

STUDY RESULTS FOR OPPOSITION APPEAL PROCEEDINGS AT THE EPO

Stefan V. Steinbrener

Dr.rer.nat., Dipl.-Phys., Senior Consultant
Former Chairman of Technical Board of Appeal 3.5.01 and
Member of the Enlarged Board of Appeal of the European Patent Office

G. Anetsberger (DE), H. Wegner (DE), C. Ann (DE), K. El Barbari (DE), T. Hormann (DE): „Increasing Formalism in Appeal Proceedings – The EPO Boards of Appeal Headed to a Mere Reviewing Instance?”, epi Information 2/2015, 63

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1. Legal Background

European Patent Convention

Article 114 EPC

Examination by the European Patent Office of its own motion

(1) In proceedings before it, the European Patent Office shall examine the facts of its own motion; it shall not be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.

(2) The European Patent Office may disregard facts or evidence which are not submitted in due time by the parties concerned.

Case Law of the Enlarged Board of Appeal

Authorization to examine the facts of the EPO's own motion was considerably restricted by the Enlarged Board of Appeal in 1993, holding*

- that in contrast to the merely administrative character of the procedure before the Opposition Division, the appeal procedure was to be considered as a judicial procedure
- Such procedure was by its very nature less investigative than an administrative procedure
- Although Article 114(1) EPC formally covered also the appeal procedure, it was therefore justified to apply this provision generally in a more restrictive manner in such procedure than in opposition procedure

*G 9/91, OJ EPO 1993, 408 - "Power to examine/ROHM AND HAAS"; G 10/91, OJ EPO 1993, 420 - "Examination of oppositions/appeals"

Case Law of the Enlarged Board of Appeal (continued)

Hence, the Enlarged Board concluded in G 9/91 and G 10/91 that

- the power of an Opposition Division or a Board of Appeal to examine and decide on the maintenance of a European patent depended upon the extent to which the patent was opposed in the notice of opposition
- an Opposition Division or a Board of Appeal was not obliged to consider all the grounds for opposition referred to in Article 100 EPC, going beyond the grounds relied on by the opponent in its statement of opposition
- only exceptionally, the Opposition Division might in application of Article 114(1) EPC consider other grounds for opposition which, *prima facie*, in whole or in part would seem to prejudice the maintenance of the European patent. Fresh grounds for opposition might be considered in appeal proceedings only with the approval of the patentee

Rules of Procedure of the Boards of Appeal

Amended in 2002 and entered into force on May 1, 2003 with the intention

- to maintain the existing "philosophy" of the appeal procedure as developed by the Boards
- to increase the efficiency and shorten the length of appeal proceedings by introducing some elements of case-law into the rules
- to include a more defined and controlled initial phase of proceedings and a more pragmatic exercise of the discretion under Article 114(2) EPC thereafter
- to prevent "ping pong" submissions and "salami" tactics in written proceedings and to provide the Board (and the rapporteur in particular) with an appeal file containing one comprehensive submission from each party

Rules of Procedure of the Boards of Appeal (continued)

- Articles 12 and Article 13(1) RPBA provide a cut-off point after which any further material submitted will be *ipso facto* late
- Article 13 RPBA makes the admissibility of any amendment to a party's case as filed after the cut-off point a matter for the Board's discretion, but gives the Board a specific authority to refuse the amendment on the grounds of complexity of the new subject matter submitted, of the current state of proceedings and the need for procedural economy. In particular, amendments should not be admitted if they would lead to adjournments of oral proceedings

Rules of Procedure of the Boards of Appeal (continued)

- While Article 12(4) RPBA appears to give the parties some kind of guarantee that everything presented by them at the very beginning of the appeal proceedings would be taken into account by the Boards, this Article includes a proviso referring back to events in preceding first instance proceedings by vesting the Board with the power *"to hold inadmissible facts, evidence or requests which could have been presented or were not admitted in the first instance proceedings"*
- Hence, this proviso in principle allows preclusion of subject-matter from being reconsidered in appeal proceedings under certain circumstances

