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Dear Member,

The Editorial Committee for epi Information was elected at the recent Council Meeting in Budapest, and comprises :

W. Holzer (AT),  
Terry Johnson (GB)  
Eva Liesegang (DE)  
Thierry Schuffenecker (FR)

The names appear in alphabetical order! – and we hope to continue with the good work of our predecessors. For the first issue of epi Information since the election of the new Council which met for the first time in Budapest, we congratulate all new Council Members, and Board Members and last but not least our new President, Chris Mercer (GB), and his two new Vice Presidents, Kim Finnilä (FI) and Laurent Nuss (FR).

For this first issue since the Council Meeting we have prevailed upon our new President to write an Editorial, which is set out below.

## Editorial

*epi* over the past three years have changed considerably. The number of EPC states have increased to 30 and the number of members of *epi* has increased to over 8,000, spread over a huge geographical area. The changes are reflected in the recently elected Council, which now has 110 members, over 50% of whom are new to Council.

In the next three years, there will be less change in *epi*, as it is likely that there will be only a few countries ratifying the EPC in this time. This should provide *epi* with an opportunity to adapt to the changes over the last three years. We will need to ensure that the members from the new countries are fully integrated into *epi* while at the same time continuing to deal with the concerns of members from the more established countries. It will also provide *epi* with the opportunity to look at its internal organisation. I have set up a Working Group to look into this.

While *epi* internally will be able to consolidate, there are external changes in the IP environment in which *epi*

must be involved. The EPO is active both in developing its patent granting procedures and in its educational activities. The proposal for making the Boards of Appeal independent is still under consideration. The Community Patent Regulation seems to have moved further up the EU's agenda. There are other proposals from the EU Commission in the IP area. The whole PCT system is under scrutiny, both in WIPO and in the EPO. *epi* must be active in all these areas.

Information exchange is the key to making *epi* successful both in meeting its members' needs and in responding to changes in the European IP environment. In these days of electronic communication, it is very easy to send an email or a fax or to make a telephone call. I would urge all *epi* members to keep your elected representatives on Council or the Board, and in particular the President, informed of any areas in which *epi* can serve its members better and also of any developments in the IP field which could impact on *epi*'s members.

## Farewell address to previous Board Members

W. Baum  
Secretary General

After the election to the 14<sup>th</sup> Council (results in epi Information 1/2005) a new Board had to be elected at the first meeting of the Council in Budapest.

As expected there are new Board members which means that we had to say good bye not only to our previous President Walter Holzer but also to other Board members, some of whom worked for more than the last Council period of three years. As all functions without exception are on a voluntary basis within the epi Board, on behalf of the whole community of epi members, the Secretary General would like to express the warmest thanks for the longstanding work of those colleagues

who retired from the Board, some of them having left before the Council Meeting in Budapest.

These are:

Frans Dietz (NL), Henri Dupont (FR), Peter Kelly (IE), Terry Johnson (GB), Francesco Macchetta (IT), Zaid Schöld (SE), Michel Seehof (CH), Dieter Speiser (DE), Andrej Vojir (SI), Pierre Weyland (LU).

They did a great job for the epi and our best wishes for their private and professional future shall be with them. Some of course still remain active in various other capacities for epi for the new Council.

## Bericht über die 58. Ratssitzung Budapest, 9.-10. Mai 2005

Die Sitzung wurde vom amtierenden Präsidenten, Herrn Holzer, eröffnet, der zum neu gewählten Rat die Vertreter von 30 Ländern begrüßte, unter ihnen die Mitglieder aus Island und Litauen, den zuletzt der Europäischen Patentorganisation beigetretenen Ländern.

Die Stimmzähler wurden ernannt, die Tagesordnung wurde mit einigen Änderungen angenommen und die Ergebnisse der Wahlen zum Rat wurden bestätigt.

Das Protokoll der 57. Ratssitzung in Lissabon wurde mit kleineren Änderungen angenommen. Zu den Angelegenheiten, die sich aus dem Protokoll der vorausgegangenen Ratssitzung ergaben, lag ein Bericht des Präsidenten zu den einzelnen Punkten vor. Nach einem kurzen Überblick über die Empfehlungen des Vorstands seit der letzten Ratssitzung legte der Präsident seinen Tätigkeitsbericht vor, der an anderer Stelle in dieser Ausgabe der epi Information veröffentlicht ist. Nach dem Bericht des Präsidenten wurden dem Rat auch die Berichte des amtierenden Generalsekretärs und des amtierenden Schatzmeisters vorgelegt. Die Internen Rechnungsprüfer legten ihren Bericht vor. Der Bericht des Schatzmeisters einschließlich des Haushalts für 2004 wurde angenommen und der Schatzmeister wurde entlastet.

Der bisherige Vorstand wurde formal entlastet und der neue Vorstand gewählt. Herr Mercer (GB) wurde zum Präsidenten gewählt und zu Vize-Präsidenten wurden Herr Nuss (FR) und Herr Finnilä (FI) gewählt. Herr Baum (DE) wurde wieder zum Generalsekretär gewählt und Herr Quintelier (BE) zum Schatzmeister.

Dann wurden die Ausschussmitglieder gewählt. Gemäß einem auf der 55. Ratssitzung in Cannes gefassten Beschluss wurde die Anzahl der Mitglieder, die in jeden Ausschuss gewählt werden sollen, so festgelegt, dass die Größe der Ausschüsse überschaubar bleibt. Die Zusammensetzung der Ausschüsse steht auf den letzten Seiten dieser Ausgabe.

Dann wurden die Berichte der Ausschüsse vorgelegt, beginnend mit dem Bericht des PQC. Der Rat nahm den Vorschlag des EPA, den Termin für die Europäische Eignungsprüfung auf 30. Januar bis 1. Februar vorzulegen, nicht an. Danach wurde der Bericht des Disziplinarrates vorgelegt. Es wurde berichtet, dass die weiterhin andauernde Überarbeitung der Disziplinarvorschriften noch nicht beendet ist. Dann wurden dem Rat die Berichte des Redaktionsausschusses, des Ausschusses für biotechnologische Erfindungen, des Ausschusses für EPA-Finzen, des OCC und des epi-Finanzausschusses vorgelegt.

Dann sprach der Rat den Bericht des EPPC. Einer der Hauptpunkte betraf den Vorschlag für eine EU-Richtlinie über die Patentierbarkeit Computer gestützter Erfindungen, die die Europäische Kommission entworfen hatte. Dieser Entwurf, der im Juli 2005 vom Europäischen Parlament erneut diskutiert werden muss, wurde vom epi in vieler Hinsicht nicht angenommen. Mit Interesse folgte der Rat einer Präsentation des Ratsmitglieds T. Tangena zu diesem Entwurf der Richtlinie. Es wurde der Vorschlag gemacht, dass die epi-Mitglieder kleine und mittelstän-

dische Unternehmen kontaktieren sollten, um ihnen das von der EICTA vorbereitete Manifesto vorzustellen; die EICTA ist eine Organisation, die sich aktiv einbringt für die Beibehaltung der derzeitigen Praxis, die Patentierbarkeit Computer gestützter Erfindungen zu erlauben.

Ein vom EPPC ausgearbeitetes Positionspapier über die Gründung eines Gemeinschaftspatentsgerichtes und betreffend Beschwerden beim Gerichtshof erster Instanz wurde vom Rat genehmigt und wird der Europäischen Kommission gesandt werden. Dieses Papier ist auf der *epi* Website [www.patentepi.com](http://www.patentepi.com) veröffentlicht. Danach wurde dem Rat der Bericht des Harmonisierungsausschusses vorgelegt. Er behandelte hauptsächlich einen neuen Vorschlag zum Entwurf des Substantive Patent Law Treaty (SPLT) und der Rat wurde gebeten, zu einigen Punkten eine Stellungnahme abzugeben.

Eine Zusammenfassung vieler dieser Berichte steht an anderer Stelle in dieser Ausgabe der *epi* Information.

Auf diesen Punkt folgten ein kurzer Bericht über den derzeitigen Status des Gemeinschaftspatents und eine Diskussion über die Debatte zur PCT-Strategie im EPA.

Die Termine für die nächsten Ratssitzungen wurden bestätigt: Die 59. Ratssitzung soll am 17. und 18. Oktober 2005 in Bukarest stattfinden, die 60. Ratssitzung am 15. und 16. Mai 2006 in Salzburg und die 61. Ratssitzung am 16. und 17. Oktober 2006 in Istanbul.

Nachdem er der ungarischen Delegation herzlich für die überaus erfolgreiche Organisation der 58. Ratssitzung gedankt hatte, beendete der Präsident die Sitzung am 10. Mai 2005 um 12.30 h.

## Entwurf der Beschlussliste, 58. Ratssitzung Budapest, 9.-10. Mai 2005

1. Der Haushalt für 2004 wurde angenommen und der Schatzmeister wurde entlastet.
2. Der amtierende Vorstand wurde entlastet.
3. Die folgenden Mitglieder wurden als Vorstandsmitglieder gewählt:

Präsident	Herr Chris MERCER (GB)
Vize-Präsident	Herr Laurent NUSS (FR)
Vize-Präsident	Herr Kim FINNILÄ (FI)
Generalsekretär	Herr Wolfgang BAUM (DE)
Stellvertretender Generalsekretär	Herr Frank ZACHARIAS (DE)
Schatzmeister	Herr Claude QUINTELIER (BE)
Stellvertretender Schatzmeister	Herr Frantisek KANIA (CZ)

Weitere Mitglieder:

Frau Selda ARKAN (TR)  
 Herr Enrique ARMIJO (ES)  
 Herr Jacques BAUVIR (FR)  
 Frau Dagmar CECHVALOVÁ (SK)  
 Herr Ejvind CHRISTIANSEN (DK)  
 Herr Paul DENERLEY (GB)  
 Herr Gunnar Örn HARDARSON (IS)  
 Herr Ruurd JORRITSMA (NL)  
 Frau Susanne KAMINSKI (LI)  
 Herr Heinu KOITEL (EE)  
 Herr Leonas KUCINSKAS (LT)  
 Herr Sigmar LAMPE (LU)  
 Herr Gregor MACEK (SI)  
 Herr Paul Georg MAUÉ (CH)  
 Herr Denis McCARTHY (IE)

Herr Guido MODIANO (IT)  
 Herr Klas NORIN (SE)  
 Frau Margareta OPROIU (RO)  
 Frau Helen PAPACONSTANTINOU (GR)  
 Herr João PEREIRA DA CRUZ (PT)  
 Herr Friedrich SCHWEINZER (AT)  
 Herr Thierry SCHUFFENECKER (MC)  
 Herr Ádám SZENTPÉTERI (HU)  
 Frau Milena TABAKOVA (BG)  
 Herr Christos A. THEODOULOU (CY)  
 Frau Elzbieta WILAMOWSKA-MARACEWICZ (PL)

4. Der Rat genehmigte die Empfehlung des Vorstands, dass der Disziplinarausschuss aus je einem Mitglied pro Land bestehen sollte, bis die neuen Disziplinavorschriften fertig sind.
5. Der Rat genehmigte die Wahl der für die verschiedenen Ausschüsse und als Interne Rechnungsprüfer vorgeschlagenen Mitglieder (siehe letzte Seiten dieser Ausgabe).
6. Der Rat genehmigte das vom EPPC entworfene *epi*-Positionspapier zur Gründung des Gemeinschaftspatentgerichts und zu Beschwerden vor dem Gerichtshof Erster Instanz und genehmigte den Versand des Papiers an die Europäische Kommission.
7. Die Herren BURT und VIRKKALA wurden zu Verbindungspersonen für den OCC ernannt.
8. Die Herren HUYGENS, LE VAGUERÈSE, LYNDON-STANFORD, SPEISER und SZENTPÉTERI wurden zu Mitgliedern einer ad hoc Arbeitsgruppe für die Überarbeitung der Gründungsregeln des *epi* ernannt.

## Report of the 58th Council meeting Budapest, 9-10 May 2005

The meeting was opened by the President in office, Mr. Holzer, who welcomed the representatives of 30 countries in the newly elected Council, among others the members from Iceland and Lithuania, the latest countries to have joined the European Patent Organisation.

The scrutineers were appointed, the agenda adopted with a few modifications and the results of the elections to Council were confirmed.

The minutes of the 57<sup>th</sup> Council minutes in Lisbon were approved with minor amendments. With regard to matters arising from the minutes of the previous meeting there was a report from the President on the individual issues. Following a brief review of the recommendations made by the Board since the last Council meeting, the President gave his report of activities which is published elsewhere in this edition of *epi* Information. Subsequent to the President's report, the reports of the Secretary General in office and the Treasurer in office were also provided to the Council. The Internal Auditors gave their report. The Treasurer's report including the 2004 accounts was approved and the Treasurer discharged.

The previous Board was formally discharged, and the new Board elected. Mr. Mercer (GB) was elected as President and Mr. Nuss (FR) and Mr. Finnilä (FI) as Vice Presidents. Mr. Baum (DE) was re-elected as Secretary General, and Mr. Quintelier (BE) was elected as Treasurer.

Committee members were then elected. Following a decision taken at the 55<sup>th</sup> Council meeting in Cannes, the number of committee members to be elected to each committee had been fixed in order to maintain the committees within manageable numbers. The composition of the committees is reflected in the last pages of this edition.

The reports of the Committees were then taken commencing with the report of PQC. Council disapproved of the proposal by the EPO to bring forward the date of the EQE to 30 January-1 February. Subsequently the Disciplinary Committee report was presented to the effect that the ongoing revision of the Regulation on Discipline is not yet finalised. The reports of the Editorial Board, the Committee on Biotechnological Inventions, the Com-

mittee on EPO finances, the OCC and the *epi* Finance Committee were then submitted to Council.

The Council then considered the EPPC Report. One of the main issues concerned the proposal for a EU Directive on Patentability of Computer Implemented Inventions, drafted by the European Commission. This draft which is to be further discussed by the European Parliament in July 2005 did not meet the approval of the *epi* in many aspects. A presentation by Council member T. Tangena on this Draft Directive was followed with interest by the Council. It was suggested that SMEs should be contacted, via the *epi* members to bring to their attention the Manifesto prepared by EICTA, an organisation which is active in lobbying in favour of confirming current practice of allowing the patenting of computer implemented inventions.

