

Some Problems with the Current Practices Concerning the Priority System

By

Kazuo Shibata

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Some Problems with the Current Practices Concerning the Priority System

Kazuo Shibata

Patent Examiner of the Japan Patent Office (JPO)

☞ European patents; Japan; Patents; Prior rights

The historical view of the partial-priority system used to correspond to the "umbrella" theory. Nowadays practice pursuant to the partial-priority system seems to have become the "fiction" theory. "Fiction" theory is straightforward, and therefore seems to secure predictability and legal stability at first glance. However, "fiction" theory may cause serious problems concerning predictability and legal stability because in the case of adding only embodiments, the "relevant date" to consider prior art may vary depending on the interpretation of the claim. The article explores the solution to the problems, namely the revival of the "umbrella" theory.

"Umbrella" theory and "fiction" theory

Major principles of the Paris Convention for the Protection of Industrial Property (hereinafter called "the Paris Convention") are: (a) national treatment; (b) the priority system; and (c) the independence of patents and marks in different countries. These three principles complement one another. National treatment stipulated in art.2 of the Paris Convention requires that a foreigner who wants to obtain an industrial property-right in another contracting state must conform to the conditions and formalities imposed in the contracting state. Thus national treatment is premised on the formality principle as regards obtaining industrial properties. To be precise, the Paris Convention does not intend the system in which if an applicant obtains a patent right in one country, he/she can automatically obtain the same right in other county. The Paris Convention is a union treaty concluded with the purpose of removing international trade barriers, while respecting the principle of territoriality in which an inventor cannot protect his/her invention without obtaining the patent right in each country. Such a keynote of the Paris Convention regarding the principle of territoriality is clear because the Convention is not a unified law. Furthermore, the Paris Convention declares the independence of patents in different countries in art.4bis. Even under national treatment, however, foreigners who must follow the conditions and formalities imposed in another contracting state are at a disadvantage

in terms of language and formality conditions. Therefore foreigners tend to file applications late compared with the domestic applicants even if they developed similar technologies at the same time. The purpose of the priority system is to substantially secure national treatment by removing such disadvantages.

However, if there were no restriction in the priority system at all, it would spoil the principle of territoriality. Therefore two restrictions are provided in priority system. One is a limitation of periods corresponding to characteristics of each industrial property right, and the other stipulates that the periods shall start from the date of filing of the first application or an application that is considered as the first application, and the requirement of such first applications are specified.

Supposing the following hypothetical case: an applicant filed a previous application for an invention "A and B" in one country, and, 13 months later, filed a subsequent application for an invention in which a non-essential feature "C" was added; that is, "A and B and C" in the same country. Then, 12 months after the filing of the subsequent application, the applicant filed a patent application for the invention "A and B and C" in another contracting state claiming a priority based only on the subsequent application. In this situation, if the application for the invention "A and B and C" in the contracting state defeated the third party's application for the invention "A and B" filed in the contracting state 14 months after the filing of the previous application, it would be contradictory to the principle of territoriality. The priority system is an exception to the principle that each inventor who files application in each county can obtain a patent independently. Priority should not be recognised exceeding the priority period. In the abovementioned case the applicant was able to defeat the third party's application in the contracting state, not based on any essential inventive activity but based on just filing subsequently, even 13 months after the filing of the original application for the invention "A and B".

To avoid this situation, one solution can be that a right of priority is not given to the invention "A and B and C" which is substantially identical to the invention "A and B". However, the Paris Convention adopted another solution. Namely, art.4H of the Paris Convention stipulates that with respect to a basic part "A and B", a right of priority is not given in the case where a separate application has already been filed for the basic part, and stipulates that not only invention itself but also elements of invention may become subject to priority. Article 4F of said Convention stipulates that several subjects to priority can exist within one invention, and stipulates that elements subject to priority and other elements not subject to priority can exist within one invention. These mean that the subject to priority dose not always correspond to the subject to claim. Introduction of multiple/partial priorities brought to priority system an additional effect of giving to the applicant the opportunity to publish his invention before improving the invention within the priority period.

The additional effect is based on an idea of partial priority that regarding element “A” in a claim covering invention “A or B” or invention “A and B” in a subsequent application, partial benefits are enjoyed from the first priority date for “A”, and consequently, a reference that discloses element “A”, which has arisen during the priority period, does not become prior art of the entirety of claimed invention “A or B” or “A and B”. In Europe, this idea of the effect of the right of priority, in which an element in a claimed invention is handled advantageously, has been called “umbrella” theory.

The *Guide to the Application of the Paris Convention for the Protection of Industrial Property as Revised at Stockholm in 1967* (hereinafter called “*Bodenhausen’s Guide*”) explains partial priority as stipulated in art.4F of said Convention as follows¹:

“It frequently happens that, after a first application for a patent has been filed, subsequent applications in respect of the same invention for which the priority of the first application is claimed contain elements of the invention which were not present in the first application and which either no separate patent application has been filed in time to claim multiple priorities or no separate patent application will be filed at all (for example, because the added elements do not, in themselves, have an inventive character). Under the Convention, such additions in later applications will not prevent priority from being recognized for those other elements of the invention which were already present in the first application.”

