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How does the Unified Patent Court understand the concept of obviousness?

The greatest challenge that a new court poses to parties wishing to entrust their case to it is the uncertainty how the court will approach the case, assess the parties' written and oral submissions and finally decide the dispute. At the same time, this is the greatest challenge for lawyers representing a party before that court. Of course, the party would prefer to know from its lawyers how the court will (certainly) decide the case. At the very least, the party wants to know how the court might decide the case and what standards and methods it is likely to apply to reach a solution.

It does not come as a surprise that the more experience lawyers have with a court and the more consistent and reliable this court's practice is, the better and more accurately those questions can be answered. In this respect, a young court such as the Unified Patent Court ('UPC') cannot, of course, compete with venerable institutions such as the German Landgerichte and Oberlandesgerichte, the Federal Patent Court, the Bundesgerichtshof and the Boards of Appeal of the European Patent Office ('EPO'). The problem is exacerbated by the fact that, although the UPC is referred to as a single court, we must distinguish not only between the Court of First Instance ('CFI') and the Court of Appeal ('CoA'), but also between the various Local Divisions ('LD') and the (so far only one) Regional Division, as well as the Central Division ('CD'), which is itself divided into three Sections in Paris, Munich and Milan, all of which may, at least potentially, develop their own characteristics – not to mention the different judges in these units.

On the other hand, it is precisely this necessary deficit that constitutes a large part of the advantage and appeal of dealing with initial decisions and participating in the court's initial steps and proceedings.

My topic is a central issue in all disputes that deal directly or indirectly with the validity of patents: the inventive step as a necessary prerequisite for a patentable invention and a valid patent, and therefore also as a necessary prerequisite for a patent infringement action that is intended to be more than just a temporary success or a means to force settlement.

Nevertheless, inventive step is not mentioned in the title of my short presentation. This is because, as is well known, we do examine inventive step neither in litigation nor in grant or opposition proceedings, nor are we able to do so. To do so, we would not only have to have a complete overview of the state of the art, down to the smallest detail, but also evaluate prior art in its entirety. This is not possible even with the help of artificial intelligence. We can therefore only examine, conversely, whether there is prior art that suggests or motivates the invention. If this is not the case, the invention shall be considered as involving an inventive step, as Article 56 of the European Patent Convention ('EPC') expressly states. It is to be hoped that, in

most cases, this is not a legal fiction, but a legal presumption. The Court of Justice of the European Union mentioned it rather casually in ‘Phoenix Contact’. Since then, it has been possible to build entire theoretical constructs on this legal presumption which, as is sometimes the case, actually already arise from the law and do not require consultation with the European Union's highest legal authority.

The UPCoA dealt for the first time in 10x Genomics v. NanoString[i] with the principles of interpreting or construing patent claims, but also with the examination of novelty and non-obviousness of the subject matter of a properly interpreted patent claim. The principles of claim construction are not my subject, but they are nevertheless relevant in several respects to the issue of examining obviousness.

They are relevant, first, because they determine the subject matter of this examination. What we examine for lack of novelty and obviousness is the subject matter of the interpreted patent claim. It is the entirety of the individual technical features in their context that together result in a specific technical teaching. This is precisely why it is so important (and yet so difficult to consistently adhere to) to always understand the patent claim in the same way, regardless of whether infringement or validity is being examined.

However, there is another reason why the principles of claim construction are important: If the teaching of the invention as a whole is the subject of our examination, this subject is inherently less suitable for a formalised examination approach such as the ‘Problem Solution Approach’. After all, we want to know whether there is anything in prior art that would have suggested or motivated this entirety (i.e. all features of the patent claim in their context) to a person skilled in the art. Why should we then go and – in a purely ex-post analysis – first break down this entirety into features that we find in a certain piece of prior art and those that we do not, in order to then derive from this difference – again retrospectively – a problem whose solution may or may not have been obvious? Accordingly, in 10x Genomics v. NanoString, the CoA does nothing of this sort, but examines a document, cited by the party challenging patent validity, to determine whether it represents a plausible starting point for the skilled person to further develop the state of the art and, if so, whether this further development would have led to a result that corresponds to the technical teaching of the invention.

For this examination, too, it is important not to artificially break down the prior-art document into its individual elements, but to consider the document, its premises, its objectives and its results in their entirety. This prevents false conclusions. No hasty conclusions about factual differences should be drawn from different formulations, nor should factual similarities be hastily inferred from identical or similar formulations where the actual meaning is different. The three most important things in examining prior art are therefore: first, context; second, context; and third, context.

