

The reform of the European Patent Convention: grant and opposition proceedings

The modifications made to the European Patent Convention in 2000, which are due to come into force by the end of 2007, will have major implications for patentees and applicants

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The economic value of European patents is a matter of growing importance for patentees, in particular in view of the evaluation of companies' intellectual assets.

In order to adapt the European Patent Convention (EPC) more closely to the role of patents in today's economy and to users' needs, the EPC was heavily modified in 2000. The so-called EPC2000 will replace the Convention presently in force by December 2007 at the latest, the exact date depending on the ratification process in the different EPC countries. This article is a review of grant and opposition procedure before the EPO, and also of the most significant amendments which the EPC2000 will introduce.

The EPC2000 has not affected the important principle according to which only grant and opposition procedures are unified before the EPO. National courts of the states designated in the European patent system remain competent for any infringement within their own territorial jurisdiction. Thus the EPC2000 does not establish a single unitary patent. Initiatives such as the Community patent may cause this state of affairs to change in the future. Another possible alternative, although of a different nature, is the European Patent Litigation Agreement (EPLA).

The EPC, and in particular the EPC2000, nevertheless contains some provisions unifying to some extent the rights conferred by a European patent application after publication, and then by a European patent after grant; the authentic text of a patent application or of a patent; the scope of

protection; and the grounds for revocation. In particular, Article 69, which defines the scope of protection of a European patent, is amended to include a special provision requiring that equivalents be taken into account, although no definition is given of what an equivalent is. Most European countries, however, already have a doctrine of equivalents.

Filing, states designation and priority claiming under EPC2000

A general feature of the EPC2000 is that many provisions are harmonised with the Patent Law Treaty (PLT). In particular, the applicant will have the following additional filing possibilities:

- An application in any language, provided a translation into one of the EPO's official languages is filed within three months of the filing of the application.
- A mere reference to a previous application, provided the last one and possibly its translation is filed within two months of the filing of the application.
- A description without claims, provided claims are filed shortly after. However the well-established case law regarding Article 123(2) will still apply under the new Convention and it will be probably very difficult in certain cases to extract a concise claim from a description in which all features are intermingled. In other words, filing a description without claims can lead to situations where there is no clear basis for a concise definition of the invention. This possibility of filing without claims will certainly be useful in some urgent cases but will probably be a source of difficulties for some applicants.

With respect to priority claiming, the EPC2000 is also very liberal. Claiming of priority is possible up to 16 months from the priority claimed or until the filing of a request for early publication. It also gives the applicant the possibility of having its rights re-established with respect to the priority period of 12 month. Re-establishment has to be requested within two months of expiry of the 12 month period. As to the translation of the priority document, it will be requested only if the priority claim is relevant to the determination of patentability. This should result in significant cost savings for the applicant.

The territorial extent of protection remains a strategic tool for the applicant with respect to competitors. As of now, 31 states have joined the EPC, which represents a huge territory and a huge market. Norway will also join the EPC in the near future. According to the EPC2000, all contracting states will be deemed to be designated upon filing in every application. This means that the application will provisionally designate all contracting states. And, regardless of the designated states, any published European application will form part of the state of the art for novelty in view of any latter European application, each application being considered with its relevant filing or priority date. The applicant can still choose (or designate) the states in which protection for the invention is wanted (designated states), normally within six months of the publication of the search report.

The European patent application

The EPC2000 does not change what a European patent application should basically comprise: a description of the invention in terms of structural features and/or method steps and/or technical functions. Advantages, comparative results and examples should also be included, when available.

Explaining the invention in terms of a problem-solution approach with respect to the published prior art is very often a good basis for any future discussion with the EPO on patentability. The EPO examiner could still consider another technical problem, but nevertheless the approach presented by the applicant will be helpful.

Claims, which define what the applicant wants to protect, are very important. Some patent applications are filed with claims which are adequate for another legal system (the US for example), but not for European practice. It is therefore often advisable to

redraft a set of claims based on a prior application before filing in Europe.

Introducing different concise definitions of the invention in the description is also recommended when preparing the application. This, together with broadened dependencies of the dependent claims, will be very helpful and will save time – and the corresponding costs – at any further stage of the examination or opposition procedure.

Preparing the application with these principles in mind gives some potential flexibility in view of the future grant procedure, reduces legal risks and is essential to the value of a future patent.

Concerning substantive patent law, the EPC2000 was signed at a time when the recently withdrawn EC Directive, designed to harmonise the national laws of EU member states on the patentability of computer-related inventions (CRI), was still a possibility. Computer programs as such therefore remain excluded from patentability, although the case law of the EPO today seems quite well established and national decisions regarding patentability of CRIs are increasingly in line with it. This case law and the legal basis in the EPC for CRI will probably remain as they are for a long time.

A legal basis is now included for second therapeutic application, which was formerly a construction of the case law.

The grant procedure

Claims are definitions of the invention and will be the reference when assessing whether any product or process is infringing the patent or not. Claims are therefore essential.

During the grant procedure most of the prosecution work done by the applicant or its European patent attorney (EPA) will concern the claims. The EPC sets out substantive criteria that have to be fulfilled by the claims; these mainly relate to novelty and inventive step. Prosecution work is essential as it determines the value of the patent, not only in judicial but also in economic terms.

