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Amendment of Patent Act – grace period for novelty and inventive step

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Introduction

On January 18 2017 an amendment of the Patent Act with respect to the grace period for novelty and inventive step was promulgated through a presidential decree. The Executive Yuan announced that the amendment would take effect on May 1 2017 and apply to new patent applications filed on or after this date. To guide the implementation of the amended Patent Act provisions, the Enforcement Rules of the Patent Act were also amended, and on April 19 2017 the Ministry of Economic Affairs announced that the amended Enforcement Rules would also take effect on May 1 2017.

Provisions before amendment

According to the Patent Act before the amendment, when filing an invention patent application, utility model patent application or design patent application, the claimed invention, utility model or design must, among other things, meet the novelty and inventiveness requirements set forth in Article 22 (applicable to invention or utility model applications) or Article 122 (applicable to design applications) of the Patent Act. Before the amendment, Articles 22 and 122 held as follows:

> *"Article 22*
>
> *An invention which is industrially applicable may be granted a patent upon application in accordance with this act, provided that none of the following exists prior to the filing of the patent application:*
>
> *1. the invention was disclosed in a printed publication;*
> *2. the invention was publicly practised; or*
> *3. the invention was publicly known.*
>
> *An invention that is without any of the circumstances prescribed in the preceding paragraph but can be easily made by a person with ordinary skill in the art to which it pertains based on the art shall not be patented.*
>
> *Any of the following events shall not be deemed as the circumstance prescribed in the subparagraphs of Paragraph 1 or the preceding paragraph, which may preclude the grant of patent, provided that the concerned patent application is filed within six months after the date of the event's occurrence:*
>
> *1. the invention was publicly used for experiment purposes;*
> *2. the invention was published in a printed publication;*
> *3. the invention was displayed at an exhibition sponsored or recognised by the Government; or*
> *4. the invention was disclosed without the consent of the applicant.*
>
> *An applicant claiming any of the exception, prescribed in Items 1 to 3 of the preceding paragraph shall state in the patent application the fact involved and the date of its occurrence at the time of patent filing and submit evidentiary document(s) within a time limit designated by the Patent Authority.*
>
> *Article 122*
>
> *A design that is industrially applicable may be granted a patent upon application in accordance with this Act, provided that none of the following exists prior to the filing of the patent application:*

1. an identical or similar design was disclosed in a printed publication;
2. an identical or similar design was publicly practised; or
3. the design was publicly known.

A design that is without any of the circumstances prescribed in the preceding paragraph but can be easily made by a person with ordinary skill in the art to which it pertains based on the art shall not be patented.

Any of the following events shall not be deemed as the circumstance prescribed in the subparagraphs of Paragraph 1 or the preceding paragraph, which may preclude the grant of patent, provided that the concerned

patent application is filed within six months after the date of the event's occurrence:

1. the design was published in a printed publication;
2. the design was displayed at an exhibition sponsored or recognised by the Government; or
3. the design was disclosed without the consent of the applicant.

An applicant claiming any of the exceptions prescribed in Items 1 to 2 of the preceding paragraph shall state in the patent application the fact involved and the date of its occurrence at the time of patent filing and submit evidentiary document(s) within a time limit designated by the Patent Authority."

Provisions after amendment

The grace period for invention and utility model patent applications has been increased from six months to 12 months from the date of the qualified public disclosure (Article 22(3)).

According to the Patent Act before amendment, a grace period claim was allowed only when a qualified public disclosure existed for:

- experiment purposes (applicable to invention and utility model patent applications only);
- print publication;
- display at an exhibition sponsored or recognised by the government; or
- an involuntary public disclosure against the will of the patent applicant.

To claim the grace period, a patent application had to be filed within six months of the date of occurrence of any of the abovementioned events. Otherwise, the grace period claim was not allowed.

According to the amended Patent Act, the grace period for filing an invention or utility model patent application has been increased from six months to 12 months from the date of occurrence of the concerned event. As to design patent applications, the grace period remains unchanged (ie, six months from the date of occurrence of the concerned event).

The special events to support a grace period claim have been expanded and there is no limitation as to the categories of justified prior public disclosure. However, the laying open publication of a patent application or patent grant publication in Taiwan or a foreign country is not a justified ground for claiming the grace period, because such patent publication is originated from the intent of the patent applicant (Article 22(3) and Article 122(3)).

