

**Subject:** Proposal for a Council Regulation on the EU Patent

**By:** *epi*

**To:** European Commission, EU ES Presidency, EU BE Presidency, EPO

**Summary:** In general we are of the opinion that the EPC should always prevail over the EU patent and EU patent applications, just like the PCT prevails over the EPC (Art. 150(2) EPC, last sentence). In the following *epi* position we provide a review of a number of articles of the proposed regulation, particularly those who are in direct relation to the EPC.

**Documents:** Council Note 16113/09 ADD 1, 27 November 2009

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The Institute of Professional Representatives before the European Patent Office („*epi*“) came into existence pursuant to the European Patent Convention (EPC) upon provisions adopted by the Administrative Council of the European Patent Organization. The Institute being an international non-governmental public law corporation has its own by-laws and code of professional conduct. At present, the Institute which represents the first all-European patent profession comprises about 9600 members from 37 European countries, both from industry and free profession.

The governing body of the Institute is the *epi* Council which comprises registered European Patent Attorneys from all the states contracting to the European Patent Convention. The senior body within the Council is the Board which comprises a Presidium.

The work of *epi* is mainly the function of thirteen specially elected Committees essential to the representative role *epi* fills with the EPO, the World Intellectual Property Organisation (WIPO), the European Commission and various national institutes and associations.

## **epi Position**

### **Proposal for a Council Regulation on the EU Patent, 16113/09 ADD 1, 27.11.2009**

#### Article 2

##### *EU Patent*

*4. The EPC shall apply to EU patents and to applications for EU patents to the extent that this Regulation does not provide for specific rules.*

The *epi* is of the opinion that the EPC should always prevail, just like the PCT prevails over the EPC (see Art. 150(2) EPC, last sentence), and that Article 2(4) should be amended consequentially.

#### Article 4

##### *Right to the EU Patent*

The *epi* is of the opinion that this article is redundant with Art. 60 EPC and should thus be deleted, a fortiori because the wording is different (the last words of Art. 4(3) have disappeared from the EPC when the EPC 2000 entered into force).

Consequential amendments should then be brought to Art. 5(1) and 28(1)(e).

#### Article 5

##### *Claiming the right to the EU Patent*

Referring to Recital 7, we believe that it should be made clear which court has jurisdiction for a EU-wide decision.

#### Article 5

##### *Claiming the right to the Community patent*

*4. The fact that legal proceedings have been instituted shall be entered in the Register of EU Patents, referred to in Article 56. The final decision in the legal proceedings or any withdrawal thereof shall also be entered.*

We suggest that it could be specified that this can be done on request of the court.

#### Article 6

##### *Effect of change of proprietorship of the EU patent*

*2. If, before the institution of legal proceedings has been registered,*  
*(a) the proprietor of the patent has used the invention within the territory of the EU or made effective and serious preparations to do so,*  
*or*  
*(b) a licensee of the patent has obtained his/her licence and has used the invention within the territory of the Community or made effective and serious preparations to do so,*

*he/she may continue such use provided that he/she requests a non-exclusive licence of the patent from the new proprietor whose name is entered in the Register of EU patents. Such request must be made within the period prescribed in the implementing regulations. A licence shall be granted for a reasonable period and upon reasonable terms.*

We find that a time limit is inappropriate for licensees, and that if one is nonetheless imposed, it must be triggered by appropriate notification to the licensee.

SECTION 2  
EFFECTS OF THE EU PATENT AND THE EU PATENT APPLICATION

Article 7

*Right to prevent the direct use of the invention*

Article 8

*Right to prevent the indirect use of the invention*

Article 9

*Limitation of the effects of the EU patent*

Article 9a

*Government use*

Article 10

*EU exhaustion of the rights conferred by the EU patent*

Article 11

*Rights conferred by the EU patent application after publication*

Article 12

*Right based on prior use of the invention*

Article 13

*Process patents: burden of proof*

but excluding

Article 13a

*Conversion into a European patent application designating one or more Member States*

The *epi* is of the opinion that all provisions of this section (except Art. 13a) should be transferred to the EEUPC, because (i) leaving provisions on infringement in the EUPR would open the door to referrals to the ECJ, and (ii) the European Patent will always be a bundle patent for the non-EU states.

Article 7

*Right to prevent the direct use of the invention*

*The EU patent shall confer on its proprietor the right to prevent any third party not having his/her consent from:*

*(a) making, offering, putting on the market or using a product which is the subject-matter of the patent, or importing or stocking the product for these purposes;*

*(b) using a process which is the subject-matter of the patent or, when the third party knows, or it is obvious in the circumstances, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use within the EU;*

*(c) offering, putting on the market, using, importing or stocking for these purposes a product obtained directly by a process which is the subject-matter of the patent.*

We believe that Art. 7(b) is unclear because of the repetition of the word "from". Consequently, we propose increasing the clarity by splitting it as follows:

## Article 7

Right to prevent the direct use of the invention

The EU patent shall confer on its proprietor the right to prevent any third party not having his/her consent from: [...]