A position paper prepared by the EPPC on the establishment of a Community Patent Court and concerning appeals before the Court of First Instance was approved by Council and will be sent to the European Commission. This paper is published on the *epi* website [www.patent-epi.com](http://www.patent-epi.com). After this, the report of the Harmonisation Committee was presented to Council. It mainly dealt with a new proposal regarding the Draft Substantive Patent Law Treaty (SPLT) and Council was invited to give an advisory position on a number of points.

A summary of many of these reports may be found elsewhere in this edition of *epi* Information.

This topic was followed by a brief report on the current status of the Community Patent and by a discussion on the PCT-Strategy debate in the EPO.

The dates of the next Council meetings were confirmed with the 59<sup>th</sup> Council meeting due to take place in Bucharest on 17-18 October 2005, the 60<sup>th</sup> Council meeting in Salzburg on 15-16 May 2006 and the 61<sup>st</sup> Council meeting in Istanbul on 16-17 October 2006.

After having warmly thanked the Hungarian delegates for the very successful organisation of the 58<sup>th</sup> Council meeting, the President closed the meeting at 12:30 on 10 May 2005.

## Draft List of Decisions, 58<sup>th</sup> Council Meeting Budapest, 9-10 May 2005

1. The 2004 accounts were approved, and the Treasurer was discharged from liability.
2. The Board in office was discharged from liability.
3. The following members were elected Board members:

President	Mr. Chris P. MERCER (GB)
Vice-President	Mr. Laurent NUSS (FR)
Vice-President	Mr. Kim FINNILÄ (FI)
Secretary General	Mr. Wolfgang BAUM (DE)
Deputy	
Secretary General	Mr. Frank L. ZACHARIAS (DE)
Treasurer	Mr. Claude QUINTELIER (BE)
Deputy Treasurer	Mr. Frantisek KANIA (CZ)

Further members:

Mrs. Selda ARKAN (TR)  
 Mr. Enrique ARMIJO (ES)  
 Mr. Jacques BAUVIR (FR)  
 Mrs. Dagmar CECHVALOVÁ (SK)  
 Mr. Ejvind CHRISTIANSEN (DK)  
 Mr. Paul DENERLEY (GB)  
 Mr. Gunnar Örn HARDARSON (IS)  
 Mr. Ruurd JORRITSMA (NL)  
 Mrs. Susanne KAMINSKI (LI)  
 Mr. Heinu KOITEL (EE)  
 Mr. Leonas KUCINSKAS (LT)  
 Mr. Sigmar LAMPE (LU)  
 Mr. Gregor MACEK (SI)  
 Mr. Paul Georg MAUÉ (CH)

Mr. Denis McCARTHY (IE)  
 Mr. Guido MODIANO (IT)  
 Mr. Klas NORIN (SE)  
 Mrs. Margareta OPROIU (RO)  
 Mrs. Helen PAPACONSTANTINOU (GR)  
 Mr. João PEREIRA DA CRUZ (PT)  
 Mr. Friedrich SCHWEINZER (AT)  
 Mr. Thierry SCHUFFENECKER (MC)  
 Mr. Ádám SZENTPÉTERI (HU)  
 Mrs. Milena TABAKOVA (BG)  
 Mr. Christos A. THEODOULOU (CY)  
 Mrs. Elzbieta WILAMOWSKA-MARACEWICZ (PL)

4. Council approved the recommendation made by the Board that the Disciplinary Committee should consist of one member per country until the new Disciplinary Regulations are finalized.
5. Council approved the election of the proposed members to the various Committees, as well as of the internal auditors (see last pages of this edition).
6. Council approved the *epi* position paper drafted by the EPPC on the establishment of the Community Patent Court and concerning appeals before the Court of First Instance and also approved sending it to the European Commission.
7. Messrs. BURT and VIRKKALA were appointed as liaison persons for the OCC.
8. Messrs. HUYGENS, LE VAGUERÈSE, LYNDON-STANFORD, SPEISER and SZENTPÉTERI were appointed as members of an ad hoc working group for the revision of the *epi* Founding Regulations.

## Compte rendu de la 58ème réunion du Conseil Budapest, 9-10 mai 2005

La session est ouverte par le Président en fonction, M. Holzer, qui souhaite la bienvenue aux représentants des 30 pays au sein du Conseil nouvellement élu. Il s'adresse particulièrement aux représentants d'Islande et de Lituanie, les deux derniers pays ayant récemment rejoint l'Organisation européenne des brevets.

A la suite de la désignation des scrutateurs, l'ordre du jour est adopté avec des modifications mineures. Les résultats de l'élection sont validés.

Le compte rendu et la liste des décisions et actions de la 57ème réunion du Conseil sont approuvés avec des amendements mineurs. Le rapport du Président sur les différentes questions relevant de la réunion précédente

est suivi d'un bref compte rendu des recommandations faites par le Bureau depuis la dernière réunion du Conseil. Puis le Président présente son rapport, lequel est publié dans ce numéro de *epi* Information. Suivent ensuite les rapports respectifs du Secrétaire Général et du Trésorier en fonction. A la suite du rapport des Commissaires aux comptes internes, le rapport du Trésorier ainsi que les comptes pour l'exercice 2004 sont approuvés. Quitus est donné au Trésorier.

Le Bureau sortant reçoit le quitus et le nouveau Bureau est élu. M. Mercer (GB) est élu Président, MM. Nuss (FR) et Finnilä (FI) sont élus Vice-Présidents. M. Baum est réélu

dans ses fonctions de Secrétaire Général et M. Quintelier (BE) est élu Trésorier.

Le Conseil procède ensuite à l'élection des membres des commissions. Conformément à une décision prise à la 55ème réunion du Conseil à Cannes, le nombre des membres à élire a été fixé pour toutes les commissions afin d'éviter que des effectifs trop nombreux ne gênent le bon fonctionnement de celles-ci. Une liste des membres des commissions est publiée dans les dernières pages de ce numéro.

Les rapports des commissions sont ensuite présentés, à commencer par le rapport de la Commission de Qualification Professionnelle. Le Conseil désapprouve la proposition faite par l'OEB d'avancer la date de l'examen de qualification au 30 janvier -1er février. Le rapport de la Commission de discipline est ensuite présenté. La révision en cours du Règlement en matière disciplinaire n'est pas encore finalisée. Puis suivent les rapports de la Commission de Rédaction, de la Commission sur les inventions en biotechnologie, de la Commission des Finances de l'epi, de la Commission pour les Communications en ligne (OCC) et de la Commission relative aux Finances de l'OEB.

Le rapport de l'EPPC ouvre ensuite le débat sur le projet de Directive de l'Union Européenne, présenté par la Commission européenne, relatif à la brevetabilité des inventions mises en oeuvre par programme d'ordinateur. Ce projet qui doit être à nouveau discuté au Parlement européen en juillet 2005 est contesté par le Conseil en de nombreux points. Le Conseil suit avec intérêt une présentation sur cette Directive, faite par M. Tangena,

membre du Conseil. Il est alors suggéré que les PME soient contactées par l'intermédiaire des membres de l'epi afin que soit porté à leur attention le Manifeste préparé par l'EICTA, organisation qui milite en faveur du maintien de la pratique actuelle permettant de breveter des inventions mises en oeuvre par programme d'ordinateur.

Une prise de position, préparée par l'EPPC, relative à la proposition de Cour communautaire et aux recours devant le Tribunal de Première Instance, est approuvée par le Conseil et sera adressée à la Commission Européenne. Cette prise de position est publiée sur le site de l'epi [www.patentepi.com](http://www.patentepi.com). Le rapport de la Commission d'Harmonisation, qui est ensuite présenté au Conseil, traite principalement du projet de „Draft Substantive Patent Law“ (SPLT). Le Conseil est alors invité à donner son avis sur un certain nombre de questions.

Un résumé de la plupart de ces rapports est publié dans ce numéro de epi Information.

Suivent un bref rapport sur le statut actuel du Brevet Communautaire et une discussion sur le débat au sein de l'OEB concernant le PCT.

Les dates des prochaines réunions du Conseil sont confirmées. La 59ème réunion du Conseil se tiendra à Bucarest les 17 et 18 octobre 2005, la 60ème réunion aura lieu à Salzburg les 15 et 16 mai 2006 et la 61ème réunion à Istanbul les 16 et 17 octobre 2006.

Après avoir remercié chaleureusement la délégation hongroise pour l'organisation très réussie de la réunion du Conseil, le Président clôt la séance le 10 mai 2005 à 12.30 heures.

## Projet de liste de décisions, 58ème réunion du Conseil Budapest, 9-10 mai 2005

1. Les comptes pour l'exercice 2004 sont approuvés et quitus est donné au Trésorier.
2. Le Bureau sortant reçoit le quitus.
3. Les membres suivants sont élus au Bureau:

Président	Mr. Chris P. MERCER (GB)
Vice-Président	Mr. Laurent NUSS (FR)
Vice-Président	Mr. Kim FINNILÄ (FI)
Secrétaire Général	Mr. Wolfgang BAUM (DE)
Secrétaire Général Adjoint	Mr. Frank L. ZACHARIAS (DE)
Trésorier	Mr. Claude QUINTELIER (BE)
Trésorier Adjoint	Mr. Frantisek KANIA (CZ)

Autres membres:

Mrs. Selda ARKAN (TR)  
Mr. Enrique ARMIJO (ES)  
Mr. Jacques BAUVIR (FR)

Mrs. Dagmar CECHVALOVÁ (SK)  
Mr. Ejvind CHRISTIANSEN (DK)  
Mr. Paul DENERLEY (GB)  
Mr. Gunnar Örn HARDARSON (IS)  
Mr. Ruurd JORRITSMA (NL)  
Mrs. Susanne KAMINSKI (LI)  
Mr. Heinu KOITEL (EE)  
Mr. Leonas KUCINSKAS (LT)  
Mr. Sigmar LAMPE (LU)  
Mr. Gregor MACEK (SI)  
Mr. Paul Georg MAUÉ (CH)  
Mr. Denis McCARTHY (IE)  
Mr. Guido MODIANO (IT)  
Mr. Klas NORIN (SE)  
Mrs. Margareta OPROIU (RO)  
Mrs. Helen PAPAConstantinou (GR)  
Mr. João PEREIRA DA CRUZ (PT)  
Mr. Friedrich SCHWEINZER (AT)  
Mr. Thierry SCHUFFENECKER (MC)

Mr. m SZENTPTERI (HU)  
 Mrs. Milena TABAKOVA (BG)  
 Mr. Christos A. THEODOULOU (CY)  
 Mrs. Elzbieta WILAMOWSKA-MARACEWICZ (PL)

4. Suivant la recommandation du Bureau, le Conseil approuve qu'une personne par pays au maximum soit lue  la Commission de Discipline jusqu' ce que la rvision du Rglement en matire de discipline soit finalise.
5. Le Conseil approuve l'lection des membres proposs pour les commissions ainsi que celle des commissaires aux comptes internes (voir dernires pages de ce numro).
6. Le Conseil approuve la prise de position de l'*epi*, prpare par la commission EPPC, relative  la proposition de Cour communautaire et aux recours devant le Tribunal de Premire Instance. Il approuve que celle-ci soit adresse  la Commission Europenne.
7. MM. BURT et VIRKKALA sont nomms membres de liaison pour la Commission OCC.
8. MM. HUYGENS, LE VAGUERESE, LYNDON-STANFORD, SPEISER and SZENTPTERI sont nomms membres d'un groupe de travail ad hoc charg de la rvision du Rglement de cration de l'*epi*.

## Presidents' Report (covering October 2004 to May 2005)

W. Holzer (AT)

The President reported that the Council meeting in Lisbon was followed by an EPO Users' Hearing in Munich on November 5, 2004, which Mr. Galama from UNICE and the President co-chaired. The results of the Hearings can be found on the EPO website.

In November the President represented the *epi* at a Paneuropean Intellectual Property Summit in Brussels and an International Symposium on Nanotechnology and Patenting in The Hague branch of the EPO. The Symposia were well attended and attracted a number of excellent speakers. A CD-ROM has been produced by the European Patent Academy on the latter Symposium.

An extraordinary Administrative Council meeting in The Hague was devoted to the future cooperation between the EPO and the national patent offices. On behalf of the *epi* Vice-Presidents Mercer and Macchetta as well as the President attended the meeting. The future of the partnership agreements between the EPO and national patent offices was discussed as well as the status of national offices in the framework of the PCT. Two papers were presented by two groups of member states, one in favour of maintaining centralisation, one in favour of work sharing. On behalf of the *epi* the President defended centralisation, because centralised search and examination offered the best guarantee of high-quality work and of maximum legal certainty for patentees. Applicants should be free to decide how they entered the PCT system, and their choice should be respected. Similarly, the EPO should be free to decide whether to take full, partial or no account of international search reports and written opinions from other PCT authorities.

In the regular Administrative Council meeting in December the main topics were: The Introduction of the Extended European Search Report (EESR) and related fees; on behalf of the *epi* the President signalled support, provided all efforts were made to issues EESRs in a timely manner. The Reduction of time delays after issue of the Rule 51(4) EPC communication, in spite of objections was approved. The Change of the Fees for further processing and re-establishment of rights was approved after the Office reduced the fee to EUR 200.-. The Quality policy of the EPO was also discussed.

Also in December the President attended a meeting of the Working Party on Litigation, which discussed the remaining drafting issues in the Draft Agreement on the establishment of a European patent litigation system and the Draft Statute of the European Patent Court. It was agreed to meet again in June 2005. Still in December the CEIPI Board held a meeting in Vienna.

In January the President had a conversation with President Pompidou, the transcript of which is published in *epi* Information No. 1/2005.

Mr. Casalunga on behalf of the EPPC and the President paid a visit to the European Commission DG Internal Market to discuss the Community Patent Court statutes.

In February the Board meeting of the new IEEPI took place in Strasbourg, attended by Mr. Nuss and the President. An article covering this new training centre by Mr. Nuss is published in *epi* Information No. 1/2005.

In March Vice-President Macchetta and the President participated in an International Symposium on „Patents Boosting the Economy“ in Venice, organised by the European International Academy jointly with the „Min-

ister delle Attività Produttive", the AICIPI and *epi*. At this occasion moreover an award giving ceremony for President Pompidou took place, who received from the mayor of Venice the „Venice Intellectual Property Award" on March 7.