The historical view of priority, strongly held in Europe, corresponded to the “umbrella” theory. For example, publication of an application, used as the basis of a priority claim was believed to be a non-prejudicial disclosure under s.6(1) of the UK Patents Act 1977.²

However, since the latter half of the 1980s, the EPO has gradually come to support the idea that the effect of the right of priority is to bring forward the base point in time for determining the requirements for patentability, e.g. novelty, to the priority date and that this benefit extends only to the “same invention” disclosed in the priority application. According to this idea, priority does not bring any benefits to subsequent improvement inventions and additional inventions, which are not the “same invention”. Some practitioners call this idea of the effect of the right of priority “fiction” theory because the priority date of the “same invention” is deemed to be the filing date, as the base point in time for determining the requirements for patentability, e.g. novelty.³

This article reviews major decisions and judgments in which the effect of the right of priority was disputed.⁴ Then the article points out two problems concerning the current practice. One is the problem related to interpretation of claim, and the other is the problem related to grace-period system. Finally the article explores the solution of the problems. Incidentally, all opinions expressed in this article are the personal opinions of the author, and do not represent the opinions of the organisation to which he belongs.

Major decisions and judgments in which the effect of the right of priority was disputed

Ziegler, Re in CCPA

United States Patent Laws United States Code Title 35 (hereinafter called “35 USC”) s.119 independently provides for the effect of the right of priority under the Paris Convention as follows:

“An application for patent for an invention filed in this country by any person who has ... previously regularly filed an application for a patent for the same invention in a foreign country ... shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country...”

This provision does not contain any expression that corresponds to the provisions of art.4B and F of the Paris Convention; therefore, it is not found to have the same effect as the “umbrella” theory. Rather, it can be said to be a provision that underlines the idea of the “fiction” theory, in which the effect of an application is retroactively moved back to the priority date.

However, *Ziegler, Re*⁵ in 1965, antedating the intervening partial reference (which discloses part of comprehensive claimed invention in the subsequent US application and intervenes between a priority application and the US application) was recognised. The US Court of Customs and Patent Appeals (hereinafter called “CCPA”) cited *Stempel, Re*⁶ and stated as follows:

“We are of the opinion that the reasoning of *In re Stempel* ... is effective to remove the four references as to the single species they disclose. In *Stempel* the date of prior invention was established by affidavits. The foreign applications here involved by statute give a ‘right of priority’ of invention as to everything

¹ G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property as Revised at Stockholm in 1967* (BIRPI, 1968), art.4, s.F.

² Ian Muir, Matthias Brandi-Dohrn and Stephan Gruber, *European Patent Law: Law and Procedure Under the EPC and PCT* (Oxford: Oxford University Press: 2002), pp.27–28.

³ Stefan Rolf Huebner und Sten Harck, *Unionspriorität* (Max-Planck-Institut für ausländisches und internationales Patent-, Urheber- und Wettbewerbsrecht, 2002).

⁴ Concerning detailed analysis about the decisions and judgments, please refer to Kazuo Shibata and Noriyuki Inoue, “Expectation of Revival of the Partial Priority System under the ‘Umbrella-Theory’” (2008) 33(5) A.I.P.P.I. (published by the Japanese Group of AIPPI).

⁵ *Ziegler, Re* 347 F.2d 642, 146 U.S.P.Q. 76 CCPA (1965).

⁶ *Stempel, Re* 241 F.2d 755, 113 U.S.P.Q. 77 CCPA (1957): in 1957, *Stempel, Re* established a proposition that, in the case of proving actual reduction to practice by submitting an affidavit, a reference disclosing part of a comprehensive claimed invention is antedated if it is proven that said part has been actually reduced to practice in advance of the reference. This proposition had not been overruled until recently.

pertinent that the references show, as of a date prior to the effective date of those references. We see no reason why the logic of that case should not apply here. Appellants here stand in the same relation to the prior art as did *Stempel* in that case. As this court stated (41 CCPA at 826): In the case of a reference, it is fundamental that it is valid only for what it discloses and if the applicant establishes priority with respect to that disclosure, and there is no statutory bar, it is of no effect at all.”

The *Ziegler* court concluded that antedating the intervening partial reference not based on actual reduction to practice but based on constructive reduction to practice was recognised. It is consistent with the interpretation of the effect of the right of priority that is derived from the provisions of art.4B and F of the Paris Convention, in terms of overcoming references disclosing the content equivalent to matters described in the priority application, based on the said application.

Kawai v Metlesics in CCPA

In *Kawai v Metlesics*⁷ in 1973, the point at issue was that although a US application appropriately presented the use and pharmacological effect of certain compounds which are the claimed inventions, four priority applications filed in Japan contained only simple statements of the use and pharmacological effect of the compound. The CCPA held as follows: in order for a foreign priority application to constitute constructive reduction to practice of the subject matter of a US application, it is necessary that the foreign priority application discloses the said subject matter in satisfaction of s.112. Therefore, the four patent applications filed in Japan, which do not appropriately disclose utility, cannot be used to antedate intervening reference even if a corresponding subsequent US application appropriately discloses the utility. Actually the *Kawai* court stated as follows:

“[T]he extent of the right of priority is measured by the content of the foreign specification. The applicant is entitled to the benefit of what it does disclose and no more. See *In re Ziegler* ... 146 USPQ 76 (1965).”

The *Kawai* court concluded that the foreign application was entitled to “no more” than a US application lacking a disclosure of utility—namely to nothing at all. Why, then, did the CCPA cite *Ziegler* as it did in the passage quoted immediately above in *Kawai*? The Board of Appeals and Interferences pondered this question in a case discussed in detail below, *Ex p. Kitamura*,⁸ where it stated:

“It is not clear why the Court cited *Ziegler*, which approved not only giving *Ziegler* the right of priority with regard to what the priority application disclosed (claim 19), but also with regard to claims to subject matter broader than the invention disclosed in the priority application.”