Summary of legal situation

- With respect to appeal proceedings the Enlarged Board of Appeal has construed Article 114(1) EPC to only be of limited importance
- Pursuant to Rules 12 and 13 RPBA Article 114(2) EPC takes full effect after the initial phase of the appeal proceedings, but may also preclude amendments to a party's case in subsequent appeal proceedings based on first instance events
- Article 114 EPC thus implies a tension between powers based on diverging principles: on the one hand, the Boards' power to examine the case *ex officio*, suggesting that all relevant facts and requests needed to be considered. On the other hand, the power not to consider submissions that had been filed too late

2. Motivation for Study

Motivation for study

- An investigation of the course the appeal proceedings are about to take in this area of friction under the impact of the amended RPBA
- In particular whether or not the intended goals of increased efficiency and shortened procedure materialize at all
- And if so, whether or not this comes along with a change of the "philosophy" of the appeal procedure

3. Method applied

Study of case law of the EPO Boards of Appeal over time

- Samples of 150 *inter partes* cases of the Technical Boards of Appeal decided in 1995, 2004 and 2013, respectively, were taken from the EPO data base on a random basis, i.e. altogether 450 cases
- For reasons of language skills, only English and German cases were selected
- Cases without substantive examination of patentability, e.g. cases of revocation on request of the patent proprietor or cases of missing statement of grounds, were not taken into account
- The samples thus corresponded to 20 to 30% of all cases meeting these criteria for each year

Data collected from each decision

- Case No. of the decision
- Deciding Board of Appeal
- Date of the decision
- Appellant(s) (patentee and/or opponent(s))
- Result of opposition proceedings (revocation of patent/rejection of opposition/ maintenance in amended form)
- Whether or not the appeal decision was final
- Order of the decision (appeal allowed or dismissed)
- Result of appeal proceedings (revocation of patent/rejection of opposition/ maintenance in amended form/remittal for substantive further prosecution)
- Number of pages of the reasons of the decision
- Percentage of pages of the reasons dealing with formal and procedural matters (including issues under Article 84 and 123 EPC)

Data collected from each decision (continued)

- Percentage of pages of the reasons dealing with late submissions
- Whether or not a revocation of the patent was based on formal and/or substantive grounds
- Whether or not requests have been amended in appeal proceedings
- Number of auxiliary requests either formally or substantively examined in the decision
- Whether or not new submissions (requests and/or evidence) have been admitted depending on the point of time (submitted with the statement of grounds or the reply to it/submitted before or after summons to oral proceedings/submitted during oral proceedings/not submitted or admitted in first instance proceedings)
- Whether or not substantive examination did not occur because of non-admittance of all final requests
- And as a last point, whether or not the principle of prohibition of *reformatio in peius* was applied

4. Study results

Results of subsequent appeal proceedings as compared with the results of opposition proceedings

1. Patent revoked in opposition proceedings (Fig. 1; n=number of cases)

Result of appeal proceedings	1995 (n=56)	2004 (n=59)	2013 (n=50)
<i>Revocation of patent</i>	34% (n=19)	44% (n=26)	62% (n=31)
<i>Rejection of opposition</i>	5% (n=3)	2% (n=1)	4% (n=2)
<i>Maintenance of patent as amended</i>	46% (n=26)	32% (n=19)	10% (n=5)
<i>Remittal of case to first instance</i>	14% (n=8)	22% (n=13)	24% (n=12)

Results of subsequent appeal proceedings as compared with the results of opposition proceedings

(continued)

2. Opposition rejected in opposition proceedings (Fig. 2)

Result of appeal proceedings	1995 (n=57)	2004 (n=48)	2013 (n=36)
<i>Revocation of patent</i>	19% (n=11)	31% (n=15)	39% (n=14)
<i>Rejection of opposition</i>	61% (n=35)	33% (n=16)	53% (n=19)
<i>Maintenance of patent as amended</i>	16% (n=9)	29% (n=14)	6% (n=2)
<i>Remittal of case to first instance</i>	4% (n=2)	6% (n=3)	3% (n=1)

