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Applying “Conflicting Applications” as Prior Art — Can Harmonization Be Achieved?

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I. Introduction

With the passage of the America Invents Act (AIA), US patent law has moved toward a global patent law standard. AIA has changed US practice to a first-inventor-to-file system, eliminated the *In Re Hilmer* Rule, removed best mode as a defense, accepted an absolute standard of prior art, and many other global conforming changes. As a result, there have been renewed efforts to further harmonize substantive patent law on a global basis.

Harmonization discussions have taken place in numerous forums. The most active of these has been the Tegernsee Group. This group consists of Denmark, France, Germany, Japan, UK, USA, and the EPO. A Tegernsee Expert Group has prepared papers on various harmonization topics. At the last meeting, the group agreed to focus its discussions on four main areas:

- (i) 18-month publication;
 - (ii) Prior user rights;
 - (iii) Grace period;
 - (iv) Conflicting applications (prior filed, subsequently published prior art).
- Perhaps the most challenging of these is to achieve harmonization regarding conflicting applications. Currently, US, Japan and the EPO, have substantially different approaches to applying conflicting applications as prior art. Furthermore, even in the US itself, there are some differences in applying conflicting applications pre-AIA and post-AIA. The AIA changes are effective on March 16, 2013, however pre-AIA law will still be applied for many years to existing applications.
- Part of the difficulty in addressing harmonization proposals in this area is in the appreciation of the current differences that exist in the three major patent systems. To acquire this understanding, one must first grasp the concepts involved in applying conflicting applications as prior art, the underlying principles behind these concepts, and the different resulting systems in each of

the three countries/regions due to the application of these differing concepts.

II. Definitions

(a) Conflicting Applications

Various terms have been used to describe this type of prior art. Occasionally, it is referred to as “previously filed, subsequently published applications”. Sometimes, it is referred to as “secret prior art” and the Tegernsee Group uses the terminology “conflicting applications”. In all these, we are discussing patent applications which were filed before the earliest claimed priority date of a pending application, but those earlier filed applications were not yet published or issued so they were not in the public domain at the time the pending application was filed. Nevertheless, such earlier filed applications are generally considered as prior art applicable against the later filed application. This concept of using the earlier filed application as prior art against a later filed application is actually the underlying principle of a first-inventor-to-file system. The terminology used for such prior art will hereinafter be called “conflicting applications”.

(b) Whole Contents

The term “whole contents”, relates to the extent the conflicting application will be used as prior art. Quite a number of years ago, in order to avoid two patents issuing on the same invention, a “prior claims” approach was used. Namely, it was only the claim scope of the two conflicting applications that was looked at to be sure the claim scope in the later filed pending application differed from the earlier filed application. As long as the claims of the later filed pending application were even slightly different than the claims of the earlier conflicting application, that was sufficient to overcome such earlier filed prior art. However, this “prior claim” approach was changed in just about all countries. Now almost all countries apply the “whole contents” approach meaning that anything described in the earlier conflicting application, whether claimed or not, is considered prior art against the later filed pending application. All of the three patent offices being discussed, now use the “whole contents” approach of the conflicting earlier filed application against the later pending application.

(c) Self-Collision

In all jurisdictions being discussed, the earlier filed conflicting application will be used as prior art against the later filed pending application if the later filed pending application was filed by a third party unrelated to the applicant of the earlier filed conflicting application. The issue, however, is whether and for what purpose that earlier filed conflicting application will be used against the later filed pending application, if both applications were filed by the same inventor and/or applicant. Similarly, if both the earlier and later applications are owned by or under an obligation to be assigned to the same appli-

cant, whether that earlier conflicting application should be used against the later pending application.

“Self-collision” means that the earlier conflicting application will be used against the later filed pending application even if it is the same inventor/applicant. “Anti-self-collision” means that the earlier conflicting application will not be used in the same way against a later pending application by the same inventor/applicant. However, to what limited purpose it will be used does differ in the various jurisdictions.