The March Administrative Council meeting was attended by Vice President Mercer and the President. The main topics discussed were the PCT co-operation with the Finnish Patent Office in the form of an Interim Agreement, and the existing partnership agreements as well as the „Priority Choice", however, at the end the Administrative Council decided to install a new working group which would by the June Council meeting present

a new concept as to the future strategic co-operation between the NPOs and the EPO. The *epi* and UNICE are invited to comment on the AC papers presented in the context of the strategy debate. Also, the Supervisory Board of the European Patent Academy was composed with seven NPOs as members.

In April the President spoke at a Symposium organised by the Latvian Patent Office on „Intellectual Property in the new EU Member States" and about the *epi*'s position concerning topics of interest before the AMBA, the Association of the Members of the Boards of Appeal. This concluded his official representation activity for the *epi*.

## Treasurer's Report

P. Kelly (IE)

The audited accounts for the year 2004 have now been finalised and a copy of the accounts is enclosed hereafter. The accounts show a surplus of income over expenditure of an amount EUR 168440.

This positive result, which is an increase in surplus over 2003 is the result of an income increase in 2004 over 2003 of 8.7 % (EUR 105782) against an expenditure increase in 2004 over 2003 of 5.2 % (EUR 56889).

On the income side the notable items over budget are membership subscriptions (EUR 36000) lower unpaid subscriptions/recovery of unpaid subscriptions (EUR 28000) and educational activities (EUR 42000). On the expenditure side the cost of Council meetings was EUR 25000 under budget and the cost of committee meetings was EUR 38000 under budget. The items

over budget to note are *epi* information (EUR 11000) and audit costs (EUR 11000).

These items mentioned above account for EUR 147000 of the surplus – the additional surplus amount EUR 21440 being the aggregate of smaller items.

In respect of 2003 and 2004 the management accounts/budgets concur with the audited accounts 2004. No change to the budget 2005 is proposed at this time.

At 31 December, 2004 the cash/bank accounts totalled EUR 641,232 while the value of the securities portfolio was EUR 1,347746. The assets/annual expenses ratio based on the audited accounts 2004 is 1.7 – which is above the guideline ratio 1.5 as approved by Council.

### Redaktionsschluss für epi Information 3/2005

Redaktionsschluss für die nächste Ausgabe der *epi* Information ist der **19. August 2005**. Die Dokumente, die veröffentlicht werden sollen, müssen bis zum diesem Datum im Sekretariat eingegangen sein.

### Deadline for *epi* Information 3/2005

Our deadline for the next issue of *epi* Information is **19 August 2005**. Documents for publication should have reached the Secretariat by this date.

### Date limite pour *epi* Information 3/2005

La date limite de remise des documents pour le prochain numéro de *epi* Information est le **19 août 2005**. Les textes destinés à la publication devront être reçus par le Secrétariat avant cette date.

## epi Balance Statement on 31st December 2004

	€	<u>2003</u> T€
<b>A. Fixed assets</b>		
I. Intangible and tangible assets		
Office machines and equipment, Software	1,-	—
II. Financial assets		
Securities portfolio	<u>1.347.745,94</u>	<u>1.161</u>
	<u>1.347.746,94</u>	<u>1.161</u>
<b>B. Receivables</b>		
I. Others current assets	<u>101.822,03</u>	<u>67</u>
II. Bank & Cash (incl. money deposits)	<u>641.231,73</u>	<u>704</u>
	<u><u>2.090.800,70</u></u>	<u><u>1.932</u></u>

## Liabilities

	€	<u>2003</u> T€
<b>A. Net assets</b>		
as of 01.01.2004	1.687.014,05	1.568
results for the year	168.439,68	119
	<u>1.855.453,73</u>	<u>1.687</u>
as of 31.12.2004	<u>1.855.453,73</u>	<u>1.687</u>
<b>B. Debts</b>		
I. Provisions	<u>29.600,00</u>	<u>44</u>
II. Liabilities		
1. Deliveries and services	2.077,09	2
2. Others	172.184,88	168
3. Prepaid fees	<u>31.485,00</u>	<u>31</u>
	<u>205.746,97</u>	<u>201</u>
	<u><u>2.090.800,70</u></u>	<u><u>1.932</u></u>

<b>epi Expenses and Income 2004</b>						
	<b>Budget 2003</b>	<b>Actual 2003</b>	<b>Budget 2004</b>	<b>Actual 2004</b>	<b>Shortfall in receipts Surplus of expenditure 2004</b>	<b>Surplus of receipts Shortfall in expenditure 2004</b>
	€	€	€	€	€	€
<b>I. Receipts/Income</b>						
1. from Members						
a. Subscriptions (in 2002 incl. late payment increment)	1.016.500, -	1.108.950, -	1.120.500, -	1.156.350, -	- , -	35.850, -
b. Late payment increment	14.000, -	16.850, -	15.000, -	12.650, -	2.350, -	- , -
c. Abandonment of unpaid subscriptions (incl. subscriptions now recovered)	./. 35.000, -	./. 82.416,51	./. 75.000, -	./. 46.917,19	- , -	28.082,81
2. Interests	70.000, -	71.088,66	55.000, -	60.328,16	- , -	5.328,16
3. CPE-Seminars	30.000, -	7.046,42	20.000, -	30.794,50	- , -	10.794,50
4. CEIPI	- , -	30.548,43	30.548, -	62.033,43	- , -	31.485,43
5. Others	33.000, -	58.151,58	36.500, -	40.761,61	- , -	4.261,61
	<u>1.128.500, -</u>	<u>1.210.218,58</u>	<u>1.202.548, -</u>	<u>1.316.000,51</u>	<u>2.350, -</u>	<u>115.802,51</u>
<b>II. Expenses</b>						
1. Meetings						
Council	250.000, -	266.636,07	288.000, -	263.258,19	- , -	24.741,81
Board	48.000, -	49.525,12	46.000, -	50.697,07	4.697,07	- , -
Committees	135.000, -	131.237,87	148.000, -	109.629,20	- , -	38.370,80
Delegates & Others	42.000, -	33.180,38	39.000, -	33.537,97	- , -	5.462,03
2. Other performances						
epi Information	63.000, -	66.183,86	60.000, -	71.419,32	11.419,32	- , -
By-Laws & non-foreseeable	500, -	- , -	2.500, -	- , -	- , -	2.500, -
Promotional Activities (incl. epi-Brochure)	31.000, -	20.027,31	30.000, -	19.970,65	- , -	10.029,35
CPE-Seminars	30.000, -	17.584,37	20.000, -	17.548,97	- , -	2.451,03
CEIPI	- , -	13.908,93	47.198, -	48.673,39	1.475,39	- , -
Project PQC	40.000, -	11.371,52	15.000, -	19.259,50	4.259,50	- , -
Examination Committee Dinner	4.000, -	2.271,55	2.000, -	4.244,14	2.244,14	- , -
3. President (+ Vice President)	30.000, -	24.866,46	27.000, -	18.635,23	- , -	8.364,77
4. Treasurer and Treasury						
Treasurer and Deputy	7.000, -	4.560,01	7.000, -	4.367,01	- , -	2.632,99
Bookkeeping / Audit	12.000, -	13.945,33	17.000, -	27.919,36	10.919,36	- , -
Bank charges	9.000, -	9.668,10	9.000, -	6.310,93	- , -	2.689,07
5. Secretariat						
Expenditure on personnel	282.000, -	278.640,87	296.000, -	288.241,99	- , -	7.758,01
Expenditure on materials						
Rent	85.066, -	86.709,03	85.066, -	84.661,36	- , -	404,64
Phone, Fax, e-mail	10.000, -	6.126,51	9.000, -	6.782,45	- , -	2.217,55
Postage	30.000, -	20.808,59	30.000, -	27.634,29	- , -	2.365,71
Office supplies/Representation	15.000, -	12.155,11	13.000, -	16.086,07	3.086,07	- , -
Maintenance/Repair (inkl. Copy, print)	21.000, -	11.181,90	12.000, -	16.154,16	4.154,16	- , -
Insurances	900, -	933, -	1.000, -	956,66	- , -	43,34
Secretary General and Deputy	4.000, -	1.968,70	2.000, -	2.234,20	234,20	- , -
Travel personnel	1.000, -	652,29	1.000, -	893,30	- , -	106,70
Training	1.000, -	- , -	1.000, -	778,90	- , -	221,10
Acquisitions						
Office machines						
incl. Soft-/Hardware	7.000, -	6.667,57	8.000, -	4.668,91	- , -	3.331,09
Office equipment	2.000, -	362,07	2.000, -	1.543,60	- , -	456,40
6. Extraordinary expenses	4.000, -	- , -	- , -	1.454,01	1.454,01	- , -
	<u>1.164.466, -</u>	<u>1.091.172,52</u>	<u>1.217.764, -</u>	<u>1.147.560,83</u>	<u>43.943,22</u>	<u>114.146,39</u>
<b>III. Surplus of receipts/ expenses</b>	<u>./. 35.966, -</u>	<u>119.046,06</u>	<u>./. 15.216, -</u>	<u>168.439,68</u>	<u>Surplus:</u>	<u>183.655,68</u>

## Report of the Disciplinary Committee

G. Leherte (BE)  
Chairman

The pending disciplinary cases initiated in 2004 (six) and 2005 (one) are being handled by respective disciplinary chambers.

The decision in disciplinary case CD 6/03 (initiated in 2003) could not be finalised by the (extended) due date of 31.12.04, due to procedural problems of the concerned chamber.

Concerning the revision of the disciplinary regulations, for which it had been planned to submit a draft to the *epi* Council in Budapest, it should be reported that (by the 20<sup>th</sup> of April) the final draft from the ad hoc working group (Dybdahl/Leherte/Holzer) had not yet been considered by the EPO. The timeframe for submitting the draft to the *epi* Council will therefore likely be moved to the Council meeting of October in Bucharest.

A meeting of the new Disciplinary Committee, as designated by the Council at its meeting of 9-10 May, is scheduled for the 27<sup>th</sup> of June in Munich, in order to elect the new chairman of the committee for the coming Council period and to exchange views on disciplinary practice in the different national constituencies and on the future role of the Disciplinary Committee.

As to the issue of

„the future of the Disciplinary Board of Appeal, in the context of  
the planned autonomy of the Boards of Appeal in general,  
the handling of complaints about EQE results, and  
the current review of the disciplinary regulations”,

to be assessed by the chairman of the Disciplinary Committee, upon request of the *epi* Council in Lisbon, it can be reported that a meeting took place involving Mr Messerli and his assistant Mr Schachenmann, on behalf of the Disciplinary Board of Appeal, Mrs Dybdahl on behalf of the Disciplinary Board, Mr Shortt on behalf of EPPC, and G. Leherte as chairman of the Disciplinary Committee;

objections against incorporating the Disciplinary Board of Appeal in the future European Patent Court are related to the regulatory basis for the Disciplinary

Board of Appeal, which is currently *not* in the EPC, so that a revision of the EPC would be needed ;

several national decisions tend to confirm that the „legal independence” requirement of the Disciplinary Court of Appeal is properly provided for under the current regulations;

the Disciplinary Board of Appeal is indeed somewhat „hybrid” in its structure, to the extent that it represents a second instance in respect of true „professional representative disciplinary matters” (after a first instance Disciplinary Board decision), whereas on EQE-result matters it is formally only a first instance (the decision from the Examination Board does not involve any right to be heard for the concerned party);

there would be no fundamental objection from EPO to a proposal (from *epi*) for removing the EQE-matters from the Disciplinary Board of Appeal, and/or setting up a separate (additional or not ; administrative?) instance for handling EQE-complaints ; any such alternative proposal would however probably involve an even worse deadline scheme than is already the case now;

the objection from *epi* as to the „inadequacy” for the members of the Disciplinary Board of Appeal to have to attend to such distinct matters as true disciplinary matters and examination appeals, may be related to a expectation/perception problem ; this aspect might be *addressed by proper communication* on the content of the task towards candidates for a nomination to the Disciplinary Board of Appeal ; it might also be envisaged that within the Disciplinary Board of Appeal a true „disciplinary”-chamber and a „EQE”-chamber be set up (with distinct *epi* members for both chambers) ; it is questionable however whether, in view of the reduced number of EQE-complaints (resulting from an increased appeal fee), this approach would not be over cumbersome.

*In view of the above considerations it is proposed that the Council approves a „status quo” of the current organisation of the Disciplinary Board of Appeal and takes note that candidates for a nomination to this Board should be aware of the full content of the task involved.*



## Report of the EPO Finances Committee

J. Boff (GB)  
Chairman

Strategic debate and Co-operation

.....

Accommodation

.....

### EPO financial status

The quarterly statement for the last quarter of 2004 [CA/33/05] indicates that operating income was up 10 % and operating expenditure up 5.5 % resulting in an operating surplus of €56.7M. Although this figure was less than budgeted it is an improvement on 2003.

The EPO's financial position would be improved if the renewal fees from national offices were promptly remitted. At present the EPO appear to be owed (or are in dispute over) ~€300M [CA/54/05] in back fees.

### EPO performance

This is disappointing, and not ever as good is expected.

Because demand during 2004 was less than expected, the EPO imposed a recruitment freeze during the year. This had the consequence that examining capacity increased by ~12 % since trained examiners had to spend less time training new examiners [CA/36/05]. With this increase in capacity we would hope to see improved performance, but this has not happened.

The Revised Plan 2005 [CA/35/05 Add.1] contains drastic revisions to the EPOs forecasts and preliminary numbers for what happened in 2004.

Although 2004 appears to be an improvement on 2003 [search and examination stock reduced from 9.1 months and 30.9 months to 8.8 months and 29.2

months respectively] the number of granted patents dropped from ~60,000 to < 59,000.

2005 looks to be worse. The medium term business plan [CA/40/04] looked to the search and examination stock dropping to 5.8 months and 25.2 months respectively. The new forecasts in CA/35/05 Add.1 change this to 8.6 months and 31.8 months respectively.

On patent grants the medium term business plan expected ~72,500 granted patents in 2005. This has been significantly reduced to ~50,000 patents.

Examination capacity has increased by 12 % from 2003 according to CA/36/05. However, search production has increased by 4 % during 2004 and is expected to do little better in 2005. Examination production in terms of final actions has declined by about 4 % in 2004 but is expected to recover in 2005.

With increased capacity, and decreased production, it appears that overall productivity has dropped. What is worse, the recruitment freeze was introduced when a drop in filing numbers was expected. Now, a large increase in demand is forecast.