Results of subsequent appeal proceedings as compared with the results of opposition proceedings

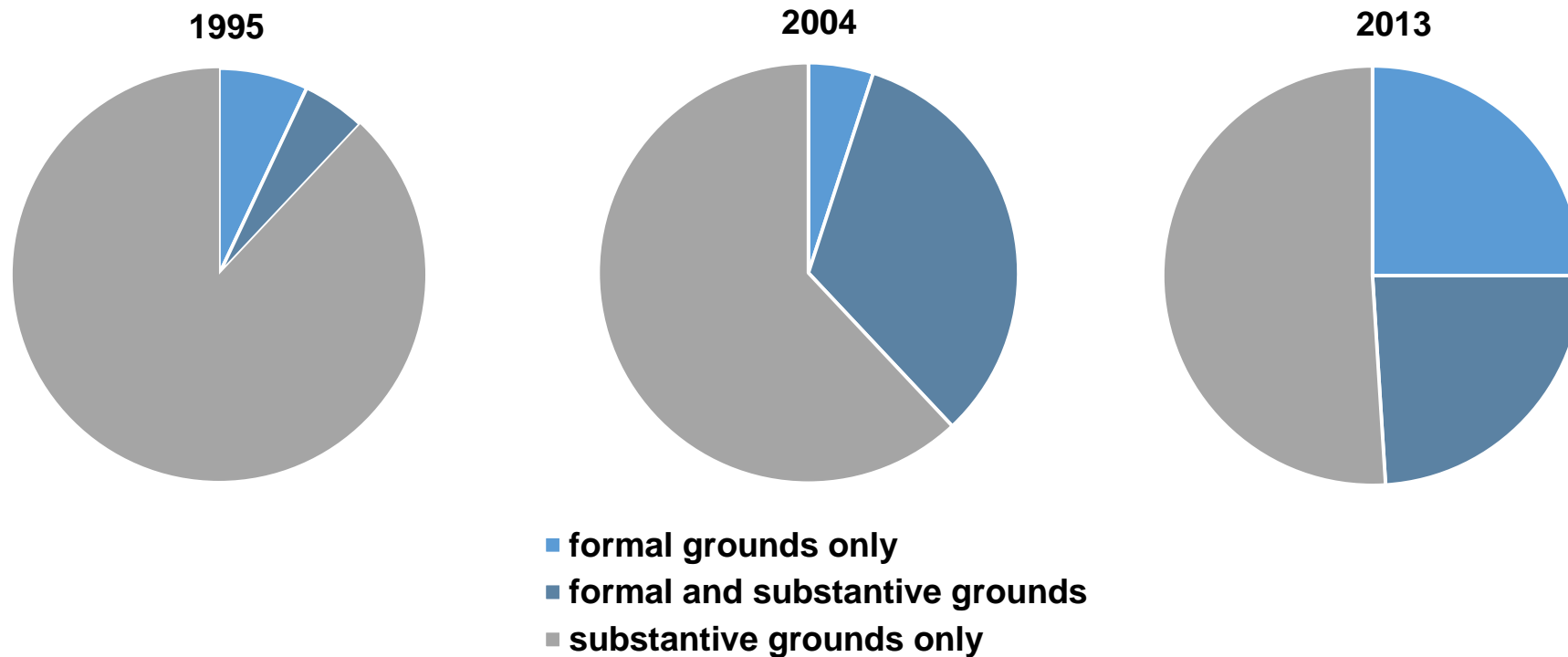
(continued)

3. Patent maintained in amended form in opposition proceedings (Fig. 3)

Result of appeal proceedings	1995 (n=37)	2004 (n=43)	2013 (n=64)
<i>Revocation of patent</i>	27% (n=10)	40% (n=17)	47% (n=30)
<i>Rejection of opposition</i>	3% (n=1)	0% (n=0)	3% (n=2)
<i>Maintenance of patent as amended</i>	62% (n=23)	53% (n=23)	47% (n=30)
<i>Remittal of case to first instance</i>	8% (n=3)	7% (n=3)	3% (n=2)