III. Treatment of Conflicting Applications in the EPO

Under EPO law, the whole contents of a prior conflicting application is taken into account during the examination of a later filed pending application. However, such conflicting application is applied only for novelty defeating purposes. Thus, the later application must not be identical to the earlier, and must be novel over the earlier application. However, the European Patent Office applies novelty in this situation in a very narrow manner. It includes the implicit prior art disclosure of the document, but it excludes equivalents and variations. Additionally, if any information is not explicitly recited in the document, it would only include it if it were immediately apparent to a person skilled in the art reading the document. Furthermore, every feature must be included within the document.

“As a result of [the EPO’s] overall approach there is a very narrowly defined region of novelty where no patents will issue relative to the original first application.”

In applying conflicting applications as prior art, Board of Appeal decisions have taken a very strict approach to novelty and have consistently applied a very limited interpretation of a conflicting disclosure.

At the same time, the EPO has self-collision. This means that the conflicting application will be applied the same way whether the earlier and later applications were filed by different entities or whether it is the same inventor/applicant of the earlier and later applications.

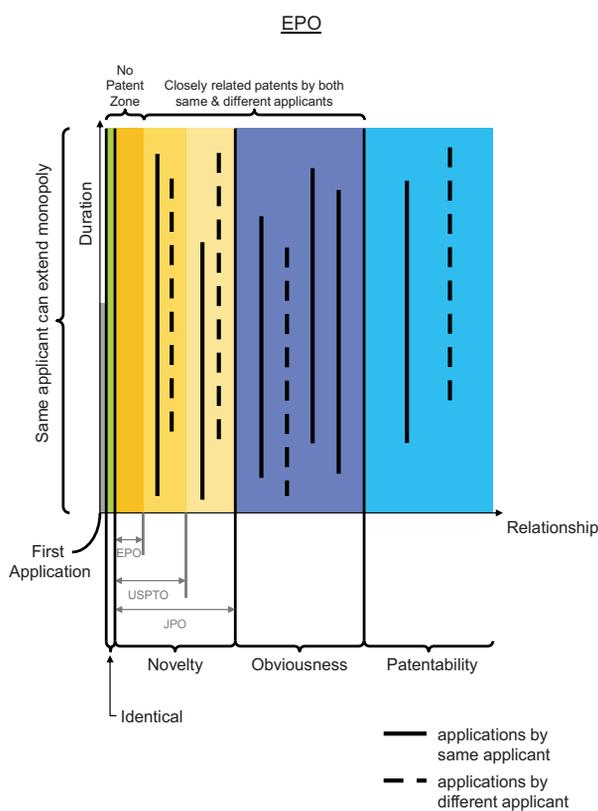
As a result of this overall approach there is a very narrowly defined region of novelty where no patents will issue relative to the original first application. However, beyond that, the EPO will allow patents to even incremental improvements to an initial invention. Such improvements will also include granting patents to minor variations, substitutes and equivalents of the original invention. Furthermore, those minor improvement patents will be granted to both the same applicant, as well as to different applicants.

The EPO will thereby issue a cluster or a “thicket” of patents around a first invention and these additional

patents will be granted to both the same applicant, as well as different applicants. Furthermore, as the term of each patent is defined by its EPO filing date, it will be possible for the same applicant to extend his monopoly on a basic invention by filing subsequent applications, on minor modifications, on equivalents, and on obvious variations of the original idea. Each of these will serve to extend the monopoly of the original application.

However, third parties can likewise file such applications on minor modifications. This results in the need to obtain multiple licensees from multiple patent owners, all of whom have created their own “thicket” of patents around a basic initial invention. Furthermore, it strongly limits the scope of exclusivity of the original filer since it permits competitors to easily enter the field with minor changes. Also, there is no special safe harbor given to the original applicant in order to “fill out his original invention”. He is in the same status as other applicants.

This situation is graphically shown below.



