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Modifications to the European Patent System

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A result of the October 5, 1973, European Patent Convention, referred to as the Munich Convention, the European patent system is currently the object of profound modifications, the goal being to improve and strengthen the system.

It involves a series of three modifications aimed at combating the limits affecting the European patent system:

1. The unsuitable nature of the grant system;

2. The overly expensive financial cost of the linguistic system; and

3. The legal insecurity that results from the jurisdictional system.

The European Patent Convention of 2000 (EPC 2000): Modification of the Grant System

Within the framework of this article, the term "EPC 2000" will refer to the recently amended text. The EPC 2000 entered into force on December 13, 2007, in all states that were members of the EPO at that date. It also applies in Norway and Croatia, which became members on January 1, 2008, as well as in all future member states of the European Patent Office (EPO).

The EPC 2000 applies to patent applications filed from this date and to patents granted based on these applications. For the pending patent applications as of December 13, 2007, and patents granted before this date, the EPC 2000 contains special transitional provisions. This means that for each new measure introduced by the EPC 2000, it is necessary to verify the applicability thereof to the patent application and patent concerned.

Since 1973, the number of member states of the EPO (34 members as of January 1, 2008) and the number of European patents have increased considerably. Numerous technological and legal changes have also occurred. Within this context, the EPC 2000 has undertaken significant reforms affecting both the substantive law of the patents and the grant procedure thereof. In consideration of the scope of these modifications, this examination will concentrate on the main reforms and is by no means exhaustive.

Reforms of the Substantive Law of Patents

Exclusion of Patentability from Treatment Methods by Surgery or Therapy and Diagnostic Methods (Art. 53c EPC 2000)

According to Article 52(4) of the EPC, "methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body [were not] regarded as inventions

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which are susceptible of industrial application [. . . .]" This wording amounts to a refusal of the patentability of the methods for treatment by surgery or therapy and diagnostic methods based on the lack of industrial application of these methods rather than an exception to patentability.

Article 53c of the EPC 2000 provides that "European patents shall not be granted in respect of: [. . .] c) methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body."

The EPC 2000 therefore puts an end to the fiction of lack of industrial application and establishes consistency by placing the treatment methods by surgery or therapy and diagnostic methods under the article relating to "Exceptions to patentability" and no longer under the article relating to "Patentable Inventions." This new provision will have a limited impact in practice.

The Patentability of Subsequent Therapeutic Applications (Art. 54(5) EPC 2000)

Within the domain of medicine, the EPC allowed the patentability of the first therapeutic application. The use of a substance or composition for the implementation of a method for treatment by surgery or therapy or diagnostic method, in other words, the use of a substance or composition as medicine, could therefore be considered as new, even if the substance or composition was already known.

On the other hand, the patentability of the second or subsequent therapeutic applications was not allowed by the EPC. "Subsequent therapeutic application" describes the application of a substance or composition, already known for certain medicinal qualities, for the treatment of other pathologies.

The question of patentability of subsequent therapeutic applications has encountered divergent solutions as the EPO and member states have not harmonized their jurisprudence. The Enlarged Board of Appeal of the EPO ruled in favor of the patentability of subsequent therapeutic applications, while requiring specific drafting of the claims in the "Swiss type" model: "use of substance A for the treatment of illness B" (EPO Enlarged Board of Appeal, 5 December 1984, G5/83). In France, on the other hand, the jurisprudence did not allow the patentability of subsequent therapeutic applications.

Article 54(5) of the EPC 2000 puts an end to such legal insecurity by expressly allowing the patentability of subsequent therapeutic applications, provided, however, that they are not comprised in the state of the art.

Integration of the Notion of Equivalents (Art. 2 of the Protocol on the Interpretation of Article 69 EPC 2000)

Article 69(1) of the EPC 2000 provides that "the extent of the protection conferred by a European patent or a European patent application shall be determined by the claims. Nevertheless, the description and drawings shall be used to interpret the claims." The EPC 2000 contains a Protocol on the interpretation of Article 69 EPC 2000, aimed at providing information on the application and the transposition thereof into the national laws of the contracting states. The extent of the protection conferred by a European patent may vary from one state to another. In particular, each state has a different concept of "equivalents."

In order to counter this lack of harmonization, the delegates of the diplomatic Conference tried, in vain, to define this notion of "equivalents." In the absence of a common definition, only the notion of "equivalents" was introduced by the EPC 2000 in Article 2 of the Protocol on the interpretation of its Article 69 expressed in the following terms: "For the purpose of determining the extent of protection conferred by a European patent, due account shall be taken of any element which is equivalent to an element specified in the claims." The discussions continue on the definition of "equivalents."

Although essential, the integration of the notion of "equivalents" in the EPC 2000 proves to be insufficient for at least two reasons. First, it is likely that in the absence of a common definition, the member states of the EPO will continue to apply their own doctrine of "equivalents." As an example, the French judges will understand equivalent technical means as two means that fulfill the same function in view of a same result or a result of the same nature, while having different structures or forms, while other judges will refer to "the person having ordinary skill in the art" and consider that a means is equivalent when it is evident, for the person having ordinary skill in the art, that the fact of using such a means renders the same result as that which is obtained with the aid of the specific means in the claim. These divergences are unfortunate.

