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This article will discuss how the TPP agreement will harmonize the patent grace period law for member states, the two key aspects of grace period laws (i.e., exclusion type and grace period length), what each member state may potentially have to change, and how a change in the grace period laws may affect patent prosecution strategy.

Public Disclosure Grace Periods And The Trans-Pacific Partnership: Member States Seek Harmonization With The America Invents Act

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On October 5, 2015, representatives of the 12 Trans-Pacific Partnership ("TPP") member states concluded seven years of private negotiations. Those states—Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam—released the fruits of those negotiations in a final text form on November 5, 2015. The TPP agreement text includes 30 chapters covering a wide array of trade sectors, ranging from investments, textiles, financial services, and intellectual property. The intellectual property chapter alone spans 74 pages, 83 Articles, six appendices, and over 25,000 words. Several commentators have focused on other provisions within the intellectual property section, most notably the agreement's impact on pharmaceutical and biologic marketing exclusivity periods. However, an important change that the TPP agreement will usher in if ratified, and which has not received much publicity, is the harmonization of patent grace period laws for public disclosures.

Generally, patent grace period laws operate to exclude public disclosures from novelty and/or inventive step determinations, if made by the patentee or his successor in interest and which occurred within a specific time period before the patent application's filing date. Currently, the TPP member states' patent grace period laws lack uniformity, which can be a trap for potential patentees seeking protection in any of the states. The TPP agreement will seek harmony in this area by implementing a standard patent grace period law that each member state must follow as a signatory to the agreement.

Public Disclosure Grace Periods, the TPP Agreement, and the AIA

In 2011, the United States enacted the America Invents Act ("AIA"), which ushered in the biggest change to United States' patent laws since the 1952 Patent Act. Arguably, the switch from a first-to-invent system to a first-inventor-to-file system stands as the most significant change from the previous regime. Additionally, the United States changed its patent grace period law from a broader version that protected against all public disclosures, no matter the source, to a more limited grace period based on inventor-derived public disclosures.[1] Specifically, the AIA amended the patent grace period

[1] Pre-AIA 35 U.S.C. § 102(b) (2006) allowed for "a patent unless (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."

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law to exclude public disclosures if made within one year of the patent application's filing date and the disclosure was made by, or had already been disclosed by, the inventor, joint inventor, or ''by another who obtained the subject matter disclosed directly or indirectly from the inventor or joint inventor.''[2] The AIA essentially limited the existing U.S. patent grace period law to inventor-derived public disclosures.

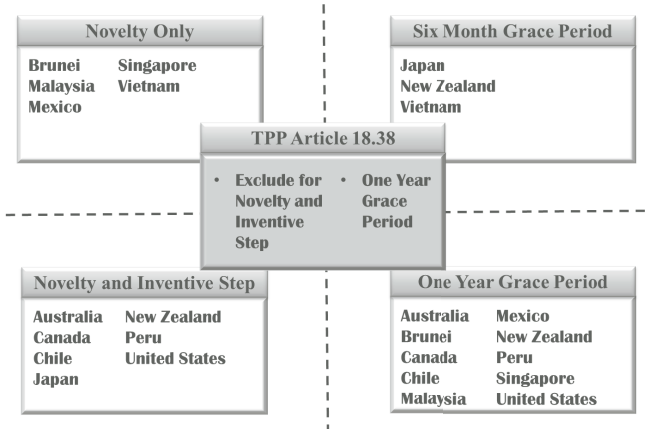
A significant policy driver of this and the other changes ushered in by the AIA was ''greater patent harmonization.''[3] In an article written by the former director of the U.S. Patent and Trademark Office, David Kappos discussed the importance of patent law harmonization between countries as ''a prerequisite to maximizing the development and dissemination of innovation and thereby improving quality of life for all the world's people.''[4] Kappos further stated that harmonization is important for preventing duplicative substantive examination by several countries' patent offices and for creating certainty around specific rights so that patentees can receive consistent outcomes across jurisdictions.[5]

Similarly, the TPP agreement seeks to harmonize intellectual property laws in the member states. Article 18.38 of the agreement contains the patent grace period provision and states:

> Each party shall disregard at least information contained in public disclosures used to determine if an invention is novel or has an inventive step, if the public disclosure:
>
> (a) was made by the patent applicant or by a person that obtained the information directly or indirectly from the patent applicant; and
>
> (b) occurred within 12 months prior to the date of the filing of the application in the territory of the Party.