IV. Treatment of Conflicting Applications in the JPO

The JPO likewise uses the whole contents approach of a prior filed conflicting application and also uses it for novelty defeating purposes only. However, in the JPO, the concept of novelty is a much broader concept than applied in the EPO. In the JPO, the definition applied would be “when both inventions are considered to be substantially the same”. Accordingly, it would probably include the concept of both “inherency” found in a single art reference, as well as possibly including equivalents, if they would be easily understood by one skilled in the art. It is clearly a broader application of novelty than is used in the EPO.

However, Japan has anti-self-collision provisions. Therefore, while an earlier filed conflicting application could be used against third parties, it cannot be used in the same way against the same applicants. With respect to the same applicants, as long as the invention’s claims are not identical so as to have double patenting, there is no use of the earlier filed conflicting application against the later filed application. Therefore, the two applications do not have to be novel over each other.

The effect of the Japanese system is to provide different treatments for the same applicants as compared to different applicants. For different applicants, the later pending applications must be further removed from the earlier filed conflicting application than is required for the EPO. However, they do not combine references and do not use the earlier filed conflicting application for obviousness rejections for different applicants.

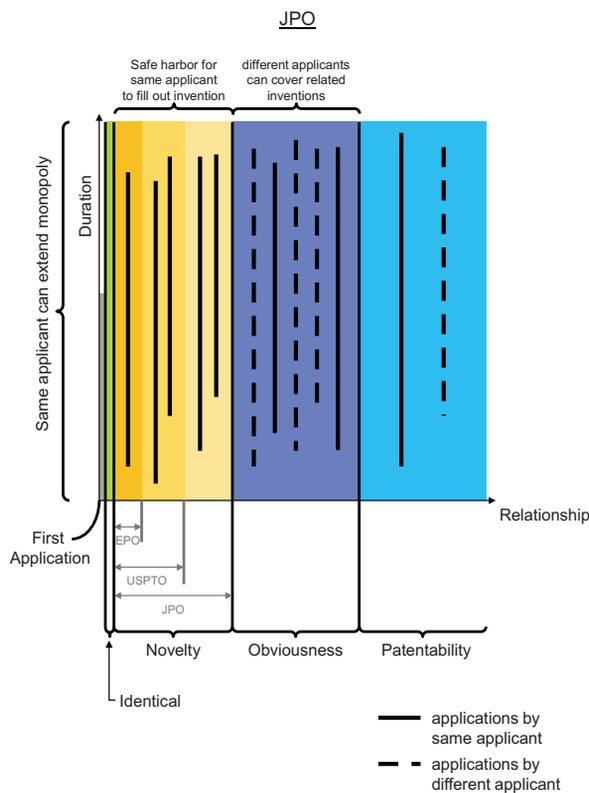
“The effect of the Japanese system is to provide different treatments for the same applicants as compared to different applicants.”

At the same time, for the same applicants, so long as it is not identical inventions being claimed, they permit the same applicants a limited safe harbor to fill out their first filed invention by filing very closely related variations. So long as the later applications are not identical to the original application they will be granted, even if not novel. For example, they will even permit claiming matter disclosed in the first application that was not claimed in the first application and this can be claimed in the later filed application.

The result is that for the same applicant, it is possible to build a thicket of patents around his original invention even closer than that permitted in the EPO. However, the durations of the patents will each be dependent upon their filing date in Japan and as a result, the durations may be different. This will again permit the same applicant to extend his monopoly even on substantially similar, and not novel inventions. However, the thicket will belong to the applicant himself. He is thereby provided a safe harbor in which he can build his thicket without interference of third parties.

Third parties would however, be able to get patents on variations, even obvious variations. Thus, there is the potential for having to obtain licenses from multiple parties in practicing in the area of the original claimed invention. However, it will give the applicant of the original invention an advantage to fill out his original invention in an area in which different applicants would not be able to file substantially similar inventions. However, it would still permit third parties to obtain patents on obvious variations of the original idea, thereby creating somewhat of a thicket for third parties.