The citation of *Ziegler* in *Kawai* makes no sense if the citation refers to the words “and no more”. As correctly noted by the board in *Kitamura*, the CCPA in *Ziegler* did grant applicants more than the disclosure in their priority application. Consider again, however, the two clauses in the sentence immediately preceding the citation of *Ziegler* in *Kawai*. The first clause that, “[t]he applicant is entitled to the benefit of what it does disclose” refers to what an applicant is entitled to. The second clause, consisting of the words “and no more”, limits that entitlement. The citation of *Ziegler* after the sentence in *Kawai* makes perfect sense if the citation refers, as the CCPA apparently intended, to the first clause—i.e. what the applicants would have been entitled to if they had relied on a priority application that constructively reduced their invention to practice. So interpreted, the citation of *Ziegler* in *Kawai* suggests that the CCPA approved of the applicant’s ability to antedate prior art under s.119 even though the disclosure of the invention in the priority application did not fully support the scope of the claims in the corresponding US application.

It appears clear, then, that the CCPA did not mean that the applicant in *Kawai* was not entitled to antedate a reference by means of a foreign application unless the foreign application supports the entire scope of the claims in the corresponding US application filed under s.119. The words “and no more” must be interpreted in the context in which they were used. The CCPA held neither more nor less in *Kawai* than that a foreign application lacking a proper utility disclosure is entitled to the same rights as a US application lacking a proper utility disclosure “and no more”.

Gosteli, Re in CAFC

*Gosteli, Re*⁹ in 1989, antedating the intervening partial reference based on a foreign priority application was not recognised in contrast to the abovementioned *Ziegler* decision. The Court of Appeals for the Federal Circuit (hereinafter called “CAFC”) stated, as the reason therefore, that a priority application must support the entire claim of a subsequent US application prescribed in 35 USC s.119. As a ground for this proposition, the CAFC cited *Kawai v Metlesics*. In *Kawai*, the CCPA held that a foreign priority application must meet the requirements of specification prescribed in the first paragraph of 35 USC s.112 in order to constitute constructive reduction to practice. The CAFC in *Gosteli* determined that the *Ziegler* court had not examined

⁷ *Kawai v Metlesics* 480 F.2d 880, 178 U.S.P.Q. 158 CCPA (1973).

⁸ *Ex p. Kitamura* 9 U.S.P.Q.2d 1787 Bd. Pat. App. & Int’f (1988).

⁹ *Gosteli, Re* 872 F.2d 1008, 10 U.S.P.Q.2d 1614 Fed. Cir. (1989).

requirements prescribed in s.112 because the issue had not been in dispute and the *Ziegler* decision had been overruled by the *Kawai* decision.

However, the *Ziegler* decision is not inconsistent at all with the *Kawai* decision. On the contrary, the two decisions complement each other. Comparing *Ziegler* and *Kawai* is like comparing an apple and an orange. There is even an article stating that in *Gosteli*, the CAFC misunderstood the facts and holding in *Ziegler*.¹⁰ The author also thinks that there was an obvious difference in situation between *Ziegler*, in which the foreign priority applications disclosed only a part of the claimed invention of the subsequent US application in accordance with s.112, and *Kawai*, in which the foreign priority applications did not satisfy s.112. In *Gosteli*, the CAFC failed to recognise a distinction between *Ziegler* and *Kawai*, and determined that the *Ziegler* decision had been overruled by the *Kawai* decision. However, in interference cases, some decisions of the Board of Patent Appeals and Interferences that are consistent with the *Ziegler* decision were rendered even after the *Gosteli* decision.¹¹

Moreover, through two revisions to 35 USC s.104 in 1992 and 1994, it has become possible to use activities related to inventions in NAFTA and WTO members for proving the date of invention. It has become possible to antedate references by proving the fact of actual reduction to practice in major foreign countries other than the United States.

Therefore, the practice which handled differentially the place¹² where the reduction to practice was established (within the United States or in a foreign country) only existed temporarily in the interval from the *Gosteli* decision to the abovementioned revisions to 35 USC s.104.¹³

α-interferons/BIOGEN in the Board of Appeals, EPO

European Patent Convention (hereinafter called “EPC”) art.89 independently stipulates the effect of the right of priority in the same manner as 35 USC as follows:

“The right of priority shall have the effect that the date of priority shall count as the date of filing of the European patent application for the purposes of Article 54, paragraphs 2 and 3, and Article 60, paragraph 2.”

However, in *BIOGEN/Recombinant DNA* (T-301/87)¹⁴ in 1990, the Board of Appeals actively attempted to interpret art.4 of the Paris Convention, and concluded as follows:

“When priority is claimed for a European patent application under Article 88 EPC, the publication (or any other disclosure within the meaning of Article 4B of the P.C.) of the content of the priority application, in the interval between the filing of that application and the filing of the (final) European patent application cannot be used as state of the art against any claim in the latter application. However, if such publication goes beyond the content of a previously filed application and includes subject-matters not covered by the disclosure of that application, such disclosure may in principle be cited against any claim in the (final) European patent application relying on a priority date subsequent to the publication date. It might be added that a different view on this matter would render the system of multiple priorities rather illusory.”

This conclusion is consistent with interpretation of the effect of the right of priority under the “umbrella” theory.

