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The EPO Rules of Procedure of the Boards of Appeal (RPBA) – An Update Two Years After the Entry Into Force of the RPBA 2020 (part II)

Part I of this series discussed how parties should present their case in appeal proceedings at the European Patent Office (EPO) under the new Articles 12 and 13 of the Rules of Procedure of the Boards of Appeal (RPBA),[1] which entered into force on January 1, 2020. This article now focuses on the remittal of cases to the first instance under Article 11 RPBA 2020. Discussing first the purpose behind the reformulation of Article 11 RPBA in 2020, we conclude based on a statistical review of cases that, in practice, the rate at which cases are remitted to the first instance remained the same under the new RPBA (around 80 % of cases in which remittal came into consideration), and that remittals were frequently justified by the presence of open issues on material aspects not decided (or incorrectly decided) at the first instance, by the appeal proceedings having as a primary object a "review in a judicial manner" of a decision, or by the presence of fundamental deficiencies in first instance proceedings.

How has Article 11 RPBA changed?

Under Article 111(1) of the European Patent Convention[2] (EPC), the Boards can either decide about all aspects of a case – including those not part of the appealed decision[3] –, or remit a case back to the first instance for further prosecution, i.e. either an Examining Division for (pre-grant) *ex parte* proceedings, or an Opposition Division for (post-grant) *inter partes* proceedings. In addition to this basic legal provision, Article 11 RPBA defines whether a Board should remit a case.

The old version (Article 11 RPBA 2007) made a remittal the default case for a given condition:

"A Board shall remit a case to the department of first instance if fundamental deficiencies are apparent in the first instance proceedings, unless special reasons present themselves for doing otherwise."

In the new version, the wording is reversed (emphasis added):

"The Board shall not remit a case to the department whose decision was appealed for further prosecution, unless special reasons present themselves for doing so. As a rule, fundamental deficiencies which are apparent in the proceedings before that department constitute such special reasons."

As first instance decisions may be appealed even after a remittal, a "ping-pong" effect can occur between the Boards remitting cases and the first instance departments issuing decisions that are then appealed again. As explained in the Explanatory Remarks for the amendments to the RBPA,[4] Article 11 RPBA was revised to reduce the number of remittals and improve procedural efficiency by enabling the Boards to decide a case completely rather than remitting it. This is based on the understanding that the parties would present their full case as early as possible in the proceedings under the new "convergent approach" (discussed in our previous article) so that the Boards could more easily decide a case without remittal.

The aforementioned Explanatory Remarks indicate that a case-by-case examination should be made to determine whether "special reasons" to remit under Article 11 RPBA 2020 are present, and the Boards should normally not remit the case if all issues can be decided by the Board without an undue burden. One might therefore consider that an undue burden for deciding on any issue is a "special" reason to remit. Otherwise, if special reasons such as a fundamental deficiency (mostly procedural violations) in the first instance proceedings are identified, the Board should normally remit the case.[5]

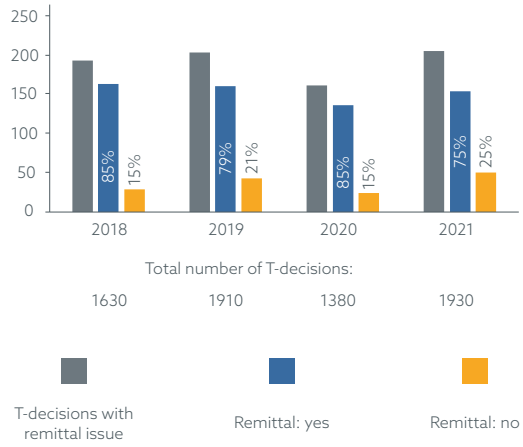
[1] Available here: https://www.epo.org/law-practice/legal-texts/html/epc/2020/e/rpba.html last accessed: March 1, 2022.
[2] Article 111(1) EPC: *"Following the examination as to the allowability of the appeal, the Board of Appeal shall decide on the appeal. The Board of Appeal may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department for further prosecution."*
[3] According to established jurisprudence, parties do not have an absolute right to two instances. See for example T1957/18, reasons 4.2 and the Case Law of the Boards of Appeal of the EPO, section V.A.7.2.1, available here: https://www.epo.org/law-practice/legal-texts/html/caselaw/2019/e/clr_v_a_7_2_1.htm.
[4] See the Explanatory Remarks for the amendments to Article 11 RPBA, available here: https://www.epo.org/law-practice/legal-texts/official-journal/2020/etc/se2/p17.html, last accessed: March 1, 2022. Published in the EPO's Official Journal 2020, Supplementary publication 2.
[5] *Ibid.*

The expression "shall not remit [...] for further prosecution" in Article 11 RPBA 2020 mirrors the wording of Article 111(1) EPC, and according to the Explanatory Remarks, this indicates that Article 11 RPBA 2020 should not apply to remittals for other purposes, such as remittals with an order by the Board to grant a patent or to maintain a patent in amended form, with or without the description to be adapted.[6]

What does the recent case law say?

