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## PUBLICATION

### WHOM THE PATENT RIGHTS TO AN INVENTION SHOULD BE GRANTED: THE TRUE INVENTOR OR THE FIRST APPLICANT

*By Nguyen Nguyet Dzung*

Patent rights have long been regarded as an incentive regime in order: (i) to stimulate and repay innovation of new and inventive things; (ii) to induce the disclosure of invention in order to promote further improvements and to allow the public to freely exploit the invention once the patent expires; (iii) to encourage the commercialization and exploitation of the invention that can benefit the public in many ways; and (iv) to promote technological progress, and thereby long-run economic growth. However, the question whom the patent rights to an invention should be granted, the person who is the first to file the patent application for such an invention before the patent office, or the “true” inventor –the person who first conceived the invention, has been under debate for long time.

#### **First-to-File vs. First-to-Invent Patent Regimes**

The first-to invent system, in which a patent shall be granted to a true inventor, is now applied only in the United State of America. In all other countries, the person who is the first to file the application for a patent or is the first to validly claim priority for an application for the same invention is entitled to the grant of the patent. Before exploring why Vietnam patent law makers have followed the first-to-file doctrine, we should understand a few basics concepts in patent law and the difference between the two regimes.

The United States, Canada and the Philippines are three countries, which have been unique in using a *first-to-invent* system, although slightly different. However, Canada switched from the first-to-invent to first-to-file system in 1989, followed by the adoption of the same in the Philippines in 1998. Under the first-to-invent regime, there are two dates that is very important in determining the entitlement to the grant of a patent: the date of conception of the invention, the date of reduction to practice. The date of conception is when the inventor first conceived of the invention. The date of reduction to practice is when the inventor built a working model or a prototype (actual reduction to practice), or when the inventor filed a patent application (constructive reduction to practice).

When an inventor conceives of an invention and *diligently* reduces the

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invention to practice (by practicing the invention, building a prototype, or filing a patent application, etc.), he or she will be considered as the first and true inventor and entitled to a patent, even if another files a patent application, constructively reducing the invention to practice, before the inventor. When there are two inventors filed patent applications with the US Patent and Trademark Office (USPTO) on the same invention, an interference hearing might occur before the Board of Appeals and Interferences at the USPTO to determine who conceived of the invention first, and whether the inventors have been diligent in reducing their inventions to practice. This is how the first-to-invent system works.

The first-to-file rule was first adopted by European countries and has gradually become the international standard since except the United States, all other countries in the world follows a first-to-file patent system today. This system gives priority to the person who first files a patent application at their patent office, no matter if he or she is the person who first conceives the invention or not. In case there are two applications for the same invention filed by different applicants, the patent may only be granted to the application having the earlier filing date. The date of filing, not the date of conception, shall matter.

The supporters of the first-to-invent system argue that in principle, the to-be-awarded party should be the true and first inventor, not the person who rushes to the patent office to first file an application. They regard the system as beneficial to small and independent inventors who need to take their financial resources into consideration before making a costly decision to file a patent application. Further, since an inventor does not have to rush to the patent office, he or she will have more time to conduct a comprehensive patent search of prior art to determine if his or her invention is patentable. He or she shall have sufficient time as well to prepare a patent specification of good enough quality with the sufficient breadth of disclosure, thereby to save a plenty of time for patent office's examiners in examination his or her patent application and to reduce the backlog of pending applications at the patent office.

The opponent of the first-to-invent regime, on the other hand, assert that the first-to-invent system has resulted in a costly and lengthy interference proceeding to determine who conceived of the invention first. The costs in a patent interference dispute may get too high and unbearable for a small inventor, leading to abandonment of his or her patent application. In this sense, the first-to-invent rule, which has been construed as beneficial to independent inventors, may turn out to be undesirable to small inventors. Also, the utter simplicity of the first-to-file systems can hardly be denied. There are no interference disputes because of the first come first served

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rule: whoever gets the earliest postmark stamp on the patent application shall be entitled to the patent.

### **Rationale of the patent disclosure in exchange for an exclusive right**

The theoretical basis of the first-to-file system stems from the contract theory of patents. We know that the patent grants the exclusive right to the patent owner. In exchange for the exclusive right, an applicant must disclose his/her invention in a sufficient way as so to enable a person of ordinary skill in the art to which the invention pertains to make and use the invention. The sufficient and enabling disclosure of the invention also serves to place the teachings of the invention in the public domain so that the public can practice the invention when the patent expires. That is, a patent is a written contract between the patent office and the inventor in which the consideration is the above-mentioned exchange.

Thus, if an inventor conceives an invention, diligently reduces his or her invention to practice by building a prototype, but not filing a patent application with the patent office, his or her invention still remains secret and undisclosed to the public. Then, firstly, it appears to be fair to reward with the exclusive right the first applicant to disclose the invention to the public by filing the application with the patent office. Secondly, other patent applicants might be affected considerably by so-called "secret prior art", because they could not locate that secret prior art through a prior art search before filing their applications with the respect patent office.

### **The patent regime in Vietnam**

Vietnam follows the first-to-file rule though small enterprises and independent inventors prevail. At the first glance, it seems strange because the first-to-file regime has been regarded as beneficial to large corporations with well-established patent departments with a plenty of seasoned patent in-house attorneys, and thereby placing small enterprises and independent inventors at a severe disadvantage. However, there are few things that should be taken into consideration if one wishes to understand the whole picture.

First, it is not easy to determine who out of two inventors filed patent applications with the National Office of Intellectual Property of Vietnam (NOIP) for the same invention, first conceived of the invention, and whether that inventor has been diligent in reducing his or her invention to practice. Imagine that the NOIP's examiners or somebody else shall have to

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check on all possible diaries, records of any laboratory works and/or experimentation/test results in order to find out who has the earlier date of conception. It is not practical at all because it is hard to determine the authenticity of such documents and might be very costly and lengthy process unacceptable to small enterprises and independent inventors.

Second, since Vietnam technology is still at a low level of development, inventors are encouraged to patent their inventions in exchange for a sufficient and enabling disclosure of their invention for the public's use when the patent expires. Any delay in filing a patent application means a delay in disclosing a new technology to the public and therefore should not be encouraged. As a matter of fact, the aim of granting a patent is to encourage incentive to invent, incentive to disclose, incentive to commercialize, and incentive to design around. That is why patent can create private value and at the same time enhance welfare for society as a whole. That is why a patent should be granted to a first filer who duly bring his or her invention to the public's light./.