Second, the notion of "equivalents" is introduced in the Protocol for interpretation of Article 69 of the EPC 2000 relating to the "extent of protection," which appears in Chapter III of the EPC dedicated to the "effects of the European patent and the European patent application."

This insertion is apparently limited solely to the assessment of infringement. One may wonder about taking into account "equivalents" at the stage of evaluating the validity of the European patent. In applying

the EPC 2000, should an invention be considered as non-patentable if there is an equivalent means in the state of the art?

Procedural Reforms

Relaxing the Conditions Necessary to Obtain a Date of Filing (Art. 80 EPC 2000 and Art. 40 of the Implementing Regulations)

In accordance with Article 80 of the EPC:

> The date of filing of a European patent application [was] the date on which documents [were] filed by the applicant [containing]: (a) an indication that a European patent is sought; (b) the designation of at least one Contracting State; (c) information identifying the applicant; (d) a description and one or more claims in one of the languages referred to in Article 14, paragraphs 1 and 2 [. . .].

This article was amended and henceforth relates back to the Implementing Regulations, which state in article 40 thereof:

> the date of filing of a European patent application shall be the date on which the documents filed by the applicant contain: (a) an indication that a European patent is sought; (b) information identifying the applicant or allowing the applicant to be contacted; and (c) a description or reference to a previously filed application.

In accordance with the provisions of the Patent Law Treaty (PLT), the designation of at least one contracting state and the production of at least one claim are no longer required at the time of filing. Likewise, the EPC 2000 no longer contains the language requirement. The purpose of these amendments is to relax the conditions to be met in order to obtain a date of filing. The grace periods for the payment of filing fees, provided for in Article 86 of the EPC, were, however, eliminated.

Extension of the Priority Right (Art. 87(1) and 87(5) EPC 2000)

In accordance with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the EPC 2000 extended the priority right to patent, utility model, or utility certificate applications filed "in or for a member of the World Trade Organization" (WTO). It further authorizes the President of the EPO to recognize a priority right in countries not belonging to either the Paris Convention or the WTO, with the condition of reciprocity.

The Introduction of a Limitation or Revocation Procedure (Art. 105a and 105b EPC 2000)

Prior to the entry into force of the EPC 2000, the European patent as granted or amended following opposition proceedings was unchangeable, at least at the level of the EPO. The holder who deemed his European patent defective and wanted to amend it, or even eliminate it, did not have any effective procedure at the European level.

On the national level, the limitation of the claims could be ordered within the framework of a nullity action filed against a European patent, when the partial nullity of the patent was declared. In certain contracting states, such as the United Kingdom and Germany, a national limitation procedure made it possible, upon request of the holder, to limit the claims, description, or drawings of the patent. This right was not allowed in France.

Pursuant to Articles 105b and 105c of EPC 2000, the holder of a European patent is henceforth provided with a centralized administrative procedure, making it possible to limit or revoke his patent. This procedure will be in effect in all contracting states for which the European patent was granted. This procedure may, in particular, prove to be useful in fighting a nullity action, or avoid one, when an element of the state of the art of the technique is discovered after the granting of the patent.

The request for limitation or revocation is filed with the EPO at any time after the grant of the patent, except during an opposition proceeding. The effects of the limitation or revocation are retroactive.

Introduction of a Petition for Review Procedure (Art. 112a EPC 2000)

"Any party to appeal proceedings adversely affected by the decision of the Board of Appeal may file a petition for review of the decision by the Enlarged Board of Appeal." This new avenue for appeal represents a third level of jurisdiction. The petition for review must, however, be grounded on the violation of a fundamental rule of procedure or on a criminal offence that could have had an impact on the decision.

London Agreement: Modification of the Linguistic System

The London Agreement was adopted on October 17, 2000. It took effect on May 1, 2008, in 13 member states of the EPO (Germany, Croatia, Denmark, France, Iceland, Latvia, Liechtenstein, Luxembourg, Monaco,

The Netherlands, United Kingdom, Slovenia, and Switzerland). Sweden ratified this agreement on April 29, 2008.

In these states, the London Agreement shall apply to European patents for which the mention of the grant is published in the European Patent Bulletin after May 1, 2008. Transitory provisions were adopted by Liechtenstein, the United Kingdom, and Switzerland allowing for the application of the new translation regime to European patents for which the mention of the grant is published after February 1, 2008.

With regard to the states that will ratify or accede to the London Agreement subsequent to May 1, 2008, the agreement shall enter into force the first day of the fourth month following the filing of the ratification or accession instrument by the party state in question.

The London Agreement is the result of work started by the Intergovernmental Conference of member States of the EPO held in France in 1999, with the goal of reducing the cost of the European patent. Since translation cost is one of the factors contributing to the high cost of the European patent, the London Agreement provides for limiting the requirements in this area.