Grounds for revocation in appeal proceedings (continued)

Distribution of grounds for revocation in appeal proceedings (Fig. 5)



Length of the decisions and amount of reasoning

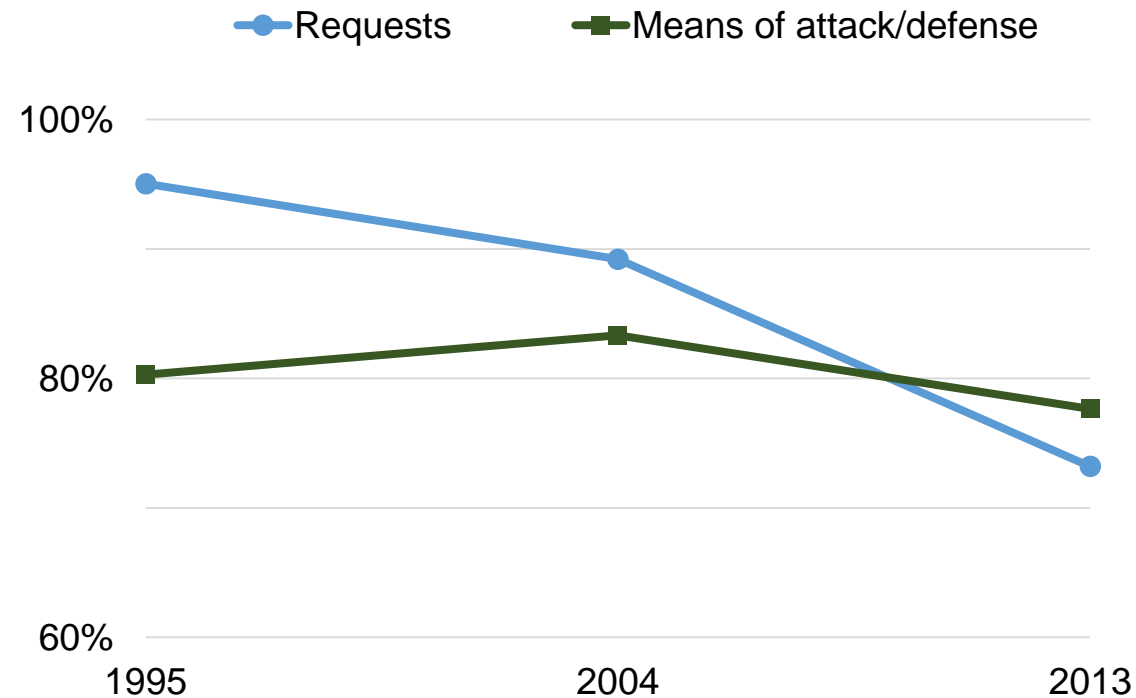
- Length of the reasons for the decision has slightly increased from on average 8.3 pages in 1995 to 9.6 pages in 2013, which amounts to an **increase of 16%**
- Proportion of the reasons dealing with formal and procedural issues shows a **sharp rise of about 75%**
- Even more pronounced **surge by 600%** can be observed for issues of lateness among the reasons (from 2% of the reasons on average in 1995 (0,2 pages) to 12% in 2013 (1,2 pages))
- At the same time also the number of cases in which issues of lateness were discussed in the reasons increased (**from 23 in 1995 to 76 in 2013**)

Amendments of requests and number of auxiliary requests

- Amendments of requests in appeal proceedings increased slightly: **In 1995, in 69%** of all cases amended requests were filed. In 2004 and 2013 this number **increased to 71% and 76%**, respectively
- Number of auxiliary requests dealt with in the reasons **rose significantly by 150%** over the period under consideration. On average, almost two auxiliary requests per case had to be examined by the Boards in 2013
- Number of cases in which auxiliary requests had to be examined similarly **rose from 34%** of all cases in 1995 **to 54%** of all cases in 2013

