
**BARDEHLE PAGENBERG's Contribution to the Public Consultation:
EPO Strategic Plan 2023**
Submitted by Tobias Kaufmann

BARDEHLE PAGENBERG has taken the opportunity to participate in the EPO's public consultation on the Office's Strategic Plan 2023. Amongst others, we propose rethinking the "inescapable trap", which often leads to unacceptable results, establishing solid methods for quality evaluations, including publishing meaningful reports on quality, and improvements on the independency of the EPO's judiciary.

TOPIC 1 – Evolution of the patent system

1. Patentable subject-matter

There is a lot of criticism in society of the patent system in respect of certain subject-matter.

Examples are:

- Computer implemented inventions, recently in particular artificial intelligence
- Living matter
- Pharmaceuticals

The EPO should not ignore this criticism, but actively react.

While there are overriding legal principles justifying limitations of patentable subject-matter, cf. Art. 27 TRIPs Agreement, there should be international consensus that incentives for innovation are necessary in all fields of technology. As has always been the case, new technologies have to be integrated into the patent system. In this regard, the EPO should avoid the impression to enlarge the boundaries of patentable subject-matter in its own interest. Rather, it should strive for a proper balance between the interests of innovators and society. Taking for example the area of artificial intelligence, the principles as developed over almost two decades with respect to computer implemented inventions by the EPO's Boards of Appeal and implemented into the EPO's Guidelines for Examination, following landmark decisions such as T931/95 (Pension Benefit Systems Partnership) or T641/00 (Comvik), should serve as guidance for differentiating patentable inventions from abstract ideas, which should be free from monopolies.

In this context, it seems appropriate if the EPO takes part in raising the patent awareness and acceptance in particular among young engineers and scientists, e.g. at universities, or even promoting research projects at school level.



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2. Revocation of patents for formal reasons – The inescapable trap

The Enlarged Board of Appeal has interpreted Articles 123 (2) and (3) EPC to mean that a limitation introduced into a claim in grant proceedings cannot be removed in opposition proceedings. This has the consequence that a patent has to be revoked if the EPO takes a different position on the formal allowability of an amendment in grant and in opposition proceedings. This approach has met with heavy criticism and in the course of the deliberations on the EPC 2000, the expectation was expressed that the Boards of Appeal would be able to solve the problem. This hope has not been fulfilled. Therefore, it is the role of the legislator to take over this task. One cannot accept that due to diverging views in formal issues between grant and opposition proceedings patents are revoked, without taking into account their innovative value at all and without any need for the public at all.

A model could be the approach by the German Federal Supreme Court, according to which an added feature which has not been originally disclosed can remain in the claim and limits its scope but is to be ignored when assessing the patentability requirements.

TOPIC 2 – Delivering high quality products and services

1. Quality and quantity

For a long time, the EPO has mixed quality with quantity when measuring “performance”. Whereas it is true that users are interested in quality and in quantity, common sense should dictate that speed may be detrimental to thoroughness. Thus, both aspects may be in conflict and experience shows that the increased targets for examiners result, beyond a certain point, in lower quality of search reports, communications and decisions.

There is little transparency how the EPO examines the quality of examiner work (leaving aside quantity).

To start with the *search reports*, it was the original concept that the European search report should be complete. This is still reflected in the Guidelines for Examination, but in practice the users are confronted with more and more “tactical” searches. In particular, this means that in the course of grant proceedings additional prior art is cited when the applicant limits the claimed subject-matter to dependent claims or other foreseeable fall-back positions. A proper quality control should establish

- the cases in which prior art is cited in further communications which should have been contained in a complete search;
- the cases in which reasonably searchable prior art not contained in the search report leads to the revocation of the patent in opposition or national validity proceedings.

Therefore, we propose establishing a method for quality control which regularly checks opposition and opposition appeal proceedings, e.g. on a yearly basis, to statistically evaluate

- the number of cases where either prior art already cited in the examination proceedings or non-cited, but reasonably searchable prior art leads to a revocation of the patent; and
- to which extent the ground of opposition of Article 100 c) EPC, i.e., lack of original disclosure, leads to revocation and/or amendments, and thus to a different result on this question than established in examination proceedings.

The results of these regular evaluations should be made public.

As to *substantive examination*, Patent Offices quite often ascribe the steadily rising number of applications to external factors (e.g. the innovative power of the respective country). To a certain extent, this is correct. For example, globalization increases the need for patent protection in more and more countries. But Patent Offices are players within the system. The easier an applicant obtains a patent, the more applications he may file. Only to a limited degree courts can exercise a controlling function in applying a more rigid standard in validity proceedings. If patents are invalidated later, because of a more rigid standard in validity proceedings than in examination proceedings, the results are unsatisfying, and do not longer allow to make investment decisions in new technology on a reasonably safe ground. This puts the patent system as a whole at risk. On the other hand, one must not forget that a competitor who wishes to oppose a patent typically has several opportunities to do so, namely post-grant opposition as well

as national validity proceedings (2 instances each), whereas there is no further legal remedy available to a proprietor whose patent is revoked by the EPO (the same holds for a refused application). Therefore, there is a public interest that corresponding standards are applied in proceedings before Patent Offices and in revocation proceedings. In particular, if the later review standard is higher, the public impression that many patents are indeed invalid, severely damages the reputation of the whole patent systems, and may cast a dubious light on companies who rely on and assert their – examined and granted – patents in court in order to gain the competitive advantage the patent system intends to provide.