This grace period is similar to the United States AIA grace period. Both exclude inventor-derived public disclosures for novelty or inventive step determinations where the public disclosure originated from an inventor (or applicant), either directly or indirectly, and occurred within 12 months of the filing date of the application. While Article 18.38 requires member states to modify their laws to at least contain the above text, it permits additional patent grace period protections. As seen below, the patent grace periods of several TPP member states vary in some respect from Article 18.38.

Generally, the grace period laws for the member states can be broken down into two key aspects: (1) exclusion type, i.e., whether the grace period protects inventor-derived public disclosures for novelty purposes only or for both novelty and inventive step purposes; and (2) grace period length, i.e., whether the grace period protects inventor-derived public disclosures within six months of the application's filing date or within one year of the application's filing date. Brunei Darussalam, Malaysia, Mexico, Singapore, and Vietnam fall into the novelty only category, while Australia, Canada, Chile, Japan, New Zealand, Peru, and the United States fall in the novelty and inventive step category. The member states that limit the grace period to six months are Japan, Vietnam, and New Zealand (in some circumstances), while the rest follow a one-year grace period. For countries that do not comply with Article 18.38 by excluding inventor-derived public disclosures for both novelty and inventive step determinations or for disclosures made within a year of application filing, ratification of the TPP will require a departure from their existing regime.



The TPP Agreement Requires Exclusion of Public Disclosures Protected By The Grace Period for Both Novelty and Inventive Step Determinations

For several member states, ratification of the TPP will exact a significant departure from their existing statutes by requiring an amendment that excludes inventor-derived public disclosures for determining both novelty and inventive step. Many countries only permit a grace period to exclude public disclosures for evaluating novelty, while allowing use of the disclosure for evaluating inventive step. This could prevent the inventor from receiving patent protection on his invention where, e.g., his own public disclosure renders obvious his invention. Below we will analyze the exclusion types of several member states and how the TPP agreement may affect their existing patent grace period law.

Australia, Canada, Chile, Japan, New Zealand, Peru, and the United States already exclude public disclosures protected by the patent grace period for both novelty and inventive step determinations. The rest of the member states will have to amend their statutes to exclude public disclosures for both novelty and inventive step determinations to comply with the terms of the TPP agreement.

In Brunei Darussalam, the current grace period provision states that a disclosure of the invention will not be considered for purposes of novelty if the disclosure occurred within 12 months prior to the filing date of the application.[6] If satisfied, then a second condition must be met for the grace period to apply. That is, (1) the dis-

[2] AIA 35 U.S.C. §§ 102(b)(1)(A) and (B) (2012).

[3] *Harmonization,* UNITED STATES PATENT AND TRADEMARK OFFICE, http://www.uspto.gov/learning-and-resources/ip-policy/harmonization (last visited January 10, 2016).

[4] David J. Kappos, *Patent Law Harmonization: The Time Is Now*, 3 LANDSLIDE 16, 16-17 (2011).

[5] *Id.* at 17.

[6] Patents Order, 2011, § 14(4) (Brunei).