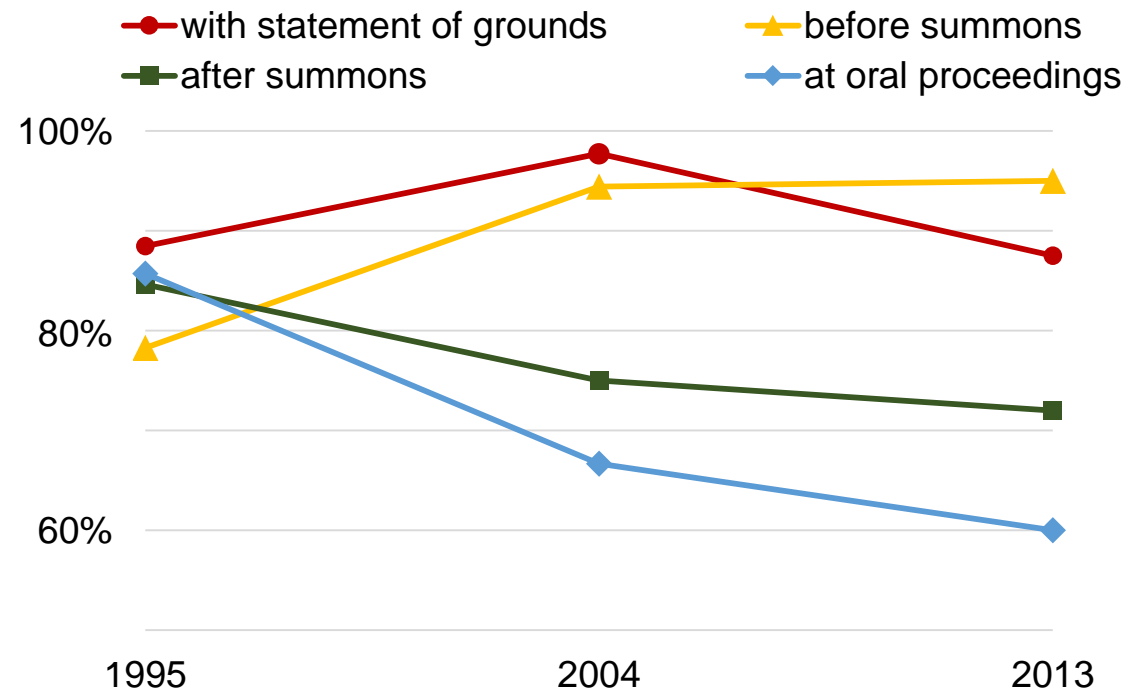
Admittance of new submissions in appeal proceedings

Admittance of all new submissions in appeal proceedings (Fig. 6)



