention but who does not realize that it has the necessary novelty and involves a sufficient inventive step to comply with the legal requirements of patentability. Of course, that could be the case in a given situation. In case of any rule of the legal system, aiming at protecting the individual ignorant person, examples where the rule would fulfil its purpose in a given case can be mentioned. However, that does not imply that a sufficient need exists justifying that other opposite considerations must give way. To patent authorities and patent advisers making novelty searches or surveys of the state of the art in connection with a concrete invention, the case of inventors

believing that they have made an invention, but in reality the invention long has formed part of the state of the art, occurs far more frequently.<sup>10)</sup> It has even occurred in innovation competitions that the first prize has been or was just about to be given to an invention which, however, on going over the patent literature was found to be comprised in the state of the art or not to involve an inventive step.

On judging the importance attributable to the fact that an inventor is ignorant of patent law it must form part of the evaluation that the purchase of a annotated edition of the Patents Act is a most modest expense compared with the expenditure on purchase of materials and various apparatus which to the private inventor often may be great but which none the less appears to him to be inevitable for the development of the invention. Probably the novelty requirement is the part of patent law which is most easy to understand even for the less professional.

As an argument in favour of a need for protecting a person unfamiliar with patent law by means of a novelty grace period it has been stated<sup>11)</sup> that the WIPO Model Law for Developing Countries on Inventions contains a provision to that effect in its Sec. 114, even providing a time-limit of one year instead of 6 months like in former German law, and that a novelty grace period has been introduced into the UPOV Convention. WIPO has explained that no empiric investigations of the need made the basis of the introduction of a novelty grace provision into the Model Law; it was only a case of meeting a wish which had been expressed. The Model Law contains only not binding recommendations to provisions in national legislation and not internationally binding rules. Sec. 114 has not got a unanimously positive reception; on the contrary some lawyers have rejected it arguing that it is contrary to fundamental principles of Patent Law.<sup>12)</sup>

Several developing countries have amended their patent legislation during the 1970's. Only Sri Lanka provides for a novelty grace period corresponding to that of the Model Law. Iran, Mexico, South Africa and Thailand have amended their patent legislations in 1972, 1975, 1978 and 1979 respectively, and none of these countries has a real novelty grace provision as they only have a rule of the kind of the Strasbourg Convention. The same applies to the Agreement Relating to the Creation of an African Intellectual Property Organization (OAPI) of March 2, 1977 (not yet entered into force) which is to replace the Agreement of Libreville of September 13, 1962. - On the other hand the recently published Patent Law of the People's Republic of China of March 12, 1984, contains a novelty grace period of six months covering (a) display at an international exhibition sponsored or recognized by the Chinese Government, (b) publication at a prescribed academic or technological meeting and (c) disclosure by any person without the consent of the applicant, cf. Sec. 24.

In general it applies that if inventors in developing countries due to lack of knowledge of patent legislation should be in particular need of a novelty grace period, this has not yet been realized or made allowance for by their governments. The fact that the UPOV Convention has a novelty grace period and makes it possible to test new strains commercially without impeding protection does not prove that a corresponding need necessarily exist within the patent law. It applies to all intellectual rights that the peculiarity of each individual type of right and the social interests which it is to consider must determine the elaboration of its specific regulation in detail.

A.2. Small and Medium-sized Enterprises

a. The small and medium-sized enterprises are considered to possess the biggest technical potential in Europe at present. Studies<sup>13)</sup> have shown that within the technical fields where small enterprises work the expenditure on R & D are in a far lower degree affected by the absence of patent protection than in the fields of pharmaceuticals, crop chemicals, special industrial chemicals, heavy industrial plant and automotive components. Of course this may be owing to the fact that the smaller firms literally have no R & D expenditure at all. On the other hand one should think that if a firm has just some R & D expenditure it would be more strongly connected with the obtaining of a few exclusive rights. The greatest problem of the "middle-class" of European industry appears to be lacking consciousness of the utilization of the technical information contained in the patent literature. Thus the newest studies show that only 25% of the enterprises employing less than 50 persons look for information through the patent literature, in the research phase even only 10%.<sup>14)</sup> If only the above-mentioned facts are taken into consideration in the evaluation of the advantages of a novelty grace period, the introduction of such a modification of the concept of absolute novelty and the general publication of patent applications 18 months after the filing date connected with it would only further complicate the possibilities of these enterprises to form a reliable picture of the state of the art at a given time, all the more so as it is assessed that 90-95% of the knowledge contained in patent publications solely exists there and not coexisting with them in common scientific and technical periodicals.<sup>15)</sup>

b. The need of the small and medium-sized firms for a novelty grace period is latest seen justified with

the statement that, as opposed to the big enterprises, they are not able to take a comprehensive view of the new products and new methods of manufacture without in doing so abandoning part of their own invention.<sup>16)</sup> It is correct that the medium-sized enterprises do not have R & D departments. It is also correct that they do not have the possibility to keep the work on an invention within a closed department or section to the same extent as the big firms.

Used as a justification of a need of a novelty grace period, the argument is, however, false. The argument can justify an easier access to the patent literature, perhaps established by the authorities and offering the purchase of expert knowledge of how to find the part of the patent literature which is relevant to the technical field of the individual firm and of expert knowledge of how to read and to estimate the documents from a patent point of view. The expert knowledge in question is to be found within the patent authorities, and during recent years several of them<sup>17)</sup> have systematized the granting of such technological information service as part of the activities of national patent offices in the future, possibly replacing documentation departments within the firms themselves.

Owing to the lack of own R & D department the small and medium-sized enterprises particularly need to get assistance with construction or delivery of know-how from third persons.<sup>18)</sup> The essential in this connection is the necessity to test the invention further prior to the filing of a patent application, the showing of the invention to potential licencees and the finishing of particular parts for a prototype, all being instances at which a third person must be involved in a sphere of confidence. Stating that these circumstances by themselves should render a novelty grace period necessary is a point of view



which in some degree fails to see that in those cases where an oral or written agreement about exchange of ideas of inventions for the receipt of know-how must exist, both contracting parties have a common interest in secrecy. To many testings it will apply that the inventions being tested are unfinished and therefore cannot be copied yet. The situation of an invention being in preparation and having to be shown to a third person does not necessarily imply that the invention has been made available to the public and with that has lost its novelty. The problem to the inventor will rather be that the third person takes possession of the invention and files a patent application before the inventor does. Such conflicts cannot be set right by a novelty grace provision. The legal system rather has to induce a prompt filing and with that securing of evidence. That does not exclude that there may be cause to contemplate a more flexible system of going through with a claim of assignment of the right to the grant of the patent. Add to this that if the taking possession of the invention and the subsequent filing of a patent application or publication of the invention by a third person, prior to the filing made by the inventor, are manifestations of evident abuse, such acts are covered by the national provisions corresponding to Art. 4(4)(a) of the Strasbourg Convention. Then the problem is reduced to the question whether these provisions are suitable, cf: on this below.