The workload seems to have mastered the EPO.

### Meetings with EPO

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*After submitting this report to Council the Committee became aware of a further document CA/37/05 that indicated a drop in „core“ productivity to below 1997 levels. This supports the conclusions reached from an assessment of the amended business plan.*

## New epi Tutorial

PQC (Professional Qualification Committee of the epi) has developed a new approach for the epi Tutorials based on the known tutorials, on the experience of tutors, and on discussions with members of the Examination Board.

The new Tutorial is being introduced this year and will run parallel to the well-known epi tutorials. For detailed information please visit the epi website: [www.patentepi.com](http://www.patentepi.com)

## Report of the European Patent Practice Committee (EPPC)

A.Casalonga (FR)  
Chairman

### A. Information

#### *I. Diagnostic Methods G1/04 Amicus Curiae Brief (EPPC Question 166).*

The case presently pending before the Enlarged Board of Appeal has been monitored and copies of third party statements and Amicus Curiae briefs submitted to the EPO were obtained.

The following companies and organisations presented comments to the Enlarged Board of Appeal :

- Roche Diagnostics
- Amersham plc (GE Health Care, Biosciences)
- Philips
- European Society of Human Genetics (ESHG)
- Siemens
- Praxis Klinik Dr. Med. Ulrich Kübler
- FICPI,

also some further *epi* Members presented comments on their own :

- Società Italiana Brevetti
- Mewburn Ellis

To our knowledge the decision has not yet been issued.

#### *II. Proposal for a EU Directive on Patentability of Computer Implemented inventions*

Following the last *epi* position on this proposal, the EPPC discussed what should be done to pursue our efforts in this matter:

After some hesitations due to political difficulties, the European Council of Ministers finally endorsed the amended proposal drafted by the EU Commission last February 2005.

The draft is to be further discussed by the European Parliament in July 2005. In the meantime, Mr Michel ROCARD has been designated as Rapporteur for this question as President of the Committee on Legal Affairs preparing the discussion before the European Parliament.

Apparently, Mr Michel ROCARD is not in favour of a broad protection for computer implemented inventions. The Committee on Legal Affairs recently issued a draft resolution for the European Parliament (dated 29 April 2005).

The EPPC prepared a paper commenting this document. The paper was sent to Mr Michel ROCARD (see Annex 1 available on the *epi* website [www.patent-epi.com](http://www.patent-epi.com) under „Committee Reports“).

#### *III. PCT Reform*

WIPO has issued in December 2004 a new paper presenting proposals and options for amending various aspects of the PCT (PCT/RWG/7paper number 8, December 16, 2004).

The EPPC sub-committee dealing with PCT matters prepared a set of comments discussing mainly the possibility to introduce a second PCT search as an option for applicants. This paper was presented to WIPO in January 2005 on behalf of both the *epi* and UNICE.

#### *IV. SACEPO/WPG (Working Party on Examination Guidelines)*

The EPO has proposed to amend the Examination Guidelines to take into account the introduction of the new Extended European Search Report (EESR) defined in new Rule 44(a) EPC which is to enter into force on 1<sup>st</sup> July 2005.

Other amendments have been proposed in the Guideline to take into account new decisions of the Boards of Appeal and of the Enlarged Board of Appeal (particularly decision G1/03 and G2/03 relating to disclaimers).

A meeting was held at the EPO on 14 March 2005. The EPPC was represented at this meeting by its Chairman, Axel CASALONGA and its Vice-Chairman, Peter Shortt. Various changes were discussed.

#### *V. epi/EPO Liaison Committee – Meeting of 2 February 2005 in Munich*

An informal meeting was organised with representatives of DG1 and DG2 to discuss some procedural matters and questions presented by *epi* members and collected by the EPPC.

The meeting was attended by the Chairman of EPPC, Axel CASALONGA and the Vice-Chairman of EPPC, Wim Hoogstraten.

A list of subject matters had been prepared and was discussed. Among those subject matters was particularly the question of amendments made by the examiners with the Rule 51(4) notification.

A short report of the meeting is published as Annex 2 on the *epi* website.

#### *VI. 14th EUROTAB Meeting in Taastrup (Denmark) on 12 and 13 May 2005*

The *epi* was represented by Ms Pia STAHR, Member to the EPPC. A short report is published as Annex 3 on the *epi* website.

## B. Substantive Matters

### I. EPPC Question 160: Community Patent Regulation – Court Organisation:

The European Court of Justice issued an opinion on 8 November 2004 on the proposed draft for a Court Organisation dealing with Community patents. This was discussed by the EPPC with a view of preparing a position paper. The main following points were discussed by the EPPC.

#### *Community Court Jurisdiction*

The authorisation for inspection to obtain evidence of infringement (*saisie-contrefaçon*) could be obtained either through a request before the Community Patent Court or before any National Court.

The majority of the EPPC was in favour of a flexible system permitting National Courts to have subsidiary jurisdiction for such seizure procedures.

#### *Technical Judges and Technical experts as assistant Rapporteurs.*

The EPPC felt again that this was a major feature and that the role of the assistant Rapporteur should not be diminished as suggested by the European Court of Justice.

#### *Role of the European Patent Attorney*

The EPPC was disappointed to see that the European Court of Justice was suggesting that the European Patent Attorney could only speak upon authorisation of the Court.

#### *„Seizure“ procedure for inspection of premises to obtain evidence of infringement.*

The EPPC considered advisable to stress again the main points of the previous *epi* position paper on this procedure.

#### *Language of the procedure*

The EPPC discussed at length this difficult and important question. It was finally decided by the majority of the EPPC to maintain the position of the previous *epi* position paper and to add a new proposal for cases where more than one defendant would appear.

A draft *epi* position paper was prepared and agreed by the majority of the EPPC Members. The paper was approved on May 10, 2005 in Budapest by the *epi* Council (see Annex 4 available on the *epi* website [www.patentepi.com](http://www.patentepi.com) under „Committee Reports“).

### II. EPPC Question 175: Biodiversity

The EPPC has been aware of certain proposal to introduce some requirement of the Convention on Biodiversity in the patent system.

The EPPC felt that it was not appropriate to use a patent system to police the Convention on Biodiversity. Requiring formally that an applicant indicates the origin of genetic resources in his patent application would not solve the problem indicated in the Convention on Biodiversity.

The EPPC decided that this should be further pursued by the Harmonisation Committee and the Biotech Committee of the *epi*.

### III. Priority right. Decision T 998/99 L'OREAL

In this decision, it has been stated that the priority right is in some way „exhausted“ after a first use so that it is not possible to claim a second time the priority of a first filed application if said first filed application has already been used to claim the priority in another European application as far as the inventions claimed in both subsequent applications are substantially identical.

Some EPPC Members felt confused by this decision.

It was however considered that nothing could be done for the time being except monitoring the situation and possible further decisions of the Boards of Appeal.

## Report of the Harmonisation Committee

F. Leyder (BE)  
Chairman

The Patent Law Treaty (PLT): signed in 2000, entered into force on 28 April 2005 (Croatia, Denmark, Estonia, Kyrgyzstan, Moldova, Nigeria, Romania [10th State to ratify], Slovakia, Slovenia, Ukraine). The EPC requires amendments, which amendments can in practice be done only after the EPC2000 enters into force (2007?).

There has been no meeting of the Standing Committee on the Law of Patents (SCP) since the last Council meeting. As agreed during the last General Assembly of

WIPO (27 September-5 October 2004), „*the next session of the SCP should be determined by the Director General following informal consultations that he may undertake*“ (excerpt from the press release).

The Director General of WIPO convened informal consultations concerning future sessions of the SCP in Casablanca, Morocco, on 16 February 2005. Observers were not invited. There was broad consensus amongst the countries invited that six issues should be addressed in

an accelerated manner, the first four issues (prior art, grace period, novelty and inventive step) in the SCP and the other two issues (sufficiency of disclosure and genetic resources) in the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC). The delegate of Brazil did not associate himself with the Casablanca Declaration.

As the Casablanca meeting recommended to the Director General of WIPO, the next session of the SCP would be convened to consider and endorse the objectives and work program set out above. The decisions would be transmitted to the General Assembly in September 2005 for its consideration, including a time frame for the conclusion of these issues within WIPO.

A Working Group of experts of industrialised nations on intellectual property and development („the Working Group“), set up by a meeting in February 2005 at the USPTO in Alexandria, met at the EPO in Munich on 21 and 22 March 2005. They confirmed their commitment to working together with all countries within WIPO to develop the IP system for the benefit of all and with needs of developing countries integral to their work.

On 18 April, the Committee on Patent Law held a meeting to discuss a new proposal regarding some articles of the draft Substantive Patent Law Treaty (SPLT). There was broad consensus amongst the delegations, subject to some reservations. Immediately thereafter, the Working Group met again on 19 and 20 April 2005 in Munich. It discussed the provisions concerning novelty, inventive step, grace period, and prior art drafted in the context of a first-to-file system. In particular, a preliminary consensus within the experts' Working Group was achieved for many provisions of the first package, but further work is required *inter alia* regarding the treat-

ment of conflicting applications and its ramifications and the features of a possible grace period.

The results of this meeting were transmitted to the plenary meeting (nicknamed „Alexandria 2“) of the industrialised nations that took place in Munich on 30 and 31 May 2005, just before the 11th session of the SCP.

Finally, the SCP met on 1 and 2 June 2005. The documents are available on the WIPO website ([http://www.wipo.int/meetings/en/details.jsp?meeting\\_id=7128](http://www.wipo.int/meetings/en/details.jsp?meeting_id=7128)), in particular the Summary by the (new) Russian Chair.

On 1 June, Argentina spoke on behalf of a group of countries („Friends of development“) to oppose the approach of the Casablanca consultations. In their views, „a balanced and inclusive SPLT should include, *inter alia*, clauses on public interest flexibilities, transfer of technology, curbing of anticompetitive practices and biodiversity (disclosure of origin)“ (quoted from the Summary). Italy spoke on behalf of the Group B countries (industrialised nations) to support the Casablanca Declaration. Despite some attempts, no consensus was reached by the end of the day.

Since the „Friends of Development“ had proposed that the Summary by the Chair be approved by all delegations, and no other delegation had opposed the proposal, it had been adopted (the previous Canadian Chair had not accepted the same request at the previous meeting). As a result, it took the whole of the second day to prepare the Summary.

WIPO will prepare a draft report for adoption at the next SCP meeting, whenever that may be.

La fortune sourit à qui sait attendre.[\*]

[\*] Proverbe français.

## Report of the Online Communications Committee

D. Speiser (DE)  
Chairman

The Online Communications Committee met once in the time interval (October 2004 – May 2005) covered by this report and had a meeting with the EPO in Munich.

I. The epoline software for online filing of patent applications is still available as version 2.10. Version 3 was intended to be launched November 2004 and is now likely to be distributed in 2005. It is noted that the software is available both in a stand-alone version running on a single computer and in a LAN version in which the software runs on a server and can be accessed from all workstations on the network. The LAN version reduces considerably the workload of the network

administrators. From the perspective of the staff the software is as easy to use as the stand-alone software.

Some years ago, at the time online filing was in the early testing stage, the epi and several international organisations in the field of IP accepted and distributed resolutions requesting the Patent Offices worldwide to agree on a single standard for online filing software suitable for filing patent and other applications online in every country. These resolutions were intended to convey to the Patent Offices the message of the potential users of the online filing systems that they very much disliked the idea of having to install several different kinds of online filing software and the related need of training their staff

to use different kinds of software for different kinds and destinations of filings. Headed by WIPO, a large number of countries agreed on a standard for the submission of the application form, the description, the claims, the drawings and other documents that might be needed for filing. This standard became known as the XML-standard and is suitable for exchanging data between the applicants and the Patent Offices and vice versa.

The EPO as the pioneer in Europe of online filing invited European and non-European countries to use the epoline software in their countries for national filings; not only because the epoline software at that time was already available but also with the users in mind and the resolutions of their various associations. The OCC was happy to note over the years an increasing interest of member states of the Convention in accepting the offer of the EPO. It will be of particular interest for the German membership of the epi that the German Patent and Trademark Office, although it had developed an online filing system totally different from the approach of the EPO, together with the EPO developed a so-called „plug-in“-software for the epoline software so that users of the epoline software now have the possibility of using the epoline software not only for filing European applications and PCT-applications but also for filing national German patent applications.

The OCC learned that the EPO and several national Patent Offices in Europe are in the course of preparing plug-ins for other national filings. Such plug-ins are intended to become available in 2005 for UK, CZ, DK, NL, RO, SE, and AT. The EPO and the USPTO are still working on a US plug-in. Thus, the development moves in the right direction and the Patent Offices seem to have noted that they must listen to the users if they want to benefit from online filing.

For 2005 the EPO plans to accept requests for term extensions and responses to the communications under Rule 51 (4) EPC to be filed online. On the other hand, members are reminded that the EPO presently does not accept electronic filing of documents in opposition and appeal proceedings.

II. In November 2004 the European Patent Office successfully launched the online „Register Plus“. Under this new heading the interested circles have online access to the bibliographic data of published European patent applications. In addition, the user has direct access to the contents of the files and to the citations listed in the search report with the possibility of downloading copies of the citations. The user has further direct access to patent family information and can download the bibliographic data in the XML-format for direct further processing. Therefore, Register Plus is a very helpful and time saving information tool.

In view of the success of the new Register Plus the Office intends to discontinue on 30 June 2005 its fore-runner namely the „Online European Patent Register“ and the „Online Public File Inspection“.

III. The OCC in its last internal meeting had an extensive discussion about the future of the online filing and the

online communication system. The Committee came to the conclusion that epoline now operates well and is in a good shape so that it can be anticipated that further developments will be in the form of an evolution rather than a revolution like EASY/epoline was in the first place. This conclusion led to the question of how to organize the cooperation between epi and EPO in the future.

The experience with the EPO and with other Patent Offices is that the Offices, when planning new developments or improvements, are focused on their own needs and if they try to consider the related needs of the users they can base such considerations only on their limited knowledge if any of the needs of the users.

