

The European Patent Convention and the London Agreement

By **Pierre-André Dubois** and **Shannon Yavorsky**, Kirkland & Ellis International LLP

The European Patent Convention (EPC 2000) came into force on 13th December 2007, introducing sweeping changes to the European patent system. The new convention governs the granting of European patents by the European Patent Office (EPO) and applies throughout the 34 contracting states of the European Patent Organisation (ie, the 27 EU Member States as well as Croatia, Iceland, Liechtenstein, Monaco, Norway, Switzerland and Turkey). The original convention (EPC 1973), which dates back to 1973, was outdated due to a number of developments in international law and the need to improve the procedure before the EPO. While the new convention does not overhaul substantive patent law (ie, what is patentable and what is not), it does introduce a number of changes which patent owners will need to be aware of. The EPO has commented that the text of the EPC 2000 is more adaptable to new developments than the old text, which will enable it to keep current with developing Community law. A main feature of the new convention is the strengthened rights for applicants.

Another key development is the London Agreement which, after many years on the table, is expected to come into force in 2008. The key aim of the London Agreement is to reduce costs for patent holders by introducing a cost-effective translation regime for European patents. The countries which are party to the agreement agree to waive, either in part or in whole, the requirement for translations of already granted patents in their national language. The agreement is expected to spare patent holders significant costs relating to the translation of European patents and associated patent attorney fees.

EPC 2000 – why change?

The EPC 1973 came into force in 1977 and revolutionised patent practice. However, in the last 30 years, the patent landscape changed significantly and it became apparent that there was a real need to overhaul the dated legislation. First, the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) and the Patent Law Treaty (PLT) came into force, and it was questionable whether the EPC 1973 was in line with the provisions of each of these agreements. As one example, the EPC 2000 clarifies that, in accordance with TRIPs, patents can now be granted in all fields of technology as long as they are new, comprise an inventive step and are susceptible of industrial application. Second, the EPC 1973 was difficult to amend and, in the face of fast-changing technology and European legislation, required greater legislative flexibility. Under the EPC 2000, many amendments can now be made directly through the Administrative Council and no longer require specific diplomatic conferences of the contracting states. Finally, the new text goes a long way to assist applicants, who can now file patent applications in any language (although within two months a translation must be submitted in English, German or French).

Pushing the EPC 2000 through the political system was not an easy task. Although the EPC 2000 was agreed, it did not automatically come into force: no less than 15 contracting states had to ratify it for the contracting states to be bound by it. It was therefore not until late 2005 that the 15th state (Greece) ratified and the remaining contracting states had to follow suit.

EPC 2000 – what's new?

Although there are a number of small changes to the text, tidying up the language and clarifying certain translated words, there are a number of important features of the

EPC 2000 which will impact on patent practice in the contracting states. The key changes concern the following:

- “novelty only” prior art.
- medical use claims.
- doctrine of equivalents.
- post-grant amendment.
- Enlarged Board of Appeal.

Additionally, a number of procedural changes broadly bolster applicants’ rights and streamline the process of obtaining a patent.

“Novelty only” prior art

Under the EPC 1973, a European patent application filed before but published after the priority date of a later application was prior art against the later application only in relation to novelty and *only* in respect of commonly designated states. Under the EPC 2000, an earlier application will be prior art against the later application for *all* designated states, although still only in relation to novelty.

Medical use claims

Under the EPC 1973, claiming a medical invention was complex. Methods of treatment and diagnosis were not patentable, but the substances and compositions used in such methods of treatment and diagnosis were patentable. The issue was that although a first medical use of a substance was allowable, any further or secondary uses had to be claimed using the “Swiss-style” claim (ie, one which refers to the medical treatment indirectly in order to avoid the novel feature of the claim being in an excluded field). Although methods of treatment and surgery remain excluded, the EPC 2000 eliminates any uncertainty over the patentability of further medical uses. It allows purpose-related product protection for each further new medical use of a substance or composition already known as a medicine, a welcome development for the pharmaceutical and biotech industries.