The following figure shows appeal decisions by the Boards of the EPO from 2018 to 2021, with two years (2018 and 2019) being under the old version of the RPBA, and two years (2020 and 2021) under the new RPBA 2020.[7]

Remittal statistics



Remittal came into consideration for an average of about 11 % of all appeal decisions issued each year,[8] and of those decisions dealing with remittal, a great majority (about 81 %) ordered a remittal to the department of first instance. This majority may be driven by the Boards considering remittals even if no party raised the question.

No statistically significant change in remittals can be attributed to Article 11 RPBA 2020. Additionally, the small sample size prevents attempts to accurately identify any trend for remittals. The lowest remittal rate occurring in 2021 may be due to a fluctuation rather than to the amendment to Article 11 RPBA. Factors which may have prevented any trend from being visible include the COVID-19 pandemic affecting the operation of the Boards in 2020 and 2021, and the fact that the "convergent approach" under the new Articles 12 and 13 RPBA was only applied in a fraction of the decisions decided in 2020 and 2021.[9]

The following main factors to justify the remittal were identified from a review of 78 decisions to remit issued in 2021, with most decisions citing more than one factor:

- **open issues regarding material aspects** such as inventive step (46 decisions[10]), novelty (29 decisions[11]), and to lesser extent added subject-matter, sufficiency or clarity (each cited in 4-7 decisions), either because it is not discussed in the appealed decision or because the Board came to a different conclusion than the first instance[12];
- the **primary object** of appeal proceedings being the **review of the decision under appeal in a judicial manner**[13] (22 decisions[14]);
- **fundamental deficiencies** (13 decisions[15]) requiring no other special reasons for a remittal, eight of which amounted to **substantial procedural violation** leading to a refund of the appeal fee; and
- the Board's inability to **decide without undue burden** (in at least three decisions, unsurprisingly all *inter partes* proceedings which usually involve more material than *ex parte* proceedings).[16]

Prospects of a remittal

Parties to proceedings may have a legitimate interest in obtaining a remittal, for example, to ensure that issues are considered by two instances.[17]

[6] *Supra* note 3. See, however dissenting decision T1615/18 indicating that a remittal "with a description to be adapted" is effectively a remittal for further prosecution, because further written dialog is required.
[7] No transitional provisions are laid for Article 11 RPBA 2020, which is thus to be applied to all appeals pending or filed on or after January 1, 2020, pursuant to Article 24 RPBA. Before that, RPBA 2007 applied.
[8] Including *ex parte* proceedings and *inter partes* proceedings.
[9] Appeal proceedings initiated before 1 January 2020 could not have followed the "convergent approach", although the remittal would still be decided under the new Article 11 RPBA 2020.
[10] See, for example T2556/18, reasons 5.3.
[11] See, for example, T1262/18, reasons 6.
[12] See, for example T1524/17, reasons 3.1.
[13] See Article 12(2) RPBA 2020: "In view of the primary object of the appeal proceedings to review the decision under appeal in a judicial manner".
[14] See, for example, T2025/18, reasons 4.2; or T1790/17, reasons 12.
[15] See, for example, T1976/18, reasons 3.
[16] See, for example, T1796/17, reasons 4.2.
[17] See, for example, T3272/19, reasons 8.4.

A request for remittal may be more likely to be granted if the case at hand involves at least some of the main factors used to justify remittal identified above, and the request for remittal is made by all parties to the proceedings (or at least not objected by any party).[18] If a remittal is considered, it may be useful to review whether any of these factors are present in the first instance proceedings or the first instance decision.

If made, a request for remittal may be challenged by an opposing party in *inter partes* appeal proceedings, on the basis that it would inevitably prolong the proceedings at the EPO, leading to further legal uncertainty. T0707/18 may come of use to counter such a challenge, by arguing that the appeal's primary object being a review of the appealed decision in a judicial manner supersedes an interest in early legal certainty.[19]

However, one should keep in mind the new "convergent approach" for appeal proceedings under Articles 12 and 13 RPBA 2020. In some *inter partes* decisions,[20] the fact that the parties had not commented on the open questions yet further motivated the Boards to remit. Although one may thus conclude that not presenting a case fully may promote a remittal, withholding on open questions can backfire if the Board decides not to remit as the practice on remittal may gradually shift as more appeal proceedings follow the new "convergent approach".

For example, in T2233/15, the opponent had raised a new inventive step attack for the first time during oral proceedings before the board, and argued that the opposition division did not assess the inventive step in view of that attack, requesting a remittal. A remittal was refused, as the Board considered this would run counter to procedural efficiency and the primary object of appeal proceedings being a review in a judicial manner.[21]

On the other hand, to avoid lengthening proceedings, a party may during the first instance proceedings push for a decision comprehensively addressing all issues at hand, citing the new "convergent approach" under Articles 12 and 13 RPBA 2020. Accordingly, if the first instance decision is then appealed and a remittal is requested, the Board would be in a better position to decide on all remaining issues without undue burden.

Also, when filing the grounds of appeal, all relevant aspects of the case should be addressed, even if not part of the appealed decision. The more comprehensive the presentation, the better the position of the Boards to fully decide on the case without undue burden thus not requiring a remittal.