### A.3. Research Workers

a. The importance of research to the further development of society is well-known. Prior to an evaluation of the question if the specific circumstances and conditions of research prove a need of a novelty grace period in the patent legislation its social position within the technological innovation is to be clarified.

Research takes place both within the private framework and within the public framework. Within the public sector research is carried out partly at universities and institutes of higher education, partly inside other public institutions. In Italy and the Netherlands<sup>19)</sup> the total expenses for research distribute themselves as follows: one half is used within the private firms and the institutes connected with them, the other half distribute itself fairly even between institutions of higher education and other public institutions. In Denmark the picture is almost the same. In France and Germany private industry accounts for 60 and 65% respectively, but the distribution between the two main groups of the public sector in general is even like in the other countries. On average the public appropriations in the EEC Member Countries towards research in the 1970'es made up approximately 1% of the gross national product. In the whole of the Common Market countries the public expenses for military research amounted to 25% of the total public expenses for research. The total expenses of the private industry and the State for research and development in 1977 made up 1,8% of the gross national product in France, 2,1% in Germany, 2,0% in the Netherlands and 1,0% in Denmark. In the same year the public appropriations accounted for 1,06%, 1,07%, 0,99% and 0,61% respectively in the countries in question.

It could be tried to classify the expenses for research referred to above into a number of fields of research, for instance natural science, medicine and technical science, and afterwards it could be tried via the international patent classification to measure the intensity of patenting within each of the fields. From the available figures, however, any marked congruence cannot be demonstrated indicating that the research results in applying for patent protection. However, within the technical fields of which it is known that many enterprises have con-

siderable expenses for research and development, the research effort results in a high activity of patenting. This corresponds with the opinion of the branches of private industry on the question to which extent the possibility of achieving patent protection can be considered to influence the R & D expenditure. Thus a study<sup>20)</sup> has shown that the areas substantially affected were pharmaceuticals, in which it was judged that approximately two-thirds of R & D was so dependent, and other finished and speciality chemicals, in which about a quarter of R & D was dependent on patents. By contrast, basic chemicals, plant, machinery and equipment and components and materials were thought to be only marginally affected and electrical engineering hardly at all.

b. The conditions of carrying out research differs a lot depending on whether it takes place in the enterprises or in the public sector. Within the latter framework the surroundings are open - especially in the case of the part (one half) which is closely bound up with education as it is carried out at universities and in other institutes of higher education. Inside the individual firms and mutually among them a high degree of secrecy exists. This is due to the fact that as regards research within the public sector in the fields of the exact sciences a considerable proportion is to be characterized as basic research, whereas research and development in private industry is more oriented towards use and products.

The opinion has been advanced that the research may be strengthened by enclosing scientific research achievements in the patent protection - not only by an extension of the definition of the patentable inventions to cover such achievements, but also by introducing a novelty grace period - preferably universally recognized.<sup>21)</sup> The concept of absolute novelty is mentioned to be unbearable to scientists. Both the

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research and its practitioners personally and the general public have an important interest in having new knowledge published as soon as possible. Therefore a novelty grace period is necessary in order to avoid losing the possibility of later patenting.

The concepts "research" and "research workers" are used in the argumentation in favour of a novelty grace period without a more precise defining. It is true that the process of innovation is divided up in research, development and use, and "research" covers both basic research and applied research.<sup>22)</sup> But neither the scientific cognitions nor the cognitions easily applied are patentable, according to present law, as they lack industrial applicability. Even if they were imagined to be patentable inventions, separately viewed, this does not call for the necessity of a novelty grace period to the benefit of the prior disclosure by the research worker himself. In this connection the distinction between a discovery and an invention must be borne in mind and that the exclusive right of the invention in the form of patent rights limited in time is not principally meant to pay the scientific cognition. Summing up, the two concepts may be defined<sup>23)</sup> as follows: Discoveries are findings or cognitions of hitherto unknown, but objective regularities, effective cohesions, characters or occurrences already present in nature. Inventions, on the other hand, are the purpose-directed solutions to a particular problem by technical means. An invention contains an instruction to a change or an influence of nature and leads to the satisfaction of a social need. Patent law protects the transformation of the scientific cognition to technical products and processes which are susceptible of industrial application. The exclusive right limited in time is meant to safeguard and encourage the business and commercial efforts on which e.g. the extensive use of the product in society is depending.

The last-named aspect plays an essential part, and in its absence the patent owner's benefit of his patent may be spoiled - irrespective of the original, useful scientific cognition and the later usable invention.

When evaluating the needs of the research workers, their connection with and importance to the patent system, it must be borne in mind that a substantial part of the research is basic research. As far as that part is concerned there is general agreement in the western part of the world to date that basic research shall be common property and shall not justify exclusive rights of a certain duration. From a historical point of view this understanding is probably connected with the fact that basic research demands immensely heavy expenses and consequently it is most often carried out within the framework of the public authorities. Moreover, this understanding is probably connected with the fact that exclusive rights in this relation would totally paralyse growth of society. Publications of research results achieved by basic research normally do not exclude the possibility of later patenting as the application of the new cognition has then been transformed into an invention. The invention has of course to involve an inventive step, having regard to the state of the art, but normally this requirement is satisfied by the very transformation into usable technology. In the few cases where it is arguable that a scientific article containing basic research discloses actual technology, and where it is thus difficult to show the necessary inventive step of the invention for which a patent is applied for later in relation to the prior publication, still the possibility of getting a patent for a way of carrying out the invention is offered. A patent of this kind may give quite a good protection in relation to third persons. The anticipatory publications made by other parts of the research circles must be of minor importance, cf. above. Studies have shown that 90-95% of

the technical knowledge contained in patent specifications exists only there and is earlier published there than in the technical periodicals.