(b) using a process which is the subject-matter of the patent;

(b1) offering the process for use within the EU when the third party knows, or it is obvious in the circumstances, that the use of the process is prohibited without the consent of the proprietor of the patent; [...].

## Article 11

*Rights conferred by the EU patent application after publication*

*2. In determining the reasonable compensation, the [European and EU Patents Court] shall take into account all relevant aspects, such as the economic consequences to the injured party of the use made of the invention, as well as the undeserved profits made by the person using the invention and the behaviour and the good or bad faith of the parties. The compensation shall not be punitive.*

The *epi* believes that use of the invention in such circumstances should not be qualified with bad faith to the extent it is only upon the grant of the patent that the proprietor acquires the monopoly. The proprietor should be entitled to a reasonable royalty, irrespective of the good or bad faith of the party. Further, it is not clear how bad faith would be taken into account. The *epi* suggests that the good or bad faith of the party should influence costs awards.

## Article 13a

*Conversion into a European patent application designating one or more Member States  
Any application for an EU patent may be converted into an application for a European patent designating one or more Member States, by a request filed with the EPO up to the grant of the EU patent and under the conditions specified by the provisions of the EPC.*

Article 13a is limited to EU patent applications. However, in view of Art. 28(1)(f), we request that a mechanism be provided to protect Community patent proprietors from a lack of novelty over a national right discovered after grant. Please see below for the comments on Art. 28(1)(f).

[Article 28 - Grounds for revocation

1. The Community patent may be revoked only on the grounds that: [...]

(f) the subject-matter of the patent is not new having regard to the content of a national patent application or of a national patent made public in a Member State on the date of filing or later or, where priority has been claimed, the date of priority of the Community patent, but with a filing date or priority date before that date.]

## Article 15

*Transfer*

*1. The transfer of the EU patent shall be made in writing and shall require the signature of the parties to the contract, except when it is a result of a judgment; otherwise it shall be void. The transfer shall be entered in the Register of EU Patents.*

We note that arbitration awards apparently do not qualify.

Also, we draw the attention to the current practice at the EPO and in a number of EPC States, where assignment documents are accepted even when only signed by the assignor.

## Article 15

## *Transfer*

*3. A transfer shall, to the extent to which it is verified by such written documents referred to in paragraph 1, have effect vis-à-vis third parties only after entry in the Register of EU Patents. [...]*

## Article 23

### *Effects vis-à-vis third parties*

*1. Legal acts referred to in Articles 16 to 22 concerning an EU patent shall have effects vis-à-vis third parties in all the Member States only after entry in the Register of EU Patents. [...]*

To the extent the written documents should be made immediately available to the public in the electronic file, the *epi* believes that the transfer should also be effective immediately when it is submitted to the Register of EU Patents.

## Article 16

### *Rights in rem*

*2. At the request of one of the parties, the rights referred to in paragraph 1 shall be entered in the Register of EU Patents and published in the EU Patent Bulletin.*

The *epi* draws the attention to a different wording used in the EPC: "at the request of an interested party" (Rule 22(1) EPC).

## Article 17

### *Levy of Execution*

*2. At the request of one of the parties, the levy of execution shall be entered in the Register of EU Patents of this Regulation and published in the EU Patent Bulletin.*

The *epi* draws the attention to a different wording used in the EPC: "at the request of an interested party" (Rule 22(1) EPC).

## Article 16

### *Rights in rem*

*2. At the request of one of the parties, the rights referred to in paragraph 1 shall be entered in the Register of EU Patents and published in the EU Patent Bulletin.*

## Article 17

### *Levy of Execution*

*2. At the request of one of the parties, the levy of execution shall be entered in the Register of EU Patents of this Regulation and published in the EU Patent Bulletin.*

## Article 18

### *Insolvency proceedings*

*3. Where an EU patent is involved in insolvency proceedings, on request of the competent national authority an entry to this effect shall be made in the Register of EU Patents and published in the EU Patent Bulletin.*

## Article 57

### *EU Patent Bulletin*

*The EPO shall periodically publish an EU Patent Bulletin. It shall contain entries made in the Register of EU Patents, as well as other particulars whose publication is prescribed by this Regulation or by the implementing regulation.*

We question the need for publication in the Bulletin (and actually the usefulness of a Bulletin). It is to be noted that, according to the present draft, a transfer would have effect vis-à-vis third parties after entry in the Register of EU Patents, with no publication in a Bulletin.

#### Article 18

##### *Insolvency proceedings*

*1. The only insolvency proceedings in which an EU patent may be involved shall be those instituted in the Member State within the territory of which the centre of a debtor's main interests is situated.*

The *epi* questions how this provision will operate in the case of insolvency of a (legal) person outside the EU. Does it mean that the foreign judge cannot deal with the EU patents? This contrasts with Art. 15(1), where the foreign judge appears to have jurisdiction.