Conclusion

Article 11 RPBA was amended in 2020 with the aim of shortening appeal proceedings by reducing the number of remittals and to have the Boards themselves conclude the cases. No significant change could be identified in how the Boards handle remittal issues, neither on a statistical nor on a case-by-case level. More time is thus needed to see if Article 11 RPBA 2020 has any measurable effect on remittals by the Boards. It may be that the aim of the RPBA 2020 to focus on judicial review somewhat torpedoes the intention of Article 11 RPBA 2020 to have fewer remittals and a more complete decision-making process of the Boards.

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[18] *Ibid*, mentioning the request for remittal by the respondent and the absence of contest by the appellant. See also T1796/17, reasons 17.
[19] T0707/18, reasons 26.
[20] See, for example, T0947/19, reasons 3.1, and T1174/18, reasons 9.
[21] T2233/15, reasons 12.

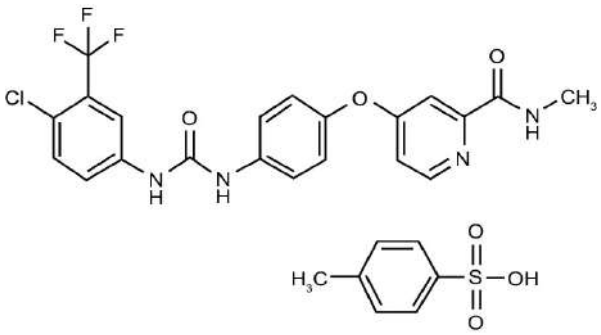
Teva v Bayer - UK High Court Decides New Salt Form is Obvious

In the recent decision in Teva v Bayer Healthcare,[1] the High Court of England and Wales found Bayer's patent EP (UK) 2 305 255 invalid for the reason that it claimed a specific salt form of a drug which was considered obvious in view of preliminary clinical trial data relating to an unknown form of the drug. This decision illustrates the UK courts' willingness to find patents in the pharmaceutical field invalid on the basis that they claim the outcome of routine drug development.

Background

Bayer's patent concerns aryl urea compounds and their use in the treatment of a range of cancers. Although the originally filed application focusses on combination therapies, granted claim 12 is directed to a specific aryl urea compound, namely the tosylate salt of the drug sorafenib, without any use limitation. In an effort to clear the way for their own sorafenib tosylate product, Teva argued that claim 12 is invalid.

Sorafenib tosylate can be represented as follows, wherein the lower structure is the tosylate-forming acid (*p*-toluene sulfonic acid):



Obviousness

The Judge determined that the obviousness assessment should be conducted with reference to the "skilled team" containing a formulator and, of lesser importance, a medicinal chemist. The medicinal chemist would have been concerned with synthesis, whilst the formulator would have been concerned with the testing of synthesised compounds.

As is common in UK court proceedings, both parties called technical experts to support their positions. A large part of the High Court's decision is devoted to the assessment of the experts' testimonies. The experts disagreed on the critical question of whether it would have been obvious to the skilled team to produce the tosylate salt when investigating suitable salts of sorafenib.

The principal prior art document relied upon by Teva is a journal article which reports the finding of clinical tests that orally administered sorafenib is effective against a number of different cancers. The article contains no information as to whether sorafenib was used in the free base form or as a salt. In view of this, the Judge posed the question *what would the skilled team do next?* The Judge concluded that the skilled team would have been motivated to produce the free base form of sorafenib, would have determined that the free base has a very low solubility in water and is therefore unsuitable for oral administration, and consequently would have performed a salt screen in order to find salts having an improved solubility and acceptable stability. The parties agreed that salt screening is a routine part of drug development.

In order to determine whether the tosylate salt would have been included in the salt screen, the Judge turned to the common general knowledge, as represented by several textbooks and articles. A number of these documents disclose tosylate among salts which may improve drug solubility. The views of the technical experts differed in terms of how the skilled team would have approached the salt screen.

[1] [2021] EWHC 2690 (Pat)

Bayer's expert placed particular emphasis on the very low solubility of sorafenib and the rarity of tosylate salts among approved medicinal products. Teva's expert focused more on the acid-base properties of sorafenib. Since sorafenib is a weak base, a strong acid (*p*-toluene sulfonic acid being an example) is required to form a stable salt. The experts agreed that the outcome of the salt screen would have been difficult to predict.

Ultimately, the Judge decided that the inclusion of sorafenib tosylate in the salt screen would have been the result of routine considerations. The Judge rejected Bayer's arguments as being unduly influenced by hindsight, in that Bayer displayed a tendency to look for reasons to exclude sorafenib tosylate from the salt screen. The Judge favoured the view of Teva's expert that the primary consideration is the acidity of the salt-forming acid relative to sorafenib. The tosylate salt might not have been the first salt the skilled team investigated, but in the Judge's view, the tosylate salt would have been made and tested without inventive effort.

The Judge went further by concluding that claim 12 would still be invalid if amended to include the limitation that the sorafenib tosylate is for oral administration. The Judge was of the opinion that once sorafenib tosylate had been synthesised, the skilled formulator would have discovered its improved solubility versus the free base and would have readily incorporated it into a formulation suitable for oral administration, bearing in mind the disclosure of oral administration in the primary prior art reference.