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- The novelty grace provision existing in Germany until 1980 was limited to 6 months, whereas the WIPO Model Law foresees a limit of one year. None of these provisions appear to be able to satisfy the alleged need of the research having in mind that most frequently considerably more than 12 months have to pass from the scientific basic cognition to its transfer into an industrial applicable invention for which a patent can applied for.

General social considerations for certain groups of persons, e.g. research workers, do not in themselves seem to document that the encouragement of research, development of new products and innovation is favourably influenced by a novelty grace period in a very high degree. Other factors appear to a far greater extent to be crucial to the technological development, notably an extended use of the patent literature and a changed structure of the interplay between publicly financed research and the industry.

### B. Objective Circumstances

#### B.1. The Problem of Testing the Invention

In principle, the need of testing an invention is the same for any inventor. However, in practice differences exist as regards the test facilities between the big enterprise and the private inventor.

The admission of testing without loss of the novelty of the invention is depending on the detailed interpretation of the concept "made available to the public". The character of the invention plays an essential rôle in this connection. Processes per se

are easier to hide, certain inventions like for instance crane constructions and wind surfers cannot very well be tested secretly and at the same time under realistic circumstances. In general it applies that the more narrow the concept "made available to the public" is interpreted, the less is the need of a novelty grace provision. If the acts allowed in connection with the testing of the invention - without loss of novelty - correspond to the acts needed in practical life, the problem of the prior publication and use by the inventor constituting a novelty bar is marginal.

When arguing in favour of the need of a novelty grace period it is stated<sup>25)</sup> that the absolute novelty criterion does not leave the private inventor sufficient possibility of testing and presentation. Besides, it is emphasized that a novelty grace period is reasonable because cases exist where a presentation and a testing not only discloses the technical advantages, but also the economic value of the invention. So the testing may influence the decision whether it makes sense at all to file a patent application.<sup>26)</sup>

The concept "made available to the public" is normally understood to mean that the invention has been described or used in a way making it possible to a larger or indefinite number of people to learn about it whereby a person skilled in the art may be able to work the invention. In case of presentation and testing, the recognized modifications of the requirement of absolute novelty are of particular interest, i.e. the aspect that an invention has not been made available to the public when it was only made available to a number of persons having special relations to the inventor or the patent applicant, even if the number as such be indefinite. The special relations exist when the invention has been disclosed only to the collaborators of the inventor, the employees in the enterprise

where the testing is carried out, or to specific persons to whom the inventor may turn with a view to selling and financing the invention. Normally in such cases the inventor, tacitly or explicitly, has imposed an obligation of secrecy upon the persons involved.

Testings and experiments are particularly problematic when the invention concerns such mechanical units whose construction and application at once make themselves known through ordinary observation and photographing, e.g. a snow plough or a crane construction. Here the nature of the invention implies that it may become obvious to persons without any special relations to the inventor who witness the experiment unintentionally or deliberately. When evaluating the need of a novelty grace period it must be pointed out that these inventions form a very modest part of all inventions, and that a somewhat narrower rule might be adequate. Legal usage in France and in the Scandinavian countries<sup>27)</sup> has thus established that such disclosures do not constitute a bar to novelty given two conditions. First, when it is not too much trouble to take steps to prevent or to limit the opportunity of the public to learn about the construction in question, that the inventor notoriously takes such steps. Secondly, that the testing is not carried out for a longer period of time or to a larger extent than reasonable having regard to the nature of the invention.

The presence of the mentioned conditions in order to avoid public experiments and tests leading to the loss of the novelty of the invention is a matter of evidence, and a concrete judgement has to be made in each individual case. When it is maintained in Germany that it was a bad idea to abolish the novelty grace provision of the former Act, Sec. 2, 2nd sentence, and this point of view is motivated by saying that practical life is not offered sufficient chances of testing inventions, it has to be borne in mind that the concept "made available to the public" under a system of a novelty grace period easily



becomes more harshly managed. The view will be that the novelty grace period is exactly meant to allow for such considerations and there will be no reason to interpret the provision and its time limit more widely. The reflection of the patent authorities and the courts will be that the legislator has made up his mind about the problems of testing versus novelty. It is still too early to decide whether the fact that a novelty grace period no longer exists in Germany has resulted in the courts now accepting more acts as experiments and the like not implying that the invention has been made available to the public.

Still an aspect has to be taken into consideration. As long as a novelty grace provision providing for a time limit - be it of 6 or 12 months, or whatever one could imagine - the question will continue to exist which acts of description or of use are considered to imply that the invention has been made available to the public. It is only a question of moving the problem for instance 6 or 12 months. Nor will the mentioned difficulties of evidence be removed. In this connection reference may be made to the doctrine of experimental use in American law as a limitation of the grace period in Sec. 102(b).

The conclusion of the deliberations contained in this part is that it might be contemplated to supplement the abuse clause of Art. 4(4)(a) of the Strasbourg Convention with an explicit provision allowing some testings, provided certain specified steps have been taken and provided that a patent is applied for within certain time limits. By that a certain security would be created making necessary testings safe. However, it must be admitted that such an initiative will neither change the need of a concrete judgement of the individual case, nor the fact that to the inventor the outcome is depending on the extent to which he has secured evidence for himself.

When evaluating which experiments and testings de lege ferenda ought to be allowed without loss of the novelty of the invention, a distinction has to be made between trials of actually ready developed technical teachings and trials the purpose of which is to find out the teachings of the technical act.<sup>28)</sup>

In the part below a further account is given of the doctrine about the finished invention.

B.2. The Doctrine of the Finishing of Inventions

A number of circumstances have been referred to in support of the view that the requirement of absolute novelty in present legislation ought to be modified by a novelty grace period. However, these circumstances were never up till now related to, and by that, corrected with regard to the doctrine of the finishing of inventions. The doctrine of the finished invention has two aspects as it applies both to the definition of the concept of "invention" and to the determination of the area of anticipation excluding the patentability of the invention.

The arguments in favour of the necessity of having a novelty grace period have been the following: Often the inventor does not know that he has made an invention, that, without a grace period, the inventors have to file patent applications being purely speculative and without the necessary testing and maturing of the invention if they do not want to run any risk, that hasty patent applications are dangerous for the applicant who is forced by an insufficient disclosure to file further applications shortly afterwards. A chain of events like this would increase the risk of the first application being anticipatory to the later more elaborated application (self collision).