Doctrine of equivalents

A “doctrine of equivalents” (ie, where claim protection can be extended to cover embodiments that do not fall within the literal scope of a patent’s claims, but which are equivalent to those claimed) has long been recognised in some jurisdictions (including the United States), but was never recognised by the EPO (and in fact was rejected in the UK by the House of Lords). The EPC 2000 now recognises that equivalents should be *considered* when

addressing the scope of patent claims. However, the original amended text, which was closer in spirit to a US-style doctrine of equivalents, was rejected and the watered-down text may be narrower than the US doctrine. It is likely that case law in this area will flesh out how far this provision will actually go towards establishing a true doctrine of equivalents.

Post-grant amendment

The EPC 2000 contains a mechanism whereby a patent proprietor can request that a granted patent be amended or revoked centrally at the EPO. Under the EPC 1973, a granted patent could be amended outside of the opposition procedure only by applying separately to the patent office or courts of each designated state, which was a costly and time-consuming process.

Enlarged Board of Appeal

The European patent system came in for criticism because there was no further avenue of appeal beyond the Boards of Appeal. Although national courts could revoke a patent which had been upheld by the Boards of Appeal, they could not review a refusal by the Boards of Appeal. The EPC 2000 introduces the possibility of a “petition for review” in relation to decisions of the Boards of Appeal to the Enlarged Board of Appeal. A petition for review may be based only on the grounds defined in the EPC 2000. These are: (1) fundamental procedural defects which occurred in appeal proceedings; or (2) the existence of a criminal act which may have had an impact on the decision. Three fundamental procedural defects are defined under the EPC 2000:

- a breach of the provisions of the convention governing exclusion of and objection to members of a Board of Appeal.
- participation of someone not appointed as a member of the Boards of Appeal.
- a fundamental violation of Article 113 concerning the right to be heard and the basis of decisions.

Although this is not a general appeal procedure, it does expand the scope for certain cases to have a further avenue of appeal.

Procedural changes

Several key procedural changes brought by the EPC 2000 have the effect of streamlining the patent process, as well as ramping up applicants’ rights in general.

These changes relate to priority claims, filing dates and further processing.

Priority claims

Under the EPC 1973, applicants wishing to claim priority had to file a declaration of priority, a copy of the previous application and, where the latter was not in an official language of the EPO, a translation of the previous application into one of those languages. Under the EPC 2000, as part of compliance with TRIPs, an application in any World Trade Organisation (WTO) member country can be used to establish priority. Pursuant to both the Patent Cooperation Treaty (PCT) and the PLT, where the earlier application is not in a language accepted by the EPO, a translation of the priority document may be required only where the validity of the priority claim is relevant to the determination of the patentability of the invention concerned. This amendment is another key change which strengthens applicants' rights and simplifies the process for obtaining a patent.

Filing dates

The requirements for obtaining an official filing date for a European patent application have been streamlined in accordance with the PLT. The EPC 2000 no longer lists the requirements for obtaining a filing date – these are transferred to the Implementing Regulations, which reflect the standard laid down in the PLT. The Implementing Regulations state that the date of filing of a European patent application shall be the date on which the documents filed by the applicant contain:

- an indication that a European patent is sought;
- information identifying the applicant or allowing the applicant to be contacted; and
- a description or reference to a previously filed application.

One key change is that, in order to comply with the PLT, claims are no longer required to obtain a filing date, though they will need to be added later. This will allow for the often-needed urgent provisional filing which was permitted in other jurisdictions (eg, the United States).

Further processing

Under the EPC 1973, the further processing procedure was a valuable way to obtain additional time in which to complete certain procedural steps. The issue was that the

procedure did not apply in all circumstances. The further processing procedure under the EPC 2000 broadens the scope of application of further processing and makes it the standard remedy in cases of failure to observe time limits in the European patent grant procedure. Importantly, this change means that non-payment of filing, search, examination and designation fees can be remedied by using further processing.