The EPO grant procedure first comprises a prior art search. A search report (SR) is drafted and published by the EPO. There is no duty of disclosure, unlike the US practice. However, according to the EPC2000, the EPO may now invite the applicant to provide information on prior art taken into consideration in national or regional patent proceedings. If the applicant fails to reply, the application is deemed to be withdrawn. Is this the beginning of a duty of disclosure at the EPO? The applicant should evaluate

whether any document cited by the EPO should be disclosed in the context of any prosecution abroad, including, of course, in the United States.

If the application as filed contains many independent claims of the same category, and/or very broad claims, the SR will not be very well focused on the invention. Even more problematic is the situation where the claims are too vague or cover non-searchable subject matter. Indeed, in such cases the EPO does not carry out any search: the subsequent stages of the grant procedure are normally based on the SR and a patent cannot be granted if there is no SR. Such a situation is very common with business method applications, but also in other fields; for example, when therapeutical or surgical methods are claimed. In such cases it is strongly recommended that the claims be redrafted before filing in order to claim subject matter not excluded from the search.

Together with the SR, the EPO now issues an opinion on whether the application and the invention meet the requirements of the EPC, the opinion and the SR forming the so-called Extended Search Report (ESR)

A careful consideration of this ESR is essential to evaluate possible future legal risks. At this stage, the applicant can amend the application, which is a good opportunity to prepare for the substantive examination.

Amending the claims during substantive examination is often very delicate work. A typical difficulty arises when the applicant instructs his EPA merely to file a set of claims already granted by another patent office, such as the USPTO. These sets of claims are usually not adapted to EPO practice.

The EPO is very strict with any added subject matter, or any amendment which introduces technical information not contained, at least implicitly, in the application as initially filed. For example, a generalisation of a particular feature very often introduces added subject matter. Certain – but not all – patents granted with added subject matter may be totally revoked in post-grant opposition or by a national court without any possibility for the patentee to overcome an objection of added subject matter. Other patent offices may be more flexible in this respect and sometimes the applicant just instructs the EPA to file another set of claims already granted by another patent office. This is a major risk, as this other set of claims may contain some added subject matter forbidden according to EPO criteria. The mere filing of such a set of claims can be a short-term cost saving, but can also result in huge

losses in the long term.

The EPO has made many efforts to make the whole grant procedure shorter than it used to be. Some periods have been shortened or are no longer extendable, for example the one for responding to the so-called Rule 51(4) Communication. And the fees for further processing are also much higher than in the past. In addition, the EPO still offers applicants the chance to file a request for accelerated examination. This is very efficient, incurs no additional costs and is very helpful to applicants who are interested in a rapid grant, for example because of a licence agreement or a potential litigation, or because they are start-up companies whose investors are not demanding only patent applications, but also granted patents.

Limitation proceedings

The EPC2000 establishes limitation proceedings which did not exist before. The owner of a granted patent will be able to file a request for limitation of its own patent. The Examining Division will examine whether amended claims filed by the owner are a limitation of the granted claims, are clear and comply with Article 123(2)(3) EPC. If not, the patentee will have one opportunity to amend the patent. The request for limitation can be re-filed again at any time. Opposition procedure will take precedence over the limitation procedure: a limitation cannot be filed if opposition proceedings are pending and any limitation procedure will be terminated if an opposition is filed.

Opposition proceedings

Any third party can file an opposition within nine months of the grant of any European patent. It is, of course, a legal risk which has to be taken into account if an economic evaluation of a patent application is performed at a very early stage. The consequences of an opposition can be dramatic, as most oppositions are usually filed after a long grant procedure, and after validation of the patent in several contracting states. In addition, it applies to all contracting states covered by the patent.

The opponent seeks to challenge the patentability of the protected invention. It usually files evidence which was not taken into consideration by the EPO before grant. Noteworthy is the fact that there is no estoppel effect as in the *inter partes* re-examination in the United States. Not citing a document which the opponent could have known about when filing the opposition will not prevent the opponent from using such a

document at a later stage; for example, during any litigation procedure.

The opponent is usually a competitor who feels threatened by the granted patent or someone who has already been directly threatened by the patentee.

For this reason it is preferable for the patentee to wait, as much as possible, for the expiration of the nine-month period after grant before approaching any third party with not only peaceful intentions but also the thought to trigger infringement action. However, this is not always possible, usually for strategic reasons.

In response to an opposition, the patentee has limited opportunities to amend the claims. In addition to being forbidden to add subject matter, the patentee has to deal with another constraint: it cannot extend the scope of the claims. The chances for the patentee to amend the claims are therefore much more limited than during the grant procedure.

An opposition procedure can extend over two or three years. It should be noted that a request for accelerated processing of an opposition is possible when an infringement action is pending before a national court of a contracting state.

The EPC2000 has introduced a legal basis for giving the opposition division the right to examine of its own motion grounds not invoked by the opponent if these could prejudice the maintenance of the patent.

Conclusion

As already explained above, national courts will decide any litigation relating to a European patent. In courts and among judges, awareness of the value of IP assets, and of the necessity to stop any infringement and to award adequate compensation for damages to IP owners, is growing.

The European Union is also aware of the problem of infringement in Europe: see for example Directive 2004/48 on the enforcement of IP rights and Regulation 2003/1383 on customs action against infringing goods, which was extended to patents.

The difficulties of the various procedural steps and the consequences of oversight in dealings before the EPO should therefore be considered very seriously by applicants. Underestimating the consequences of a particular prosecution strategy can have huge consequences, in both legal and economic terms. The EPC2000 offers some flexibility with respect to the former EPC but one should never underestimate the difficulties of the procedure before the EPO.