An invention is not finished and ready for the grant of a patent till a person skilled in the art is able

to perform the teachings according to the specifications of the inventor. The inventor must have disclosed the causality between the means used and the effect aimed at. There must be concrete teachings of technical conduct which can be performed and objectively has been disclosed to the person skilled in the art. However, it is not necessary that the invention has been translated into action, nor that there is a construction ready for sale. Still the inventor must have wanted the technical effect consciously.

A general idea of the solution to a problem does not constitute a finished invention, just as a corresponding specification of a process is only considered to be finished teachings of technical action when it has been tried out and it is proved that it is possible to implement them. An invention is not finished till it has left the experimental stage. If its functional feasibility has not been tried out, it is not ready for patenting, but this testing does not presuppose actual industrial applicability as normally laboratory experiments and the like suffice. On the other hand, particular experiments are not required when the still missing cognition can be achieved straight away through experiments by the person skilled in the art.<sup>29)</sup> The same applies when further experiments only serve to make the invention ready for manufacture or more fit for marketing at a commercial level.

The other side of the picture in relation to the doctrine about the finished invention is the question what is considered anticipatory in relation to the finished invention for which a patent is applied for. As anticipation can be considered only that, which according to the state of the art covers the finished invention. As regards scientific observations about a recently acknowledged phenomenon, they only constitute a bar to novelty in accordance with present law if they contain specifications of practical presenta-

tions or proposals for improvement which can be carried out by the person skilled in the art. Suggestions in for instance a scientific article of possible connections with for instance other chemical compounds without further documentation or models of solutions do not constitute anticipations.

A desire to have a novelty grace period for the benefit of the inventor's own prior disclosure increases, the wider the spectrum of anticipation is considered by the application of the law. The larger demands of complete equivalence there are made to consider the state of the art as anticipatory, the more latitude is left for experiments and publication of preliminary deliberations without the need of a novelty grace provision.

In principle, all inventors will benefit from the reduction of the need of a novelty grace period embodied in the doctrine about finishing inventions. However, it must be admitted that often the big enterprises have the advantage that they are able to make the period of time quite short between the birth of the inventive idea and the existence of an invention ready for patenting as, if necessary, they can direct their bigger manpower to the indispensable testings of a single invention. But then it must be stressed that occasionally the decision-making processes in the big enterprises can be complicated which may give the small firms an initial advantage.

From several angles hasty patent applications not being of the desirable quality have been conjured up as a consequence of a patent system without a novelty grace period. Such applications will cause disappointment to applicants, legal insecurity to third persons and it may be added a slow and costly procedure in the patent offices and the courts. On the other hand the importance of this consequence is reduced to the extent that the patent system allows

amendments of patent applications already filed.

As considerable, legal effects are attached to the filing date (priority date) of a patent application, the patent legislation of many countries expressly regulates the right to amend an application after this day and at the various, later procedural stages. Below an account is given of the amendments typically allowed pursuant to "European" patent law. Moreover it is endeavoured to evaluate the extent to which the permitted amendments render the need of a novelty grace period superfluous, or minimize it, keeping in mind the desirability of patent applications being as complete as possible already at the date of filing.

Art. 123(2) of the European Patent Convention expresses the general attitude of the national laws: A patent application or a patent may not be amended in such a way that it contains subject-matter which extends beyond the content of the application as filed. As to the European procedure for grant Rule 86 further regulates at which stages of the procedure amendments are permitted. The last-named provisions like those of the national laws are laid down in order to be able to effect a rational procedure, i.e. search and examination, in the patent offices.

Any amendment must not add subject-matter to the content of the application as filed, it must not itself cause the application as amended to be objectionable under the Convention, e.g. introduce obscurity, and it must not result in claims for an invention or inventions not forming unity with the invention or inventions originally claimed. Two conditions are decisive of the question whether an amendment is allowable: (1) Art. 82 of the European Patent Convention and of the corresponding national patent laws of the Common Market and of the remaining Europe harmonized with the Convention prescribes that an application shall relate to one invention

only or to a group of inventions so linked as to form a single general inventive concept. And (2) amendments must not extend beyond the content of the application as originally filed and must not result in the skilled person being presented with information which is not directly or unambiguously derivable from that previously presented by the application. Here the consideration is that a third person must be able to determine what he may set about manufacturing without infringing any later patent right that may arise.

In general it applies that the description and drawings of a patent application may be amended to a larger extent than the claims. As a rule the introduction of further examples does not imply lack of unity or an unallowable extension beyond the content of the application as filed. The same applies to the introduction of statements of advantage of the invention and to the introduction of further information regarding prior art which is relevant. In particular, the less experienced applicant may need that possibility. Amendments of the description may be made for purposes of clarification or correction. Typically, however, they are made in order to adjust the description to the new or amended claims caused by the search and the examination of the patent authority. Also in these cases amendments or additions must not be worded in such a way that they give the impression that the patent claims are broader or cover subject-matter other than contained in the application as filed.

The principal interest is concentrated on the admissibility of amended claims. During the examination of nearly all patent applications the claims are amended one or several times. It is a question of defining and limiting the invention in relation to the state of the art. The problem is to decide whether an amendment implies that the claim adds

subject-matter to the content of the application as filed, and whether the unity of invention is maintained. Decisive of the allowability of the amendment in question is that the application still concerns the inventive concept of the application as filed.

Amendments relating to reductions of intervals and indications of figures may lead to a situation where in reality, after an amendment of the claims, the protection applied for concerns an invention not contained in the application as filed. In other cases an obvious limitation of the scope of protection is the result. If the amendment concerns a detail which, admittedly, was disclosed in the description or drawing originally filed, but which was not presented as an inventive feature, or which does not determine the obtaining of any new technical effect, and if that amendment is made the subject of a patent claim, usually the amendment is considered to be independent of the original invention. The same may apply in connection with generalizations, for instance a change from a particular way of carrying out the invention to a principle.

The above leaves the impression that only very limited possibilities of amending a patent application once filed exist. However, in practical life when the unexperienced applicant files only a drawing, or a drawing and a brief description, quite reasonable possibilities do exist of drawing up a normal description complete with claims. In such cases the borderline between amendments allowed and those not-allowed is depending on whether the matter is implicit to a person skilled in the art in what was indicated as the inventive concept of the documents originally filed. Alterations of the categories of claims are likewise allowable if a technical dependence exists and it appears from the application as filed.

