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Patents

Taiwan Intellectual Property Office Considers Relaxing Grace Period Regulations

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Overview

In the context of patent filing, a grace period refers to the period during which a patent application can be filed following certain types of disclosure of the invention to the public. The rationale behind the grant of grace periods is that such types of disclosure are often deemed "non-prejudicial".

The concept of grace periods is found in the patent filing systems of many countries, albeit in varying degrees of detail. For applicants who plan to submit a patent application in multiple countries for the same invention, it is possible that they may be able to claim a grace period in one country but not in another because of the difference in regulations. This makes it difficult to formulate a transnational application strategy in advance. This is particularly true for applicants who are individuals with relatively limited resources or small and medium enterprises without a dedicated patent department. For these applicants, they often choose to disclose their invention only after filing a patent application, or claim the grace period only in the event of an accidental disclosure of their invention.

From the Taiwanese Intellectual Property's (TIPO) perspective, conflicting grace periods may cause different results when determining patentability. Such discrepancies may also undermine the efforts of respective patent offices in promoting the free exchange of resources.

In recent years, Taiwan has actively lobbied to join the Trans-Pacific Partnership Agreement (TPP), and the issue of patent grace periods is one of the items being actively negotiated by TIPO. Clearly, aligning the grace period provisions will be an important legislative issue. On August 11, 2014, TIPO held a public consultation session on the rationale for the proposed relaxation of grace period regulations. During the session, TIPO Director Wang Mei-Hua indicated that the Patent Act should be amended as soon as it is confirmed that Taiwan will join the TPP and that TIPO will consult the public about possible amendments.

Current Grace Period Regulations in Taiwan

According to Article 22, para 3 of the Patent Act, the grace period is 6 months. The grace period applies to the assessment of both novelty and inventive step. The modes of public disclosure for which a grace period can be claimed are:

(1) **Disclosure as a result of experimentation.** The term "experimentation"refers to an experiment on the effects that can be achieved by an invention regardless of the purpose of the public disclosure of the invention. Therefore, this mode of disclosure applies to both commercial experiments and academic experiments.

(2) **Disclosure as a result of publication.** This mode of disclosure covers both commercial and academic publications.

(3) **Disclosure as a result of exhibitions organized or recognized by the government.** Exhibitions organized or recognized by the government are exhibitions that are held locally or overseas and are organized or agreed to in advance or retroactively by any government body in Taiwan.

(4) **Disclosure against the will of applicant.**

The benchmark date for determining whether an applicant may claim the 6-month grace period is the filing date of the patent application. Even if international priority is claimed, the patent application must still be filed within 6 months of the public disclosure if any of (1)–(4) above applies. If, before filing, a third party has independently created an identical invention and disclosed it to the public, the invention will generally be considered prior art.

Possible Amendments to Grace Period Regulations

At present, the major differences in grace period regulations among different jurisdictions are as follows:

- The duration of the grace period (which is either 6 months or 12 months);
- The benchmark date for determining whether an applicant may claim the grace period (either the filing date or priority date);
- The modes of disclosure based on which the grace period can be claimed;
- The procedural requirements for claiming the grace period; and
- Whether the disclosure of an identical independent invention by a third party precludes patentability.

According to statistics released by TIPO, more than 97% of patent applications claiming the 6-month grace period in Taiwan in recent years were from local applicants. Over 80% of those local applicants were academic and/or research institutions. The other 20% were from local companies and individuals. For this reason, TIPO considers that any reforms with respect to grace period regulations should be mainly based on local applications. TIPO also indicated that the wishes of companies and individuals should be taken into account as well.

In general, the right to obtain a patent can be better protected if the 6-month grace period is extended. For example, if the grace period is extended to 12 months, or if the benchmark date for determining whether an applicant may claim a grace period is changed from the filing date to the priority date, researchers and inventors will have more time to prepare patent applications and will be able to obtain the desired scope of protection. They would definitely benefit from a longer grace period.

For a third party who learned about an invention that was disclosed before filing, although grace period regulations can help determine whether the inventor can still obtain patent rights —thereby avoiding the situation of making a similar invention and wasting time and resources — the third party may however be misled into believing that the invention is no longer patentable and proceed to invest resources in developing a similar invention, for which the third party may be sued for infringement. To prevent this situation, TIPO believes that the grace period regulations should be in simple and clear language in order to ensure certainty in law.

With respect to the procedural requirements, when claiming a grace period based on any of the modes of disclosure in (1)–(3) above, the applicant should state the facts of the public disclosure of the invention (including the date of disclosure). For malicious disclosure against the will of applicant, the applicant should, at the time of filing, state that its invention has been disclosed by a third party. A grace period may still be claimed even if the applicant is not aware of the third party disclosure until after filing. However, no grace period may be claimed if the application is not filed within 6 months of the third party disclosure. To avoid uncertainty in the determination of prior art, TIPO is at present more inclined to retain these procedural requirements.

With regard to the modes of disclosure, small and medium enterprises and academic research institutions have greater motivation to "disclose" their inventions before filing a patent application as this could attract more funds. Indeed, small and medium enterprises often decide whether or not to apply for a patent based on the public acceptance of their inventions. Therefore, TIPO is of the view that small and medium-sized enterprises will be encouraged to create more inventions if more modes of "non-prejudicial"disclosure are available. This is because they would then have more flexibility in disclosing their inventions. However, TIPO indicated that due to the absence of dedicated personnel in SMEs to handle intellectual property matters, grace period regulations should be sufficiently simple in order to avoid placing additional burdens on these enterprises.

As to the question of whether the disclosure of an identical independent invention by a third party precludes patentability, it is generally agreed, except by a few countries including the United States, that regardless of whether the disclosure is made before or after a "non-prejudicial disclosure" made by the applicant, the disclosure will preclude patentability. TIPO has indicated that any relaxation of regulations in this regard will depend on the views of experts in the relevant field.

Conclusion

It appears that TIPO is inclined to extend the grace period and introduce more modes of "non-prejudicial" disclosure as exceptions to destruction of novelty or inventive step while keeping the current procedural requirements for claiming the grace period. In the meantime, the content of the actual amendments and their possible impact remain to be seen.