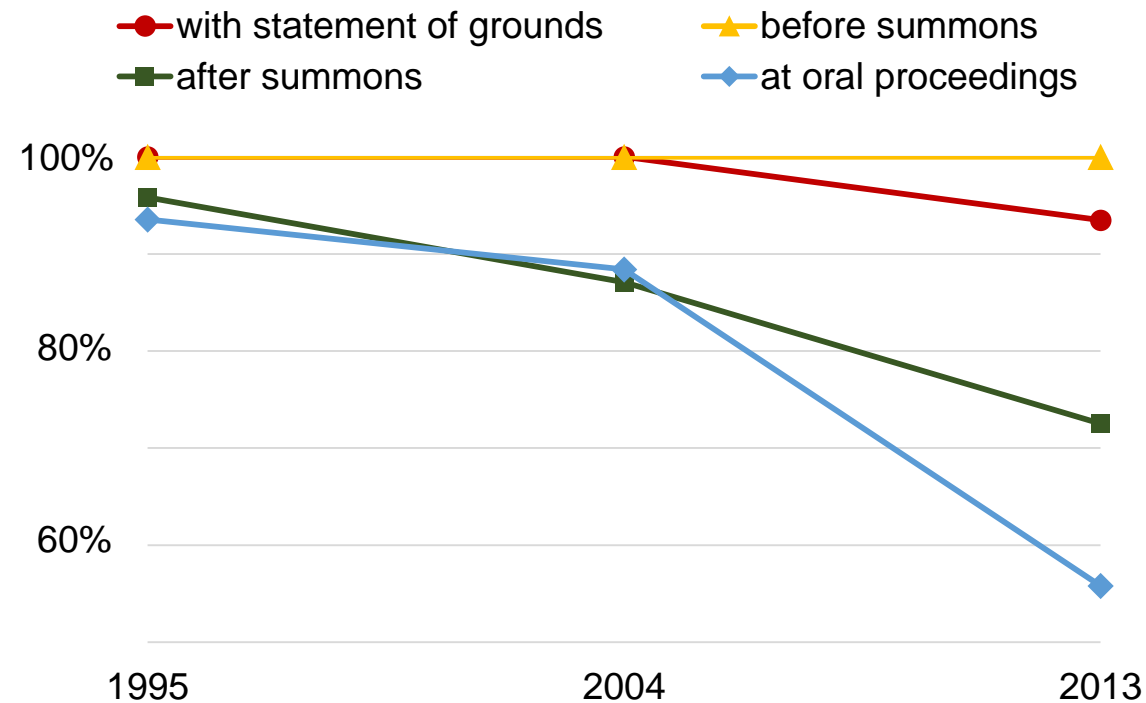
Admittance of new submissions in appeal proceedings (continued)

Admittance of means of attack/defense depending on time of submission (Fig. 7)



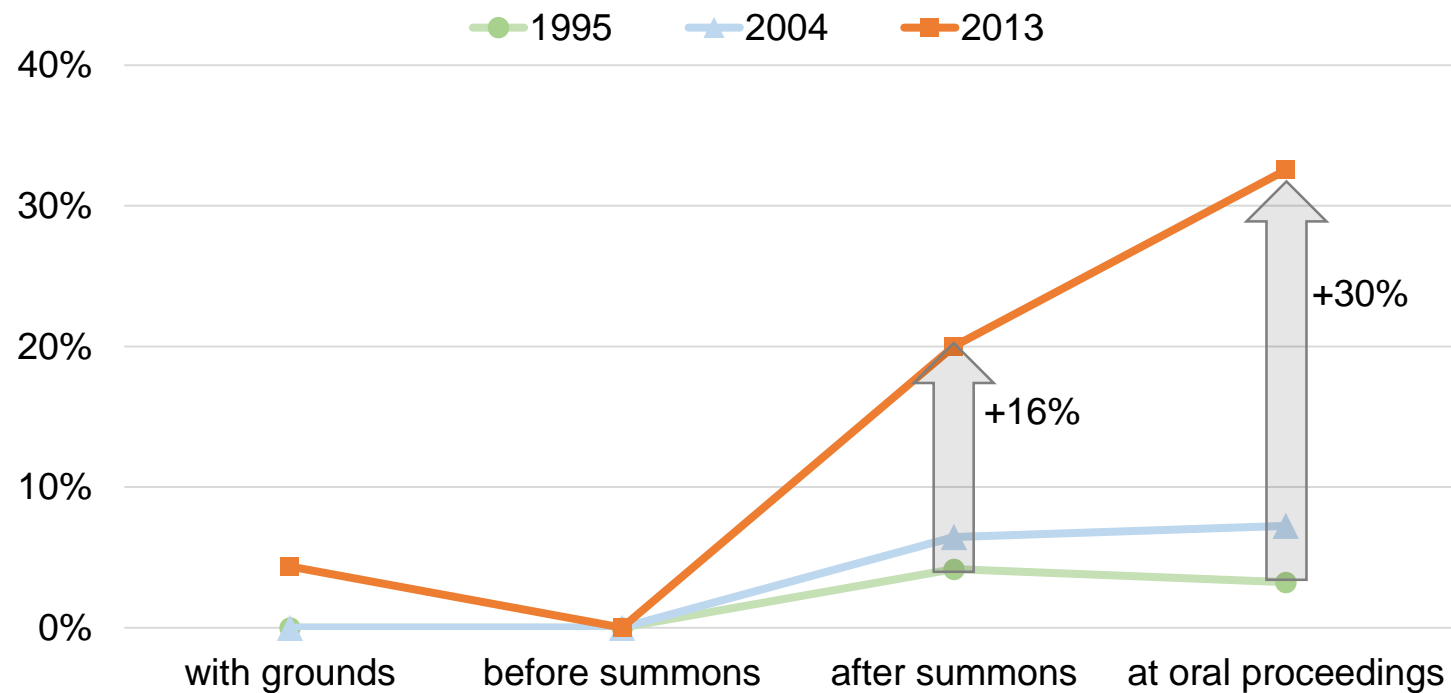
Admittance of new submissions in appeal proceedings (continued)