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closed information was obtained unlawfully or in breach of confidence of the inventor; (2) the disclosure was in breach of confidence of the inventor or any person to whom it was made available; (3) the inventor displayed the invention at an international exhibition; or (4) the inventor described the invention in a paper that was read or published with his consent.[7] If both conditions are met, then the grace period applies and the disclosure is excluded for novelty purposes only. The TPP agreement would require Brunei Darussalam to amend its statute to allow for exclusion of grace period protected disclosures for inventive step, in addition to novelty. Additionally, the TPP agreement may simplify the second condition required by Brunei law because Article 18.38 only requires that the disclosed information be made by the patent applicant or obtained directly or indirectly from the applicant.[8]

Malaysia is similar to Brunei Darussalam in that it has a novelty-only patent grace period law. Specifically, Malaysia's novelty-only grace period applies when a public disclosure about the invention occurred within 12 months of the filing date of the patent application and the disclosure was from either the patent applicant or its predecessor in title.[9] Additionally, if a disclosure occurred within 12 months of the patent application's filing date by someone abusing the rights of the patent applicant or predecessor in title, then the disclosure will be excluded from novelty determinations.[10] While the Malaysian law refers to the grace period provision under the novelty section of its statute, no counterpart provision exists under the inventive step section. Under the TPP agreement, Malaysia would have to amend its laws to extend the grace period to exclude protected disclosures from inventive step determinations. Additionally, Article 18.38 may simplify the conditions relating to abuse of the patent applicant's rights to a determination of whether the public disclosure was derived either directly or indirectly from the patent applicant.

In Mexico, the existing patent grace period law excludes public disclosures for novelty determinations, but not inventive step. Additionally, it is more restrictive because it only applies to disclosures made by the inventor or successor in title.[11] The Mexican statute does not exclude public disclosures that originate indirectly from the inventor or are an abuse of his or her rights. Thus, the existing regime in Mexico prevents an inventor from receiving patent protection where, e.g., someone lawfully or unlawfully obtained and then publicly disclosed the invention. If ratified, the TPP agreement will require Mexico to expand the grace period protection for determinations of inventive step, in addition to novelty. Moreover, enactment of Article 18.38 will prevent the above inequitable result from occurring because it excludes public disclosures made by a person that obtained the information from the patent applicant, whether directly or indirectly.

Singapore's patent statute addresses grace period exclusions under the novelty section of the patentability requirements. There, it excludes public disclosures made within 12 months of the filing of the patent application where the following conditions apply: (1) the disclosure was due to the matter being obtained unlawfully or in breach of confidence of the inventor or any person to whom the matter was made available in confidence; (2) the disclosure occurred because the inventor displayed the invention at an international exhibition; or (3) the invention was disclosed at a learned society or published by the learned society.[12] Because the existing grace period provision only applies to novelty determinations, the TPP agreement will require Singapore to amend its laws to exclude public disclosures from inventive step determinations. Additionally, Article 18.38 may simplify the specific conditions required to trigger the patent grace period, by requiring the information be derived, either directly or indirectly, from the patent applicant.

Vietnam is similar to the above countries in that it restricts the patent grace period to novelty determinations only. Specifically, the statute states that ''an invention shall not be considered having lost its novelty . . . . ''[13] The statute also requires that the public disclosure occur within six months of the patent application filing date and where (1) it was published without permission of the patent applicant; (2) it was published at a scientific presentation by the patent applicant; or (3) it was displayed at a national or international exhibition by the patent applicant.[14] Ratification of the TPP agreement will require Vietnam to amend its laws to exclude public disclosures from both novelty and inventive step determinations, as well as simplify the triggering conditions to those where the information was derived, either directly or indirectly, from the patent applicant.

The TPP Agreement Requires Member States to Extend the Public Disclosure Grace Period to One Year

In addition to requiring member states to exclude grace period protected public disclosures for purposes of determining novelty and inventive step, the TPP will significantly increase the grace period for several member states to disclosures made within one year. While Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, Peru, Singapore, and the United States already have a one-year grace period, several member states do not, as discussed below.

While Japan's existing public disclosure grace period is similar to the TPP agreement and the AIA for purposes of novelty and inventive step determinations, its grace period length is only six months. Article 30 of the Patent Act, states that when a public disclosure occurs with or without the consent of the patent applicant, that disclosure should be excluded from the novelty and inventive step determination if a patent application is filed within six months of the public disclosure.[15] Ar-

[7] *Id.*

[8] Trans-Pacific Partnership, Nov. 5, 2015, Article 18.38, available at https://ustr.gov/sites/default/files/TPP-Final-Text-Intellectual-Property.pdf.