Summary

Teva v Bayer illustrates that patents which claim salts of known drugs are vulnerable to revocation by the UK courts. The same goes for claims to particular doses of known drugs (see Actavis v ICOS[2]). In view of the emphasis placed on expert testimony and the common general knowledge, the UK courts have a tendency to view such developments as being the results of routine research and therefore obvious, even if the results were not predictable. Teva v Bayer is also notable for the Judge's warning against the use of hindsight by the Patentee. The use of hindsight is more commonly a criticism levelled at opposing parties.

It is worth noting that the Federal Patent Court of Germany decided that the corresponding claim of the equivalent EP(DE) patent is invalid for lack of inventive step. Thus, the outcome of the German case is consistent with that of the UK case.

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[2] [2019] UKSC 15

LEGO: General Court Judgment of 24 March 2021 - T 515/19

On March 24, 2021, the General Court of the Court of Justice of the European Union overturned the decision of the European Union Intellectual Property Office (EUIPO) that had found the design of the LEGO brick ineligible for protection. On the one hand, the EUIPO had not observed the exception in Art. 8 (3) Community Design Regulation (CDR). In addition, it had not sufficiently taken into account all the essential appearance features of the contested design.

The starting point of the decision is Art. 8 CDR. According to this, design protection is excluded for features of appearance of a product which are "solely dictated by its technical function" (Art. 8 (1) CDR) or represent so-called "must-fit" parts (Art. 8 (2) CDR). "Must-fit" parts are those features of appearance of a product which must necessarily be reproduced in their exact shape and dimensions in order to connect to another product, so that either product may perform its function.

The principle that there is no design protection for "must-fit parts" (Art. 8 (2) CDR) does not apply if the design serves the purpose of allowing the multiple assembly or connection of mutually interchangeable products within a modular system (Art. 8 (3) CDR). A "modular system" implies a set of products that can be combined in different ways.

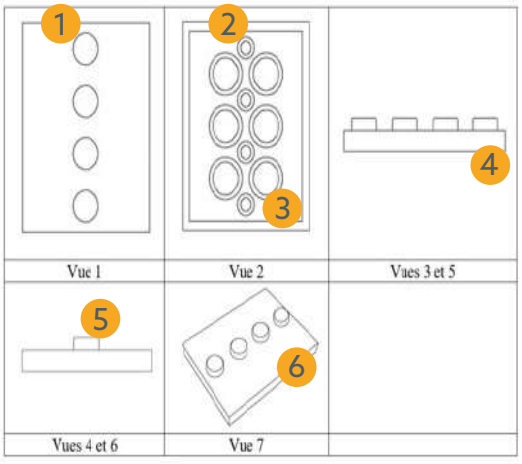
On February 2, 2010, LEGO applied for Community design No 1664368-0006 for "building blocks from a toy building set", which have a row of four knobs in the center of the top surface and otherwise have a smooth surface.

On December 8, 2010, the German company Delta Sport Handelskontor GmbH filed an application for a declaration of invalidity of the above-mentioned Community design with the EUIPO. The applicant claimed that all the features of appearance of the contested design were solely dictated by the technical function of the product and for that reason were excluded from protection pursuant to Article 8 (1) CDR.

On October 30, 2017, the Cancellation Division of the EUIPO rejected the application for a declaration of invalidity. The Cancellation Division found, in particular, that the technical function of the building block is to be interconnected with other building blocks for the purpose of playing and that the applicant had not shown that the fulfilment of this function was the only factor determining the features of appearance covered by the contested design. The Cancellation Division also considered that the building set met the definition of a modular system and that therefore the exception clause (Art. 8 (3) CDR) applies.

The appeal filed by Delta Sport Handelskontor GmbH on January 5, 2018, was successful.

The Board of Appeal identified the following features:



1 row of studs on the upper face of the brick
2 row of smaller circles on the lower face of the brick
3 two rows of bigger circles on the lower face of the brick
4 thickness of the walls of the brick
5 cylindrical shape of the studs
6 rectangular shape of the brick

The Board of Appeal concluded that all these features were solely dictated by the technical function of the building brick, namely, assembly with and disassembly from the rest of the bricks of the set.

Based on an action by LEGO, the decision of the Board of Appeal was annulled by the General Court (GC).

In detail, the GC found that the features of appearance identified by the Board of Appeal were exclusively technical and thus fell within the ground for exclusion from protection of Article 8 (1) CDR.

Furthermore, since, in order to fulfil the function of assembly and disassembly of the product concerned by the contested design, the features of appearance of that design, as identified by the Board of Appeal, must be reproduced in the exact dimensions in order to permit their connection, they also fall within Article 8 (2) CDR.

Even if certain features of the interconnection are solely dictated by their technical function (Art. 8 (1) CDR) and are "must-fit" parts (Art. 8 (2) CDR), the exception of Art. 8 (3) CDR ("modular system") may apply.

The GC found the exception of Art. 8 (3) CDR applicable in the present case and criticized the EUIPO for not having examined the "modular system" exception. LEGO building blocks, which are connected to each other to create an overall structure, represent such a modular system. Because the must-fit parts form a modular system, they justify protection as a design.

In addition, the GC criticized the EUIPO for not having identified all the appearance characteristics of the LEGO brick.