EBA Opinion G3/93 (Priority Interval)

In contrast to the abovementioned *BIOGEN* decision, in Opinion G3/93 (*Priority Interval*), the Enlarged Board of Appeal of the EPO (hereinafter called the “EBA”) concluded that another document, the technical content of which was identical to that of the priority document and which had been published in the interval between the date of the priority document and the date of filing the European application, formed a part of the state of the art in respect of the European application. At the end of the opinion, the EBA concluded that a decision of the same sort was also made in the United States, by referring to *Gosteli*.

EBA Opinion G2/98 (Requirement for claiming priority of the “Same Invention”)

Unfortunately, in the abovementioned EBA Opinion G3/93 (*Priority Interval*), the EBA did not go further into interpretation of the provision of art.4 of the Paris Convention. Consequently, some practitioners and scholars have advocated that the EBA Opinion is not

¹⁰ Irving N. Feit, “Antedating Prior Art with Constructive Reduction to Practice Under Rule 131. Part II: After In re Gosteli” (1990) 72 *Journal of the Patent and Trademark Office Society* 1080.

¹¹ For example, *Suh v Hoefle*, 23 U.S.P.Q.2d 1321 Bd. Pat. App. & Int’f (1991) and *Stahelin v Secher*, 24 U.S.P.Q.2d 1513 Bd. Pat. App. & Intf. (1992).

¹² The CAFC held, in *Gosteli* 872 F.2d 1008, 10 U.S.P.Q.2d 1614 Fed. Cir. (1989), that even if an affidavit set forth in Title 37—Code of Federal Regulations Patents, Trademarks, and Copyrights r.131 is submitted, the existence of a foreign priority application does not prove reduction to practice in the United States because it is not accepted as reduction to practice in the United States. According to this proposition, although an inventor/applicant who has completed an invention (who has achieved actual reduction to practice) within the United States can enjoy partial benefits corresponding to the “umbrella” theory—the inventor/applicant can antedate references even if the completed invention is part of the claimed invention of the relevant US application—while an inventor/applicant who has completed an invention in a foreign country cannot gain any benefits if the foreign priority application for the invention does not completely support the claimed invention of subsequent US application.

¹³ However, even now, it is still not possible to use fact of reduction to practice in a foreign country, which is neither NAFTA Member nor WTO Member, for proving the date of invention.

¹⁴ *BIOGEN/Recombinant DNA* (T-301/87) [1990] OJ EPO 335; [1990] E.P.O.R. 190.

consistent with art.4F of the Paris Convention.¹⁵ The President of the EPO again tasked the EBA with making a determination with respect to the right of priority. EBA Opinion G2/98 (*Same Invention*), was issued in response.

Though it was necessary for the EBA to organise the interpretation of art.4F of the Paris Convention in order to clear up doubts and disputes among practitioners and scholars, the EBA solution to this issue was based on an astonishing logic. The EBA interpreted “element” in art.4F of the Paris Convention as meaning “embodiment”. The EBA progressed to the conclusion as stated below through cross-checking the provisions of art.4F and H of the English text of the current Paris Convention:

“Since, according to Article 4H of the Paris Convention, an invention for which priority is claimed need not be defined in a claim of the application whose priority is claimed (cf. supra), an ‘element’ within the meaning of Article 4F of the Paris Convention represents subject-matter specifically disclosed be it explicitly or implicitly in the application documents relating to the disclosure, in particular, in the form of a claim or in the form of an embodiment or example specified in the description of the application claiming one or more priorities... This makes it clear that ‘element’ was not understood as a feature but as an embodiment.”

In this manner, the EBA determined, through contrary interpretation of art.4H of the Paris Convention, that the priority for a claim can be refused pursuant to the provision of art.4H of the Paris Convention if “elements” of the “invention” for which priority is claimed are not disclosed in the priority application. On the other hand, according to the provision of art.4F of the Paris Convention, it is not possible to refuse a priority on the ground that an application contains “elements” that are not included in the priority application. In order to concurrently satisfy these two provisions that are conflicting at first glance, it is necessary to understand “element” not as a “feature” but as an “embodiment”.

This logic presumes that the subject matter of a priority is necessarily limited to an “invention”. However, it is obvious in terms of grammar that, in “*certain éléments de l’invention pour lesquels on revendique la priorité*” in the French text of art.4H of the Paris Convention, the antecedent, which responds to relative pronoun “*lesquels*” in relative clause “*pour lesquels on revendique la priorité*”, is not “*l’invention*” but “*éléments*”.

Article 4H of the Paris Convention provides that “element” of the invention may become subject to priority, and it is a provision that forms a prerequisite for

the multiple priority system and the partial priority system. However, the EBA interpreted the provision in a twisted way.

Even so, there would be no problem with disregarding the “umbrella” theory in the case where the provision on the right of priority in the EPC is independently interpreted. This is because the EPC does not contain any provision corresponding to art.4F of the Paris Convention that stipulates partial priority:

“No country of the Union may refuse a priority ... on the ground that an application claiming one or more priorities contains one or more elements that were not included in the application or applications whose priority is claimed.”

In view of this, it may be possible to say that the conclusion drawn in the EBA Opinion G2/98 is not erroneous since the matter referred by the President of the EPO to the EBA was the interpretation of the requirements for the “same invention” under art.87 of the EPC.

However, it is a complete mistake that, in the interpretation of the Paris Convention mentioned in the said EBA Opinion as obiter dictum, the EBA interpreted “element” as “embodiment” and determined that the “umbrella” theory should be disregarded.