In some Common Market countries the ordinary provisions about the allowability of amendments of a patent application already filed are supplemented by certain special rules rendering it possible to file yet an application for a further development of the invention for which a patent earlier has been applied for, without the effect that the earlier application excludes the grant of a patent. Here it is thought of the still existing possibility of getting a patent of addition in Germany in spite of the extensive harmonization with the European Patent Convention. Patents of addition can be granted for the protection of improvements or further developments of an other invention protected by a patent, cf. Sec. 16 of the German Patents Act. In Denmark like in the other Nordic countries the system of patents of addition was abolished in 1978 in connection with the harmonization with the European Patent Convention and the Community Patent Convention. (On the other hand the special institute of postdating the filing date has been maintained in the Danish legislation. However, in such cases the filing date of an application under certain conditions may be postponed without the filing of a new application.)

To patent applicants who need to amend a patent application already filed to a larger extent than possible, still a more elegant solution exists. Since the harmonization of the European patents laws with the European Patent Convention and the Patent Cooperation Treaty in the end of the 1970's a possibility of claiming priority from a patent application filed less than 12 months earlier in the same country, the so-called "internal priority" exists. Thereby the filing date of the first application remains decisive in determining novelty and at the same time it is avoided that the prior application is prejudicial to the later application. Moreover,



the applicant does not need to continue the examination of the application the priority of whose date of filing is claimed.

This innovation in patent law offers a patent applicant good chances if he is gaining new experiences through his continued work at his invention after filing of his patent application. New experiences may be made the object of an application for a patent retaining the priority of the earlier application, even without the necessity of delimiting the application in relation to the earlier application. Furthermore, it is possible now to write claims stating the characterizing features which only formed part of the description or drawing of the earlier application but still have become part of the state of the art.

The rule about claiming an internal priority cannot be compared with a novelty grace period. A number of the characteristics of the later is missing, immediately the most conspicuous feature is that a filing fee has to be paid twice. On the other hand, the essential disadvantage of the novelty grace period, i.e. the legal insecurity as to the dating of the invention, is avoided. It must be admitted that the novelty of the invention, without a real novelty grace period, is lost by making the invention available to the public prior to the filing of the first application. That cannot be repaired later. But, if the applicant observes this principle the possibility of invoking a right of priority from an earlier application filed in the same country allows him a certain latitude - also in time - for applying for patent protection of a further development of the invention. Experiments can also be made for purpose of testing. However, new technical solutions which go beyond the content of the first application will not be covered by this priority date, but then in such cases as a rule a new invention has been made.

### B.3. The Doctrine of Fast Dissemination of Information

Technological progress is promoted by fast dissemination of the newest technical knowledge. Pushed to its logical conclusion this speaks in favour of the earliest possible disclosure, which means that the law ought to allow the inventor to disclose his invention long before the filing of a patent application.

However, it ought to be pointed out that the form and the distribution of the disclosure is of very great importance. To the public the easy and reliable access to the state of the art plays an important rôle. When a subject-matter forms part of the state of the art in form of the inventor's prior publication or use, this is more hidden to the general public, for one thing because that part of the state of the art is more difficult to become acquainted with, and it has no precise dating like the one which is made at the filing of a patent application with a description and claims. In comparison with both articles in periodicals and the inventor's prior publication or prior use, the patent literature is far more easily available on account of the classification according to the international classification system and the standardized form of the publications.

Fundamentally the publication in patent law is correlated with the *quid pro quo* of Society, namely the patent protection. It must be admitted that all the necessary knowledge for the working of the invention need not necessarily be embodied in the patent document and that the publication also serves other purposes. Taken as a whole, the function<sup>30)</sup> of the publication is (1) to supply the public with a precise and comprehensive view of the newest state

of the art, (2) to provide the necessary information and stimulation to continued development on the basis of patented inventions, (3) to refer those interested in exploiting an invention to the owner of the patent, and (4) to give the competing industry a clear picture of the existence and the scope of exclusive rights.

The inventor's possible prior disclosure in relation to a third person becomes part of the state of the art and in this connection, of course, the 18 months-publication of the inventor's patent application will appear with a certain delay compared to the prior disclosure. In the case of showing consideration for the competing industry, it is maintained on the one side<sup>31)</sup> that having the 18 months delay of publication competitors can never be sure whether a patent application has been filed, and that therefore a further period of uncertainty of possibly 6 months is of no importance. Opponents of a novelty grace period will say that in order to consider the needs of competitors it is necessary that they know as quickly as altogether possible if a product belongs to the state of the art and thus is freely imitable. Both points of view are equally right and equally insufficient. However, the time factor (the post-dating) is not the only decisive one, when showing consideration for a third person, as the form of publication, as already mentioned, is of particular interest and in practice may be the most important. It is hardly realistic to assume that the so-called "monstrous flood of information material" which the 18 months publications make up is going to fall drastically<sup>32)</sup> through the (re-)introduction of a novelty grace period. And at any rate the point of view is of less importance compared with the increased legal security built into the first-to-file system.

This is to be related to the fact that 2 millions technical articles are yearly published in 60.000 periodicals in 65 languages. Yearly 1 million patent documents are published, and all over the world 400.000 patents in total are issued yearly. Add to this that studies have shown that 90-95% of the technical knowledge contained in patent documents only appears there, and not at the same time in the scientific-technical literature, and that the patent literature is more topical. Nothing indicates that a universal novelty grace period will guarantee a more fast and effective dissemination of technical information, much less make it more clear and easier to follow to the enterprises. In this connection it must be remembered that the novelty grace provisions of the various countries up to the present do not only protect written publication, even oral disclosure in the form of e.g. a lecture is covered, including use of the invention.

The rôle of the patent documents as a source of technical information is essential. At the same time they have the virtue of being legal documents, which none of the other sources of information has. The fact that considerable parts of industry in spite of this supply themselves with information about the technological development exclusively by means of technical periodicals, conversations with colleagues, participation in fairs etc. cannot be cited in support of the idea that a novelty grace period meets the practical needs of allowing a prior publication without running the risk of loosing the novelty of the invention for which a patent is applied for not until later. In stead of introducing a novelty grace period education and information about the reading of patent literature would have a greater effect and create security when enterprises try to get informed about the newest technology. Likewise the attention of the enterprises can be drawn to the

fact that magazines and periodicals can be read with a view to getting information about the development, but that the legal documents are to be found in the patent literature.