A design must be declared invalid if all the features of its appearance are solely dictated by the technical function of the product. If at least one of the features of appearance of the product covered by a contested design is not solely dictated by the technical function of that product, the design at issue cannot be declared invalid under Article 8 (1) CDR. According to the GC, the EUIPO disregarded the smooth surface of the upper face of the toy brick from which the row of studs protrudes as a specific appearance of the product.

Therefore, the GC referred the case back to the EUIPO for further consideration.

Due to the decision of the GC there is extensive protection for modular systems. Interestingly, the above decision differs significantly from the trademark decision of the European Court of Justice (ECJ) of 14 September 2010 (C-48/09 P), although the underlying facts are at first sight very similar. At that time, the ECJ had denied the LEGO brick protection under trademark law. The ECJ justified this on the grounds that the LEGO brick consisted solely of features of the product which were necessary to achieve a technical result (Article 7(1)(e)(ii) EUTMR).

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Amendment of the Description: Is It the EPO's Guidelines That Require Adaptation?

One of the peculiarities of EPO practice is the requirement to adapt the description for agreement with the claims. Controversially, the EPO adopted a much more stringent approach to this requirement last year. However, in a recent appellate decision – T 1989/18 – the competent Board of Appeal (Board 3.3.04) held that the requirement to adapt the description lacks legal basis in the EPC.[1] The Board's decision calls into question the legitimacy of the EPO's approach but it remains to be seen whether the EPO will alter its practice in view of the Board's findings.

Background

A longstanding feature of EPO practice is that the description of a European patent application must be amended so that it is in conformity with the allowed claims. Thus, if the claims of an application have been narrowed in scope during the course of examination, the EPO requires that the description be amended to reflect the narrower scope of the amended claims. In the EPO's view, the claims would be rendered unclear if the invention were presented in the description in a way that is inconsistent with the claims.

For many years, it was standard practice for attorneys to address this requirement by making minimal changes to the description, such as by replacing the term "invention" by "disclosure" and/or by including a brief reference to the subject matter of the claims. This practice was deemed acceptable by examiners on the whole.

Controversially, the EPO adopted a much more stringent approach in the 2021 edition of the Guidelines for Examination. In particular, the Guidelines were revised to require that embodiments falling outside the scope of the claims should be deleted or "prominently stated" as not being covered by the claims.[2] The revised guidance was met with criticism from practitioners because it requires much more extensive changes to be made to the description, creating an additional burden on applicants and giving rise to concerns regarding the effect of the amendments on the interpretation of the claims and the scope of protection.

The Board's findings in T 1989/18

In the case before the Board, the Examining Division had refused the application in suit on the ground that the scope of protection was unclear. According to the Examining Division, the description identified embodiments which were no longer covered by the allowed claims, such that it cast doubt on the scope of protection. The appellant argued that "[t]he EPC did not require that parts of the description of an application which were no longer covered by the set of amended claims on which an examining division intended to grant a patent had to be marked as 'non-related disclosure' or even had to be deleted when adapting the description to those claims."

While Article 84 EPC is frequently cited by the EPO as a legal basis for adapting the description, the Board noted that Article 84 EPC only mentions the description in the context of the requirement that it must support the claims. In the Board's view, this means only that the subject matter of the claims must be taken from the description, not that the description cannot also describe other embodiments that are not claimed.

Article 69 EPC was also dismissed as a legal basis for the reason that it is only concerned with the extent of protection conferred by European patents, rather than a requirement that is to be met by an application or patent. Rule 42(1)(c) EPC (content of the description) and Rule 48(1)(c) EPC (prohibited matter) were also considered by the Board but rejected as possible legal bases.

[1] T 1989/18 (Adaptation of the description/HOFFMANN-LA ROCHE) of 16 December 2021.
[2] Guidelines for Examination, 2021 edition, Part F, Chapter IV-4.3.

The Board concluded that it failed to see "how the aforementioned provisions of the EPC, or any others, can lead to the requirement that embodiments disclosed in the description of an application which are of a more general nature than the subject-matter of a given independent claim must constitute potential subject-matter of a claim dependent on that independent claim." The Board therefore allowed the appeal and set aside the Examining Division's decision.

Possible Implications

The Board's decision is likely to be welcomed by applicants and attorneys alike, especially given the controversy that surrounded the 2021 edition of the Guidelines for Examination. That said, unless the official guidance changes, we suspect that most examiners will continue to follow the strict approach set out in the Guidelines.

The latest edition of the Guidelines entered into force on 1 March 2022. Although the section of the Guidelines dealing with adaptation of the description has been reworded somewhat, the substance of this requirement appears to be largely unchanged. Neither T 1989/18 nor the Board's findings are reflected in the latest edition of the Guidelines but this is perhaps understandable given that the Board's decision was only recently published. The EPO has recently launched a user consultation regarding the Guidelines for Examination, with a deadline of 15 April 2022 for submitting responses. It will be interesting to see whether the EPO decides to revise the Guidelines in light of the Board's decision.

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Update on Entitlement to Priority under the European Patent Convention (EPC) and Joint Applicant Approach

On January 28, 2022, an EPO Board of Appeal referred two questions to the Enlarged Board of Appeal (EBA) regarding the requirement of Article 87(1) EPC that priority can only be claimed by the person who has duly filed the priority application or its successor in title.[1] In a previous article (*HOFFMANN EITLE Quarterly*, June 2021, pp. 2-4), we provided some background and best practice recommendations in relation to this requirement. We provide here a brief update on this new development.