The situation in Japan is graphically shown below.



V. Treatment of Conflicting Applications in the USPTO

The USPTO also uses the whole contents of a previous filed conflicting application against a later filed pending application. However, in the US they use such conflicting prior art for both novelty and obviousness purposes. As such, the previously filed conflicting application can be combined with other references in an obviousness type rejection. In fact, it can even be combined with other previously filed conflicting applications and used in a combination to reject the later filed pending application under an obviousness type rejection. Thus, in the US, they can combine two “secret” prior art applications, which were unknown to each other and to anyone else, and indicate that “one skilled in the art” would have combined those two “secret” applications, unknown to each other and unknown to such person “skilled in the art”, and “obviously” come up with the later filed invention.

As a result, the US prevents third parties from obtaining any obvious variation of the first filed application and provides a wide barrier for the original application. Third parties can only obtain patents if they are patentably distinct from the original filed application.

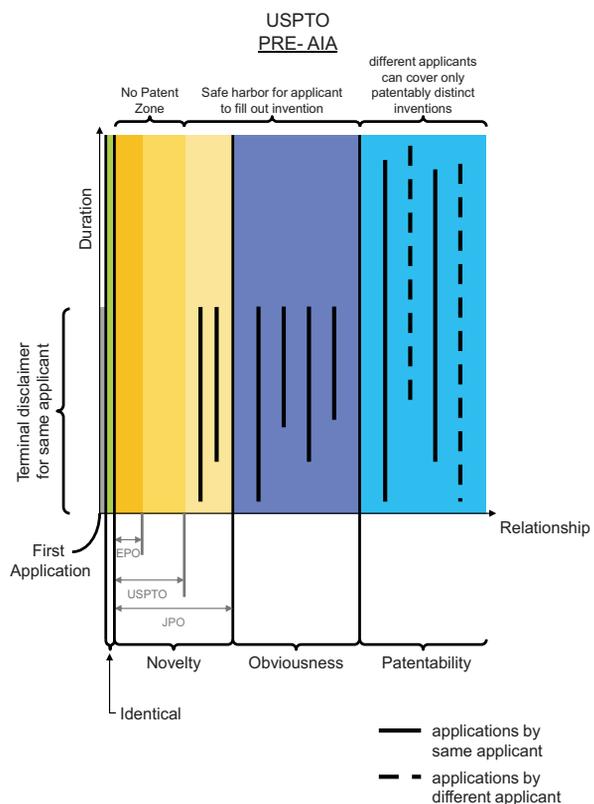
The US also has anti-self-collision measures. Pre-AIA law permitted the use of the previously filed conflicting application as prior art against a later filed pending application by the same applicant, for novelty defeating purposes only. Accordingly, any invention that was not novel over the earlier filed conflicting application would not be obtainable even to the same applicant. However, such earlier filed conflicting application could not be used for obviousness defeating purposes against the same ap-

plicant. Thus, while the same applicant was not able to obtain additional patents beyond his original application unless they were novel, he was able to obtain obvious variations of that original application which are not patentably distinct. In the US, the novelty provision applied is broader than in the EPO, but more narrow than in the JPO. A different applicant, however, was not able to obtain patents on obvious variations from the original conflicting application and therefore would only be able to obtain patentably distinct inventions.

This provided a limited safe harbor for the original applicant in order to obtain additional inventions to fill out his original invention, but even then there had to be novel variations.

However, one basic principle in the USPTO was the requirement for terminal disclaimers. While the same applicant could apply for additional patents on obvious variations of his original application, he would not be able to use these to extend his monopoly beyond the expiration date of his original application.

The situation of pre-AIA treatment of conflicting applications in the USPTO is shown below.