This is both a challenge and an opportunity for the party's legal representatives. Less important than listing as many documents of supposed relevance as possible is a ‘good story’ about how the skilled person would have arrived at the invention. Malte Köllner described this very aptly in an excellent essay in which he outlined the differences between the examination of inventive step by the EPO's Boards of Appeal and the examination by the Bundesgerichtshof. This ‘story’ does not consist of a hodgepodge of individual features, some of which are found here and some there, and which are linked together more or less arbitrarily. Rather, the story has its own context in which, ideally, everything fits together.

This does not necessarily mean that the Problem Solution Approach has been completely abandoned. Unlike the examiner, who must first find a starting point from which he or she can meaningfully examine the possible obviousness of the invention, this starting point, or more precisely, these starting points, are predetermined for the UPC, as in national revocation proceedings before the Federal Patent Court and the Bundesgerichtshof or in English proceedings before the High Court: They result from the possible starting points presented by the parties. The court must examine them, and if it does not wish to do so, it must provide a conclusive reason for this. The statement that a prior art document is not the closest prior art is not a conclusive reason for denying obviousness based on this prior art document. Conversely, if obviousness can be affirmed, it is irrelevant whether the starting point was the closest prior art or actually the second or third best.

In my opinion, these findings are increasingly gaining acceptance in court practice. I would like to share my impressions of recent case law, which are by no means exhaustive and are entirely subjective. There still seem to be differences between divisions that are more strongly influenced by the guidelines of the CoA and German practice and others that are less so. The dividing line does not necessarily run between the German LDs and the other divisions, and there are sometimes remarkable differences even within a LD or the CD.

A strong and clearly recognisable line is closely aligned with the landmark decision of the CoA. For example, the Munich Section of the CD summarised the case law of the CoA in a judgment of 16 July 2024[ii] as follows:

> *8.6 In order to assess whether or not a claimed invention was obvious to a skilled person, it is first necessary to determine a starting point in the state of the art. There has to be a justification as to why the skilled person would consider a particular part of the state of the art as a realistic starting point. […] There can be several realistic starting points. It is not necessary to identify the ‘most promising’ starting point.*
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> *8.7 Comparing the claimed subject matter, after interpretation following the guidelines provided above under ‘claim interpretation’, and the prior art, the subsequent question is whether it would be obvious for the skilled person to, starting from a realistic prior art disclosure, in view of the underlying problem,*

> *arrive at the claimed solution. If it was not obvious to arrive there, the claimed subject matter meets the requirements of Article 56 EPC.*

The decisive criterion here is motivation or incentive for the skilled person:

> *8.8 In general, a claimed solution is obvious if, starting from the prior art, the skilled person would be motivated (i.e. have an incentive or, in German: 'Veranlassung' […]) to consider the claimed solution and to implement it as a next step […]. Depending on the facts and circumstances of the case, it may be permissible to combine prior art disclosures.*

In this context, the 'reasonable expectation of success' well known from the case law of both the Boards of Appeal and the Bundesgerichtshof may play a role, as the CD also explains.

It also expressly warns:

> *8.10 The Central Division emphasises that hindsight needs to be avoided. The question of inventive step should not be answered by searching retrospectively, with knowledge of the patented subject matter or solution, for any (combination [of]) prior art disclosures from which that solution could be deduced.*

These principles are quoted in detail and adopted in a decision of the Munich LD of 27 August 2024[iii] and confirmed in a further decision of the Munich CD Section of 17 October 2024[iv], which, in main proceedings involving a patent claim similar to that in the 10x Genomics v. NanoString case before the CoA, came to a more or less identical conclusion.

Less decisive, but similar in substance, are the examination principles formulated in a decision of the LD Düsseldorf of 3 July 2024[v] and in a judgment of 26 August 2024 by the LD Hamburg[vi].