In principle, a proper application of the *problem and solution approach* is the best instrument to provide a reliable and foreseeable basis for assessing inventive step and the same or similar approaches applied in national proceedings lead to comparable results. However, not always the search opinion or the first communication of the Examining Division gives a proper basis for the further examination, be it that formal aspects (multiple independent claims, clarity asf.) are the main aspects addressed, be it that the problem and solution approach is not properly applied (problem contains elements of the solution, common general knowledge alleged but not shown, combination of prior art in the absence of incentive asf.). Furthermore, it happens that quite a number of objections is raised, but if the applicant is persistent enough, objections are abandoned without apparent reason. It would enhance the plausibility and credibility of the decision to grant if the votum of the first examiner proposing the grant and any comments of the other members of the Examining Division thereto would be part of the public file, a proposal which

had been made within the project “raising the bar”, but which was abandoned due to internal opposition within the EPO.

2. European Patent Register

Significant improvements have been made by the EPO in its electronic services and databases. As of today, the electronic file is an excellent instrument for providing information on pending applications. However, it is not at all user friendly for searching specific information in more complex proceedings, e.g. on multi party opposition proceedings which sometimes comprise more than 10.000 pages. This is due to the fact that the indication of the type of document is not very precise, but also within the given type of document the indexing made when receiving the document is quite often wrong. As a principle, the possibility of searching for documents sent by the EPO or a specific party would be useful, but actually many more documents not falling into the respective category are shown. The files of the pending oppositions and opposition appeal cases are an excellent example of the confusing structure of the Register for complex cases, e.g. finding document D 78 may be a task for hours.

A useful searching tool within the electronic file should fulfil the following requirements:

- More precise indications of type of documents, including a quality control whether the indexing is correct;
- Combination of search functions (e.g.: letters from Opponent 05);
- A list of citations as used by the Opposition Division or Board of Appeal.

TOPIC 3 – Social responsibility and transparency

1. The EPO and the rule of law

The EPO has been entrusted with administrative functions which were originally the task of national administration. Whereas national administrations are embedded in legal systems which ensure in manifold ways that the rule of law is observed, experience has shown that the same is not necessarily true for the EPO.

This applies to making proposals of the Administrative Council public only in the last minute, thereby avoiding or ignoring public discussion.

Examples of badly prepared legislation are:

- Rule 36 (1) EPC as effective from April 1, 2010, amended in the framework of the EPO’s “raising the bar” initiative, restricted the filing of divisional applications in a manner which made it hardly possible to establish a reliable system for monitoring time limits and forced the applicant to take decisions on divisional applications before having solid information on the outcome of the parent application. Only four years later, these provisions were abolished, and Rule 36(1) EPC was worded exactly as prior to the amendment.
- Rule 28 (2) EPC, relating to the exclusions of plants or animals obtained by biological process from patentability, as amended in 2017 with the foreseeable result that decision T 1063/18 recently concluded that the provision is in conflict with Article 53 b) EPC as interpreted by the Enlarged Board of Appeal.

- Rule 53 (3) EPC as amended in 2012 providing for a loss of the priority right in opposition proceedings which has no basis in the EPC (for grant proceedings, see Art. 90 (5), 2nd sentence, EPC).
- The structural reform of the Boards of Appeal which mixed the questions of independence with the question of efficiency (i.e. higher output by 30 %), against concerns expressed by many users as well as by Board members. More importantly, the structural reform deteriorated the personal independence of Board members by making reappointment depending on a positive report to be drafted by the President of the Boards who himself is dependent on reappointment.

Thus, one of the main challenges for the European Patent Organisation might be to create a really independent judiciary along the lines already discussed and in substance accepted by the Administrative Council fifteen years ago (Doc. CA/46/04, Draft basic proposal for a revision of the EPC implementing the organisational autonomy of the Boards of Appeal of the European Patent Office within the European Patent Organisation). The independence of the members of the Boards of Appeal is a legally protected good, codified in Art 23 EPC, which has suffered significantly in the course of the debate following the dismissal of a Board member to whom the administration imposed a house ban. It is of utmost importance that the independence of the Board members goes beyond “perceived independence”; the judiciary of the EPO must be – and feel – fully independent, just as national courts are for decisions of national Patent Offices.

The EPO’s attitude to act outside commonly accepted principles implementing the rule of law was shown by its appeal against a decision of the Dutch Court of Appeal in 2015 ruling that the EPO was violating the European Convention of Human Rights (ECHR) by limiting the rights of its staff and its union. Invoking its immunity before the Dutch Supreme Court, the EPO succeeded in getting the ruling of the Court of Appeal set aside in 2017. The EPO should not be inclined to rely on principles of immunity, but be prepared to accept well-considered findings of the Member States’ highest courts regarding important matters of law. In order to regain trust in the EPO’s willingness to observe the rule of law, it would be an appropriate measure for the EPO to formally acknowledge the fundamental rights as laid down in the ECHR and the Charter of the fundamental rights of the EU. In particular, this includes the right of the parties to a fair hearing and the right to be heard.

2. Transparency

Trust requires a substantial degree of transparency. One element of transparency has already been addressed: transparent legislation. This would mean early publication of intended changes and not only inviting users’ comments but also objectively assessing them, discussing them and taking them into consideration. The recent public user consultation on the draft of the revised Rules of Procedure for the Boards of Appeal (RPBA) seemed to be an information event on the future practice on the basis of the revised Rules instead of a thorough discussion whether this draft complied not only with the wishes of the Boards but also with the needs of the users.

Transparency could also be improved by objective reporting in public relation activities. To start with, EPO statistics should be more detailed, illustrative and comparable. For example, where can one find the number and percentage of applications refused. Furthermore, where can one find the methods of quality control applied.

Moreover, reporting should be complete: For example, regarding the unitary patent system, it appears that any progress that

has been made has been reported. However, no reporting was made on setbacks or open questions. The EPO is an important institution for the legal functioning of both systems, the current as well as the future system, which may or may not include a unitary patent system. Thus, to maintain its credibility, any reporting should aim at creating a complete and trustworthy picture.