

## THE VOICE OF BUSINESS IN EUROPE

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**REVISION OF THE EUROPEAN PATENT CONVENTION  
EU PRESIDENCY PROPOSAL****1. GENERAL OBSERVATIONS**

UNICE has been actively involved in all steps of the negotiations aimed at setting up a Community Patent system that can respond to users' needs in terms of quality, cost-effectiveness and legal certainty. Therefore, UNICE is very keen also to participate actively on the discussions concerning the reform of the European Patent system.

In this context, UNICE welcomes the release of the EU Presidency Proposal on the Revision of the European Patent Convention (EPC).

**The revision of the EPC is a necessary step in order to:**

1. enable the European Community (EC) to become a party to the EPC;
2. give to the EPO the competence to grant Community Patents;
3. ensure that Community Patents are administered and have effect in accordance with Community Law and more particularly the upcoming Community Patent Regulation (CPR).

Since negotiations on the revision of the EPC are parallel to those on the adoption of the Community Patent Regulation, it is necessary to ensure consistency of the EPC provisions with the Community Patent Regulation. Further review may be required following adoption of the Community Patent Regulation.

In this context, UNICE would like to make the following specific comments to the proposed amendments to the EPC:

**2. DETAILED COMMENTS**

Before commenting on the specific articles, UNICE would like to make the following general observation. In UNICE's view, the proposal is not complete with respect to some aspects of the situation post grant.

In particular, due care should be taken of the situation during the 9-months period where opposition may be lodged and the time of the opposition procedure, and of the administrative tasks that the EPO has to perform for Community Patents post grant. This includes the collection of renewal fees and the administration of lapses, nullification by the Community Patent Court, conversion into European bundle patents, cases of limitation or surrender, licenses, transfers and supplementary protection certificates (SPCs).

The CPR should contain the substantive provisions and the EPC should regulate the new administrative tasks to be performed by the EPO in the post-grant phase.

Furthermore, the Presidency is urged to scrutinise all draft articles carefully to ensure that there is no confusion in the use of the expressions "European patent" and "Community patent".

**ARTICLE 2 (3)**

There is no reference in new paragraph (3) to the CPR. **UNICE is of the opinion that the reference to Community law would be much clearer if a reference to the Community Patent Regulation were to be included.**

An EP application designating the EC will be subject to the EPC, “unless Community law provides otherwise”. This implies that such a European patent application might not be subject to the EPC, which cannot be correct – it would not be a European patent application if the EPC did not apply to it.

**In UNICE’s view, the correct approach should be that the EPC applies to a Community patent application in the same way as it applies to a European patent application for one or more of the contracting states. This understanding should also be reflected to Article 24a.**

Therefore, either the whole of the second sentence concerning the treatment of applications designating the EC, or at least the words at the end, from “unless”, referring to Community law, should be deleted.

In this context, strong consideration should also be given to the fact that, since the wording "A European patent application in which the European Community is designated" does not exclude such applications in which, in addition to the European Community, also non- Community countries, (e.g. Switzerland, Monaco, Turkey) have been designated, it is for those non-Community designations not possible from a legal point of view to be subject to Community law.

#### **ARTICLE 15**

**UNICE is of the strong opinion that there should no longer be a differentiation between search divisions and examination divisions, as the EPO has combined search and examination with the BEST procedure.**

Furthermore, clarification is necessary on how the EPO intends to assign search activities only to National Patent Offices, in view of the BEST procedure.

The desire to move the Boards of Appeal and the Enlarged Board of Appeal to a separate institution outside the EPO office but inside the EPO organisation is not yet reflected in this amendment.

#### **ARTICLE 39A**

In its position paper on the draft CPR, UNICE has requested adoption for Community Patents of the principle that the level of renewal taxes should not be higher than twice the amount necessary for the EPO to perform its tasks in a reasonable way.

**This principle should be reflected in Article 39a or Article 149h EPC.**

In UNICE’s view, it is clear that the (full) Administrative Council should establish the amount the EPO needs for performing its tasks in a reasonable way. It would be difficult to exclude the non-EU member states from that discussion. The committee mentioned in Art. 61 of the draft CPR Regulation (this committee will be identical in composition to the Select Committee of Art. 149k EPC) has to set the renewal fees, and these should not be higher than twice the amount determined by the Administrative Council. Therefore, it is unavoidable that the Select Committee and the Administrative Council cooperate in setting the fees.

