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***GRACE PERIODS AND THE EUROPEAN AND INTERNATIONAL PATENT LAW: ANALYSIS OF KEY LEGAL AND SOCIO-ECONOMIC ASPECTS*** BY JOSEPH STRAUS

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This monograph, published as volume 20 in the Max Plank Institute's series entitled *International Review of Industrial Property and Copyright Law* (also known as "IIC"), is one of the studies commissioned by the European Patent Organization pursuant to a mandate issued at the Intergovernmental Conference of the member states of the European Patent Organization held from June 24-25, 1999, on the reform of the patent system in Europe to examine whether European patent law should provide a so-called "pre-filing grace period." The central requirement for patentability that is common across the patent systems of the world is the requirement of novelty over the prior art – to be patentable, the subject matter of the patent must not have been in the prior art. But, not every patent system in the world defines the scope and content of the prior art in the same way. More specifically, the pre-filing grace period is one major area in which the patent systems of the world substantially diverge when determining what is treated as prior art. For example, in the United States patent system, disclosure of an invention by the inventor does not destroy patentability if it is made within one year before the patent application was filed. Such a disclosure is not treated as being within the prior art. In contradistinction, such disclosure may destroy patentability under the European Patent Convention ("EPC"). It may be treated as being within the prior art.

Straus provides an excellent resource for anyone interested in a condensed volume on the present positive law, policy, and history of the use of grace periods across the major patent systems of the world, with a particular emphasis on Europe. After introductory and summary materials, he begins with a review of the history of grace periods under each of the major world patent systems. He then discusses recent European proposals for the introduction of different grace periods. Next, he reviews the various arguments for and against grace periods as well as the empirical evidence collected over the years from systems that have a grace period and those that do not. He concludes by recommending that the EPC's contracting states adopt a grace period, including several important, and specific, implementation details.

Questions about the pre-filing grace period are of great importance to anyone interested in either patents or in the disclosure of new technologies. A no grace period regime may provide incentives for decreased rate of disclosure of new technologies and a decrease in the over-all value of patents. In contrast, a grace period regime may decrease incentives for early investment in using new technologies for fear they may later become subject to a patent application that might in time issue as a valid patent. The complexity of this analysis only increases when any one patent system is studied in the

context of a world comprising numerous patent systems, including both those with a grace period and those without one. The net impact of the various theoretical costs and benefits of a pre-filing grace period remains a topic of real debate in the academic and policy literatures.

Straus' discussion brings these competing views into sharp focus, with good citations to both arguments and facts. Of particular note is his careful collection of court cases in which judges effectively gave grace period treatment under particular facts despite the absence of national statutory law permitting a grace period. Also noteworthy is his presentation of empirical data about the use of grace periods under patent systems in which they are provided by statute. In addition, he provides a very good overview of the normative arguments for and against grace period adoption and tests each major view against the empirical data.

The resulting monograph offers the reader much more than some sound recommendations for a single patent system – the EPC. This conveniently short work offers a surprisingly rich collection of historical, normative, and empirical perspectives on a policy question that is important for every patent system. In so doing, this work would be of particular use to commentators studying present and past patent systems; to practitioners forced to litigate over the prior art effect of a pre-filing disclosure, especially in countries that do not have a statutory grace period; and to participants in the on-going policy and treaty debates on the use of a statutory grace period, such as the pending negotiations on the Substantial Patent Law Treaty at the World Intellectual Property Organization.