When it is stated<sup>33)</sup> that the missing novelty grace period is felt like a great handicap to the research workers as in general they strive after a dissemination of new knowledge as extensive, as far-reaching and as fast as possible, it is to some extent overlooked that a pure first-to-file system as such invites a fast dissemination. This is due to the fact that inventors will be more inclined to discuss their inventions after the filing of a patent application because the priority has been safeguarded and is entirely determined on the basis of the filing date.

Having a requirement of absolute novelty makes it desirable to future possessors of a right that all existing knowledge is spread as fast as possible in order to make it possible to them to take it into consideration before the filing of a patent application. If these facts are viewed separately they speak in favour of a legal system which - without having to await the elaboration and filing of a patent application - allows an immediate publicity of an invention without any loss of rights. As the possibility of the patent authorities of a methodical examination of the state of the art is limited to written information contained in patent documents and periodical literature, a strong patent protection can be granted only if the patent system encourages soon filing of a patent application. Besides, it is not asking too much of a lawful owner who wants to protect his right to fix his intellectual achievements on a piece of paper in the form of a patent application. Even with a novelty grace period for inventions described in a printed publication prior

to the filing date that will be necessary.

Formerly, when patent literature in a modern sense did not exist, and even less on-line connection with data banks covering other technical literature, the fast dissemination of information was made by displaying new inventions at exhibitions. When their number increased in the middle of the last century, the very missing protection of inventions, creations and distinctive marks was instrumental in bringing about the creation of the Paris Convention in 1883. There was a need of a temporary protection in the country in which the exhibition was held, and in any other country as a compensation for the loss of novelty and for the risk of a third person's copying or infringement of the exhibited inventions or designs. Due to the nature of the exhibitions an international rule was necessary, and in fact Art. 11 of the Paris Convention was among the original 19 articles.

As international communication and exchange of new technology is proceeding in a quite different way to day, other possibilities of dating and safeguarding rights exist. Therefore the need of granting a temporary protection at exhibitions is not the same and as a matter of fact such protection is claimed only very rarely in practice.

B.4. Fast Initiation of a Production

A novelty grace period makes it possible to initiate a production without first having to file a patent application in order to secure the rights to the invention. Not only the consumers and Society in general benefit from a product going into production and being marketed but also the inventor. He is being put in a position to collect some of the money he has spent on the development of the invention, and he gets

an opportunity to experience the attitude of the public to the new product or the new process, and possibly make certain improvements of the invention.

Furthermore, a novelty grace period and the later term of a patent taken together improve the chances of the legal period of protection covering the actual production, marketing and the period in which the market needs and takes an interest in the new product.

It may be true - in so far as the application and product oriented research is at stake - that the concept of absolute novelty without a modifying novelty grace period forces a research worker not to publish a research achievement until he or the direction of his institute has decided on the economic relevance of the research achievement<sup>34)</sup> and if desired a patent application has been filed.

The reason, however, why a (re-)introduction of a novelty grace period cannot be motivated by the advantages of the possibility of a fast initiation of a production is that in practical life a decisive importance cannot be assigned to the above reflections - although they are correct in principle.

The practical circumstances will be that initiation of a production with the subsequent sale to a clientele is not possible until long after the finishing of the invention. Comprehensive work precedes, including partly the establishing of an interested circle of buyers, partly the testing of the product and the choice of the right material both from a technical and economic point of view. Normally, the elaboration and filing of a patent application have been made much earlier, namely coincident or in connection with the elaboration of the first prototype or model. Here a novelty grace period of 6 or 12 months has no part to play as a judicial precept

promoting fast initiation of production for the benefit of the public.

In discussions about the practicability of the patent system it is often pointed out that the term of protection of twenty years is too short in the case of certain technical fields. Thus the filing of a patent application often takes place 5-6 years before a real mass production can start. No complaint is heard to the effect that filing of a patent application must be made almost as early as possible. This is due to the fact that by the filing of the patent application the competing industry in good time is given the notice that the applicant is working at a given invention which will go into production and be offered for sale later. Hereby an economic waste is avoided to some extent as several others do not "make the same invention".

The above-mentioned actual circumstances - even under a system of a novelty grace period of maximum 12 months - lead to the result that even in those cases where no patent application has been filed earlier and that does not happen until up to 12 months after the initiation of a production, this period of time will not create the necessary, firm basis of a decision be it to give up or to change the production or to abstain from filing a patent application. A certain pushing the sale of a new product is necessary in order to be able to estimate the need and relevance of the invention and whether it is profitable to produce it.

So the conclusion must be that only few situations will exist where a novelty grace period will really permit a sooner initiation of production. In particular, such situations could arise in case of manufacture of products of which only a few examples are made and by enterprises which have not been



producing on a larger scale before, for instance trade enterprises. Or in the cases where an isolated inventor for the first time is going to offer an unknown product for sale. In the heavy part of industry no importance can be attached to a novelty grace period as regards promotion of fast initiation of a production. This is owing to the fact that a patent will have been applied for long before in cases of products manufactured by mass production.

Notes:

1. Cf. for this purpose Friedrich: Empfehlungen des Sachverständigenkreises "Patent und Lizenzen GRUR 1978.349-353(353), Bossung GRUR Int. 1978. 381-398(393), von Pechman GRUR 1980.436-441, Bericht im Namen der deutschen Landesgruppe (AIPPI Frage 75) GRUR Int. 1980.502-504, Bardehle GRUR 1981.687-690, Pagenberg GRUR 1981.690-695, Beier GRUR Int. 1982.77-85(84), Beier/Straus: Der Schutz wissenschaftlicher Forschungsergebnisse, 1982, in particular p. 76-81, Pagenberg/Bardehle GRUR Int. 1982.185-187 and Ind. Prop. 1982, p. 279-290.
2. Häusser: The Inventor: the Stepchild of the Nation?, Ind.Prop. 1981, p. 27-32.
3. Taylor & Silberston: The Economic Impact of the Patent System, 1973, p. 314 et seq.
4. Taylor & Silberston: Ibid., p. 320.
5. Häusser: Ind. Prop. 1981, p. 28.
6. Blatt 1936.103-104.
7. GRUR Int. 1982.186.
8. The possibility of submitting an "Enveloppe Soleau" can hardly be considered to influence on this in any decisive way.
9. Cf. the decision of the French Minister of Industry and Research of August 3, 1983, in Conseil des Ministres concerning 20 measures for

the promotion of innovation, Le Figaro of August 4, 1981.