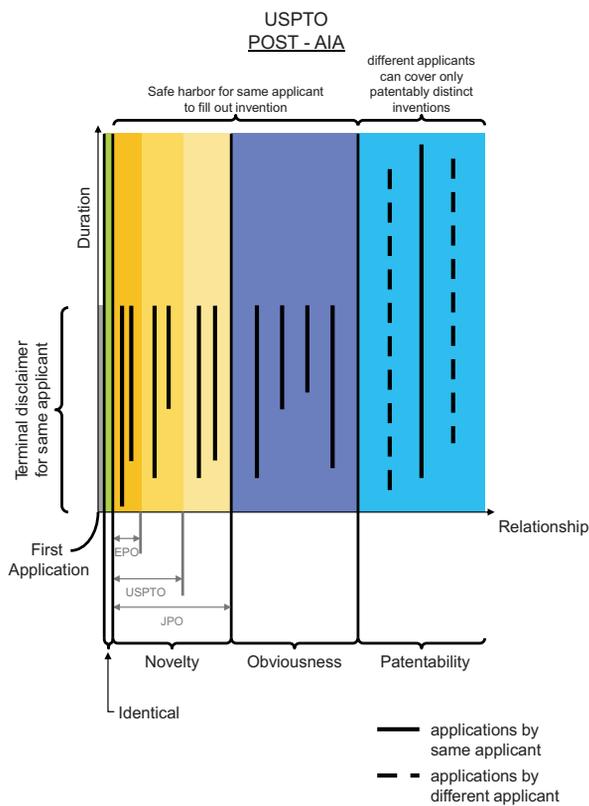
Post-AIA, the use of conflicting applications against the same applicant has changed. Under the AIA, the earlier conflicting application is now not considered prior art at all against the same applicant. Therefore, the same applicant would be able to file patent applications that are not novel from the earlier filed original application and still obtain patents for them. This provides the ability for a much greater “thicket” of patents for the filer of the original invention to completely fill out his invention with even very closely related subsequent patent applications. Of course, terminal disclaimers still apply so that

he will not be able to extend his monopoly beyond the original expiration date of his first application.

At the same time, under 35 USC 101, no two patents can be issued on the same invention. Therefore, no two identical patents can issue even to the same applicant.

The situation with respect to different applicants however, remains the same under the AIA. Namely, the earlier filed conflicting application would still be used against different applicants for both novelty and obviousness defeating purposes. Therefore, third parties would only be able to obtain patentably distinct inventions from the originally filed conflicting application. This provides an extremely large safe harbor for the applicant to file a thicket of patents even including inventions that are not novel beyond the original filed application. However, it prevents, different applicants from the original applicant from obtaining any patents unless they are patentably distinct and specifically unobvious from the original filed application.

The graphic description of the situation of post-AIA USPTO treatment of conflicting application is shown graphically below.



VI. Occurrence of Conflicting Applications

When an application is filed, unless early publication is requested, the patent application will not be published for 18 months from its earliest claimed priority date. For other applications filed after 18 months from the earliest claimed priority of that earlier filed application, the earlier filed application will already have been published. It is thereafter prior art as an existing printed publication. It will therefore be applied uniformly as publicly disclosed prior art.

Accordingly, the earlier application can only be used as a conflicting application to the extent any subsequent application was filed within 18 months from the earliest claimed priority date.

Such later filed applications could take place within such 18 months in a few situations. For the same applicant, it typically occurs as a result of ongoing and continued development of the original invention. It is for that reason that in most countries there is provided a safe harbor where that earlier application will not be used as prior art against the same applicant, thereby giving him an opportunity to fill out the application he first filed, with additional applications relating thereto and thereby complete in a broad sense his ability to make use of his invention which was filed first. This is especially significant in a first-to-file situation where there is a rush to file the first application as soon as it is complete. Providing a safe harbor opportunity to the same applicant, gives him the ability to get his application on file as quickly as possible and at the same time proceed with additional applications without having his first application used against him completely.

“In the US, the novelty provision applied is broader than in the EPO, but more narrow than in the JPO.”