The jurisdiction issue

The first question referred by Board 3.3.04 to the EBA concerns whether the EPO has jurisdiction at all under the EPC to decide on the validity of a party's claim to be entitled to a priority right as successor in title under Article 87(1) EPC. Although another Board in decision T 844/18, published in November 2020, held that the EPO had jurisdiction to assess the validity of a priority right claim under Article 87(1) EPC in view of the "long established case law and practice" of the EPO in that regard,[2] Board 3.3.04 also noted that the EPO jurisdiction had been questioned in communications by the Boards in several cases[3] and in commentaries too. Thus, the Board considered that, since a question concerning priority was to be referred to the EBA on a related matter (see second question below), this was "a convenient opportunity to have a final decision on the „jurisdiction issue" as well". In other words, the Board felt the need to settle this issue for good.

The joint applicants approach

The second question referred to the EBA concerns a specific situation in which a first application designates party A as applicant, and a subsequent PCT application claiming priority of the first application designates party A as applicant for the US only and another party B as applicant for other designated States, including regional protection through the EPO.

Although it appears to be established EPO practice – and this is even expressed in the Guidelines for Examination (A-III, 6.1) – that no special transfer is required by the EPO if a first application designates party A as applicant and the subsequent EP application claiming priority of the first application designates both party A and another party B (see *HOFFMANN EITLE Quarterly*, June 2021, pp. 2-4, section B.3; this approach is called the "joint applicants approach"), in the specific situation considered in the referral not all applicants named in the PCT application are applicants for the European patent. The second question relates to whether this situation requires any transfer of the priority right from party A to party B for the priority right to be validly claimed in an EP application or EP patent deriving from the PCT application.

If the EBA were to answer that this situation does not require any transfer of the priority right, this would resolve many pre-AIA issues. Before the U.S. Leahy-Smith America Invents Act (AIA) became effective on September 16, 2012, a U.S. patent could only be applied for in the name of the actual inventor or inventors. This has led to many priority applications being filed by the inventor(s) and PCT applications designating the inventor(s) as applicant for the U.S. only and another party – often a company – as applicant for the other designated States.

[1] T 1513/17 and T 2719/19. The pending referrals have been assigned case numbers G 1/22 and G 2/22.
[2] T 844/18 (CRISPR-Cas/BROAD INSTITUTE).
[3] The Board cites communications of the respective boards in cases T 239/16, T 419/16 and T 845/19.

The law applicable to the transfer of the priority right

Interestingly, concerning the second question, the referring Board suggested that the more general issue of which legal system was "applicable to the assessment of the transfer of the priority right" would be relevant to the EBA's considerations. This is linked to the underlying issue of "the conflict of laws-rules to be applied by the EPO", which the EBA may have to address since the EPC does not contain any conflict of laws rules.

The Board further explained that, if the legal system to be applied to the above assessment was solely the EPC (deviating from existing case law[4]), no formal requirements may have to be satisfied to transfer a priority right by agreement, when claimed in a European patent application (or a Euro-PCT application). If the EBA were to follow this route, proof of the validity of a transfer of priority right by agreement could be eased before the EPO, in particular during opposition proceedings, if for example an implied or tacit transfer agreement can be relied upon.

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[4] See T 160/13, in which the law of the country where the priority application was filed was applied.

Changes in Germany and Italy to the National Phase of PCT Applications

Changes to the national provisions in Germany and Italy for PCT applications will enter into force soon or important deadlines are approaching in that regard. This article summarizes the background of these changes and provides practical advice to applicants. In a nutshell: In Germany, as of May 1, 2022, the term for entry into national phase is extended from 30 to 31 months. In Italy, PCT applications with an international filing date on or after July 1, 2020 are entitled to enter into the Italian national phase through the direct national route, with a non-extendable deadline for entry into the national phase of 30 months from the earliest priority date.

1. Germany: Extension of the term for entering into the national phase from 30 to 31 months

The "Second Patent Law Modernisation Act" ("*Zweites Gesetz zur Vereinfachung und Modernisierung des Patentrechts*") of 2021 entails a change to the entry of a PCT application into the German phase: While the term was 30 months (from the priority date of the PCT application or, if no priority is claimed, from its filing date), as of May 1, 2022, it will be 31 months to enter the national phase before the German Patent and Trademark Office (GPTO) as designated or elected office.

This change results from amendments to the German Act on International Patent Conventions ("*Gesetz über Internationale Patentübereinkommen*", "IntPatÜG"): In Art. III § 4 and § 6 IntPatÜG, the terms for entry into the German phase were defined by reference to Art. 22 and 39 PCT respectively, both citing the expiry of 30 months from the priority date as the deadline for entry into the national phase. In the amended version of the German Act on International Patent Conventions, these references have been removed and the term of 31 months is now expressly mentioned in Art. III § 4 IntPatÜG.

This change in the time limit for entering the German national phase of a PCT application from 30 to 31 months is applicable to PCT applications for which the 30 months after the priority date have not yet expired on May 1, 2022.