Admittance of new requests depending on time of submission (Fig. 8)



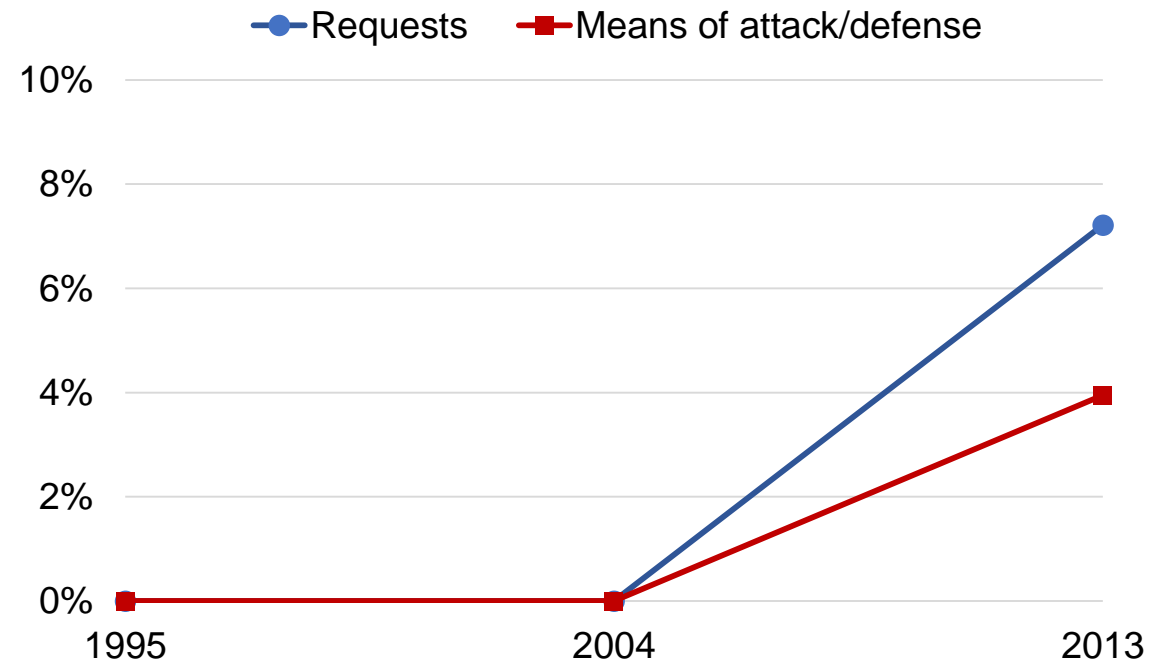
Admittance of new submissions in appeal proceedings (continued)

Rejection of all newly filed requests (Fig. 9)



Submissions not admitted pursuant to Article 12(4) RPBA

Non-admittance in appeal proceedings due to neglect or non-admittance in first instance (Fig. 10)