Conflicts arising from such situations can hardly be resolved by discussions between any individual user and the Patent Office because the Office cannot know whether it is confronted with an isolated view on a particular requirement or whether such requirement is of general interest. Accordingly, the Office might not realize the significance of any such proposal. For this reason the OCC is of the opinion that epi and EPO should continue their cooperation but should do so without a full committee but rather with one or two liaison persons elected by the Council. These persons could collect information and proposals by the membership and could subsequently convey any such information to the EPO with the EPO knowing that these liaison persons are talking on behalf of the 8000+ epi membership.

In consideration of the foregoing, the members of the OCC came to the conclusion that the Committee be dissolved by recommending to the new Council not to elect new members for the Committee. At the same time the OCC suggests that the new Council elects two spokespersons having a personal broad experience in all online filing matters.

Two of the members of the Online Communications Committee with such personal knowledge are prepared to serve as liaison persons, namely

Mr. Roger Burt, UK (industry) and  
Mr. Antero Virkkala, FI (free profession).

After having come to the conclusion just discussed the OCC met with the EPO. One of the topics of the agenda of the meeting was the „future of the cooperation between the epi and the EPO“. The Committee informed the EPO on its deliberations and conclusions. The Office agreed that an official link between the EPO and the epi should remain in existence and the Office also agreed that the present full Committee could well be replaced by one or two spokespersons liaising between the epi Council and the EPO.

Accordingly, the Committee suggests that new Council elects Mr. Burt and Mr. Virkkala as Council's spokespersons in all matters having regard to online communications between the epi membership and the EPO.

The legal basis for the establishment of the spokespersons is Article 4 (d) of the Founding Regulations in combination with Article 3 (powers and duties of the Council) of the Institute By-laws. The Council is also entitled to provide for the spokespersons appropriate

allowances for justified travelling and hotel expenses in accordance with Article 6 (2) of the By-laws and the related guidelines.

IV. A few years ago Council had entrusted the OCC with the task of devising a system of online communications between the *epi* Secretariat on the one hand and the Board and Council members on the other hand. Following the proposal of our deceased friend and colleague Marc Van Ostaeyen the Committee installed the desired communications system which since it was launched seems to function well. All the Council and Board documents were prepared and distributed under the new system in PDF-format and with detailed bookmarks providing an easy navigation through all the hundreds of pages distributed each time. With the system working the Committee now wants to terminate the activity; the Secretariat will operate with a written manual for the generation of the needed PDF-documentation. Further, the Committee in terminating its task and possibly going slightly beyond its remit recommends the Secretariat is provided with a computerized version of the institute By-laws as well as a computerized version of the founding regulations, both also having a detailed system of bookmarks for ease of navigation.

Finally, the Online Communications Committee suggests that the collection of Council decisions which presently are available only in paper form and are distributed in paper form among all new Council members be converted into an electronic version like the By-laws and

Founding Regulations and subsequently be made available to the entire membership via the website of the institute.

V. At its recent meeting our Council followed our suggestion to replace the OCC with two spokesmen whom the *epi* members and the EPO may contact to resolve problems. Details will be available from the *epi* website. With our work terminated I want to thank the active members and associate members of the OCC, in particular Roger Burt, Frans Dietz, Antero Virkkala and our friend Marc Van Ostaeyen, who passed away during the last term of the committee, for their engagement and valuable contributions. It was a rewarding experience to work together with them and to contribute in the setting up of a satisfactory online filing system.

Likewise, the thanks of this Committee go to the EPO and in particular to the *epoline* team of the Office which spent much time to listen to our worries and proposals and who always reacted positively knowing that our common goal was an easy to use, safe and reliable online filing system the use of which could be recommended to the meanwhile 8000 *epi* members. Online filing figures at the EPO prove that the common work was successful. And the success is also documented by many Patent Offices in Europe which originally aimed at individual online filing solutions but subsequently realized that the desired high filing figures could not be achieved against the needs of the users and consequently turned to use the *epoline* system. Let us hope that others will follow.

## Report of the Professional Qualification Committee (PQC)

T. Onn (SE)  
Chairman

### 1. Students of the *epi*

Throughout the later years the number has varied up and down from 282 in 1999 to a top last year (397). So far this year only 9 new students (from 3 countries) have been registered. The current number of students is 369 from 18 countries – a decrease from last year.

### 2. *epi* tutorials

6 June 2005 is the last date for enrolment to the summer tutorials (comprising papers A & B) and 10 October 2005 to the autumn tutorials (comprising papers C & D). Information about this is published on the *epi* website and in *epi* Information 1/2005.

Up till now 26 candidates have enrolled for the summer tutorial doing 100 papers.

The new concept for the tutorials, as presented to the Lisbon Council, will start with an extra tutors meeting before summer. With a better training of the tutors from the various member countries the tutorials will certainly improve.

### 3. Tutors' meeting

On 8 November 2004 the chairmen/secretaries from Examination committees I, II and III and a number of *epi* tutors and some CEIPI tutors met in the premises of *epi*.

The individual papers were presented by the chairmen giving their view on the solution of the papers. The marking of the papers was also discussed. The discussions with the Examiners were very open. Statistics for the individual papers was also presented.

The meeting was very fruitful and took place in pleasant atmosphere. The examiners were open to questions and the tutors received a lot of knowledge about the view of the Examination Committees. The examiners were positive to the transfer of this knowledge to the candidates thus enabling a higher passing rate.

We are pleased that the Lisbon Council kindly agreed that we can have two days of tutors meetings from 2005 and onwards. This will be helpful for the future tutorials giving the tutors more time for discussions.

#### 4. Continuing Professional Education (CPE)

Our eighth CPE seminar was held in Paris on 8 November 2004. There was such a great interest for this seminar that the number of participants had to be limited. More than 120 participants attended this full day seminar on the topic Oral Proceedings in Opposition. In the morning there was a mock oral proceeding in Opposition and during the afternoon a Director from EPO gave the audience more general information and advices about the opposition procedure in the EPO. The seminar was a great success not least due to the excellent organization done by Laurent Nuss.

Thus, so far we have organized 8 CPE seminars in 7 countries. The working group for revision of the tutorials is also planning for future CPE seminars. In addition to the two topics we are running at present the WG is i. a. discussing a new series of seminars, and one topic is „Novelty and inventive step“. This seminar will be co-organized by the PQC members of Belgium and the Netherlands.

#### 5. Joint meeting between PQC and the Examination Board

The joint meeting took place in Stockholm on 19 April 2005. The day before PQC had its regular committee meeting together with some invited tutors.

The joint meeting started with a discussion of the EQE 2005 papers. Each paper was presented by the secretaries of the Examination Committees. This gave a good start for the discussions of the individual papers, and the Examination Board got good feedback from the Tutors present as well as from the PQC members.

The Examination Board wants to have future tutors meetings between the Examination Committees and epi and CEIPI tutors. The first of these meetings will be in connection with the Diploma Award Ceremony of the EQE in Strasbourg. The meeting will take place on 28 November 2005 and the Award Ceremony the day after.

The change of date of the EQE (from March to January) was then discussed. Mr. Hjelm apologized for not having informed the PQC about the decision and promised that in the future we will definitely be more involved in decisions concerning the EQE.

We informed the Board that the candidates preparations extends over a period of at least three years and that there are a number of candidates who last year

started their training for the EQE 2007. Therefore it would be fair to the candidates to delay this change of date for one year. That would also be helpful for the reorganizing and planning of tutorials adapted to the new EQE timetable as this will take some time. Further there will be a conflict with national exams. We therefore asked the Examination Board to look into the possibility to reconsider the decision and wait with the implementation of the January date of the EQE until 2008.

To conclude the meeting we had open discussions all the time in a very friendly atmosphere and the cooperation with the Examination Board seems to improve from year to year.

#### 6. EQE

EQE 2005 took place on 8-10 March. 2073 candidates sat the exam, of which 972 were first sitters. The high number of first sitters is quite natural as we grandfathers now are reaching the retirement age.

For 2006 the Examination Board has decided that EQE will be on 7-9 March. The last date to enrol is 15 July 2005 for first sitters and 21 October 2005 for resitters. The Examination Board had also decided that in 2007 the EQE should take place in the end of January – beginning of February. However we have now been informed that the January 2007 date has been changed (probably back to March) but a decision about the exact date will come later.

We have also been informed that as from EQE 2006 paper DI will comprise 40 marks and paper DII 60 marks (today 45 – 55).

From the Examination secretariat we have received detailed statistics for EQE 2004 and also a promise that in the future we will get these detailed statistics annually.

The Examination secretariat sends a questionnaire to all the candidates short after the examination. We were invited to take part in this questionnaire and propose questions.

#### 7. Language of the EQE

The internal auditors of the EPO have given some comments in connection with the translation of the answers in national languages. Today the PQC members do these translations but evidently the auditors are not satisfied with this. They claim that there might be quality as well as confidentiality problems. One proposal is to go back to the three official languages thus taking away the possibility for a candidate to answer in his/her mother tongue. At the joint meeting we asked the Examination Board to invite PQC to participate in the decision making process before deciding on this matter.

*Council is invited to express its opinion whether Council prefers the present language regime or the official language only regime.*

### 8. List A & List B qualification

In Decision D 0015/04 the Disciplinary Board of Appeal establishes that: A university or equivalent study curriculum exceeding three years of study would meet the conditions for List A listing stipulating that candidates possessing a university – level scientific or technical qualification ... are entitled to enrol. ... the details of the study curriculum must still be examined to assess whether the candidate is likely to be able to sit the examination with some chance of success.

This decision lowers the requirements and opens up for less technical qualified person to sit the EQE.

### 9. Working party REE

The WP had a meeting in November. The items decided by the Lisbon council were briefly discussed and will be considered when it is time to finalize a proposal. There will be a two step procedure, the first step presenting items to be changed and after approval of the AC a second step preparing a complete redraft of the REE. There has been no meeting since November, but Mr. Hjelm, who chairs this WP, has promised me that the WP members will within shortly get a draft proposal for approval before it will be sent to the AC.

### 10. European IP Academy

Mrs. Leissler-Gerstl and I have had discussions with Mr. Zilliox of the European IP Academy of cooperation in various training courses. Mr. Zilliox told us that the role of the Academy is to be financial sponsor and also to provide administrative logistics, if needed. We have presented some CPE seminar programmes and a preliminary programme for the revised tutorials and asked for economic support by the Academy. Mr. Zilliox showed a great interest to cooperate in these projects (to give us a budget for them as well as to help with some administration) and he promised to come back within shortly. The discussions will continue.

### 11. EPO Workshop

On 20 April 2005 Mrs. Leissler-Gerstl and I participated as invited speakers in a one-day Workshop in Stockholm for officers from the Russian and Eurasian patent offices. The topic was „Managing the Patent Attorney Profession“ and the meeting was chaired by Mr. Hjelm, chairman of the Examination Board.

*Council is invited to take note of the content of this report.*

## The EU-Directive on Patentability of Computer Implemented Inventions Comedy, Drama or a Nuisance? Probably all of it!

A. Pfeiffer<sup>1</sup> (DE)

CII is the acronym that stands for „Computer Implemented Inventions“ – in a narrow sense. In a broad sense it designates a legal project relating to EU's high tech industry that is taking a frustratingly complex route through the European institutions. This text wants to direct the spotlight on this issue because it seems that also within the patent community awareness as regards the implications of the discussion, its course on the political stage, possible results thereof and own possibilities of interaction can be improved.

### 1. Background

For a variety of reasons, patentability of computer-implemented inventions is under discussion since years. This is regrettable as it creates legal uncertainty and misunderstandings predominantly in the field of protection of high tech inventions, i. e. in a field which strongly contributes to the wealth in Europe as compared to

many other regions in the world. Inventors and potential applicants heard here and there rumors about allegedly „illegal software patents“ and accordingly think that their invention is worth nothing because it requires software for implementation, therefore being not patentable and accordingly open for counterfeit by competitors. Best case, inventors then consult a professional and get reasonable advice. Worst case is not filing for patents in anticipatory obedience of the misunderstood legal situation. But although this dissatisfying situation is to some extent evident and known to the professional community, it does not very much on the political track to promote and accelerate a satisfying outcome.

One aim of this text is to motivate and invite for participation also on the political track. Two aspects should make it easy to accomplish this:

- At least some – if not many – of the presently prevailing views, actions and tendencies on the political track – and particularly in the EU Parliament

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– are so hair-raising that the author assumes that knowledge about them alone is sufficient to motivate the reader for getting involved.

- Participating is actually not difficult. It may be done in five short minutes – although n times five minutes is preferred.

Looking at the ongoing discussion, to begin with, the author of this text is far from content with the *name* of the project – „computer implemented inventions“. The inventions under discussion are implemented not only by computers, but also by software, and it is usually not the computer that is individualized according to the invention, but the software, so that „software implemented inventions“ would do more justice to the subject-matter under discussion – and it would also give a hint why and where the discussion around CII started: EPC Art. 52 defines patentable inventions, and it states that software<sup>2</sup> as such shall not be considered a patentable invention. The history of this exclusion from patentability reaches at least back to the middle of the 1960-ies (the author was then three years old): The discussion seemingly started in France, where a related exclusion was enacted in the French patent law of 1968<sup>3</sup>. Since its first drafts, also the PCT has a software exclusion<sup>4</sup> – but not of material nature, only in view of the search capabilities of the entrusted authorities. The today's version found 1973 its way into the EPC<sup>5</sup>. Europe's national laws were partially – but not consistently – harmonized with the EPC wording<sup>6</sup>, and that's what we have today: An EPC and some identical national patent regulations having the mentioned exclusion – and some other national regulations without it.

One reason for the today's discussion is therefore the desire for harmonization: Standards for patentability should be uniform throughout the EU. The EPC cannot provide for this harmonization because it is not binding for the member states as regards their respective national regulations. It is the EU that had the power to enact binding and unifying regulations. The CII Directive is the means how EU tries to accomplish exactly this: harmonization.

Another reason for the discussion of patentability of CII is of substantial nature: The exclusion is from a practical point at least dubious and leads also beyond lacking harmonization to legal uncertainty. And to make things worse, there is a substantial dissent behind it:

2 The EPC uses the term „*programs for computers*“. The author uses the word „*software*“ as a synonym thereto.

3 Art. 7: „*Ne constituent pas, en particulier, des inventions industrielles: [...] systèmes de caractère abstrait et notamment les programmes ou séries d'instructions pour le déroulement des opérations d'une machine calculatrice.*“

4 R. 39 PCT: „*No International Searching Authority shall be required to search an international application if, and to the extent to which, its subject matter is any of the following: [...] computer programs to the extent that the International Searching Authority is not equipped to search prior art concerning such programs.*“ R. 67 PCT says the same with respect to the international preliminary examination.