- 10. Cf. also the fact that 30-40% of all applications for a patent never lead to a patent.
- 11. von Pechman GRUR 1980.436-441(440) and Bessung GRUR Int. 1978.381-398(395 et seq.)
- 12. Cf. GRUR Int. 1979.336.
- 13. Taylor & Silberston: Ibid., p. 197.
- 14. Eureka, Hauszeitschrift des EPA 5/83, p. 6-12. Quotation from a study carried out by München Institut "Infratest" Untersuchung der Informationsversorgung in der mittelständischen Industrie Bayerns.
- 15. IFO-Institut für Wirtschaftsforschung "Patentwesen und technischer Fortschritt", quoted in Eureka, Ibid.
- 16. Deutsches Handwerksblatt, Alfeld, of November 14, 1983.
- 17. E.g. Germany and Denmark within the Common Market.
- 18. Pagenberg GRUR 1981.690.
- 19. The figures here and in the following have been taken from "Forskningens vilkår i den offentlige sektor", 1981.
- 20. Taylor & Silberston: The Economic Impact of the Patent System, 1973, p. 197-198.
- 21. Beier/Straus: Ibid., p. 76.
- 22. Beier/Straus: Ibid., p. 55.
- 23. Beier/Straus: Ibid., p. 14.
- 24. Cf. here Europa Note 8/83, April 1983, published by the Commission, The Europe of Science and Research: Almost 350.000 research workers work within the Common Market and in total the member countries pay one fifth of the world expenses for research, development, demonstration and testing of the research achievements. If the military research is counted in, the research capacity of the Community is twice as much that of Japan, and it is only 27% less that of the United States.

- 25. Bardehle GRUR 1981.687-690 and Pagenberg GRUR 1981.690-695.
- 26. Cf. Bericht im Namen der deutschen Landesgruppe (AIPPI Frage 75) GRUR Int. 1980.503.
- 27. Cf. Chapter II, France note 1 and Scandinavian court decisions cited in NU 1963:6, p. 125 note 1.
- 28. Concerning Spanish law in this respect, see Botana Agra GRUR Int. 1983.288-291.
- 29. See BGH GRUR 1971.210-214.
- 30. Cf. here Beier GRUR 1972.214-225 (= IIC 1972. 423-450).
- 31. Reproduced in GRUR 1981.731.
- 32. von Pechman GRUR 1980.436-441(441).
- 33. Beier/Straus: Ibid., p. 35.
- 34. Beier GRUR Int. 1982.77-85(85).

Conclusions

1. The account of the development of the law and of the legal situation in each of the countries (chapter II) and the analytic review of the different cases and arguments (chapter IV) appear clearly to prove that the present state of things is not very satisfactory. At the same time it appears to be documented that the right solution to the problem is not the introduction/reintroduction of a general novelty grace period. The introduction will partly create new problems, inter alia an increased legal uncertainty, partly only imply a postponement of those already existing.

Thus the correct thing is to focus on the problems disclosed as being real and to try to solve them in a satisfactory way. In that respect it is notorious that an acceptable legal protection of the inventor does not exist in the cases where he needs help from a third person in the initial phase, for instance for the development of a prototype, or in cases where he has to disclose the invention in connection with the (confidential) negotiations or semi-negotiations of a contract concerning the initiation of a production. Moreover, it is notorious that in the case of certain types of inventions a real need does exist of allowing testing of the invention to take place without loss of its novelty implying the exclusion of patent protection for ever.

These problems are not solved satisfactorily by the rule prescribing that in considering the novelty of a invention a disclosure of the invention must be disregarded if it occurred no earlier than six months preceding the filing of the patent application and if it was due to, or in consequence of an evident abuse

in relation to the applicant or his legal predecessor. Thus doubt exists not only as regards the interpretation of the concept of "abuse", not so much when the inventor is innocent in the sense that he has done everything reasonably required to secure the secrecy of the invention and the disclosure is unlawful, but also, and in particular, in those cases - which are often those of practical life - where he has disclosed the invention to a third person for one reason or another and that person later discloses the invention. The doubt of interpretation arises especially because the abuse must be characterized as evident. The scope of this qualification gives rise to considerable difficulties, inter alia as to whether the abuse must have a special degree of impropriety, and if a particular evidence of the abuse must exist.

Perhaps these difficulties could be overcome by an interplay between the administration and the courts after a certain time in each country as to patents with respect to the country in question. However, the uncertainty as regards the detailed contents of the expression "evident abuse" gets a serious dimension considering that it shall apply to European patent applications, often claiming the priority of an earlier national application, and to European patents which may later be revoked by the courts in all the contracting States. This uncertainty may very easily prevent enterprises and inventors from applying for a European patent when it becomes known to them that a third person has disclosed the invention before. In some cases the economic loss will be very heavy. For instance, that may be the case when not until long after the filing of a patent application or the grant of a patent it is discovered that a third person has disclosed the invention less than six months before the filing of a patent application.

So the background to an estimation of the desirability:

of having a novelty grace period within the Common Market is clear. Partly the legal regulation provided by Art. 55 of the European Patent Convention, Art. 4(4) of the Strasbourg Convention and the corresponding national provisions are experienced as not offering the necessary certainty. Partly there is a need of a novelty grace provision, not as general as the one earlier in force in German law covering any prior disclosure made by the applicant or his legal predecessor, but a provision covering the notorious need of testing and of increased security when negotiating with third persons. However, it must be added that real security in the latter situations can only be achieved in one way, i.e. by filing a patent application.

2. A relief of these circumstances may be found in an elucidating re-formulation of the rule of abuse and in a simultaneous extension of the present rule so as to allow certain cases of testing of the invention. Taking Art. 55(1) of the European Patent Convention as starting point a proposal for a new provision could have the following wording:

"For the application of Art. 54 a disclosure of the invention shall not be taken into consideration if it occurred no earlier than six months preceding the filing of the European patent application, and if it

(a) was effected by a person who was under an obligation vis-à-vis the applicant or his legal predecessor to keep the invention secret, or was in consequence of an unlawful appropriation, in both cases provided that the applicant and his legal predecessor had done all that could reasonably be required to keep the invention secret, or

(b) occurred in connection with a testing of the

invention performed by the inventor or with his consent, provided that it occurred only to an extent considered reasonable in view of the nature of the invention, and provided that reasonable measures had been taken to keep the invention secret, or

- (c) was due to the fact that the applicant or his legal predecessor had displayed the invention at an official, or officially recognised, international exhibition within the terms of the Convention on international exhibitions signed at Paris on 22 November 1922 and last revised on 30 November 1972."