Thus, for a PCT application with a priority date on or after November 1, 2019 (i.e., the 30-month term ending on or after May 1, 2022), the term for entry into the German phase will be 31 months.

For a PCT application with a priority date before or on October 31, 2019, the term for entry into the national phase is *not* extended.

2. Italy: Opening of the national route

Decree Law no. 34 on "Urgent measures for economic growth and for the resolution of specific crisis situations" ("*Misure urgenti di crescita economica e per la risoluzione di specifiche situazioni di crisi*"), published in the Official Gazette no. 100 of April 30, 2019, introduced the possibility for a PCT application to enter into the Italian national phase through the direct national route, i.e. allowing patent protection to be obtained in Italy from a PCT application without having to go through the European regional phase.

The implementation requirements are laid out in the Ministerial Decree of the Italian Patent and Trademark Office (IPTO) dated November 13, 2019: The PCT application must have an international filing date on or after July 1, 2020, and the non-extendable deadline for the national entry in Italy is 30 months from the earliest priority date of the PCT application or, if no priority is claimed, from the international filing date.

For a PCT application with an international filing date before July 1, 2020, the only way to obtain patent protection in Italy is to enter the European regional phase at the European Patent Office and to validate the European patent in Italy after grant.

Furthermore, if the 30-month term of PCT applications with an international filing date on or after July 1, 2020 has already lapsed, the legal remedy of *further processing* (pursuant to Art. 192 of the Italian Code of Industrial Property) is available, provided that – within 2 months from the non-observed 30-month period – the Italian national phase is entered and a further processing fee is paid. No excuse (all due care or unintentional criterion) for missing the 30-month term is needed.

After entry into the Italian national phase, but no earlier than the expiry of the 30-month term, the IPTO will start substantive examination based on the International Preliminary Examination Report on Patentability (IPRP) established during the international phase. No specific request for examination needs to be filed. Examination of the application aims at determining whether the subject matter of the application complies – *inter alia* – with the patentability requirements of novelty and inventive step.

A reply to an Office Action based on the IPRP will be due within a time limit set by the IPTO. After a reply to the Office Action, it can be assumed that – similar to the examination of national patent applications in Italy – the IPTO would normally grant the application; in rare cases the IPTO may issue a second Office Action or refuse the application with an appealable decision.

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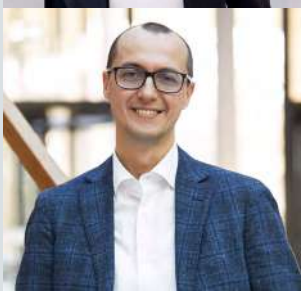


Preparing for the UPC: What to do when

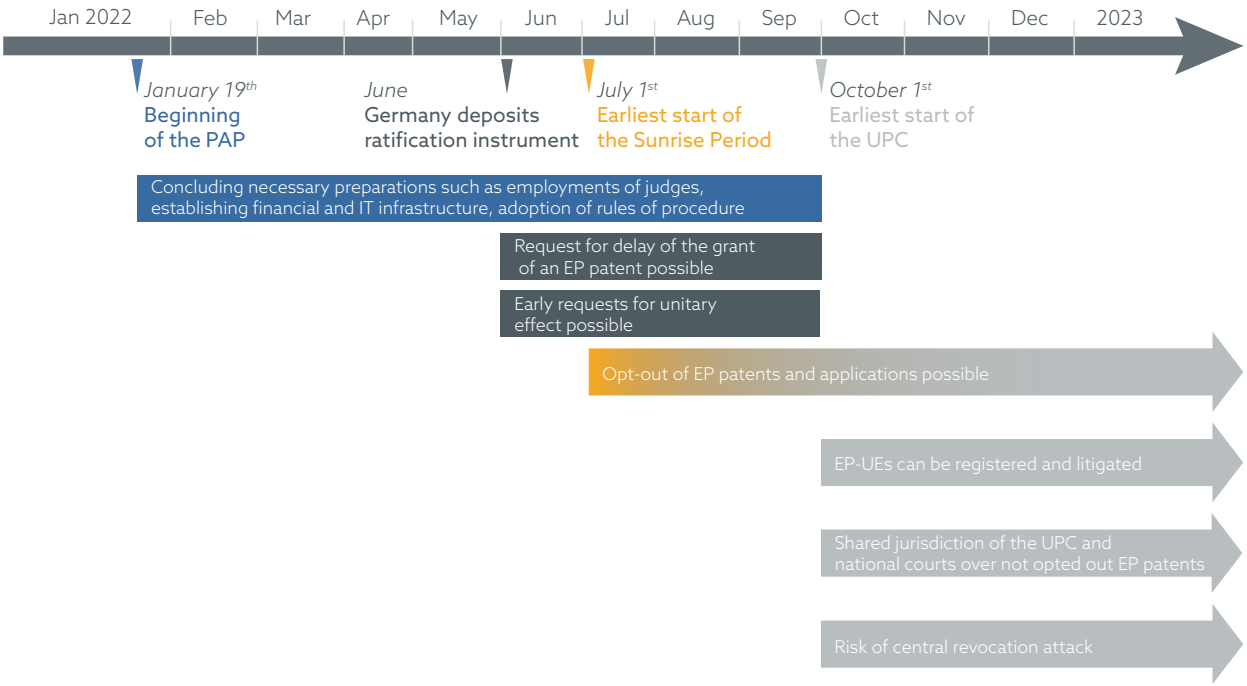
With the Unified Patent Court (UPC) and the European Patent with Unitary Effect (EP-UE), a new patent system will come to Europe at the end of 2022 or in 2023, introducing a major change in the European patent litigation system. On January 19, 2022 the provisional application period (PAP) began. The UPC has come into existence as a legal entity and is conducting the necessary preparations before the new system can commence.