5 Art. 52 EPC: Patentable inventions, paragraphs 2 and 3, state in combination substantially, not literally: *The following in particular shall not be regarded as inventions within the meaning of paragraph 1: ... programs for computers ... as such.*

6 1978 e.g. German patent law

- Nobody knows for sure what the law makers actually wanted to achieve with said exclusion. The offices and courts apply said exclusion in a variety of differing interpretations. Sometimes, it is discussed or applied as if relating to the scope of an emerging patent rather than to the nature of the invention to be patented.
- Software as invention does not exist. Hardly any patent applications recite, describe or even mention software. Software is only a means for implementing inventions. In the so-called „software patents“, one finds a wide variety of inventions, but one thing never ever in any of them: software. It is the same in the USA although they did not exclude software from inventions that can justify a patent. The exclusion is in this respect superfluous.
- The exclusion invites confusion with other prerequisites or exclusions of patentability, particularly with the requirement for technical character of patentable inventions. The exclusion is to some extent redundant and in this respect also superfluous.
- Beyond legal considerations, the exclusion creates ill-will against software-implementable inventions, which is regrettable particularly for high-tech inventions.
- A vocal and well organized community has the simple desire to keep software free from the scope of patents. The discussion around the CII Directive is their lever which they are using to make progress towards their goal.

A more detailed explanation of the authors view on legal and practical issues of the legal situation can be found at the location mentioned in the footnote<sup>7</sup>.

Meanwhile, it is clear that within the ongoing discussion there are two major camps:

- Those who make inventions: They opt for reasonable patent protection including for those inventions that require software for their implementation.
- Those who see – or might see or were told that they would soon see – patents against them: Naturally, they do not like patents. As regards CII, it is often programmers writing software who fear patent infringement and therefore use the current debate for their try to cut down patents on CII.

Although the author thinks that clearly antagonistic scenarios do hardly ever truthfully describe reality, one nevertheless can say that as regards CII the situation is strongly polarized, and it seems doubtful that the interested circles by themselves will find a compromise to be enacted by the EU. Rather, both sides propose – with more or less success – their views to the various bodies of the EU and hope that EU will follow them.

7 GRUR 2003/581, similar at [http://www.beetz.com/de/personen/anwaeltel/ap\\_publications/soft1-de.doc](http://www.beetz.com/de/personen/anwaeltel/ap_publications/soft1-de.doc)

## 2. What happened so far

This text does not want to describe the development of the discussion on a longer time line. If interested in this respect, the reader may refer to the foot-linked publication<sup>8</sup>. In the following the course of action on EU level will be described.

In Summer 1997, the EU issued a Green Paper on the topic of CII<sup>9</sup>. It raised various questions and invited the public to produce its views. Many statements were received in response.

In Spring 2002, the EU Commission presented a first draft<sup>10</sup> of the intended Directive. It was welcomed in quite different manners: Those who have and use patents had a basically positive attitude towards the draft, whereas programmers vigorously argued against it.

In autumn 2003, the EU Parliament dealt with said draft in First Reading, and the resulting text<sup>11</sup> may be fairly called a disaster both from a material and from a technical point of view. For motivation, take two minutes, follow the first of the two links in footnote 11, read some of the amendments, and then recall: It was the majority of your EU Parliament who did this. It is not a joke. It is serious. They want that this becomes your law! The concise draft of the Commission was shredded into a large bundle of more than 100 amendments full of redundancies, inconsistencies amongst each other and to existing law, contradictions and silly and materially devastating provisions. Most destructive is perhaps Amendment 45 leading to amended Art. 3<sup>12</sup> defining data processing to be of non-technical nature. By way of a legal fiction one of the necessary prerequisites of patentability of inventions is negated for software-implementable inventions and therefore for the result of a significant part of Europeans high-tech developments: the requirement of technical character. The silliest amendment, by the way, may be the great Amendment 120 to original Art. 5<sup>13</sup>. The echo on this all was reversed as compared to that on the Commissions draft: Patent opponents loudly applauded, whereas the professional community felt disgust.

In Spring 2004 the EU Council's Presidency presented its draft Common Position<sup>14</sup> on the issue. To cut a long story short: Although this draft was comparatively dif-

ferent from the Commissions proposal, the roles of those who cheered and those who mourned were again reversed, it was similar to the reaction on the Commissions initial proposal.

However, to the regret of the patent supporters and to the delight of the opponents, it turned out to be difficulty to get a qualified majority in the Council for said draft, particularly after the EU enlargement in summer 2004, so that for a long time said draft was not formally accepted by the Council.

The Second Reading in the EU Parliament was planned for spring 2005. However, the legal Affairs Committee of the EU Parliament, also in view of the not agreed Common Position of the Council and massively influenced by those opposed to CII patents, decided to send the proposal back to First Reading again. This was based on an internal Parliamentary provision that allows a return to First Reading if the situation has materially changed. The opponents of CII patents claimed that the European election of summer 2004 had materially changed the situation because about 70 percent of the current Parliament's members were newly elected. Background may be that the opponents of patents on CII saw 70% „fresh“ parliamentarians, not yet influenced by their year-long work and simply wanted to have more time to get the new parliamentarians on their line. And although the general rule in the EU is that legislation continues through the process irrespective of elections, it was decided to return the draft Directive to First Reading. This procedural measure says nothing on the substantial issues of the discussion, but due to the tactical implications it was nevertheless felt to be yet one more reversal of triumph and loss: The reactions were similar to those on the result of the First Reading in the EU Parliament.

In March 2005, however, the Council finally – and somewhat surprisingly – accepted the Common Position. This also has the effect that the intended reopening of First Reading is not possible so that likely the Common Position will now go to Second Reading. Patent supporters were cheering on this, patent opponents were outraged.

This is the status when this text was written (March 2005) – a series of ups and downs for both camps. How did it come so far?

## 3. Actors, Arguments, Tactics, Strategies

It is worth looking at who the supporters and who the opponents of the Directive are and which arguments, tactics and strategy they use and follow.

### *The patent opponents*

The patent opponents are predominantly programmers and software makers. They may be both Open Source supporters and other programmers, and it has little relevance for the case to decide who of them are the more. Their explicit goal is to re-shape the patent system such that software of any kind becomes free from the scope of patents. It is not necessarily correct to call the

8 IFE 6/2004, similar at [http://www.beetz.com/de/personen/anwaelte/ap\\_publications/softwareproblems\\_EN.pdf](http://www.beetz.com/de/personen/anwaelte/ap_publications/softwareproblems_EN.pdf)

9 Green Paper: COM(1997) 314 final of 24.6.1997; follow-up Communication: COM(1999) 42 final of 5.2.1999. See also [http://europa.eu.int/comm/internal\\_market/en/indprop/comp/soften.pdf](http://europa.eu.int/comm/internal_market/en/indprop/comp/soften.pdf)

10 [http://europa.eu.int/comm/internal\\_market/en/indprop/comp/com02-92en.pdf](http://europa.eu.int/comm/internal_market/en/indprop/comp/com02-92en.pdf)

11 With the Council's comments at <http://register.consilium.eu.int/pdf/en/03/st11/st11503.en03.pdf>, consolidated at <http://www3.europarl.eu.int/omk/lomnsapir.so/pv2?LISTING=AfficheTout&PRG=CALDOC&FILE=20030924&TPV=PROV&LANGUE=EN>

12 Article 3: Data-processing and patent law: „Member States shall ensure that data processing is not considered to be a field of technology within the meaning of patent law, and that innovations in the field of data processing are not considered to be inventions within the meaning of patent law.“

13 Article 5(1)d: „Member States shall ensure that whenever a patent claim names features that imply the use of a computer program, a well-functioning and well documented reference implementation of such a program shall be published as a part of description without any restricting licensing terms.“

14 See <http://register.consilium.eu.int/pdf/en/04/st09/st0913.en04.pdf>

opponents of patents also the opponents of the Directive: They would of course favour a Directive that made it impossible to obtain patents for CII, for example if something like Amendment 45 (see above footnote 12) came into force.

Who did what when and who organizes it all? Looking at the developments in recent years it is very clear that those who oppose patents on CII are well organized, well funded, and make professional lobbying at the right time and to the right audiences. The backbone of the current anti-Directive activities are nowadays two web sites<sup>15</sup>. Actually, one can bring it down to two „master minds“ behind it all, both of German nationality. The one of them runs since at least seven years [www.ffii.org](http://www.ffii.org). He is in his early 40-ies and is neither a patent professional nor a programmer, but a linguist with stunning language skills, but less than partial patent knowledge or experience. FFII is legally shaped as a German „eingetragener Verein“ („incorporated society“) and has offices in Munich and Brussels. The other „mastermind“ is in his mid 30-ies, an IT author and alleged entrepreneur, and operates [www.nosoftwarepatents.com](http://www.nosoftwarepatents.com), which seems to be a comparatively young spin-off from the FFII. The [www.nosoftwarepatents.com](http://www.nosoftwarepatents.com) structure is financially supported predominantly by three large companies: RedHat of the USA, MySQL of Sweden and United Internet of Germany. Funding of FFII seems to be much broader based<sup>16</sup>.

Comparing the two mentioned individuals, one is tempted to say that the former gives the intellectual part but is definitely not appealing to those not already on his side, whereas the latter gives – in public – an eloquent Mr. Niceguy brightly beaming into every pair of eyes looking at him. Together, they form a work-sharing team accommodating a wide range of mental constitutions. They may take some inspiration from US gurus like Richard Stallman<sup>17</sup>, a prominent programmer and father of the GNU project, a pathmaker of Linux. It is the authors opinion that both gentlemen are well-funded lobbyists – and that their entire campaign throughout Europe would collapse like a soufflé that caught a cold breeze if these two individuals quit their activities. Many of their supporters have never ever seen or heard about patents or made a patent search or were affected by patents before they ran – most likely in the Open Source hall of computer fairs where FFII usually has a booth for effectively promoting its views – into one of their organisations telling them how threatening the situation allegedly is. To put it friendly: Much of the excitation is „as a matter of precaution“ or theoretical or based on misunderstandings. A less friendly interpretation is to attribute it to cynical misinformation and propaganda, launched both for obscure and not so obscure reasons. It is the opinion of the author that the above two individuals – supplemented by some few others – lead only to a small part a „natural movement“. To a much larger part,

they are very talented in creating rage and furor and directing its impetus in the direction they want.

The above may sound amusing, but it should not have the effect of positioning the mentioned activities in the category of exotic but harmless phenomenons. Quite to the contrary in fact: Both said „masterminds“ are intelligent, highly motivated, experienced, well organised, well funded and very busy – and have been stunningly successful. Their activities may well lead to serious damage to the patent system. They effectively and intensely talk the patent system sick (and they of course say it *is* sick). They have their community behind them – and this not only in Germany, but also in many other European countries. Their web sites follow the daily business with a time lag of only a few hours and are translated into at least ten languages each. They receive – from the authors – copies of parliament-internal letter exchanges and are thus much better informed about what goes on than anybody of the supporters of patents. As a result, in the CII issue the majority of the EU Parliament as well as national political parties (like the German liberals<sup>18</sup>) and also entire national governments (like the Polish) dance presently according to the melody of said two Germans.

#### *Arguments, strategies*

Which arguments were used so far by the opponents of patents on CII? Reference is again made to the text addressed in footnote 8, see there particularly item 3. For an immediate impression, see the links in the footnote<sup>19</sup>.

The strategic approach of the patent opponents is primarily the discussion around the criterion of technical character for patentable inventions. They say that they want a clear and unambiguous definition of what is technical and what not for creating legal certainty. However, actually they don't really care what should be considered to be technical. They do not lead this discussion with an eye on modern industry and economical requirements. They lead the discussion in view of their desired result: Any definition will be accepted that will lead to software being free from the scope of patents. Thus, the discussion around the criterion of technical character as led by the patent opponents is a story of abuse: Not the true definition of this criterion is the goal. Rather, drafting a suitably designed patent filter is the aim, and the definition of the criterion of technical character is the vehicle for accomplishing this.

In the course of this discussion, the EU Parliament seems to dig down to case law level: One gains the impression that with particular cases here and there in mind the parliamentarians draft provisions and throw them into the legal discussion. This is all inspired and led by the patent opponents and particularly by said two German „masterminds“. Background of this is again the goal to reach provisions and definitions that make it hard or impossible to get patents on CII. It is sad to observe

<sup>15</sup> [www.ffii.org](http://www.ffii.org), see also [swpat.ffii.org](http://www.swpat.ffii.org), and [www.nosoftwarepatents.com](http://www.nosoftwarepatents.com)

<sup>16</sup> <http://www.ffii.org/money/donors/index.en.html#pub>

<sup>17</sup> <http://www.stallman.org>

<sup>18</sup> [http://www.bundestag.de/bic/hib/2004/2004\\_149/01.html](http://www.bundestag.de/bic/hib/2004/2004_149/01.html)

<sup>19</sup> <http://lists.ffii.org/pipermail/swpat/>, <http://www.nosoftwarepatents.com/en/mforum/index.html>

that the majority of the EU Parliament follows all this more or less without resistance.

#### *The patent supporters*

As compared to the flourishing meadow of tales and stories of the patent opponents, the arguments of the patent supporters are comparatively boring and conventional: They are the general arguments relating to property as incentive for efforts and reward for valuable achievements – enriched by knowledge dissemination through the compulsory publications of patents, valuable particularly for software implementable inventions with „black box implementations“ which do not show how the invention implemented in them works. Although boring, these arguments are empirically well-proven.

The supporters of reasonable patent protection are innovative people and companies who want to protect their innovations and which have and use patents – quite naturally software makers amongst them<sup>20</sup>. As compared to their opponents, they are characterized by one major drawback these days: They are almost silent on the political stage, they do presently not speak up for their interests. This silence stems from a variety of sources:

- Their experience these days is that in the current legal situation they get their patents, so that there is no reason for them to do anything.
- They do not know what goes on in Strasbourg and Brussels, at least in detail.
- If they heard s.th. about it, they consider it to be exaggerated. For example, they don't believe that a Parliament seriously intends to define high-tech inventors as working in non-technical fields (see footnote 12). Admittedly, this *is* hard to believe.
- They don't know what to do if they wanted to get involved.
- They consider it inappropriate to seek to influence the debate.
- They don't have time for politics. They do business.
- They are hardly organized.
- The principle of hope: Somehow, it will all turn out OK in the end, also without them having to get involved.