In contrast, the Paris LD, in a judgment of 4 July 2024[vii], is quite taciturn and apparently unaffected by the approach of the CoA, stating simply:

> *23.2 In order to assess inventiveness, it is necessary to determine whether, given the state of the art, a person skilled in the art would have obtained the technical solution claimed by the patent using their technical knowledge and carrying out simple operations. Inventive step is defined in terms of the specific problem encountered by the person skilled in the art.*

Identical wording can be found in other decisions of the Paris LD[viii] and of the Paris CD Section[ix], which expressly refer to the decision of the Paris LD of 4 July 2024 (the last decision of the CD also referring to the judgment of the Munich CD Section of 17 October 2024 and thus indirectly to the fundamental decision of 16 July 2024). In particular, I am not familiar with the criterion of 'carrying out simple operations' and it seems to me that it requires explanation. It may originate from French practice. It

is also unclear and unexplained how the ‘specific problem encountered by the person skilled in the art’ is defined in this context.

Another striking feature of these decisions is that they strictly limit themselves to examining the lines of argument put forward by the parties. Unlike the Boards of Appeal and also unlike the Bundesgerichtshof, there is no examination structure chosen by the court itself. The role played by Common General Knowledge (‘CGK’) in these decisions is also worth mentioning. Similar to English decisions, CGK is treated as a separate factor, so to speak, whose combination with the piece of prior art which serves as a starting point does not require further justification and at least points to obviousness.

Finally, a very recent decision by the Munich LD[x] is surprising, as it contains the following remarkable sentence:

> *For assessing whether an invention shall be considered obvious having regard to the state of the art, the problem-solution approach (PSA) developed by the European Patent Office (EPO) shall primarily be applied as a tool to the extent feasible to enhance legal certainty and further align the jurisprudence of the Unified Patent Court with the jurisprudence of the EPO and the Boards of Appeal ….*

If one were to take this sentence, whose aim of alignment is expressly repeated shortly afterwards, at face value, the question of who does and should sit in the driver's seat, the UPC or the EPO, would be clearly answered. However, it should not be taken quite so seriously.

Not only does the LD claim that the Problem Solution Approach also requires a ‘realistic starting point’. In my opinion, it does not really apply the Problem Solution Approach either.

Although a piece of prior art N is described as a realistic starting point, no problem to be solved is mentioned. The next sentence of the decision does not formulate a problem arising from the difference, but reads:

> *However, the Court finds that the technical solution provided by N is structurally completely different from that disclosed in the patent*….

With this approach, which was already found in the CFI decision overturned by the CoA in 10x Genomics v. NanoString, it is not surprising that the invention was not obvious to the person skilled in the art. Without knowing the details, I cannot judge whether the ruling is ultimately correct. In any case, the methodology is not convincing.

There is therefore still room for improvement. However, we can be confident that the foundations have been laid to realise this potential in the near future.

The lawyers and patent attorneys representing claimant or defendant before the UPC bear a special responsibility for ensuring that this succeeds. This responsibility is not fundamentally different from that borne by party representatives in opposition proceedings or revocation proceedings before the Federal Patent Court or the Bundesgerichtshof, but it is certainly greater. There are several reasons for this: Firstly, the practice of examining patentability is by no means established yet but can be described as tentative and exploratory. The fact that many experienced infringement judges are involved in the examination but lack experience in assessing patentability themselves certainly plays a role here. Secondly, as shown, the practice is still very heterogeneous and can take very different, sometimes even questionable paths. Thirdly, practice shows that the lines of argument put forward by the parties are given significantly greater weight than in opposition proceedings or revocation proceedings before the Federal Patent Court, where the technically qualified members of the bench develop their own ideas about what is important and what is unimportant in the prior art presented. For this very reason, clear, precise and coherent arguments and a convincing presentation in both written and oral submissions are of utmost importance on both sides. The more this becomes established and the more convincing the results and reasoning are in individual cases, the less significance disputes over theoretical concepts will have.

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[i] CoA 335/2023.
[ii] CFI 1/2023 - Sanofi-Aventis v. Amgen.
[iii] CFI 74/2024 – Hand Held Products v. Scandit.
[iv] CFI 252/2023 – NanoString v. Harvard College.
[v] CFI 7/2023 – Kaldewei v. Bette.
[vi] CFI 54/2023 – Avago v. Tesla.
[vii] CFI 230/2023 – DexCom v. Abbott.
[viii] E.g. decision of 29 July 2024, CFI 263/2023 – Bitzer v. Carrier.
[ix] CFI 255/2023 – Meril v. Edwards Lifescience and CFI 307/2023 – NJOY v. VMR.
[x] CFI 501/2023 – Edwards Lifescience v. Meril.