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Recent Changes in European Patent Regulations

Dr. Dirk Schulz



Recent changes in European Patent Regulations

- The EPC in the past
- London Agreement
- EPC 2000
- Subsequent amendments of the ancillary regulations

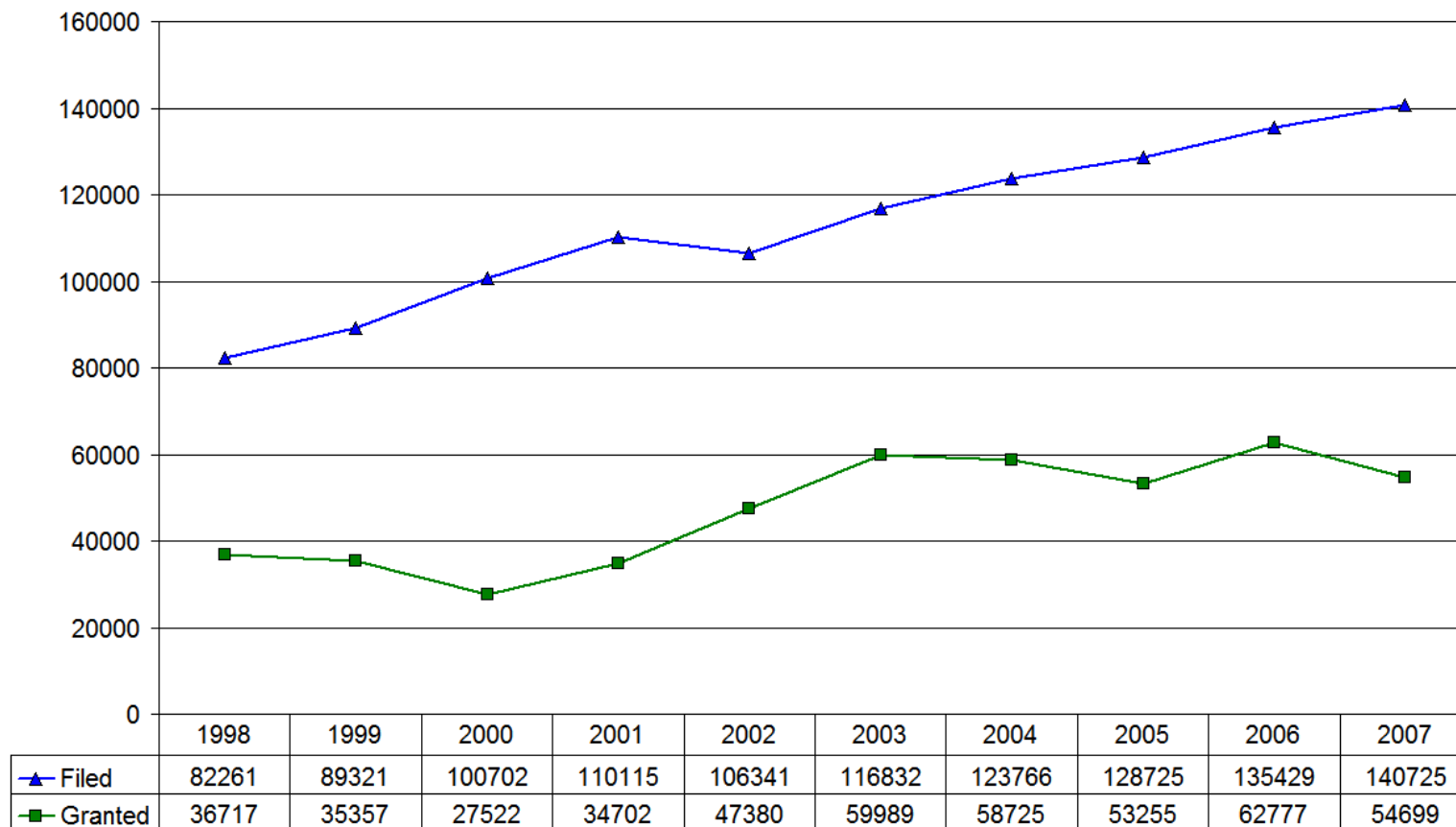


The EPC: A Success Story

- Introduced in 1973 as a trilingual system
- Today: 34 member states
- One international authority responsible for „national“ patents
- Excellent standard of examination
- Average duration until grant: 3.5 years
- Highly efficient post grant opposition system
- Case law system with boards of appeal and enlarged board of appeal → predictable jurisdiction
- Blueprint for other regions: Eurasia (EAPO), Africa (ARIPO, OAPI)



European patent applications and granted patents





Drawback: High Official Fees and Translation Costs

| | Costs until grant (official fees and translation) | Market size | Costs for first level infringement suit |
|--------|---------------------------------------------------------|--------------|-----------------------------------------------|
| Europe | 11,000 € | 230 millions | 50,000 € (refund) |
| USA | 2,500 € | 305 millions | 750,000 € |
| Japan | 2,000 € | 127 millions | n/a |

Europe:

Validation in 6 states including Italy and Spain

„Compensation“ by affordable and predictable patent jurisdiction
lower attorney's fees



London Agreement

- Waiver of post-grant patent translation requirement
- Entered into force on May 1, 2008
- Applicable for applications submitted before May 1, 2008
- 22-page Patent with 4 pages of claims and 7 designated states (FR, DE, IT, NL, ES, CH, UK): 45 % reduction of translation costs
- Not all EPC member states have signed the agreement
- Translation may still be necessary in case of legal action