5. Discussion of results

Impact of the new RPBA on efficiency and length of procedure

- Preclusion effect exists in 2013, with a clear tendency to become the more pronounced the more advanced appeal proceedings are
- This applies particularly to new submissions in oral proceedings which are now less easily admitted. E.g., new auxiliary requests filed during oral proceedings were admitted **in 1995 at a rate of 94%**; this rate dropped **in 2013 to 56%**
- RPBA take the intended effect of controlling the discretion of the Boards to admit amendments to a party's case so that an early submission is rewarded and late submissions are progressively penalized
- While "salami" tactics thus do no longer pay off under the new Rules, the Rules apparently cannot entirely suppress an exchange of "ping pong" submissions

Impact of the new RPBA on efficiency and length of procedure (continued)

- However, study casts doubts on whether an overall improvement in respect of efficiency and length of procedure has been achieved since
 - the amount of reasoning has **increased by 16%**
 - amendments to requests in appeal proceedings are even more frequent than in 1995
 - the number of auxiliary requests maintained in appeal proceedings **rose dramatically by 150%**
- Apparently, the new RPBA induce the patent proprietor to file a sufficiently high number of auxiliary requests as early as possible on a precautionary basis in order to cover all limitations he/she is prepared to accept while avoiding any admittance problems

Impact of the new RPBA on efficiency and length of procedure (continued)

- This phenomenon is aggravated by Article 12(4) RPBA necessarily tending to blow up the subject of dispute
 - by increasing the number of auxiliary requests submitted sufficiently early in opposition proceedings
 - depending on the course of the proceedings, maintained in opposition proceedings until the end and
 - then presented again at the very beginning of appeal proceedings
- Otherwise, such requests may not have been admitted in 2013, even when already filed with the statement setting out the grounds of appeal

Impact of the new RPBA on the "philosophy" of the appeal proceedings

- Although according to the travaux préparatoires no change of the “philosophy” of the appeal proceedings was intended by the new RPBA, the study shows that appeal proceedings have indeed been substantially transformed

Impact of the new RPBA on the "philosophy" of the appeal proceedings (continued)

- Growing tendency of deciding against the patent proprietor since the revocation rates generally seem to mount up in appeal proceedings, irrespective of how the case was decided in the first instance
- The study thus implies that the Boards of Appeal have become less "anmelderfreundlich" over time
- Pronounced formalization of appeal proceedings:
 - **in 1995 more than 90%** of the revocation cases were based (at least in part) on substantive grounds, **in 2013 only 75%**
 - proportion of the reasons dealing with formal and procedural issues accordingly **increased by about 75%**
 - among them issues of lateness, which had been more or less absent in the past, **boomed by 500%**

Impact of the new RPBA on the "philosophy" of the appeal proceedings (continued)

- Study indicates that the focus of argument is changing: while in the past substantive arguments played a predominant role, this is less true in 2013. Rather, the battleground has shifted to the formal sector, replacing substantive efforts by formal ones without bringing about a net reduction of effort
- Inevitable consequence of excluding specific subject-matter from further discussion (here technical addenda) because the dispute in contentious proceedings must then occur somewhere else (here with respect to procedural matters) (?)

Impact of the new RPBA on the "philosophy" of the appeal proceedings (continued)

- More or less reinforcing process since case law on procedural aspects once established will be referred to by the parties in appeal proceedings and thus will again have to be dealt with in the reasons of further decisions. Representatives therefore normally cannot afford to forego formal attacks
- Cut-off possibilities provided by Articles 12(4) and 13(1) RPBA shift the appeal procedure closer towards a mere reviewing exercise of the first instance decision

Impact of the new RPBA on the "philosophy" of the appeal proceedings (continued)

- Pursuant to decision G 9/91 and opinion G 10/91 mentioned above, the Boards' hands are already tied with respect to the extent of opposition and in particular with respect to an ex officio examination of fresh grounds for opposition. The new Rules now further limit the subject of dispute by imposing cut-off constraints on the parties, either because of lateness or because of omittance in first instance proceedings

Vielen Dank für Ihr Interesse!

Stefan Steinbrener
stefan.steinbrener@bardehle.de



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BARDEHLE PAGENBERG
Partnerschaft mbB
Prinzregentenplatz 7
81675 Munich

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