Subparagraph (a) covers two different situations which under the given circumstances must be regarded as unacceptable abuses. The wording "a person who was under an obligation ... to keep the invention secret" has in view to cover both the cases when the obligation is due to a contract, oral or written, and the cases when an obligation of secrecy arises tacitly by common understanding. Furthermore, it covers the cases when the obligation of secrecy is due to an employment, including too, the cases where the obligation has not been imposed on the employee at the entering into the employment contract, but is implied in the terms of employment. The mentioned obligation may exist through several links, and it follows from subparagraph (a) in fine that the applicant as well as all the predecessors must have done all that "could reasonably be required to keep the invention secret". Carelessness may thus result in loss of novelty of the invention.

By indicating the second main group of cases, i.e. cases where the disclosure is "a consequence of an unlawful appropriation", disclosures on the basis of industrial espionage or "theft" are covered. The provision will protect the applicant no matter whether

the unlawful appropriation has happened at an earlier link of the chain of third persons who have become acquainted with the invention and no matter whether the person who virtually causes the disclosure is in good faith. However, it is still a condition that the applicant and other earlier rightful owners have done all that reasonably can be required to keep the invention secret.

The purpose of subparagraph (b) is to take into account the cases where it may be necessary in order to finish an invention to test it under completely realistic circumstances whereby as a matter of fact it is made available to the public within the meaning of the patent law. The testing must have been performed "by the inventor or with his consent". The latter extension must be considered to be necessary as often the individual inventor is not in a position to arrange the testing himself the reason being that either it requires extensive space or it presupposes possession of various measuring apparatus and similar costly instruments. Testing is only allowed to "an extent considered reasonable in view of the nature of the invention". This implies both a limitation in time and a limitation determined by the actual nature of the invention. In for instance the case of a snow plough or a crane, testing under circumstances where a passing third person may make himself acquainted with the invention is allowed to a larger extent than in the cases where the invention e.g. concerns a particular screw. To some extent this is connected with the second condition of testing not constituting anticipation, i.e. the proviso that "reasonable measures had been taken to keep the invention secret". It is incumbent on the inventor to obstruct or restrict the possibilities of the public to make itself acquainted with the invention as far as it is possible without great troubles or costs. It is implied in the concept of "testing" that it does not



cover the case where the invention is finished and the testing only takes place in order to clarify the trade value of the invention.

Subparagraph (c) only maintains the present legal situation. The rule has hardly any wide importance today but it is due to a very long legal tradition.

3. As concerns the situations of abuse the proposal of a re-formulation of Art. 55 of the European Patent Convention implies partly an extension of the scope of the rule - there is no requirement of "evident" abuse - partly the proposal contains an explicit indication of the elements to which importance shall be attached in application of the law. Thereby greater uniformity and better guidance to patent applicants and third persons are ensured.

The part of the provision concerning the situation of testing is in continuation of legal usage in France, legal usage and the preliminary works of present law in Denmark and in the other Nordic countries, and of earlier and present law in the United Kingdom and Ireland, too. From British quarters the wish was expressed in connection with the AIPPI discussions to achieve international agreement that an invention which by its nature has to be subjected to trial in public should be entitled to protection despite its disclosure for the purpose of reasonable trial only. Having in mind the widely expressed wish in Germany of reintroduction of the legal situation prior to the 1981 Act with regard to a novelty grace period, the proposal will comply partially with the wishes expressed. By having an explicit rule under certain circumstances allowing testing without loss of novelty of the invention, a certain congruence with the doctrine about experimental use in American law is obtained, however, without deviating from the principle of first-to-file as far as European law is

concerned.

4. It must be considered desirable to introduce a limited novelty grace period of the scope indicated in the mentioned proposal applicable within the Common Market as a whole. As long as it is to be estimated that several years have to pass before the Community Patent Convention enters into force with respect to all Member States, and as furthermore it will take some years before the effect of Art. 86 of the convention concerning the option between the Community patent and the European patent ceases, uniform application of law is only ensured by uniform national legislations. However, complete security can only be obtained if Art. 55 of the European Patent Convention is amended, too.

It is to be estimated as desirable that the Commission takes an initiative to introduce a provision having the above-mentioned contents in stead of the present provisions. Besides, an initiative within short time must be considered advisable as it must be regarded as desirable that a Common Market instrument form part of the discussions recently started within the framework of WIPO, cf. chapter III. In that case the opportunity of possibly extending a Community rule to become valid at a global level increases, too. In addition the legal security of patent applicants and third persons resident of the Common Market will increase.

Abbreviations:

AIPPI	: Association Internationale pour la Protection de la Propriété Industrielle.
Ann.	: Annales de la Propriété industrielle, artistique et littéraire, France.
Art.	: Article.
BGH	: Bundesgerichtshof.
Blatt	: Blatt für Patent-, Muster- und Zeichenwesen, Federal Republic of Germany.
CIPA	: The Chartered Institute of Patent Agents.
EPA	: Europäisches Patentamt, European Patent Office.
GRUR	: Gewerblicher Rechtsschutz und Urheberrecht, Federal Republic of Germany.
GRUR Int	: Gewerblicher Rechtsschutz und Urheberrecht, Internationaler Teil, Federal Republic of Germany.
IIC	: International Review of Industrial Property and Copyright Law, Federal Republic of Germany.
Ind. Prop.:	Industrial Property.
IntPatÜG	: Das Gesetz über internationale Patent-Übereinkommen, Federal Republic of Germany.
JPOS	: Journal of the Patent Office Society, United States of America.
JW	: Juristische Wochenschrift, Federal Republic of Germany.
Mitt.	: Mitteilungen der deutschen Patentanwälte, Federal Republic of Germany.
NIR	: Nordiskt Immateriellt Rättsskydd, Sweden.
NU	: Nordisk Utredningsserie, Norway.
R&D	: Research and Development.
RGZ	: Entscheidungen des Reichsgerichts in Zivilsachen, Federal Republic of Germany.
RPA	: Reichspatentamt.
R.P.C.	: Reports of Patent, Design and Trade Mark Cases, United Kingdom.
Sec.	: Section.

USPQ : The United States Patents Quarterly,  
United States of America.

WIPO : World Intellectual Property Organization.