#### Article 21

##### *Grant of compulsory licences*

*4. In times of national emergency or in other situations of extreme urgency, including those relating to a public interest of extreme importance, the [European and European Union Patents Court] may authorize at the request of a Member State the exploitation of an EU patent.*

The *epi* is concerned that it may not be possible to conduct the proceedings with a speed compatible with the notions of "emergency" or "extreme urgency".

#### Article 21

##### *Grant of compulsory licences*

*4. In times of national emergency or in other situations of extreme urgency, including those relating to a public interest of extreme importance, the [European and European Union Patents Court] may authorize at the request of a Member State the exploitation of a EU patent.*

*5. In the case of semi-conductor technology, exploitation shall be possible without the authorization of the right holder only in the situations set out in paragraph 4.*

In the opinion of the *epi*, Art. 21(5) would appear to be an incorrect implementation of Article 31(c) of the TRIPS Agreement.

#### Article 24

##### *The application for an EU patent as an object of property*

*1. Articles 9a and 14 to 19 and Article 21(3) to (6), and Article 22 shall apply to the application for an EU patent, [...]*

The *epi* believes that those provisions already existing in the EPC should not be repeated in the EUPR, because contradictions would be possible. Accordingly, the reference in Article 24(1) would be limited to Articles 9a, 14, 18, 19(1) second sentence, 19(2), 21(3) to (6) and 22.

We also question the possibility to extend Art. 24(1) to Art. 21(2), to the extent the "second patent" or plant variety might be granted before the "first patent" and it would not appear fair to leave to the proprietor of the "second patent" or plant variety the decision to start using his invention or plant variety without giving him an opportunity to request a cross-licence. In this regard, we draw the attention to the concept of good or bad faith referred to in Art. 11(2).

#### Article 25

##### *Renewal fees*

*2. When a renewal fee has not been paid on or before the due date, the fee may be validly paid within six months of that date, provided that an additional fee is paid at the same time.*

The due date appears to be undefined. If it is intended to define it in a revised EPC, we suggest that this should be indicated in the EUPR.

#### Article 26 *Surrender*

*3. Surrender shall be entered in the Register of EU Patents only with the agreement of any third party who has a right in rem recorded in the Register or in respect of whom there is an entry in the Register pursuant to Article 5(4), first sentence. If a licence is recorded in the Register, surrender shall be entered only if the proprietor of the patent proves that he/she has previously informed the licensee of his/her intention to surrender; this entry shall be made in accordance with the provisions of the EPC*

The *epi* is of the opinion that the surrender should be entered also with the agreement of any licensee, not just after notification to the licensee.

The *epi* suggests that the last clause should be set out as a separate sentence, i.e. with a full stop instead of a semi-colon before it.

#### Article 28 *Grounds for revocation*

The *epi* is of the opinion that all provisions on revocation should be transferred to the EEUPC, because leaving provisions on revocation in the EUPR would open the door to referrals to the ECJ.

#### Article 28 *Grounds for revocation*

*1. The EU patent may be revoked only on the grounds that: [...]  
(f) the subject-matter of the patent is not new having regard to the content of a national patent application or of a national patent made public in a Member EU patent, but with a filing date or priority date before that date.*

This provision was referred to above, in connection with Art. 13a. We request that a mechanism be provided to protect Community patent proprietors from a lack of novelty over a national right discovered after grant.

One option is to allow for the conversion of the EU patent into European patents designating the other EU Member States. The conversion would trigger the requirements of Art. 65 EPC, and national renewal fees would become payable as from the date of conversion.

Another option is to allow for an exception in the unitary character of the EU patent, which would simply have a "hole", but would continue to require payment of a single renewal fee.

The *epi* draws the attention to the mechanisms provided in Art. 112-114 and 159 of the Community Trade Mark Regulation (Regulation 207/2009), which allow for the conversion into national trade mark applications or into a designation of Member States.

#### Article 29a *Request for limitation*

*At the request of the holder of a patent, lodged with the EPO, the EU patent may be subject to*

*limitation in the form of an amendment to the claims. The provisions of the EPC relating to the request for limitation shall apply.*

We believe that this provision is unclear.

To the extent Article 29a would define a limitation procedure applying to the sole EU Patent, as it may exist in some national laws, it would not be duplication. And in such case, revocation should also be possible. Both procedures would be entrusted to the EPO, in the spirit of Art 143 EPC. The provisions of the EPC could then be applicable *mutatis mutandis*.

To the extent the provisions of the EPC would apply literally, Art. 105b EPC would apparently not allow for a limitation restricted to the sole EU patent. This would not appear to be the goal of Art. 29a.

[Article 105a - Request for limitation or revocation

(3) The decision to limit or revoke the European patent shall apply to the European patent in all the Contracting States in respect of which it has been granted. [...]]

#### Article 6

*Effect of change of proprietorship of the EU patent*

2. [...] prescribed in the implementing regulations. [...]

#### Article 57

*EU Bulletin*

[...] prescribed [...] by the implementing regulation.

We question the legal basis for such implementing regulation, which is not provided in the present draft. In particular, it is not clear whether this would be another EU Regulation amending the EUPR.