Case of “a device for reading information with a read-out light beam” in Japan

In Japan, *Simpan* (56-10774) provides an example of an appeal decision that strictly established prohibition of a chain of priorities. In this case, the interpretation of the subject matter of the right of priority was disputed in relation to the requirements for the “first application” with respect to claiming of the right of priority under the Paris Convention. The case relates to an application filed in Japan claiming a priority based only on an application for a patent of addition filed in France. The case is similar to the hypothetical case as stated in the section “‘Umbrella’ theory and ‘fiction’ theory”. The appellant argued as follows:

“The invention of this application for a patent of addition filed in France has something in common with the invention of the parent application, but is distinct from that as an invention. Therefore, this application for a patent of addition gave rise to a new right of priority.”

¹⁵In Axel von Hellfeld, *Welche Wirkung hat die Inanspruchnahme einer Priorität? Mitteilungen der deutschen Patentanwälte* (1997), p.298, there is the following instruction: “Die Regelung der Wirkung der Inanspruchnahme einer Priorität im EPÜ ist nicht vollständig und schon gar nicht identisch mit der Prioritätsregelung der PVÜ.”

In response to this, the board cited the instructions on art.4H of the Paris Convention in *Bodenhausen's Guide*,¹⁶ and then expressed its opinion that a chain of priorities should be prohibited, adding as follows:

“On the condition that the right of priority of patent application *B* extends to elements *a* to *e* as argued by the appellant, the provision of Article 4C(2), stipulating that the period of priority be twelve months, and the provision of Article 4C(4), stipulating that a subsequent application will ‘be considered as the first application, if the previous first application has been withdrawn, abandoned, or refused, without having been laid open to public inspection and without leaving any rights outstanding, and if it has not yet served as a basis for claiming a right of priority,’ will be made meaningless with respect to patent application *A*, and it will become possible for the applicant to voluntarily extend the period of priority. This goes totally against the purpose of the priority system. Therefore, the appellant’s argument that the application for a patent of addition gave rise to a new right of priority for the elements as a whole is impossible to accept.”

In this appeal decision, the Board correctly interpreted art.4H of the Paris Convention and then held that the subject matter of the right of priority is “elements”, and that “elements” mean “features” by comparing the provisions of art.4F and art.4H of the Paris Convention, in contrast to Opinion G2/98-EBA of the EPO. A suit was filed with the Tokyo High Court to rescind this appeal decision, but the High Court affirmed the decision.¹⁷ Furthermore, a final appeal was also filed with the Supreme Court, but the Supreme Court dismissed this as well.¹⁸

Some problems concerning the current practice

The problem related to interpretation of claim

In the United States and EPO, practice pursuant to the “fiction” theory has already become the de facto standard.¹⁹ Since the US and European systems are consistent with each other, it seems that a certain order is maintained. However, it is necessary to point out that, in specific cases, different determinations may be made between the United States and EPO due to the difference of interpretation of claim between them.

Although all elements of the claims of a subsequent application can be derived from the content of the priority application in terms of wording—for example, the wording of the claims of the subsequent application is exactly the same as the wording of the claims of the priority application—an additional embodiment consisting of specific structures and materials which cannot be derived from the content of the priority application can be included in the description of the subsequent application (hereinafter called the “form of use of a priority to add embodiments”). Cases like this frequently occur. Regarding such cases, the following two ways of thinking are assumed in terms of the effect of a priority claim according to the “fiction” theory. Specifically: (1) since the wording of the claimed invention itself can be derived from the content of the priority application, the effect of a priority claim for the claimed invention is recognised; and (2) since the claimed invention includes an embodiment that cannot be derived from the content of the priority application, the effect of a priority claim for the claimed invention is not recognised.

The author is not aware of any case in which the effect of the right of priority was put in question with regard to the “form of use of a priority to add embodiments” in the United States or Europe. However, when the author discussed this with a European practitioner some time ago, he was told that the idea (1) above would be adopted. According to the European practitioner:

“It is appropriate to simply think that the base date of determination for the claimed invention is the filing date of the priority application, while the base date of determination for additional embodiments is the filing date of the subsequent application. If an invention that is expressed in a limited way in response to the additional embodiments is stated in the claims, determination with regard to the claimed invention will be made based on the filing date of the subsequent application; otherwise, such determination will not be made based on the filing date of the subsequent application.”

On the other hand, the author has never spoken with US practitioners about the case where the effect of the right of priority is put in question with regard to the “form of use of a priority to add embodiments”. However, there seems to be the possibility that idea (2) above will be adopted, taking into account the provision of the sixth paragraph of 35 USC s.112. Said paragraph stipulates that:

¹⁶ Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property as Revised at Stockholm in 1967*, 1968, art.4, s.H. This issue is explained as follows in the guide: the provision under consideration must, however, work in two directions. On the one hand, priority will be recognised on the basis of a previous application for all elements of the invention specifically disclosed in that application as a whole. On the other hand, if an even earlier application as a whole has already specifically disclosed these elements, that application will be considered the *first* application and priority cannot be recognised on the basis of the application mentioned earlier.

¹⁷ *Heisei 1 (Gyo Ke)* 115 June 22, 1993.

¹⁸ *Heisei 6 (Gyo Tsu)* 26 July 17, 1998.

¹⁹ Also in the United States, an applicant can only obtain the effect based on the “fiction” theory if he/she claims the right of priority set forth in 35 USC s.119 without submitting an affidavit set forth in Title 37—Code of Federal Regulations Patents, Trademarks, and Copyrights, r.131.