[9] Patents Act (Act 291 of 1983, as amended up to Act No. A1264 of 2006) (Malay.) § 14(3).

[10] *Id.*

[11] Ley de la Propiedad Industrial [LPPI] [Industrial Property Law], as *amended*, Article 18, Diario Oficial de la Federación [DO], 25 de Enero de 2006 (Mex.).

[12] Patents Act (Act 21 of 1994) (Sing.) § 14(4).

[13] Law on Intellectual Property (No. 50/2005/QH11) (Viet.) art. 60(3).

[14] *Id.*

[15] Patent Act (Act No. 121 of 1959, as last amended in 2006) (Japan) art. 30.

ticle 18.38 of the TPP agreement requires Japan to extend the public disclosure grace period from six months to 12 months from the filing of the patent application, which will harmonize Japanese law with many other countries.

Vietnam is similar to Japan in that it only has a six-month grace period for public disclosures. Specifically, Vietnam's grace period excludes public disclosures within six months from the filing date of the patent application if it was published without the permission of the patentee, it was published during a scientific presentation by the patentee, or it was displayed at a national exhibition of Vietnam or an international exhibition.[16] Thus, Article 18.38 of the TPP agreement will require Vietnam to increase the length of its public disclosure grace period from six to 12 months.

New Zealand has a rather complex grace period law that allows anywhere from a six-month to a 12-month grace period, to even an unlimited grace period. New Zealand applies a six-month grace period where the public disclosure arises from the display, use, or publication of the invention at a specific exhibition (e.g., scientific exhibition).[17] New Zealand applies a 12-month grace period when the public disclosure arises from information unlawfully obtained from, or in breach of confidence of, the inventor.[18] The 12-month grace period also applies where reasonable testing of the invention occurs in public use but only if reasonably necessary.[19] Finally, where the public disclosure arises from the government investigating the invention on the merits, then such use never becomes prior art against the patent applicant.[20] While New Zealand's public disclosure grace period provides for protection over an array of scenarios, only the six-month grace period for public disclosure of the invention at a specific exhibition will increase to 12 months. And rather than maintain exclusions for each public disclosure scenario, by ratifying the TPP agreement, New Zealand will have the opportunity to simplify the existing six- and 12-month provisions to cover inventor-derived disclosures.

How the TPP Agreement May Affect Global Patent Prosecution Strategy for Public Disclosures

With the harmonization of its member states' public disclosure grace period laws, Article 18.38 of the TPP agreement should, once enacted in each member state, put most patent applicants in a better position to seek patent protection on a global basis. Because many member states currently provide patent grace period protection for novelty determinations only, the expansion to inventive step determinations will greatly ease the burden on patent applicants that have public disclosures, whether planned or not, prior to filing their patent applications. Additionally, the shift to a uniform 12-month grace period will help applicants avoid a potentially costly trap wrought by those member states having only a six-month grace period. Before harmonization is attained, however, patent applicants should pay attention to public disclosures and consider how the timing of those disclosures may limit their ability to seek patent protection in any of the member states under their current regimes (as shown, e.g., in the above Figure).

Exactly how each member state implements Article 18.38 once the provision becomes inscribed in its national law remains to be seen. The recent changes implemented in the United States under the AIA, however, may be instructive on what to expect. There, following the enactment of the AIA, an inventor must be careful to ensure compliance with the new law and implementing rules. Specifically, 35 U.S.C. § 102(b)(1) applies to inventor-derived public disclosures. The office will not apply the public disclosure as prior art if made one year or less before the effective filing date of the invention and if made by, or it was earlier disclosed by, the inventor, joint inventor, or one who obtained the subject matter directly or indirectly from either.[21] However, if, e.g., more authors are listed on the public disclosure than the inventors listed on the subsequently filed patent application, then the office would treat the publication as prior art.[22] This is because the office views the publication as incompletely attributed to the inventors. To potentially remove the disclosure as prior art, the inventors could use an affidavit under 37 C.F.R. § 1.130 by averring that the public disclosure is their own and providing evidence, as necessary, to do so.[23]