In connection with the filing by third parties during the first 18 months, such can occur in a few ways. First, as is well known, “nobody invents in a vacuum”. Namely, there is typically ongoing research and development all over the world by many parties. Of course, it is a question of who has the most advanced research and who will be the first to file. However, as such research and development goes on in other geographic areas and by other companies, these others may not be the first to file. Nevertheless, they came up with their own similar or identical invention independently and file their own applications as they have no knowledge of the filing of the first filed application on this invention.

As a result, when prosecution begins, after 18 months from the publication of the earliest application, this conflicting application will appear as a prior art to their later filed application. To that extent, these others may have been separate independent inventors but, as they were not the first to file, the earlier application will be used as a conflicting application and it will give the benefits only to the first to file. The others would only be able to get patents that are distantly related from the first application. The extent of the relationship and how similar their protection will be relative to the first application depends upon the different laws and how distantly removed the subject matter of this latter independently filed application must be from the first original filing. However, it recognizes the benefits of the first-to-file system by giving the first to file applicant the full benefit of his invention.

Another method of having others file their invention within the 18-month period is if the first to file publishes his application, offers it for sale, or publicly discloses it in any other way. Such could occur before the 18-month publication. In that regard, third parties who are actually deriving the invention, would not be able to file applications closely related to that first invention but would have to distance themselves in their protection from the first invention. The extent to which they have to distance themselves again depends upon the application of conflicting applications in the various countries.

VII. Compromise Position

In attempting to reach a compromise position for a potential harmonized treaty in connection with applying conflicting applications as prior art, it is suggested to take the “best” of each practice. Of course, what is the “best” may be somewhat subjective. However, it is believed with appropriate analysis and reasoning we can justify what might be considered such a “best” practice of each of the approaches.

For example, reasonably fair arguments can be made that in a first-to-file system, the individual who does file his invention first should be entitled to protect it to some degree beyond the specifics of the initial application. Although others may be working on the same invention in other geographic areas and other companies, the concept of a first-to-file system means that among many independent inventors, it is in fact a race to the patent office. The one who files first gets the invention. However, in getting the invention, he should be entitled to the full scope of the invention. This means he should be able to fill out aspects of his invention with related applications to obtain the full entitlement to his invention.

At the same time, since there are others that may independently be working on the invention, the first-to-file application should not be entitled to an overly broad and extensive safe harbor. The first applicant should be able to follow up his first application with additional applications of limited variations, or adding other embodiments, and limited variations. Third parties should be prevented from encroaching on his initial invention and obtaining their own patents on ideas that are not novel from the original application.

Meanwhile, third parties, especially those that may have been independently working on this idea but not reached the patent office first, should not be precluded from obtaining obvious variations of the original idea. It is especially difficult to sustain the logic of an examiner citing two or more “secret” prior arts, unknown to each other and unknown to anyone skilled in the art, and indicate that on the date the later application was filed it would be obvious to combine these references.

The first-to-invent application should be used for everything it discloses, including what is inherent in the disclosure, as well as what one skilled in the art would implicitly derive from the application, including known variations and modifications. However, it should not be

used in combination with other references for an obvious type rejection against other applicants.

Among the various novelty definitions in the three patent offices that are closest to this compromise would be the Japanese definition, which provides the broadest concept of novelty. This is similar to the American concept of “inherency” found in a single prior art reference.

Accordingly, a suggested compromise is to use the Japanese concept of novelty to provide a reasonably broad safe harbor for the applicant himself to fill out his invention in order to prevent different applicants from obtaining patents that are inherently covered by his first application. At the same time, it would permit different applicants to obtain patents on more distantly related inventions, albeit obvious from the first application, when combined with other references.

However, it also does not appear fair to permit the same first applicant, while filling out his invention, to extend his monopoly against the public with these later filed applications. Therefore, the US concept of terminal disclaimers applied against applications being filed by the same applicant to fill out his invention, should be used to prevent extension of the monopoly so all these would terminate at the same date.