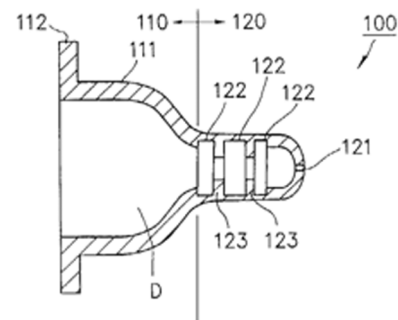
“An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.”

Assuming a case where an embodiment added in the subsequent application could not be recognised as an equivalent to the original embodiment stated in the priority application, though functional claims in the subsequent application were the same as the claims in the priority application, if the effect of a priority claim for the claimed invention were recognised in full scale, the scope of the claims would be substantially broadened. However, such handling would cause unpredictable disadvantage to third parties. There is a sufficient possibility that the effect of the right of priority would not be recognised in order to avoid such a situation.

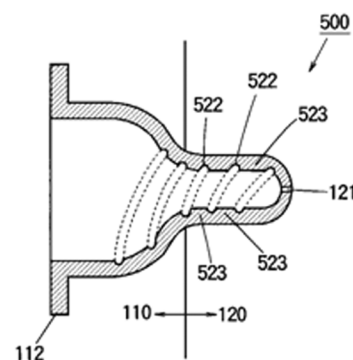
In this regard, there is an informative decision in Japan. The Japanese Patent Act does not include any provisions that independently stipulate the effect of the right of priority under the Paris Convention. Therefore, the provisions of the Convention are directly applied to individual applications. However, a priority system based on domestic applications, that is, the internal priority system, exists in addition to the priority system under the Paris Convention. The internal priority system is stipulated in the Japanese Patent Act. It is clearly stipulated in the text of law as the effect based on the “fiction” theory, in the same manner as 35 USC and the EPC. In the “*Artificial Nipple Case*”,²⁰ an embodiment relating to a spiral artificial nipple which had not been disclosed in the priority application was added to the description in the subsequent application claiming a domestic priority. However, the statement of the claims, which was expressed by a generic concept that included the original embodiment and the added embodiment, was one that could be derived from the content of the priority application in terms of wording. On the other hand, another party filed an application for an invention relating to a spiral artificial nipple during the interval between the filing of the priority application and the filing of the subsequent application claiming a priority. Consequently, the application filed by the other party was regarded as a cited invention, and the subsequent application claiming a priority was refused. The patentability of the claimed invention was denied as the effect of the right of priority was denied not for the entirety of the claimed invention but for the part thereof. In the decision, the court instructed as follows:

“Whether or not the invention claimed in a subsequent application can be said to be within the scope of matters stated in the description, etc. that was originally attached to the priority application should be decided not by simply comparing the

wording of the claims of the subsequent application and the wording stated in the description, etc. that was originally attached to the priority application but by comparing technical matters, which form the gist of the invention stated in the claims of the subsequent application, and technical matters stated in the description, etc. that was originally attached to the priority application. Therefore, even if the wording of the claims of the subsequent application can be said to be that stated in the description, etc. that was originally attached to the priority application, if technical matters which form the gist of the invention as stated in the scope of the claims of the subsequent application exceed the scope of technical matters stated in the description, etc. that was originally attached to the priority application due to the statement of technical matters, which have not been stated in the description, etc. that was originally attached to the priority application, in the detailed explanation of the invention in the description of the subsequent application, the effect of a priority claim should not be recognized with regard to the part exceeding said scope.”



the original embodiment



the added embodiment

Since this decision was rendered, the following theory has been adopted in practice in Japan at least with regard to the internal priority system. That is, different base dates for determination are given for the part of the claimed

²⁰ Heisei 14 (Gyo Ke) 539 October 8, 2003.

invention supported by the original embodiments and for the part of the claimed invention supported by the added embodiments. Though this theory seems to be reasonable at first glance, is that so? In the case cited above, the fact of filing, which indicates the content equivalent to the added embodiment, existed during the period of priority. However, if the fact that occurred during the period of priority is a publicly-known fact that is equivalent to the original embodiment, what determination would be made?²¹

Even if an embodiment equivalent to an embodiment disclosed in the priority application has become publicly known during the period of priority in the case where the statement of the claims is exactly the same between the priority application and the subsequent application, the claimed invention will be patented if the embodiment added in the subsequent application is determined to have inventive step compared to the original embodiment as it is a sufficiently improved one. On the other hand, if the added embodiment is determined not to have inventive step as the degree of its improvement is not high enough, the claimed invention will be refused. However, such handling seems to be severe to applicants. In addition, under the “fiction” theory, the existence of the part for which the effect of a priority claim is not recognised means that any facts that occur during the period of priority can be adopted as evidence in relation to the said part. Thus, in theory, those that do not include all elements of the original embodiment can be adopted as evidence through combination with other publicly-known facts. In that case, if it is possible to deny the inventive step of an added embodiment in a subsequent application through combination of several publicly-known facts that have occurred during the period of priority, it will be impossible to obtain a patent for the subsequent application without deleting such embodiment. That is, it is possible to deny the inventive step of the added embodiment by collecting pieces of evidence that have arisen after the priority date, as if doing patch work, in situations where the original embodiment has not become publicly known prior to the priority date and during the period of priority, and the novelty and inventive step of the original embodiment will not be denied if the priority date is adopted as the base date for determination. It is questionable whether such handling conforms to the purposes of the patent system and the multiple priority/partial priority systems. Problems like this will not occur according to the idea of the “umbrella” theory, which was indicated by the board in the *BIOGEN* case.