So the answer to the question of what the supporters of reasonable patent protection did so far on EU Parliaments level and how they are organized is more or less a big blank: Hardly any structures exist, and hardly any measures have been taken. EICTA<sup>21</sup> is the „European Information & Communications Technology Industry Association“. It is located in Brussels and watches the law making process. But they appear not to be very active in seeking to influence the process. The web site <http://www.patents4innovation.org> is run by EICTA, but is light-years away from the effectiveness of its counterparts. A comparatively young initiative is <http://www.campaignforcreativity.org>. It is run by a Brit-

ish lobbyist (speaking, by the way, excellent French), who is funded these days by some individuals and by some high tech SMEs that have patents and do not want them being invalidated through activities on the political stage. The [campaignforcreativity.org](http://campaignforcreativity.org) is open for participation. The author sympathizes with it, supports it and is of the opinion that it is the most promising channel for pushing things in the desired direction.

Since there is so far hardly any political action on the side of the supporters of reasonable patent protection, there is likewise not much of a strategy behind it. „Hold the line“ is the parole. The active part these days is more on the opponent's side. The supporters are reacting and preserving.

#### *Patterns*

The pattern of success and failure so far in this „game“ is obvious and can be condensed to a simple statement: Thinking in terms of separation of powers, the supporters of reasonable patent protection have success – if any – at those bodies belonging to the executive side (national ministries, EU Commission, EU Council), but not at the legislature, whereas for the opponents it is vice versa: They have success at the legislative bodies (national parliaments and EU Parliament), but hardly any at the executives.

The reason for the above pattern is also comparatively easy to understand: It is only the opponents of patents who approach the parliaments and the parliamentarians. The supporters don't do this – probably for the simple reason that this requires a large amount of work and logistics which they presently do not have or use, not to mention the general reluctance about getting involved in policy.

A lot of informal discussions take place on the CII issue. A newspaper organizes a podiums discussion here, a patent office does the same there, papers are published, blogs are kept, seminars are held, a computer fair organizes a meeting etc.. Meanwhile, it is the opinion of the author that such activities do in some respect more harm to the issue than pushing it in the desired direction. They do harm to the extent that these measures are a distraction from what is really needed to reach a good end. After such discussions, the participants remain with the good feeling that now they finally had said everything that must be said and that it became immediately evident that the positions and arguments of the other side are ridiculous. But no matter whether this is correct or wrong, it is forgotten that such activities are almost meaningless on the political track, particularly in relation to the EU Parliament. If officers from ministries participate, then this has the consequence that those are again convinced who were already convinced before – but officers are not parliamentarians. Thus, informal activities as outlined above have at least also the disturbing effect of serving as a tranquilizer for the participating patent supporters (not for the opponents!). They spend their time, efforts and energy and gain the feeling of having done important things – and forget the fact that

<sup>20</sup> Noting that their inventions *are* not software. They are only *implemented* by software.

<sup>21</sup> <http://www.eicta.org>

on the legislative track practically nothing was accomplished.

#### 4. A look into the crystal ball

„Prognoses are difficulty, particularly when they relate to the future“ said Karl Valentin, a Bavarian Dadaist and comedian in the 20-ies and 30-ies of the last century. But looking into the future is nevertheless tried here – with some options to be on the safe(r) side: What of the likely final outcome? Some possibilities are described in the following:

- (a) A reasonable Directive is accepted: A reasonable Directive is in the authors view something similar to the text presented by the Commission or the Council. But achieving such an outcome is most unlikely if things continue as they have. The EU Parliament in its current state of mind is at best apathetic about patents, and at worst is overwhelmingly hostile to the Directive in particular and to patents in general.
- (b) The Draft Directive is withdrawn by the Commission: This is an option, but it is unlikely to happen. According to the knowledge of the author this has only happened on a handful of occasions.
- (c) A more or less foul compromise is accepted: It is the opinion of the author that this is the most likely option. Then it is of course the question how foul the compromise is. Difficulty to make predictions here!
- (d) The emergency brake is pulled by the conservative group in the EU Parliament: A member of the largest political group in the EU Parliament, the conservative group, told the author that his group would reject the entire Directive if there was a realistic danger of nonsense being enacted. Since this was the statement of a single parliamentarian it is unclear how reliable this is, particularly as a part of his group also sympathises with the anti-patent lobby. But it sounds at least like a realistic possibility.
- (e) Nonsense is enacted: Should none of the above options (a) to (c) happen and should option (d) fail, then it may really happen that devastating provisions come into force. The result of EU Parliaments First Reading is one example for this (see footnotes 11 to 13). This option is according to the author's opinion not very likely, but it is far from impossible to happen.

Two of the above four alternatives, options (b) and (d), lead to some kind of legal vacuum: After at least five years of intense discussion, the EU has nothing. The immediate consequence then would be that the situation remains as it is, i. e. nothing existing at the EU level, and EPC standing unchanged. The author, on the one hand side, thinks that with the present legal situation reasonable (although not optimum) results can be achieved, but, on the other hand side, does not want to omit noting further reaching concerns to the reader: Given then the legal vacuum on EU level, and in view of their successes, power and experience so far, the oppo-

nents of patents might then try to attack the EPC in its present shape with the aim of redrafting it – particularly Art. 52 – such that obtaining patents on CII gets difficulty or impossible.

Up to now, patent opponents were – on the large scale – successful in *blocking* initiatives (e. g. the EPC revision end of 1999, the EU Directive until today). They did not achieve anything positive. But given their degree of organisation and mobilisation, and their experience and determination, it is not impossible that they proceed from blocking things towards trying to actively shape the situation. In partial issues they were already able to shape decisions, for example making the German parliament agreeing a resolution<sup>22</sup>, turning around the Polish government's attitude towards the Directive or prompting the EU Parliament to returning the Directive back to First Reading. Personal interests may contribute to such never ending stories: For some of the actors, the CII issue is meanwhile a part of their living – and the longer it lasts the longer they will live well, prominently and celebrated in the programming community. An attack on the EPC may not look very likely today. But an eye must be kept on this option – and to be certain of avoiding it, it is best to have reasonable provisions on EU-level.

#### 5. How to participate and take influence

What must be done to reach a reasonable result? Looking at it from a macroscopic point of view, it is quite clear what is required: Every EU Directive has to pass the EU Parliament, i. e. the legislature. As long as this body does not decide to accept a reasonable draft, it is of only limited help that the executive institutions like Commission or Council produce reasonable drafts. To put it starkly: The *EU Parliament* must be influenced effectively. The *whole* parliament must be dealt with, *each and every one of the parliamentarians*, not just the President of the Parliament or a Chairman of a Committee. It must be done in a *lasting and repetitive manner* until a positive result is achieved.

All this has a well-known name: It is called „lobbying“. The desired outcome must be promoted by lobbying. Lobbying? Some remarks in this respect:

- The other side is doing it already – for over six years now and certainly also in the future, professionally, extensively, well organized, well funded and very effective. FFII has an office in Brussels. As long as the supporters of reasonable patent protection also for CII don't do it as well, there is little hope that a reasonable result will be achieved.
- Those parliamentarians favouring a reasonable Directive beg for support from the public. One prominent MEP (member of the EU-parliament) said, slightly frustrated, to the author of this text that his feeling is that those people whose interests he seeks to represent seem to be non-existent. He said that in the last months he – just like *each* of his

<sup>22</sup> [http://www.bundestag.de/bic/hib/2004/2004\\_261/04.html](http://www.bundestag.de/bic/hib/2004/2004_261/04.html),  
[http://www.bundestag.de/bic/hib/2004/2004\\_299/07.html](http://www.bundestag.de/bic/hib/2004/2004_299/07.html)

colleagues – received *many hundreds* of emails and some personal visits in his office *against* patents, but only a one digit number of *supportive* statements. In response to the author's question whether that would mean that he wishes to receive the same flood of supportive mail as he already received negative statements, his answer was an unambiguous „Yes, that's exactly what we need. Otherwise I have nothing to argue with my colleagues“. He said at the same time that he does not necessarily need carefully crafted letters full of arguments because all the arguments are more or less known to him. He needs statements showing that there are people out there who want to have fair patent protection for their CII.

- It is effective to contact parliamentarians. The same MEP as above said to the author substantially the following: MEPs receive tons of mail, and almost all of it could immediately be thrown into the trash bin – although of course they don't do it. But one sort of mail must be carefully dealt with: That's when the constituency writes to the parliamentary representative – i.e. when the electors address their representatives in the parliaments. This is carefully evaluated and considered because the voters are those on whom the parliamentarians depend, particularly since voters may influence other voters. This does of course not mean that parliamentarians simply do what the majority of mail received by them suggests (although many have in the case of the CII Directive). But at least it can be expected that statements from voters are seriously considered.
- A very short, self explanatory statement: Contacting parliamentarians is democracy's best practice!
- Is professional lobbying strange or illegitimate or even obscene? The author's view is that lobbyists are to parliaments what attorneys are to courts: Both present a case to a deciding entity in a professional manner. Lobbyists at the parliaments are partisan and are paid for what they do – just like attorneys going to court for their client. As long as it is clear who represents which interests there is nothing that would make lobbying illegitimate.

If you wish to participate in the process, you can try one or more of the following options:

- Write supportive letters or emails to parliamentarians. Do not write to only one of them. Write to a plurality. Tell them that you keep track of what they do and how they vote and that you will communicate it in your circles. You will find addresses at <http://www.europarl.eu.int><sup>23</sup>. You need not write detailed explanations and arguments, if you don't want to. It is enough to express support for reasonable patent protection also for CII.

23 [http://www.db.europarl.eu.int/ep6/owa/p\\_meps2.repartition?ipid=0&ilg=EN&iorig=home&img=](http://www.db.europarl.eu.int/ep6/owa/p_meps2.repartition?ipid=0&ilg=EN&iorig=home&img=)

- Call particularly the EU representative of your home and nearby electoral wards. They should have a special interest in what you say. Again: Tell them that you keep track of what they do and how they vote and that you will communicate it in your circles.
- Don't forget the national institutions. Write to your national parliamentarians<sup>24</sup>, and if it is only a cc of what you wrote to the MEPs. Although the national parliaments are formalistically seen not competent for the CII issue, there are nevertheless a lot of informal interactions between national and EU institutions, and likewise amongst the national and EU political parties and groups to which the parliamentarians belong.
- Try <http://www.campaignforcreativity.org>. Check out there the mailing portal which you can access by clicking „Take action“. If acceptable to you, please identify yourself to the campaign. The other side is often acting in a well-concerted manner. They are able to do this because they know a large number of supporters which act upon request. It would be helpful if the patent supportive side could do the same.
- The [www.campaignforcreativity.org](http://www.campaignforcreativity.org) plans events in Brussels and Strasbourg. If you are or know SME's that would be willing to go to Strasbourg or Brussels for meeting MEPs, please inform the campaign.
- Generally, and particularly as a patent professional: Inform those of your clients, colleagues, inventors, bosses and other contacts who might be affected by the Directive, perhaps by distributing this paper (online available at the foot-linked location<sup>25</sup>). Hardly any of the small and medium enterprises even know that something is going on in Brussels. It is the author's opinion that it is almost a duty of the attorneys to inform clients about legal developments that affect them. Who else will? Tell your contacts what they can do. It is the same as recited above.
- Contact the author<sup>26</sup>.

Participating or not? One practical aspect should be kept in mind: Although presently the minority, there are of course also supporters of reasonable patent protection in the EU Parliament. Given the massive lobbyism against them, they have hard times these days in this issue. They must be backed and supported. Otherwise they will get weak, will disappear or even turn round. This would certainly be a bad omen for future patent legislation in general.

24 French Assemblée Nationale:  
<http://www.assemblee-nat.fr/12/tribun/comm6.asp>  
British Parliament:  
[http://www.parliament.uk/site\\_information/contact\\_us.cfm?return=index.cfm](http://www.parliament.uk/site_information/contact_us.cfm?return=index.cfm)  
Spanish Congreso de los diputados:  
[http://www.congreso.es/diputados/wdipu\\_lista.jsp?leg=8&q=l](http://www.congreso.es/diputados/wdipu_lista.jsp?leg=8&q=l)  
Italian Parlamento:  
<http://www.camera.it/deputatism/240/documentoxml.asp?sezione=&Let=L>  
German Bundestag:  
<http://www.bundestag.de/mdb15/index.html>  
25 [http://www.beetz.com/de/personen/anwaeltelap\\_publications/cii-eu.pdf](http://www.beetz.com/de/personen/anwaeltelap_publications/cii-eu.pdf)  
26 ++49 89 21689100, [apfeiffer@beetz.com](mailto:apfeiffer@beetz.com)

Still hesitating? Your colleague also reading this text is likely also hesitating. Perhaps he or she thinks that you do it, and maybe you think that he or she does it. Then you decide (for the moment) to do nothing because your colleague is doing it, just like your colleague decides vice versa. Maybe that none of you does anything. This is of course uncertain, but one thing is for sure: The other side is busy, in the moment you are reading this text, as they were the years before and will be thereafter. Nosoftwarepatents.com keeps a supporter list<sup>27</sup>. Check out how many new supporters they gained on the day you read this text.

Participating takes less than one might assume. You need not write papers ready for press. You should

express support for reasonable patent policy in some few lines. If possible, do it repeatedly over the next months. The main obstacle is not the work behind it, but the unwillingness to do so and the lack of sense of urgency. Therefore, once again: The crucial deficit so far is that MEPs are flooded with negative mail, but receive hardly anything supportive. This must be equalized or even reversed, if a reasonable outcome is desired. Supportive MEPs ask for it and wonder why they receive so little support from the concerned circles.

There is a chance to reach a reasonable result. But it will materialize only if those who have an interest in it get involved and speak up to the European Parliament and its members.