Such a proposed compromise was suggested in an article by Helfgott, Bardehle and Hornickel, “A Harmonized Approach to Applying Secret Prior Art” [18 WIPR 22, 1/1/04]), appended to the WIPO draft “*Enlarged Concept of Novelty: Initial Study Concerning Novelty and the Prior Art Effect of Certain Applications Under Draft Article 8(2) of the SPLT*” issued on February 12, 2004, available in the SCP Forum, on the WIPO website.

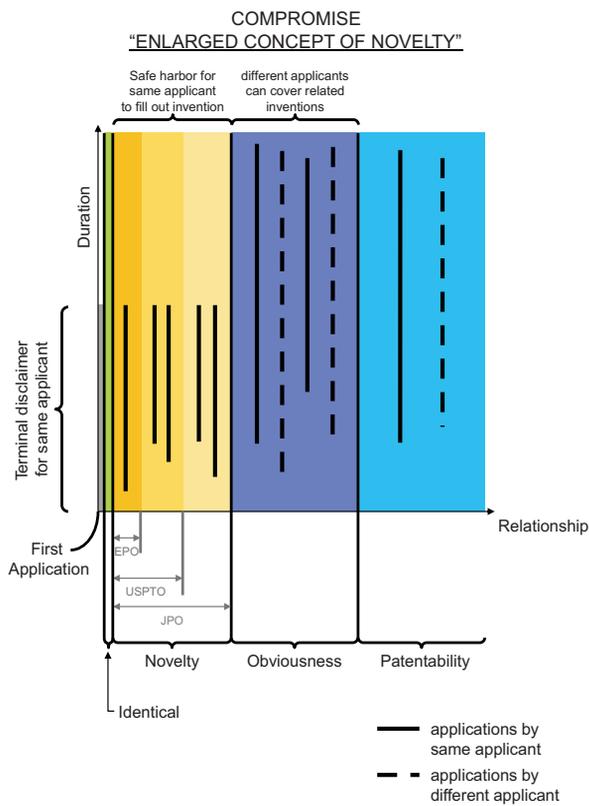
In essence, the proposal was to apply the whole contents approach for “enlarged novelty” purposes, which would cover all that a person skilled in the art understands from a single document. It would be broader than the novelty approach adopted by the EPO and most of the EPC contracting states. It would be similar to the Japanese approach and closer to the American concept of “inherency” found in a single prior art reference.

The aim was to give full benefit of the invention to the applicant who is the first to file. It would permit the first applicant to later cover equivalents and well-known substitutes. However, the resulting scope of the patent coverage would not preclude obtaining of patents by third parties having combined the same invention with other independent ideas. Thus, combining the secret prior art of the earlier application with other references against a later application would be prohibited. The concept included both anti-self-collision and terminal disclaimer features.

The proposed “enlarged novelty” compromise approach is shown below.

VIII. Conclusion

As patent harmonization talks continue, and as the issue of conflicting applications remains as one of the subject



matters for discussion, it behooves the patent offices to seek a potential for a compromise solution that meets a “best practices” approach and at the same time a reasonable position that can be widely accepted. To the extent that the above compromise provides a reasonable solution it should be carefully reviewed. However, it is also recognized that other compromise solutions might be available and all of these should be studied to try to achieve patent harmonization in as many areas as possible.

Samson Helfgott has practiced for over 40 years in domestic and international patent, trademark and copyright matters, international patent strategy and patent and trademark administration before US and foreign patent tribunals. He is the Director of Patents at KattenMuchinRosenman, LLP, a prolific writer and lecturer, who is frequently published in the area of international patent prosecution and litigation. He was the founder and first chairman of the US Bar/JPO Liaison Council; chairman of the US Bar EPO Liaison Council; US Industry Representative to the Trilateral and IP5 meetings; and a member of the Global Dossier Task Force.