Concerning interpretation of claim, there is another case that seems likely to become an issue. That is the case where the claims of the subsequent application are

expressed by a concept that is more generic than the claims of the priority application and the claims expressed by the generic concept cannot be derived from the content of the priority application. In this case, it seems that the effect of the right of priority is not at all recognised in “fiction”-theory-based practice. However, is it appropriate to consider that a new priority is given rise to for the entire scope of the claimed invention that is expressed by the generic concept, which includes the content of the original claims? There is a question of whether or not regarding such an application as the first application as prescribed in art.4C(2) of the Paris Convention would lead to the substantial extension of the right of priority. This is because it would be possible to again give rise to a priority with regard to the scope of the originally-claimed invention by filing an application expressing the claims through a generic concept even after one year or more has passed since the filing of the original application.

In Japan, there has been a decision in which the court determined the effect of the right of priority by dividing the claimed invention in parts with regard to the third application claiming a priority under the Paris Convention, which is based on the second application (US continuation-in-part (CIP) application of the first application) including claims that are generic concepts formed from the claims of the first application. That is, the court held as follows in a case to seek injunction against patent infringement²²:

“In the patented invention in question, at least for the part using the DC magnetron sputtering system, more than two years and five months have already passed since the first filing date in the United States (February 8, 1988) as of the time of the filing of the patent application in question on July 18, 1990, and the period in which a priority under the Paris Convention can be claimed has already lapsed. Therefore, it is obvious that a priority claim for the aforementioned part of the patented invention in question is not recognized.”

The two cases mentioned above may be comparatively special cases, but they cannot be said to be those that are unlikely to occur at all. In these cases, functions, such as sufficient protection of improvement inventions and prevention of substantial extension of the period of priority, may be impaired due to the rigorous application of the “fiction” theory. The author would like to emphasise this point.

²¹ According to the idea that the effect of the right of priority is recognised for the entirety (an idea that is highly likely to be adopted in Europe), a patent is to be granted for the subsequent application. On the other hand, according to the idea that the effect of the right of priority is not recognised for the entirety (an idea that is highly likely to be adopted in the United States), the subsequent application is to be refused.

²² *Heisei 18 (Wa) 8811* December 26, 2006.

The problem related to the grace-period system

Under the “fiction” theory, the purpose of art.4 of the Paris Convention as advocated by Dr Ladas—“giving to the applicant the opportunity to publish and work his invention at an early date”—is impaired.²³ In the United States and Japan, it is possible for inventors to publish their inventions at an early date through the grace-period system. In Europe it used to be possible for inventors to publish their inventions at an early date through the partial-priority system instead of the strict grace-period system. However, after EBA Opinions G3/93 and G2/98 such benefit was dismissed.

Concerning relation to the grace-period system, the discussions at the forum on the Substantive Patent Law Treaty (SPLT) and the trend of revisions to 35 USC in the United States can't be ignored. At the “Group B+ Plenary Meeting on Patent Harmonization” held in Geneva in September 2007, the participating countries and organisations, including European countries and the EPO, reportedly reached some common understandings on the items subject to consultation, including the “12-month grace period with no formal declaration”. The EPO and European countries seem to view expanding the subject matter to which “non-prejudicial disclosures” are applicable and the period of application as a major issue; however, the author thinks that the United States' intention of insisting on inserting “with no formal declaration” would be beyond European countries' imagining.

As a matter of fact, the “Patent Reform Act of 2009 (S.515, H.R. 1260)” that was introduced in the 111th US Congress includes a provision on a “prior inventor disclosure exception” in the context of transitioning from a first-to-invent system to a first-to-file system. The provision is stipulated as follows in the Patent Reform Act of 2009 s.102(b)(1):

“PRIOR INVENTOR DISCLOSURE EXCEPTION- Subject matter that would otherwise qualify as prior art based upon a disclosure under subparagraph (B) of subsection (a) (1) shall not be prior art to a claimed invention under that subparagraph if the subject matter had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.”

This provision functions to antedate another reference intervening in the interval between the date of disclosure and the date of filing, and should be regarded as a simplification of procedures for “antedating prior art with reduction to practice” under the first-to-invent system,

rather than as expanding the subject matter corresponding to “non-prejudicial disclosures” under art.55 of the EPC. It should be called the “first-to-disclose system”.

Furthermore, the House Bill (H.R. 1260) includes a transitional measure as barter terms; specifically, the first-to-file system is put in force only where major patent offices in Europe, Japan and other countries adopt a grace-period system that is substantially equivalent to the current draft revision. However, it can hardly be said that Europe and Japan would be able to adopt a grace-period system that enables the elimination of disclosure by other persons. The provision on a “prior inventor disclosure exception” and the transitional measure were also included in the Patent Reform Act of 2007. Regarding the Patent Reform Act of 2007, the House of Representatives passed patent reform legislation (H.R. 1908) in the last Congress, and the Senate Judiciary Committee reported companion legislation in the Senate (s.1145). The discussions at the US Senate became bogged down over the method of providing for the calculation of damages, but there was no particular confusion in terms of the items concerning transitioning to a first-to-file system in the discussion of the Senate Bill. Therefore, the provision on procedures for antedating prior art based on the first-to-disclose system was incorporated in the Patent Reform Act of 2009 again. Moreover the barter terms were incorporated in the House Bill (H.R. 1260). If the Bill incorporating the barter terms passes, it seems that the first-to-file system in the United States will never be achieved under a situation where Europe and Japan cannot admit barter conditions.