Currently, the filing of a European patent must be performed in one of the three official languages of the EPO: English, German, or French. The examination procedure and publication of the granted patent take place in the language of the filing. At the validation stage of the European patent, each state may require the holder to supply a translation of the entire patent (descriptions, legends of drawings and claims) in one of its official languages or in the official language that it stipulated in order for the patent to be in effect in the state in question. The states that are parties to the London Agreement agree to renounce, completely or to a large extent, the translation of the European patent into their national language. Specifically, the provisions of this agreement establish three categories of states that are parties to the agreement.

1. ***Party States having an official language in common with the official languages of the EPO***. Germany, France, Liechtenstein, Luxembourg, Monaco, the United Kingdom, and Switzerland are concerned. These States will renounce the translation of the entirety of the European patent in their national language even though the patent is to be filed in a foreign language. The claims will always be available in the three official languages of the EPO.

2. ***Party States not having any official language in common with the official languages of the EPO***. Croatia, Denmark, Iceland, Latvia, the Netherlands, and Slovenia are concerned. These States will renounce the translation of the entirety of the European patent in their national language but they may require the translation of the entire patent into the one of three official languages of the EPO that they will have stipulated: English for Croatia, Denmark, Iceland, and the Netherlands; no language for Latvia and Slovenia. These states may also require the translation of the claims into their national language.

3. ***Non-party States***. About 20 states are concerned, among which certain states are frequently designated by holders of European patents and notably Austria, Spain, and Italy. These states will continue to have the same requirements in force with regard to translation.

In the event of litigation relating to a European patent, the states that are parties to the London Agreement may always order the holder of the patent to provide, at its expense, to the alleged infringer and to the court of competent jurisdiction a complete translation of the patent in an official language of the state in question.

Modification of the Judicial System: The European Patent Litigation Agreement (EPLA)

The EPLA is a facultative international draft agreement that aims to establish a new international judicial organization (the European Patent Court) with jurisdiction in matters of validity and infringement of European patents. The system put into place would apply only to states party to the EPC that decide to join it. The last EPLA draft was issued by the working group on litigation of the EPO in December 2005.

Currently, litigation relating to the validity and infringement of European patents is submitted to national jurisdictions. To the extent that a European patent, once granted, becomes a body of national patents, its holder may be led to submit the matter to several jurisdictions to enforce his rights. Parallel lawsuits are onerous and risk ending in divergent decisions. Furthermore, the differences between the national judicial systems often encourage the parties to engage in forum shopping. The purpose of the EPLA draft is to unify these disputes for better legal security.

The European Patent Court would comprise of a Court of First Instance and a Court of Appeals. The central division of the Court of First Instance and the Court of Appeals would be located at the headquarters of the European Patent Litigation Organization (EPLO). A certain number of regional divisions of

the Court of First Instance would be located in states parties to the agreement.

The European Patent Court would have exclusive jurisdiction to rule on the nullity actions and nullity cross actions, actions for damages or compensation arising from provisional protection conferred by a published European patent application and actions for infringement, threat of infringement, or declaration of non-infringement of a European patent.

The national courts would retain jurisdiction to order the provisional and precautionary measures provided for in their national laws and to order the provisional attachment of goods as security for damages, compensation, fees, or any other payment resulting from proceedings before the European Patent Court. During a transitory period of seven years, the national jurisdictions of the contracting states would have jurisdiction that is parallel to the European Patent Court.

With regard to the costs for litigation regarding European patents, the EPO concludes that it must be less expensive. It appears, on the contrary, that litigation before the European Patent Court would prove to be more onerous than litigation before a national court, and it is only after the third parallel litigation that the EPLA litigation would become more advantageous.

Since the end of 2005, the EPLA has been awaiting submission to an intergovernmental conference of the member states of the EPO. The convocation of this conference was nonetheless adjourned due to the work of the European Union (EU) aimed at the creation of a community patent—autonomous and unitary title, valid for the entire territory of the EU, which would have its own judicial system.

In April 2007, the European Commission published a communication to the European Parliament and to the Council in order to resume negotiations on the community patent and the system for settlement of patent litigation in Europe. It noted a bipolarization of the positions of the EU member states. Certain States favor to the EPLA draft establishing a centralized international jurisdiction on the basis of the EPC. Others are favorable to the establishment of a community jurisdiction charged with the settlement of litigation involving European and community patents on the basis of the Treaty establishing the European Community (EC Treaty).

In view of these circumstances, the European Commission has formulated an intermediate proposal aimed at creating a "unified and specialized judicial system" that would have the jurisdiction for litigation regarding European and community patents. It would apparently involve a non-community jurisdiction, created by an international treaty in which the European Community, its member states, and the other states party to the EPC would participate if they so desire.

On February 27, 2008, the Council of the European Union published a new working document concerning the draft European court with jurisdiction in matters of European patents and future community patents. The centralized judicial system for patents in Europe therefore remains to be determined.

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