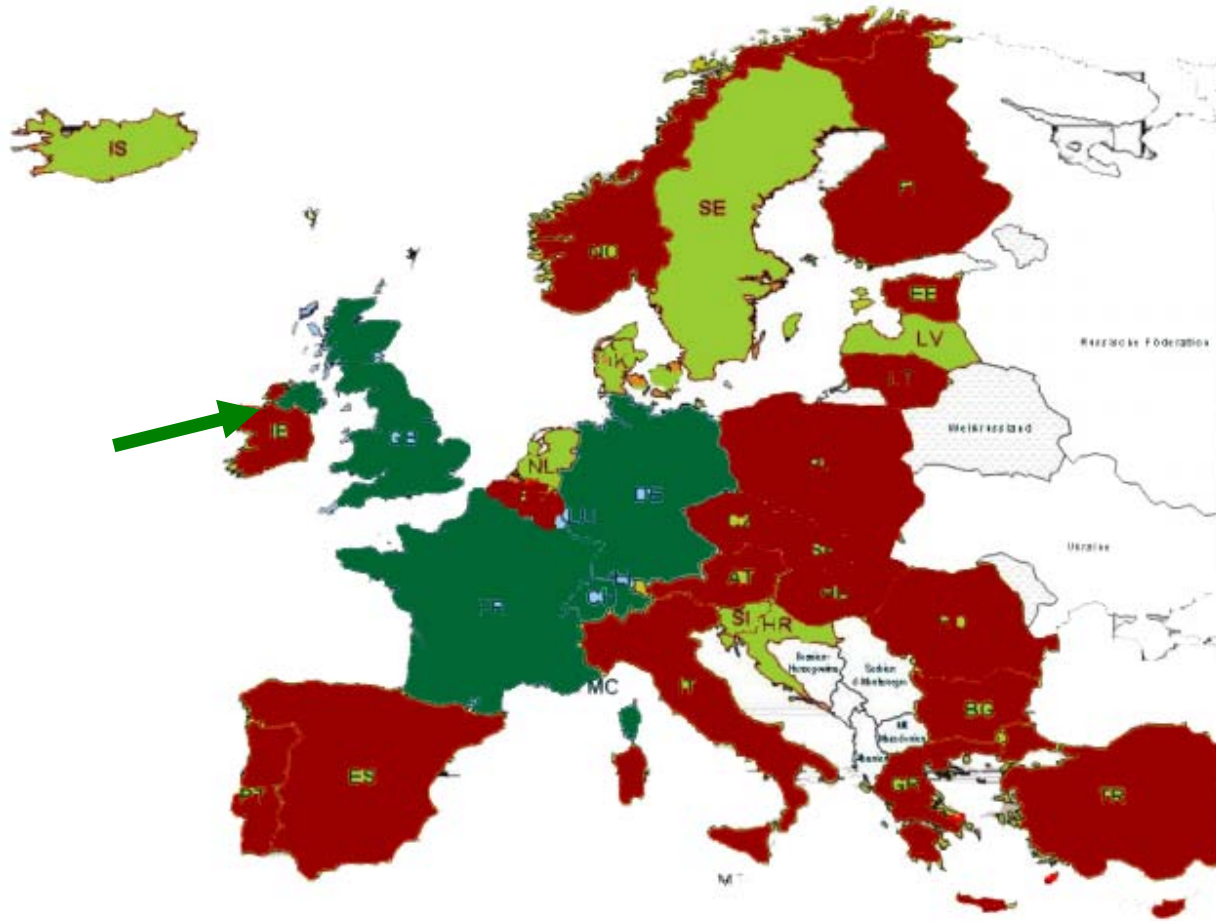


Signing Status of Member States

| Group 1 | Group 2a | Group 2b | Group 3 |
|------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No translation necessary | Translation of claims into official language | Translation of claims into official language Translation of description into English | Full translation necessary |
| United Kingdom, France, Germany, Switzerland, Liechtenstein, Luxembourg, Monaco | Latvia, Slovenia, Lithuania | Croatia, Denmark, Iceland, Sweden, Netherlands | Poland, Spain, Italy, Turkey, Austria*, Portugal, Finland**, Norway, Estonia, Lettland, Tschechia, Slowakiai, Hungary, Romania, Bulgaria, Greece, Ireland*, Belgium* |

* no translation necessary if Patent is in German (AT, BE) / English (IE) / French or German (BE)

** Finland is expected to sign in autumn 2009





Need for National Representatives

- Most of the signing states of the London Agreement do not require a national representative for validation
- Waiver of patent translations eliminates the practical need for national representatives in these states
- One single law firm can handle the validation in all these states



Signing Status vs. Need of Representative

| | National representative [no] | National representative [yes] |
|------------------------|----------------------------------------|--------------------------------------------------|
| London agreement [yes] | UK, FR, DE, CH, LI, LU, MC, SE, NL, DK | LT, SL, HR, IS |
| London agreement [no] | FI, GR*, IE**, BE**, ES, IT* | TK, AT**, PT, NO, EE, LV, CZ, SK, HU, RO, PL, BG |

*national address for service is required

**no translation necessary if Patent is in German (AT) / English (IE) / French or German (BE)

***Finland is expected to sign London Agreement in autumn 2009, and will then be „green“



Filing Language Problem 1

- We recommend (and frequently use) English as filing language, particularly after London Agreement came into force
- Same text can be used for US-provisional and first filing in Europe

