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Intellectual Property - Taiwan
TIPO considers relaxing grace period regulations

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Introduction

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 grace periods is that such types of disclosure are often deemed non-prejudicial. Grace periods are found in the patent filing systems of many countries, albeit in varying degrees of detail. For an applicant that plans to submit a patent application in multiple countries for the same invention, it is possible 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 which are individuals with relatively limited resources or small and medium-sized enterprises (SMEs) without a dedicated patent department. Such applicants often choose to disclose their invention only after filing a patent application or claim a grace period only in the event of accidental disclosure of their invention. According to the Taiwan Intellectual Property Office (TIPO), 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 and patent the grace period is one of the issues being negotiated actively by TIPO. Alignment of grace period provisions is an important legislative issue. On August 11 2014 TIPO held a public consultation session on the rationale for the proposed relaxation of the 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 Trans-Pacific Partnership Agreement and that TIPO will consult the public about possible amendments.

Grace period regulations

According to Article 22(3) of the Patent Act, the grace period is six 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 as follows:

- 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 public disclosure of the invention. Therefore, this mode of disclosure applies to both commercial and academic experiments.

- Disclosure as a result of publication – this mode of disclosure covers both commercial and academic publications.

- Disclosure as a result of exhibitions organised or recognised by the government – exhibitions organised or recognised by the government are held locally or overseas and are organised or agreed in advance or retroactively by any government body in Taiwan.

- Disclosure against the will of the applicant – the benchmark date for determining whether an applicant may claim the six-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 six months of the public disclosure if any of the modes of disclosure apply. 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

The major differences in grace period regulations among different jurisdictions are as follows:

- the duration of the grace period (either six 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 six-month grace period in Taiwan in recent years have been from local applicants. Over 80% of these local applicants were academic or research institutions. The other 20% were 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 has also indicated that the wishes of companies and individuals should be taken into account.

In general, the right to obtain a patent could be better protected if the six-month grace period were extended. For example, if the grace period were extended to 12 months, or if the benchmark date for determining whether an applicant may claim a grace period were changed from the filing date to the priority date, researchers and inventors would have more time to prepare patent applications and would be able to obtain the desired scope of protection. For a third party which has learned about an invention that was disclosed before filing, although grace period regulations can help to determine whether the inventor can still obtain patent rights – thereby avoiding making a similar invention and wasting time and resources – the third party may be misled into believing that the invention is no longer patentable and proceed to invest resources in developing a similar invention, for which it may be sued for infringement. To prevent this, TIPO believes that grace period regulations should be in clear and simple language in order to ensure legal certainty.

With respect to procedural requirements, when claiming a grace period based on any of the modes of disclosure, 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 state at the time of filing that its invention has been disclosed by a third party. A grace period may still be claimed even if the applicant is unaware of the third-party disclosure until after filing. However, no grace period may be claimed if the application is not filed within six months of the third-party disclosure. To avoid uncertainty in the determination of prior art, TIPO is inclined to retain these procedural requirements.

With regard to the modes of disclosure, SMEs and academic research institutions have greater motivation to disclose their inventions before filing a patent application as this could attract more funds. Indeed, SMEs often decide whether to apply for a patent based on public acceptance of their inventions. Therefore, TIPO believes that SMEs would be encouraged to create more inventions if more modes of non-prejudicial disclosure were available. This is because they would have more flexibility in disclosing their inventions. TIPO has indicated that due to the absence of dedicated personnel in SMEs to handle IP matters, grace period regulations should be sufficiently simple 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 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.

Comment

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

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