Therefore, patent applicants must be thoughtful about who they name as authors on publications prior to filing their applications. A best practice would be to file a patent application prior to publishing the inventor's own work. Additionally, whether or not this application strategy can be followed in practice, it is important to maintain good lab notebooks and other evidence to show that the public disclosure did derive from the inventor. While many member states may not take quite the same approach to implementing Article 18.38 as the United States, patent applicants should at least be prepared for similar practices in the other member states.

And, the reach of potential reform to global public disclosure grace period laws may not stop there. Although the TPP agreement must still pass through the governing bodies for each member state, the potential to add more member states exists. Specifically, Taiwan, Philippines, Thailand, Laos, Indonesia, and South Korea have either expressed interest in joining or have asked to join the TPP. Addition of these member states would greatly expand the TPP's reach. But the prospect of adding more parties, while the current member states seek to ratify the trade agreement and implement its specific provisions, is likely years away. For example, the United States alone is at least a year away from even voting on the TPP agreement, as Senate Majority Leader Mitch McConnell (R-Ky.) has stated that Congress will not vote on the agreement until after President Obama leaves office.[24] Thus, while an agree-

[16] Law on Intellectual Property (No. 50/2005/QH11) (Viet.) art. 60(3).

[17] Section (9)(1)(d) of the Patents Act 2013 (N.Z.).

[18] *Id.* Section 9(1)(a) and (b).

[19] *Id.* Section (9)(1)(e).

[20] *Id.* Section (9)(1)(c).

[21] 35 U.S.C. § 102(b)(1)(A) and (B).

[22] Manual of Patent Examining Procedure § 2153.01(a), 9th ed., rev. 7 (Nov. 2015).

[23] *Id.*

[24] Paul Kane and David Nakamura, *McConnell warns that trade deal can't pass Congress before 2016 elections*, WASH. POST, Dec. 10, 2015, https://www.washingtonpost.com/politics/mcconnell-warns-that-trade-deal-cant-pass-congress-before-

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ment on what the harmonization of international intellectual property laws should look like is now in place, implementation of that vision may not happen for many years.

Finally, while the TPP is focused on Pacific nations, whether harmonization of international intellectual property laws will continue to expand around the globe is of keen interest. For example, if Article 18.38 becomes widely adopted in the Pacific, that may lead stakeholders to reconsider grace periods on the Atlantic side. One such candidate grace period is the European Patent Organization's (''EPO''). The EPO has a limited grace period of six months for public disclosures from the patent application's filing date resulting from an abuse of a relation of the applicant or for displays of the invention at an international exhibition recognized by the European Patent Convention.[25] In practice, many international exhibitions do not qualify.[26] Thus, while the TPP agreement will not alter the EPO's limited grace period, its wide-spread adoption could provide an impetus for stakeholders to harmonize the EPO's and other patent jurisdictions public disclosure grace periods with its provisions.

Conclusion

The final text of the TPP agreement proposes much needed harmonization of an important patent law provision protecting an inventor from his or her own public disclosures. This harmonization will increase certainty for patent applicants, and decrease costs associated with patenting an invention, across the member states. But until each party to the agreement implements the changes to its local public disclosure grace period laws, patent applicants should pay close attention to the nuances of the existing regimes when facing a public disclosure of their own invention.

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2016-elections/2015/12/10/b8151f26-9f66-11e5-8728-1af6af208198_story.html.

[25] European Patent Convention art. 55, Oct. 5, 1973, 1065 U.N.T.S. 199.

[26] Tegernsee Experts Group, UNITED STATES PATENT AND TRADEMARK OFFICE, http://www.uspto.gov/sites/default/files/ip/global/grace_period.pdf (last visited Jan. 10, 2016).