The best solution would be to include this principle in Art. 60.1a of the draft CPR and to amend the proposed Article 39a EPC to make the respective tasks clear by replacing the second part of Art. 39a by a wording such as "...to be fixed by the Select Committee mentioned in Article 149k in accordance with Art. 60.1a of the Regulation. For this purpose the Administrative Council establishes the amount of money necessary for the Office to perform its tasks in a reasonable way. The decision of the Administrative Council shall take due account of the tasks performed by the administrative division."

#### **ARTICLE 63**

**In UNICE’s view the grant of supplementary protection certificates (SPCs) under Community Patents should be regulated here or in Part IXa of the proposal.**

The Administration Division should be responsible for the administration of cases of conversion of a Community patent into a European patent covering one or more states, limitation or surrender of Community patents and of licences, transfers and SPCs with respect to Community patents.

**ARTICLE 65**

A new paragraph 1a allows the EC to prescribe that translations of the patent claims into all or certain official EU languages are required and the time period to handle the translations. This corresponds to the draft CPR but the precise text should await agreement on the CPR.

**UNICE considers it imperative that the unitary nature of the Community Patent is respected by the Member States.** Therefore, industry cannot accept any legal effect for the translations of the claims. There should only be one authentic text for legal purposes and that should be the official EPO language text of grant. The translated claims should be of informative nature. In this context, industry supports a centralised filing for translations.

**Paragraph 3** merely refers to European patents. A reference to Community Patents must be added.

**UNICE is of the strong opinion that, instead of regarding it void ab initio, the Community patent should be deemed a European patent with the exclusion of that country for which the translation is missing.** It should be an automatic conversion from Community patent into a European bundle patent designating all EU Member States except that specific one. Further elaboration is necessary concerning the additional costs.

**ARTICLE 67**

Regarding the rights conferred by a European application after publication, dealt with in **Article 67**, it is proposed that paragraph (4) should be adjusted to add a reference to the withdrawal of a designation of the EC, such that the application is deemed never to have had the effects in paragraphs (1) and (2). Since paragraphs (1) and (2) apply only where states have been designated, this is unnecessary and may have confusing results.

Moreover, the rights conferred by a European patent application designating the European Community are dealt with under Community law, as acknowledged in a new paragraph (3a) and it should be for Community law to determine what happens when the designation is withdrawn. However, it should be acknowledged that European patents should only be governed by Community law as far as the EU is concerned. Therefore new paragraph (3a) should begin ***“As regards the European Community...”***

**ARTICLE 79**

Regarding the amendments on paragraph 1, the PCT implications for Community Patents could be dealt with by using the wording: "All Contracting Parties shall be deemed to be designated in the European patent application on its date of filing", since the EC cannot be designated in a PCT application. This issue will be further elaborated in conjunction with Article 153.

The Presidency proposal replaces Contracting State by Contracting Party. However, the proposal still refers to the request for grant, only used for direct EP applications, not for Euro-PCT applications. By dropping the reference to the request for grant, the provision becomes applicable to Euro-PCT applications as well. A similar effect could be obtained by amending the CPR. However, this has not been done yet. In this context, it could also be argued that a matter dealing with EPC designations is better dealt with in the EPC than in the CPR.

In the context of paragraph 2, UNICE assumes that, if the planned abolition of the designation fees, as envisaged in the EPO document "Considerations on EPO's future fee policy" (CA/113/03, dated 26 September 2003) with the entry into force of the EPC 2000 at the latest, and in alignment with the "all rights reserved" provision of the PCT, is not yet effective for the initial Community Patent applications, there should be no distinction between any of the Contracting Parties. The option to convert a Community Patent application into a European one should not be dependent on designation fees having been paid or not at an earlier stage for the member states that are part of the bundle. Conversion should not be affected by eventual prior withdrawals, the Community Patent having maintained the coverage prior to the option.

**ARTICLE 133(3)**

In the year 2000, amendment of Art. 133(3) was postponed and no improvement of the situation has been accomplished since then. In UNICE's view, it is now the time to bring the issue back to the negotiating table.

UNICE has advocated time and again that it should become possible for employees of legal entities within a concern to be represented by employees of another legal entity within that concern. In many concerns the ownership of the patents lies, for purely organisational reasons, with another entity than the employer of the patent workers. There is no reason that such organisational measure within a concern should cause any difference which respect to representation.

The present text of Art. 133(3) requires the establishment of a Rule, but only optional and such Rule has never come into effect. It would be much clearer if the words "The Implementing Regulations may provide..." are amended into "The Implementing Regulations **shall** provide...".

