



April 22, 2016

Mr. Tatsuo Takeshige  
Chair, B+ Sub-Group Workstream on Prior User Rights  
Director International Policy Division  
Japan Patent Office  
Tokyo, Japan

Via Email: [takeshige-tatsuo@jpo.go.jp](mailto:takeshige-tatsuo@jpo.go.jp)  
[nomura-kazushi@jpo.go.jp](mailto:nomura-kazushi@jpo.go.jp) (Asst. Director, International Policy Division)

**RE: IPO Comments on the Draft Paper on Prior User Rights, Rev. 2,  
March 11, 2016**

Dear Mr. Takeshige:

The Intellectual Property Owners Association (IPO) respectfully submits these comments in response to the “Draft Paper on Prior User Rights” Rev. 2, March 11, 2016 (Paper), by the Group B+ Sub-Group on Patent Harmonization.

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO’s membership includes more than 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans 43 countries.

IPO members file many thousands of patent applications globally each year under a patchwork of foreign laws. This process is enormously burdensome and expensive because of complex and different rules for obtaining patent rights. Moreover, as manufacturers, many of our members must assess the scope of patent rights granted to others throughout the world. Patent rights issued from national offices on the same application often differ, creating uncertainty in terms of validity or scope. This makes it difficult to decide whether owners should invest in new products and processes when such uncertainties could result in unnecessary litigation.

IPO strongly supports efforts to harmonize the substantive requirements of the world’s patent laws in ways that address these concerns. For many years, IPO has advocated for and supported international efforts to reduce the expense for innovators to obtain patent rights globally and provide more certainty about those rights. Further, we believe that effective harmonization of patent laws should begin by selecting the “best practices” for harmonized international patent laws.

IPO positions are set forth below on Prior User Rights. These positions encompass the broad goals and actions that we believe can achieve maximum international cooperation on patent matters.

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1. Scope

IPO supports a prior user right for all fields of technology. Such rights should begin upon substantial preparation of the working invention and should not be limited to actual use. The substantial preparation by the prior user must be covered by at least one claim of a patent that is ultimately granted in the country where the prior use occurred.

As a defense to infringement, the defense should be available not only to the person who performed or caused the performance of the acts necessary to establish the defense, but also to any other entity that controls, is controlled by, or is under the common control of such person.

2. Timing

IPO believes a prior user right should exist for substantial preparation or actual use prior to the earlier of either an applicant's earliest effective priority date for a claimed invention, or a non-prejudicial "graced" disclosure for the claimed invention.

This position coincides with Option 3 on page 34 of the Paper, under the topic "Critical date for Accrual of Prior User Rights." Please note that this differs from the statement on page 5 of the Paper that, in the Industry Trilateral, "there is an agreement that the critical date should be 'prior to filing date, or priority date.'"

Moreover, there should be no requirement that actual commercial use must occur "at least one year" prior to the effective filing date or graced disclosure. This differs from current U.S. law under 35 U.S.C. § 273(a)(2).

3. Exceptions

IPO supports eliminating special exceptions limiting the prior user right as a defense for patents owned by or assigned to universities or affiliated technology transfer organizations.

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IPO thanks you for considering these comments and would welcome any further dialogue or opportunity to provide additional information to assist in future efforts on this matter.

Sincerely,



Mark W. Lauroesch  
Executive Director