As stated above, according to the Patent Act before amendment, claiming the grace period was allowed only if the concerned prior public disclosure was one of the events specified in the Patent Act.

Considering the needs of industries and academic organisations in their business and academic activities before patent filing, patent applicants may publicly disclose their inventions, utility models or designs. Therefore, taking the laws and practice of the United States, Japan and Korea into consideration, the amendment of the Patent Act was made to expand the categories of public disclosure based on which the grace period can be claimed. However, according to Article 22(4) and Article 122(4), in the case of a laying open patent publication or a patent grant publication which is originated from the intent of the

patent applicant, such patent publication is not a justified event to claim the grace period. Attention should be paid to the information included in the legislation explanation in the amendment bill.

'Public disclosure originated from the patent applicant's intent' refers to that which was made because of the intent or act of the patent applicant. The public disclosure is not limited to that made by the patent applicant and it also includes public disclosure consented to by the patent applicant. To guide its implementation, Articles 15 and 48 of the Enforcement Rules of the Patent Act prescribe that:

> *"Where a patent applicant receives the right to apply for the patent due to inheritance, assignment, employment or a fund-providing arrangement, if the concerned invention, utility model or design has been publicly disclosed before patent filing by the deceased, assignor, employee or the person hired in the fund-providing arrangement, a grace period can be claimed based on such prior public disclosure."*

Public disclosure against the patent applicant's intent refers to that which has been made, even though the patent applicant does not intend to disclose the concerned invention, utility model or design. Where the content of a patent application is misappropriated or stolen, the publication of such content would be deemed to go against the patent applicant's intent. If the public disclosure is made due to a misunderstanding or negligence, such public disclosure is also deemed to go against the patent applicant's intent – for example:

- where a patent applicant understands that the party receiving the disclosed information is under a confidentiality obligation, but such understanding is erroneous; and
- where a patent applicant has no intention of making a public disclosure, but the public disclosure is made due to a mistake or negligence by the persons or agents hired by the applicant.

Where the invention, utility model or design claimed by a patent applicant is also included in another patent application (ie, the relevant application), the laying open publication or the patent grant publication of the relevant application is caused by the applicant's patent filing. The patent publication serves the purposes of "avoiding other persons from duplicating research and development for the same subject matter and to inform the general public of the scope of claimed subject matter".

To compare the purposes of patent publication with the purpose of allowing a grace period claim (to avoid rejection of patent applications for novelty or inventive step grounds due to the exceptional public disclosures made prior to patent filing), both are different in terms of the acts being governed and the intended goals. Therefore, patent publication disclosure is not eligible for the grace period. However, where the patent publication is made due to a mistake or negligence, the publication is not deemed prior art. Also, if a third party becomes aware of the content of an invention owned by a patent applicant (directly or indirectly) and later files a patent application without the applicant's authorisation, the patent publication of the third party's patent application will not be deemed prior art.

Through the amendment, the procedural requirement is also relaxed so that a patent applicant is not required to declare a claim for a grace period when filing a patent application.

According to the Patent Act before amendment, to claim the grace period, at the time of patent filing a patent applicant had to make a declaration of the concerned public disclosure, as well as the date of the disclosure. The applicant also had to submit evidence of the concerned disclosure. To avoid jeopardising patent applicants' rights and interests due to their negligence in claiming the grace period and to further encourage research and development of innovations, as well as to ensure earlier circulation of innovations through the amendment, the requirement for claiming the grace period at the time of patent filing has been deleted.

Limitation of patent right

According to Article 59(3)(2) of the Patent Act before amendment (applicable to invention and utility model patent applications), patent rights did not apply under any of the following situations:

"Where, prior to patent filing, practice of an invention has been made in Taiwan or necessary preparation for such practice has been completed; however, if the invention has been known by the patent applicant for less than six months and the patent applicant has made a reservation as to its right to apply for and receive a patent for said invention, the above shall not apply."

To protect patent applicants' rights to claim the grace period through the amendment, the six-month period as stated in Article 59(3)(1) has been increased to a 12-month period. For design patent cases, the time period remains six months (Article 142 of the act).

The amendment of the Patent Act will more closely align the patent system with international patent practice and strengthen protection for patent applicants. On April 28 2017 the Taiwan Intellectual Property Office issued the relevant Patent Examination Guidelines to guide review and decisions on grace period claims.

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