Transitional provisions

Under transitional provisions of the EPC 2000, most of the revised provisions apply to patents already granted and applications still pending. The EPC 2000 applies to all European patent applications filed after its entry into force and to all European patents granted in respect of such applications. It will not, however, apply to European patents already granted when it enters into force or to European applications pending at that time, unless otherwise decided by the Administrative Council. Priority from a previous application filed in a member of the WTO may also be claimed for a European or Euro-PCT application with a filing date on or after the date of entry into force of the EPC 2000. For European patent applications filed on or after the date of entry into force of the EPC 2000, all earlier European patent applications and international patent applications (which meet the requirements set out in the EPC 2000) will comprise the state of the art. In relation to applications filed on or after the entry into force of the EPC 2000, it is no longer relevant whether the same contracting states are designated in the conflicting earlier application.

London Agreement

As well as the systemic issues with the outdated EPC 1973, patent owners were complaining about the astronomical costs of patent translation. If patent owners sought protection for their inventions in all member states of the European Patent Organisation, they would need to have their European patent fully translated into 22 languages, often at a cost of at least €100,000. The vast sums spent each year on translations were a drain on R&D budgets and were considered a form of tax on innovation. It was clear that something had to give – the costs associated with patent translation were too high and the process took too long. The EPO therefore held an intergovernmental conference in 1999 to discuss lowering patent costs and one of the outcomes of this meeting was the groundwork for the London Agreement.

The London Agreement was concluded in London on 17th October 2000 and has now been ratified by Denmark, France, Germany, Liechtenstein, Luxembourg, Monaco, the Netherlands, Sweden, Switzerland, the UK, Croatia, Iceland and Latvia. The London Agreement seeks to create a cost-effective post-grant translation regime for European patents. The parties to the agreement agree to waive, either in part or in whole, the requirement for European patents to be translated into their national language. Contracting states which have a national language in common with one of the official languages of the EPO, such as France, Germany and the UK, will do away with translation requirements. Other countries have the right to request a translation of the claims of the patent into one of their official languages. However, in the event of a dispute relating to a patent, the patent owner must, at its own expense, supply a full translation of the patent to the alleged infringer and to the competent court.

The position now is that in order to obtain a patent in seven states (ie, France, Germany, Italy, Netherlands, Spain, Switzerland and the UK), the proprietor of a European patent need only provide two full translations and three translations of the claims at an estimated cost of Euros 3,600. As aforementioned, the current cost of

producing the five full translations required is Euros 7,000. The reduction in translation costs would therefore be around 45%. It is anticipated that money currently spent on patent translations can be redirected to R&D, which should result in a more innovative and competitive Europe.

Conclusion

The EPC 2000 and the London Agreement will have an appreciable effect on patent practice in Europe and it is incumbent upon practitioners to be aware of the changes. The new EPC is a flexible text that will, by all accounts, easily absorb new legislation and adapt to new technologies. The procedural changes are a real boon to applicants, who will find it easier to rectify errors in filing – including failure to observe time limits, among other things. From a practical perspective, practitioners will need to understand the new law and will need to update their systems to take account of the new fee structures, new forms and Article and Rule numbering changes of the EPC 2000. The inauguration of the London Agreement is eagerly anticipated and, if all goes to plan, will further simplify the process of obtaining a European patent and make the translation process considerably less onerous and time consuming – and, importantly, much less expensive.



Pierre-André Dubois heads the firm's UK IP and competition group. He obtained a first-class LLB (honours) from the University of Montreal in 1984. His practice covers all aspects of IP and IT law, as well as UK and EU competition law. PLC Which Lawyer? Global 50 named him as a leading lawyer in 2005, 2006 and 2007, while he was named as a leading lawyer by the Legal 500 (UK edition 2003) and Global Corporate Counsel (2002).

Pierre-André Dubois

Partner

Email: pdubois@kirkland.com

Tel: +44 20 7469 2020

Kirkland & Ellis International LLP
UK

www.kirkland.com



Shannon Yavorsky is an associate in the IP and IT group. Ms Yavorsky obtained a BA in comparative literature from the American University in Paris in 1997, an MPhil (honours) from Trinity College, Dublin in 1999 and her legal practice qualification from BPP Law School in London in 2003. Her practice covers all aspects of contentious and non-contentious IP and IT law.

Shannon Yavorsky

Associate

Email: syavorsky@kirkland.com

Tel: +44 20 7469 2141

Kirkland & Ellis International LLP
UK

www.kirkland.com