**ARTICLE 139**

Regarding the proposed amendments in paragraph 2, further clarification is required on what are the legal consequences for a Community Patent in such cases. The consequence of a prior national right would be that the Community Patent in case of lack of novelty of all claimed subject matter over this prior national right could become invalidated in total. The added sentence does not solve the problem of national prior rights in a satisfactory way.

In such cases the conversion into a European bundle patent should be made available. Such a possibility would allow on the one hand to deal with the requirement of the unitary character of Community Patents under the CPR and on the other hand would allow the patentee to keep EPs in all designated countries except the one in the country of the prior national right. In addition, in case that the prior national right would not be novelty destroying for all claimed subject matter, the EP patent in the country of this national right would not be invalidated in total but could be maintained in an amended scope.

**ARTICLE 149C**

The requirement that the Administration Division and the Select Committee should respect Community law is, in UNICE' view, superfluous. As regards the Administration Division, it is already foreseen under new article 24a. Regarding the Select Committee, the instruction is out of place in the EPC. The EC member states and the EC, under article 149k, will form the Select Committee and will decide on what rules it shall follow.

**ARTICLE 149D**

New proposed Article 149d foresees that the Administration Division is responsible for anything concerning a Community patent that is not the responsibility of another department. This reference is very vague and it would be more useful for users if a list of actual tasks to be performed by the division were to be established. Such a list would make clear what matters should be directed to the Division.

**ARTICLE 149F**

Particulars "specified in the implementing regulations" are to be recorded, according to new Article 149f. Article 56 of the draft Community Patent Regulation provides for a register of Community patents, containing particulars whose registration is provided for by the CPR.

**It is in UNICE's view essential to make Article 149f consistent with the draft CPR, by saying for e.g., "specified in Community law".**

**ARTICLE 149G**

This article should be also made consistent with article 57 of the draft CPR. The bulletin should contain matters prescribed by Community law (CPR and its implementing regulation).

**ARTICLE 149J**

This article provides that article 122 (Restitution) applies. The CPR contains its own provision concerning restitution, namely article 27a. **Article 149j should therefore refer to Community law.**

**ARTICLE 149K**

In proposed paragraph 2, it should be stated that the corresponding costs will be exclusively financed by Community Patent -related income.

**ARTICLE 153**

The proposed amendment is problematic because the EC cannot be designated in a PCT application so that the EPO cannot act as a designated office or an elected office for the Community. In the PCT system, a designated office is an office acting for a designated **state**. In a PCT application, instead of the EPO, all EPC Contracting States are designated with an indication of the applicant's wish to obtain a regional patent for those designated states. This is correctly reflected in the EPC1973 / EPC2000 wording of Art. 153.

The Community will be a designation in an EP application (Community patent application being just a shortcut for this, as distinct from eventual designations of additional Contracting Parties within or outside the territory of the Community) including Euro-PCT applications, if Article 79 is amended as suggested above.

**ANNEX CONCERNING THE ESTABLISHED BODY OF COMMUNITY LAW**

In UNICE's view the annex is defective. It lists the directive concerning the legal protection of biotechnological inventions and that concerning the legal protection of computer- implemented inventions. However, it does not mention the EC accession to TRIPS, nor the reference to industrial property in the EC treaty and the ECJ case law on it, nor does it mention the regulation on supplementary protection certificates (which should be adjusted to apply to Community patents).

**PROTOCOL ON CENTRALISATION**

Regarding the proposed protocol on centralisation, UNICE would like to reiterate its position on the quality of the Community Patent, as previously expressed in its position paper on the Community Patent in February 2003.

For UNICE, it is essential that all work at Council level on the Community Patent reflects the principles of quality and uniformity of the Community Patent, so that industry is not discouraged from using the Community Patent system.

A very large majority of UNICE's members oppose outsourcing of search/examination activities by the EPO to National Patent Offices (NPOs), as outlined in the Common political approach of May 16 2002. At the very minimum, it should be provided that search activities can only be entrusted to NPOs meeting all objective quality requirements laid down in Rules 36 PCT.

It is not furthermore clear, how the EPO intends to assign search activities only to National Patent Offices, in view of the BEST procedure.

However, an enhanced relationship between NPOs and the EPO should be considered and sought.

**In this context, UNICE has noted and welcomed a proposal by the EPO to improve the synergies between itself and the NPOs, as embodied in a document submitted at the EPO Administrative Council of October 2002<sup>7</sup>.**

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<sup>7</sup> See Doc. CA/147/02 on "Mastering the Workload";