A solution by reviving the “umbrella” theory

There is only one solution that will clear up the problems related to interpretation of claim and the problems related to the grace-period system. That is the revival of the “umbrella” theory.

Under the “umbrella” theory, the difference of interpretation of claim is not a problem at all. The reason for this is that the effect of the right of priority depends on the relationships between the claimed invention in the subsequent application, the content of disclosure in the priority application, and the intervening reference during the priority period.

Concerning the new grace-period system introduced in the 111th US Congress, a situation in which the content of disclosure by a prior inventor does not completely support the claimed invention of a US application possibly occurs. This is because the extension and intention of an invention are supposed to change over time. Where there is an intervening reference between disclosure by a prior inventor and the filing of a US application, the “*Stempel* principle” will be applicable to an act of disclosure

²³ Stephen P. Ladas, *Patents, trademarks, and related rights: national and international protection* (Cambridge: Harvard University Press, 1975), p.496. Dr Ladas pointed out that: “Publication of Invention by the Inventor or Third Parties Is No Bar. ... Moreover, the purpose of article 4 was in favor of giving to the applicant the opportunity to publish and work his invention, in order to facilitate his plans and find in other countries persons interested in it. At the Brussels Conference the words ‘par un tiers’ were stricken.”

conducted at least within the United States. The principle may also be applicable to an act of disclosure conducted outside the United States. However, in the practice of invention management in Europe and Japan, filing is given priority over act of disclosure. In addition, the patent system is established on that premise. Therefore, it is not realistic to publish an invention before filing purely for the purpose of making the *Stempel* principle applicable in the procedures for obtaining patents in the United States. Thus, the new system to antedate prior art in the United States will not be meaningful for applicants in Europe and Japan. On the other hand, even if Europe adopts a system to antedate references based on an act of publication, under the present circumstances, it is hard to expect that the *Stempel* principle will be adopted at the discretion of the patent office, etc. Therefore, disclosure through an act of publication must completely support the claims of the relevant European patent application. However, such a system will also not be meaningful for applicants in the United States.

Given this, the United States is requested to make the *Stempel* principle, which is not applicable to constructive reduction to practice under the current US system, applicable to disclosure by a priority application. By way of compensation, European countries should revive the idea of partial priority under the “umbrella” theory and make a concession—specifically, reform the system so that the fact of publication can be used as the basis for a right of priority.

Although this idea appears to be a wild fancy, it is actually not a new idea. Rather, it is the original idea of the grace-period system. Regarding temporary protection based on the fact of exhibiting at an international exhibition, it is possible to grant weak protection in the form of preventing novelty from being lost, or strong protection similar to a right of priority under the provision of art. 11 of the Paris Convention. It is left to each country to decide on the form it adopts.²⁴ On this occasion, it is necessary to limit type of disclosure to act of publication with documents in order to ensure that the scope of disclosure of an invention be identifiable. In addition, in order to make it possible to understand at the time of examination that a priority is claimed based on the fact of publication, it is necessary to require the United States to stipulate “with formal declaration”. Regarding the period of priority in so doing, it should not be set as two years in total—one year from publication to filing in the first country and one year from the filing in the first country to filing in the second country—but rather limited to one year from the publication of an invention, pursuant to the provision of art. 11(2) of the Paris Convention. This is to prevent a chain of priorities.

Since practice based on the “umbrella” theory was adopted in *BIOGEN* (T-301/87) and in *Ziegler, Re* in the United States, it is not impossible for both the United

States and Europe to adopt this practice. In addition, it seems to be more suited to the first-to-file system to recognise not only an act of publication but also an act of filing as a fact to be used to antedate prior art.

The current grace-period system in the United States has a similar function to the first-to-file system with one year grace in order to facilitate an inventor filing an application for his/her invention early. So the grace-period system overcomes the weakness of the first-to-invent system. On the other hand, the interpretation of partial priority under the “umbrella” theory has a similar function to the first-to-invent system, which can antedate the prior art in order for an inventor to be able to publish or use his basic invention before the filing of the application concerning his improved invention. So the practice based on the “umbrella” theory overcomes the weakness of the first-to-file system. Seen from this perspective, if the grace-period system and the partial priority system under the “umbrella” theory work effectively, they would be able to bridge the gap between the first-to-invent system and the first-to-file system.

The author believes that the true harmonisation of systems into the first-to-file system on an international basis depends on this solution.

After multiple priority was introduced at the London Conference in 1934, there occurred a dispute on the question whether,

“a right of priority is recognized as a special case of multiple priorities even if an application claiming priority contains an element that was not included in the application whose priority is claimed”

or

“a right of priority is not recognized because it cannot deem to be multiple priorities.”

The issue was resolved by the introduction of partial priority at the Lisbon Conference in 1958. The Paris Convention has such history. However, the same dispute came back in the late 1990s. This time, it highlighted the conflict between the “umbrella” theorists and the “fiction” theorists. Moreover the earlier history was, unfortunately, not referred to.

Ernest R. May, a historian of American foreign policy, has proposed three theses in “‘Lessons’ of the Past” as follows²⁵:

- (1) Framers of foreign policy are often influenced by beliefs about what history teaches or portends.
- (2) Policy-makers ordinarily use history badly.
- (3) Policy-makers can, if they will, use history more discriminatingly.

It seems we can see the current problems of the Paris Convention through May’s three theses.

²⁴ Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property as Revised at Stockholm in 1967*, 1968, art.11.

²⁵ Ernest R. May, “Lessons” of the Past: *The Use and Misuse of History in American Foreign Policy* (Oxford: Oxford University Press, 1973), preface.