The UPC Preparatory Committee estimates that the preparatory phase will take at least eight months. Once it is clear when the UPC will be functional, Germany is expected to deposit its ratification instrument triggering the opening of the UPC. The new system will start on the first day of the fourth month after Germany's ratification. According to the Preparatory Committee's estimate, this could be as early as October 1, 2022. On the other hand, many people expect that more time will be needed for the preparation and thus the new system may indeed not start before 2023. The following is a brief outline of the overall time line based on the assumption that the UPC (and the entire new system) will start on October 1, 2022:

January 19, 2022: Beginning of the PAP

- The UPC exists as a legal entity and concludes the necessary preparations:
  - Adoption of the Rules of Procedure and various further secondary legislation
  - Selections and appointment of judges and staff
  - Legal, financial and IT infrastructure preparations
  - Establishment of the working capability of the divisions and function test

Outline of the overall time line based on the assumption that the UPC will start on October 1, 2022



June 2022: Germany deposits its ratification instrument

- The German ratification will trigger the opening of the UPC on the first day of the 4th month thereafter (i.e. for the UPC to start on October 1, 2022, Germany will have to deposit its ratification instrument in June 2022).
- Applicants can request a delay in issuing the decision to grant a European patent in response to a communication under Rule 71(3) EPC, so that the patent will be granted only after the new system has come into force and unitary effect will become available for the EP patent.
- Early requests for unitary effect may be filed for European patent applications.

July 1, 2022: Start of the sunrise period

- The sunrise period will start three months before the start of the new system (if the UPC will start its operations on October 1, 2022, the sunrise period will commence on July 1, 2022).
- Opt-outs for European patents can be declared at the UPC. Opting out removes the UPC's jurisdiction over a given European patent and avoids, for example, a central revocation attack. The sunrise period offers patentees a head start before competitors have a chance to initiate a revocation action before the UPC.
- Opt-outs are also possible for pending EP patent applications. By opting out an EP patent application (during or after the sunrise period), the applicant can ensure that the opt-out is registered before the patent is granted. As a result, an action against the granted patent before the UPC can be avoided.

October 1, 2022: Legal proceedings can begin

- European patents with unitary effect (EP-UE) can be obtained at the EPO and litigated before the UPC.
- Revocation actions or actions for declaration of non-infringement can be filed before the UPC in relation to EP-UEs and European patents which have not been opted out.
- The UPC and national courts have shared jurisdiction over European patents which are not opted out during a transitional period of seven years (which can be extended up to 14 years). This means that the plaintiff can choose whether to file an action before a national court or before the UPC. Depending on the case, there will be a race between the alleged infringer and the proprietor as to who is the first to file an action before the most favoured court.
- An opt-out is no longer possible if an action has been filed in respect of the relevant European patent before the UPC, and the withdrawal of an opt-out is no longer possible if an action has been filed before a national court in relation to an opted out EP patent.
- In Germany and France, new rules on double patenting will come into force, allowing double patent protection for a national patent for the same invention alongside an EP-UE or a traditional European patent as long as the latter is not opted out.

If you are interested in learning more about this new court system in Europe, please see the Questions and Answers on HOFFMANN EITLE website. We provide answers to the most frequently asked questions and include further guides and recorded lectures for those who are interested in a more detailed explanation. For any further questions, please do not hesitate to contact us at upc@hoffmanneitle.com.

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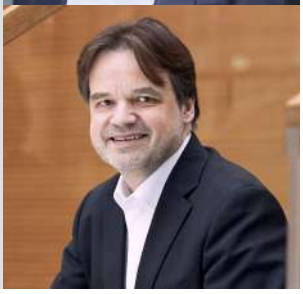

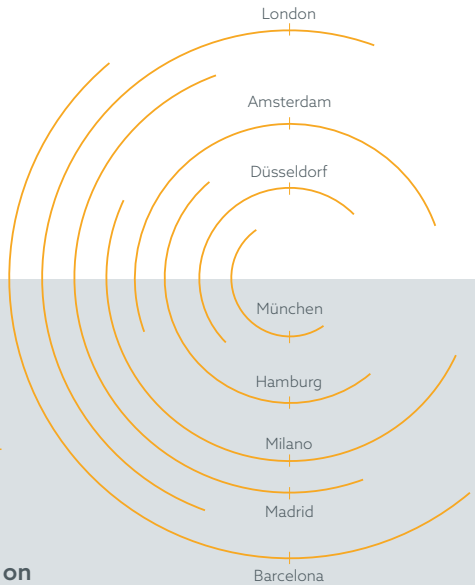

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