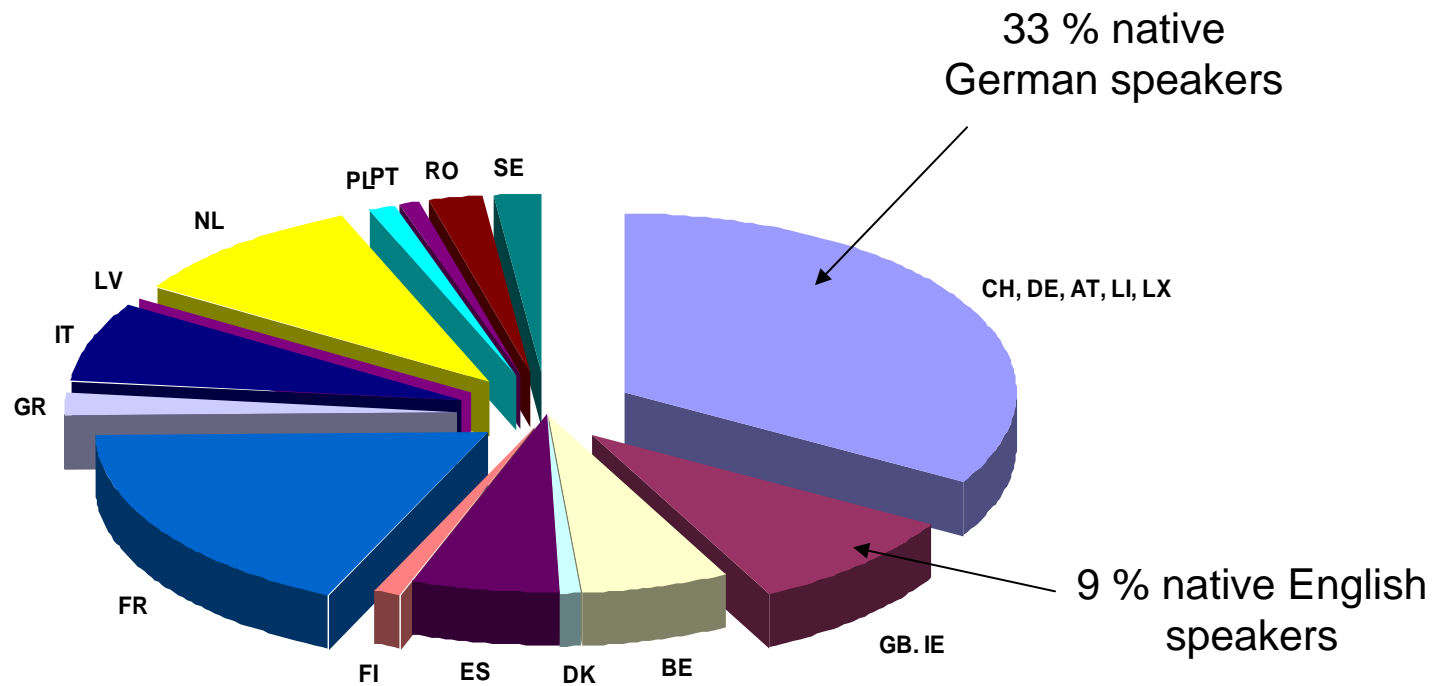


Filing Language Problem 2

- Major share of the applications examined by the EPO are in English
- However > 30% of the EPO staff are native German speakers, whereas only < 9 % are English native speakers
- Being able to negotiate with the examiner in his/her mother tongue is a significant advantage, even if the application is in English



Nationality of EPO Staff (A - C grade)



Source: EPO annual report 2007



EPC 2000: Formalities and Basic Ideas

- Set into force by December 13, 2007
- Effect in all EPC member states and, whenever possible, for pending applications as well
- Harmonization with TRIPS and PLT
- Acceleration of examination procedure
- Implementation of applicant-friendly regulations



EPC 2000: New Fees

- Claim fee (200 €) for each claim exceeding 16
- Claim fee (500 €) for each claim exceeding 50 (in 2010)
- Page fee (12 €) for each page exceeding 35
- Flat designation fee for all contracting states (500 €)



EPC 2000: How to avoid claim/page fees

- Reduce number of claims to 15 by
 - a) introduction of multiple dependencies*
 - b) combination of alternative embodiments in one claim**
 - c) deleting dependent claims which are disclosed in the specification***
- Reduce number of pages to 35 to avoid page fees
- Use Times New Roman, 11 pt (needs only 50 % space of Courier New, 12 pt.)
- Use hyphenation

* allowable under EPC

** European case law does not provide prosecution history estoppel, and post grant limitation is available under the EPC and national legislations to delete invalid embodiments from a claim

