

US Bar - EPO Liaison Council  
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4. Report on the Tegernsee User Consultation in Europe

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## The Tegernsee Process

- The Tegernsee Group: fact-finding only - no negotiations
  - Objective: facilitate evidence-based policy discussions in key areas of substantive patent law harmonization
  - In Europe: EPO+DE+DK+FR+UK
- Tegernsee Studies: grace period, 18-month publication, conflicting applications, prior user rights
  - Available on the EPO website
- Basis for a detailed User Consultation carried out across 7 jurisdictions in 3 regions in early 2013
  - One of the broadest, most comprehensive open international user consultation exercises ever

## Tegernsee User Consultation in Europe

- Tegernsee Joint Questionnaire (TJQ):
  - Objective: gather detailed data on user views comparable across three regions
  - 148 respondents Europe-wide, 81 at the EPO
- Hearing of European Users at the EPO
  - 23 participants, representing European national/supranational user associations
  - Observers from USPTO, JETRO/JPO and DPMA
- Total: input from 22 associations representing + 10,000 patent professionals + 217,000 European companies

## Data gathered

- A wealth of data
  - Empirical data on actual experiences
  - An enquiry into needs/opinions of users
- Caveats:
  - Small samples, not representative
  - Entire regions of Europe under- /not represented
  - Universities and SMEs underrepresented
- Nevertheless:
  - Good indicator of trends;
  - Reference tool in further work on SPLH

## Mandatory 18-month publication

- 26% of respondents reported problems as a result of opting out by applicants in US
- 66% of respondents did not view the US as "effectively harmonized" with regard to mandatory 18-month publication
- 85% of European respondents would be against the conclusion of a Treaty providing for a mandatory grace period but without mandatory 18-month publication
  - SPLH critical for DE+DK, less so FR +UK

## Treatment of conflicting applications (1)

### Empirical data: rare occurrence

- 58%: collision w/ others at 1 per 100 applics or less
- 79%: self-collision at 1 per 100 applics or less
  - Very rare: colliding patent families
    - Result: claims of different scope
    - Caused by differences in CA rules + other rules

### Patent thickets:

- 21 % of individual respondents reported problems
- Majority of problems: patents granted to single entity
- Highest number of patent thickets observed: US

## Treatment of conflicting applications (2)

### PCT applications secret prior art at publication date:

- Hearing: majority support / TJQ: 39,5% individuals
  - Opposed by large international user Assocs
  - DE + DK also prefer EPC approach
  - UK: even split
  - FR prefer US approach

### Harmonization:

- Important (46%) or critical (46%) - part of definition of prior art
- EPC approach = best practice
- Some flexibility

## Prior user rights - *per se*

### SPLH of prior user rights:

- Harmonization within Europe would be desirable
- Concern: No UPP territorially co-extensive PUR

### Specific elements of PURs (AIA outliers)

- Minimal requirements - preparations: 64% / "substantial preparations": 75%
- Critical date for accrual: prior/filing date: 63% individuals + all 8 Assocs
- Exceptions for certain patent holders: 92% opposed

## Prior user rights - w/i grace period context

- 87%: SPLH of PURs important or critical in GP context
- 55,5% PURs should accrue where derivation in good faith from applicant occurred after Pre-Filing Disclosure
  - (But TJQ question unclear)

### EPO-specific questions:

- 88% individuals + 8/9 Assocs.: PFD-associated risks should be borne by inventor, not third parties
- 71,6% individuals + all Assocs. believe PURs essential component of safety-net grace period def.

### Hearing:

- If information public, presume good faith to increase deterrent effect of PURs re: PFD

## Grace period in principle

- 51,8% European respondents EPO TJQ in favour of GP
  - Of those, 12,5 % flexible beyond safety-net GP
- FR, DK, UK: Majority in favour / DE: Majority of industry opposed
- EPO Hearing:
  - One pan-European Assoc. w/o common position
  - Majority of members of another pan-European Assoc. does not consider GP to constitute best practice
- Grace period remains controversial, polarising issue
  - But: some movement in Europe since SPLT

## Grace period: Outcome of the Hearing

- Majority of European users could envisage safety-net grace period as compromise:
  - 6-month duration
  - Computed from prio/filing date
  - Mandatory declaration
  - Mandatory PURs available until the prio/filing date
- Provided such a grace period were:
  - Itself internationally, multilaterally harmonized
  - Part of SPLH package including both
    - "Classical first-to-file" and
    - Mandatory 18-month publication

## Grace period: Responses to the TJQ

- Optimal duration: 6 months from prio/filing date
  - 12 months : No support by any user Assocs. / 68% of individuals opposed
  - Gracing only PFDs from applicant
- Mandatory declaration: supported by 51,6%
- Mandatory prior user rights (PURs) arising until the prio/filing date (63% of individuals + all Assocs)
  - 88% of respondents believe inventor should bear risks associated with PFDs in grace period context
  - 71,6% believe PURs form part of grace period definition

## The Grace Period - European view

- The Grace Period **spectrum**:  
US>JP>CN>EPC
- **Fact**: no grace period anywhere today deploys its full effect due to lack of grace period in Europe and CN
  - Global players operate on "first-to-file" basis
- **Effect**:
  - Decrease in pre-filing disclosures
  - Corresponding enhancement of legal certainty

## Crucial Harmonization Issues

### Two major policy approaches to the Grace Period:

- **"Strategic" approach**: intended to allow pre-filing disclosure ("PFD") for strategic purposes
  - Risks associated with PFD placed on third parties
  - Increased legal uncertainty
- **"Safety-net" approach**: intends for PFD to occur in exceptional cases (error, misappropriation, unavoidable early scientific disclosure)
  - Systemic deterrents to ensure that filing first remains the norm, ie risks created for PFD
  - Promotion of legal certainty

## Crucial Harmonization Issues

- **In all three regions:**
  - Users agree that the grace period is the most important element of SPLH
  - Vast majority of users believe that the grace period should itself be internationally harmonized
- **European view:**
  - If grace period harmonized internationally, mechanisms detering PFD must be integrated into definition of grace period to replace current disincentive function performed by EPC and CN
- **SPLH success depends on resolving this issue**

## Next steps

- Tegernsee Experts Group mandated to produce
  - a joint factual summary analysing results of individual office reports
  - including commonalities and divergences in user views across jurisdictions
- To be presented at next Tegernsee Heads meeting: Spring 2014





*Thank you for your attention...*

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