*** subject matter can be reused to narrow down claims if necessary to create novelty/non-obviousness



EPC 2000: Priority

- First filings in WTO member states give rise to right of priority, even if a member state is not party of the Paris convention, e.g. Taiwan (Art. 87 (5))
- Re-establishment into priority term is now possible (Art. 87 (1))
- Formal requirements to claim priority have been reduced



EPC 2000: Requirements for a Filing Date

- Reference to a first filing is sufficient, specification can be handed in later
- Filing can be done in any language, translation may be handed in and, if necessary, corrected, later



EPC 2000: Further Amendments

- EPO may require information related to prior art from foreign patent proceedings (similar to IDS, but only on request, Art. 124)
- In proceedings before the EPO, attorney-client privilege is now a statutory right (Art 134a(1)d)
- Assignee may now revoke, or limit by amendment of the claims, a granted patent (Art 105a), particularly in order to anticipate national nullity suits (Art 138)
- For second medical indication, swiss type claim wording is now obsolete (Art 54(5))
- If in the PCT phase non-unity is established and search has only been done for one invention, EPO will only consider said invention. Assignee can not refer to unsearched matter during prosecution



Restricted Term for Filing Divisionals (R. 31)

- From April 1, 2010, divisional applications can only be filed within a time limit of 24 months from the first office action
- If unity of invention was not objected in the first office action but in a later office action, the 24 month terms starts with the later office action
- Transitional provision: 6 month grace period until October 1, 2010
- Quick examination procedure necessary (PACE)



PACE Program (Accelerated Examination)

- EPO promises to issue the first examination report within three months
- EPO strives to react on our responses within 2 - 4 months (mean reaction time without PACE: 8,3 months)
- EPO requires that the applicant „co-operates with the Office“
- Response term for applicant cut down from 6 to 2 months
- Costs: none



BEST Program

- BEST („Bringing search and examination together“)
- Patent search and patent examination is done by the same person
- First filings receive a substantial office action within about 6 months
- Examination procedure is streamlined
- Examination is no longer carried out only in Munich, also in the Hague (50 % / 50 %)
- Oral proceedings now take place in the Hague as well



EPC 2000: Acceptance of New Regulations

| | |
|--------------------------------------------------------------------|--------------------|
| ■ Application without claims upon filing : | 40 |
| ■ Application consisting of a mere reference to prior application: | 132 |
| ■ Priority claim corrected/priority claimed after filing: | 44 |
| ■ Specification in non-european language: | 78 (JP: 70, CN: 8) |
| ■ Request for post-grant limitation: | 49 |
| ■ Request for post-grant revocation: | 13 |
| ■ IDS request under Art. 124: | 170 |
| ■ First application submitted via SMS | 20.02.2008 |

Data of May 2008



London Agreement: Consequences for Patent Attorneys

- Munich law firms report 30 % decrease of their turnover due to drop of translations
- Almost no reciprocal cases between Patent Attorneys in Europe any more
- Competition between German and UK Patent Attorneys is increasing



Community Patent

- The dawning Community Patent will further reduce costs of Patent prosecution
- Europe-wide patent (not a bundle of “daughter” patents)
- Patent litigation and invalidation will be taken over by European courts (at least for 2nd level, i.e. appeal)
- Critics say that this will affect the high quality of case law as established e.g. by German and UK courts
- Some major problems (including language question) still unsolved



Summary

- Significantly reduced costs for EP patents due to
 - London Agreement, Filing in English recommended
 - Waiver for national representative
- BEST: improved examination, The Hague/Munich equal
- Avoid claim and page fees
- Watch term for divisional applications
- Apply for PACE program
- Be prepared for „IDS“
- Use Attorney-client-privilege
- Do not expect Community patent too soon

Thank you very much for your kind attention.



Michalski · Hüttermann & Partner
Neuer Zollhof 2
D-40221 Düsseldorf
Phone +49 211 159 249 0
Fax +49 211 159 249 20
Mail mail@mhpatent.de
Internet www.mhpatent.de

M I C H A L S K I  H Ü T T E R M A N N
PATENT ATTORNEYS