## Legislative initiatives in European patent law

<http://patlaw-reform.european-patent-office.org>

U. Joos and E. Waage

(EPO, Directorate 5.2.2, International Legal Affairs)

At the turn of the last century, in 1999 and 2000, European patent law seemed set for major changes:

- An Intergovernmental Conference was convened in Paris in June 1999 with the aim of reforming the patent system in Europe.
- In August 2000, the Commission published a sound proposal for a Regulation on the Community patent.
- In October 2000, a second Intergovernmental Conference took place in London at which the Agreement on the application of Article 65 EPC was concluded.
- One month later, in November 2000, a 10-day Diplomatic Conference to revise the EPC was held in Munich.

Mid-2005, it is appropriate to take stock of the situation and visit a new Internet platform (called a *Microsite*) which has just been included in the EPO's homepage (upper right-hand corner). The focus here is on „Legal initiatives in European patent law“, and in particular on:

- the revision of the EPC (EPC 2000)
- the proposal to enhance the organisational autonomy of the EPO's boards of appeal by establishing them as the third organ of the European Patent Organisation alongside the Administrative Council and the EPO
- the London Agreement for the reduction of translation costs
- the European Patent Litigation Agreement (EPLA).

For each of the above items, a few introductory remarks and information about current status, including, where appropriate, a table showing the status of ratification and accession procedures, are followed by links to the relevant legal texts and, as far as the revision of the EPC in 2000 is concerned, by some 150 links giving direct access to the complete collection of travaux préparatoires to the EPC 2000.

### I. EPC 2000

The largest section of the new *Microsite* is dedicated to the revision of the EPC. At the time of writing, this is also the only reform project for which an actual date of entry into force can reasonably be predicted: the EPC 2000 will enter into force in 2007.

1. A few *Introductory Remarks* outline the aims of the revision and the legislative process. A link to the „Basic Proposal for the Revision of the EPC“ (document MR/2/00, 264 pages), which was submitted to the Diplomatic Conference in November 2000, gives direct access to the most important reference document which summarizes three years of preparatory work.
2. The *Results of the Conference* include links to the Act revising the EPC, the Diplomatic Conference Resolution as well as the full Conference proceedings (MR/24/00, 157 pages), which enable interested readers to follow minute by minute how the negotiations evolved during the Conference.
3. Access to hitherto unpublished material is provided under *Travaux préparatoires 1997-2000 and Diplomatic Conference documents*: these are documents

<sup>27</sup> <http://www.nosoftwarepatents.com/phpBB2/memberlist.php>

prepared by the EPO, by national delegations and by interested circles, discussed in the Administrative Council, in the Committee on Patent Law<sup>1</sup> or during the 10 days of the Conference in November 2000. For those interested in studying in detail the legislative history of a particular amendment to the EPC, the relevant documents and full account of the discussions at expert level are only a few mouse-clicks away:

- (a) First, users must identify the relevant documents by looking in the Basic Proposal for the Revision of the EPC (MR/2/00). Indeed, the Basic Proposal contains not only short explanatory remarks on each and every change to the EPC but also a list of relevant preparatory documents discussed earlier in the legislative process.
- (b) From this list, users must jot down the references to the documents of the Committee on Patent Law (CA/PL documents) and the Administrative Council (CA documents) as well as to the minutes of the meetings at which a particular change to the EPC was discussed (CA/PV and CA/PL PV documents).<sup>2</sup>
- (c) These references allow users to identify, from the long list of travaux préparatoires to the EPC 2000, the relevant documents which can then be opened by means of the usual double-click with the mouse.
- (d) Frequently, interest will centre on one of the few changes to the EPC which were actually discussed at the Diplomatic Conference – especially the proposed changes to Arts. 33, 52, 54, 69 EPC or to the Protocol, the new central limitation procedure before the EPO (Arts. 105a to c EPC 2000) or the petition for review (Art. 112a EPC 2000). It will then be necessary to consult the Conference proceedings (MR/24/00): here, a full account of the discussions in the plenary session of the Conference is given, and reference is made to proposals tabled by delegations shortly before or during the Conference (MR and MR/PLD documents).<sup>3</sup> Again, after noting down the references to these late proposals, users can scroll down to the relevant documents and find out how the eventual wording of some Articles in the EPC 2000 resulted from arduous last-minute negotiations.

#### *Case study: Second medical indication under the EPC 2000*

Those who follow the above steps will in some cases find documents that read like a detective novel. The new Art. 54(4) and (5) EPC 2000 on the patentability of

further medical use is one instance of a provision which was only agreed on during the final hours of the Conference – although its wording had been discussed for several years:

- The epi first raised the issue in August 1998 (CA/16/98 Add. 1, point II, D.a).
- In February 1999, the EPO tabled a radical proposal to make all medical methods patentable by deleting Art. 52(4) EPC (CA/PL 7/99).
- The Committee on Patent Law appears to have been reluctant (CA/PL PV 9, page 6).
- At the beginning of 2000, the epi proposed supplementing the current broad protection for the first medical use by allowing compound claims also for further medical uses – limited, however, to the specifically disclosed indications (Info 2/PL 12).
- At the same time, the EPO proposed a new wording for Art. 54(5) EPC making it clear that each new (and inventive) medical use of a known substance or composition would justify a use-limited product claim (CA/PL 4/00).
- At the Committee on Patent Law meeting in February 2000, the issue was discussed at length: while some delegations felt it was a political matter which should be referred to the Administrative Council, many others had not yet adopted a position; the EPO for its part attempted to raise the discussion by lecturing on the history of protection for medical uses, the epi did not want any limitation on the scope of protection for the first medical indication, but all agreed that legal certainty had to be increased (CA/PL PV 12, pages 4-5).
- A new epi proposal from June (Info 2/PL 14) together with three other proposals were discussed at the last Committee on Patent Law meeting before the Diplomatic Conference (CA/PL PV 14, pages 35-39), and a variant in square brackets was presented to the extraordinary meeting of the Administrative Council convened in September 2000 to adopt the Basic Proposal for the Revision of the EPC (under Art. 172(2) EPC).
- During the September Administrative Council meeting, the Swiss delegation presented a proposal which was approved by 9 votes to 2 with 8 abstentions (CA/124/00, point 17, and CA/125/00, points 74-90, superseded by CA/PV 81) and which was included without any explanatory remarks in the Basic Proposal (MR/2/00, pages 4950).
- On the very first day of the Diplomatic Conference, the Hellenic delegation tabled a proposal (MR/9/00 and MR/9/00 Corr. 1) which re-opened the debate on the breadth of protection afforded by various wordings of Art. 54(4) and (5) EPC (see the Conference proceedings, MR/24/00, pages 71-73), but the Swiss proposal was maintained and on the next day clarifying explanatory remarks were added to the Basic Proposal (MR/18/00).
- Eventually, a complex discussion within the Drafting Committee took place over the weekend concerning the interpretation of the term „patentability“ in

1 Set up by the Administrative Council on 13.12.1994 to advise the Council *inter alia* on any legal matters concerning a revision of the EPC. The Committee on Patent Law is composed of representatives (legal experts) from the Contracting States.

2 PV stands for „Procès-verbal“.

3 MR stands for „Munich Revision“ and MR/PLD for „Munich Revision/Plenary document“.

Art. 54(4) and (5) EPC, which – according to a statement made by the EPO during the final discussions on the wording of the revised provisions – in effect was equivalent to the term „novelty“ (MR/DCD 1/00, pages 32-33, and MR/24/00, pages 103-105, point 348).

This is the somewhat lengthy story of how the Swiss-type claim was replaced by Swiss-type law.<sup>4</sup> At any rate, Art. 54(5) EPC 2000 will in future provide for use-limited product protection for a second or further medical use of a known substance.

Of course, not all revision points were debated with as much passion as Art. 54 EPC 2000, and the bulk of the changes to the EPC were adopted almost without discussion at the Diplomatic Conference: for instance, the proposals to adapt the wording of Arts. 52(1), 53a) and 87 EPC to the TRIPs Agreement or to transfer details of a procedural or administrative nature from the Articles of the EPC (for instance, from Arts. 80, 90-91, 93-94, 97, 99-102, 106, 108, 110 and 150-158 EPC) to the Rules of the Implementing Regulations did not require long discussion at the Conference.

The painstaking groundwork conducted from 1997 to 2000 ensured that such changes were already agreed before the start of the Conference. The Committee on Patent Law documents tell the story of all these seemingly straightforward changes to the EPC which were actually carefully prepared by the EPO and thoroughly discussed – at nine meetings of the Committee – with the experts from the Contracting States and with interested circles – in particular the *epi* and UNICE. They also show how difficult it is to tinker with a meritorious piece of legislation like the EPC 1973.

4. A frequent source of misunderstanding should be removed by looking at the *New text of the EPC 2000*. Indeed, the text of the EPC adopted by the Diplomatic Conference in November 2000 is *not* the text which will eventually enter into force. In the Act revising the EPC (Art. 3(1)), the Diplomatic Conference authorised the Administrative Council to draw up, on a proposal from the President of the EPO, a new text of the EPC with a view to aligning, where necessary, the wording of the provisions of the EPC in the three official languages.

To that end, all new, amended and even the unchanged Articles of the EPC were re-examined in the first half of 2001 and a number of minor changes were made: changes to harmonise the texts in the three official languages and the wording within a single language, editorial improvements, correction of obvious linguistic mistakes or oversights, German spelling reform.

Again, the Committee on Patent Law and the interested circles checked each and every proposal for amendment and, in June 2001, the Administrative Council adopted the new text of the EPC

2000, which thus became an integral part of the Act revising the EPC. It is this text which will be published as the 13<sup>th</sup> edition of the „Blue book“ early in 2007 and become applicable law when the EPC 2000 enters into force later that year.

5. The *Transitional provisions* under the EPC 2000 were another tricky issue which could only be dealt with properly in the months following the Diplomatic Conference. In the Act revising the EPC (Art. 6), the Conference did decide to declare a few Articles (in particular Arts. 16-18 allowing full BEST deployment at the EPO) as provisionally applicable with effect from 29 November 2000. In addition, the Act revising the EPC (Art. 7) laid down a general rule: the EPC 2000 will apply to applications filed after its entry into force but not to applications pending at that time or to patents already granted at that time – unless otherwise decided by the Administrative Council.

Based on the firm belief that the parallel application of the old and the revised EPC over a long period would not be desirable, the Administrative Council in June 2001 decided that, wherever possible, the provisions of the EPC 2000 should apply to pending applications and patents.<sup>5</sup> The decision of the Administrative Council on transitional provisions as well as the detailed explanatory remarks will be compulsory reading for anyone dealing with European patent applications and European patents. For instance, they will need to know that:

- as soon as the EPC 2000 enters into force, requests for limitation of European patents already granted may be filed at the EPO under Art. 105a EPC 2000;
  - Art. 54(5) EPC 2000 on further medical indications will apply to European patent applications pending at the time of entry into force, in so far as a decision on the grant of the patent has not yet been taken;
  - by contrast, petitions for review of Board of Appeal decisions under Art. 112a EPC 2000 can only be filed in respect of decisions of the Boards taken as from the date of entry into force of the EPC 2000.
6. It was briefly mentioned above that several changes to the EPC consisted in removing details of a procedural and administrative nature from the Articles of the EPC. Yet everything excised from the Articles in November 2000 therefore had to find a new home in the *Implementing Regulations to the EPC 2000*. In addition, other adjustments to the Rules were required as a result of the substantive amendments to the EPC 1973 and the implementation of the Patent Law Treaty 2000 (PLT 2000).<sup>6</sup> Finally, changes to the Rules were necessary to ensure the consistency of the Implementing Regulations with the new text of the EPC 2000, to restructure and

<sup>4</sup> Kolle, Reform of the European patent system, *Intellectuelle Rechten – Droits intellectuels* 2001, 195 (199).

<sup>5</sup> See Joos, in Singer/Stauder: *The European Patent Convention – A Commentary*, 3rd edition, Thompson/Sweet & Maxwell/Heymanns, 2003, Volume 2, Appendix 11 „EPC 2000“, page 926. See also Brown, *CIPA Journal* 2000, 600, and the complaints in *CIPA Journal* 2001, 238-239.

<sup>6</sup> The Patent Law Treaty of 1.6.2000 entered into force on 28.5.2005. The European Patent Organisation could become party to this treaty after entry into force of the EPC 2000 (see Art. 20(3) PLT).

streamline the Implementing Regulations and to standardise and harmonise the wording in the three official languages.

To take account of all these changes, a complete overhaul of the Implementing Regulations was carried out during 2002, and on 12 December 2002 the Administrative Council adopted the Implementing Regulations to the EPC 2000 which will enter into force together with the EPC 2000.

In some parts, the Regulations have been changed beyond recognition:

- New Rules 25a to d implement the provisions on filing of the PLT 2000 and also contain many details removed from Arts. 77-80 EPC 1973.
- Rules 27a, 28 and 28a have been moved to Part II, Chapter V on Biotechnological inventions (new Rules 23f-j).
- Rules 63b to h implement the new procedure for limitation or revocation.
- Rules 67a to g deal with petitions for review by the Enlarged Board of Appeal.
- The superseded Rules 85a and 85b on grace periods have been replaced by new Rules on further processing and re-establishment of rights.

Links allow easy access to the various drafts discussed during 2002, to the accompanying explanatory remarks, to the minutes of the Committee on Patent Law meetings at which the new Rules were discussed, and to the many substantial position papers submitted by the interested circles.

7. The *Status of accession and ratification* will be frequently consulted during the next few months, at least until the date on which one state becomes the 15<sup>th</sup> state to deposit in Berlin its instrument of ratification or accession, thus triggering a two-year grace period in which those states that have not yet deposited their instrument of ratification or accession must do so if they do not want to cease being a member of the European Patent Organisation (Art. 172(4) EPC).

At the time of writing (April 2005), 12 EPC Contracting States – including 10 new states which joined the Organisation after the Diplomatic Conference – have ratified or acceded to the EPC 2000. It can reasonably be predicted that at least three states will deposit their instruments of ratification or accession in 2005:

- Latvia and Malta will probably join the European Patent Organisation soon, and they will accede to both the EPC 1973 and to the EPC 2000.
- In several „older“ Contracting States, implementation bills are under discussion in parliament (SE, CH, PT, NL) or have been passed already (UK).

The EPC 2000 can therefore be expected to enter into force in 2007.

## II. Organisational autonomy of the EPO's Boards of Appeal

The *Microsite* also contains information on a project which would also require a revision of the EPC, namely

enhancing the organisational autonomy of the EPO's Boards of Appeal.

The basic idea is to establish the Boards of Appeal, together with their registries and the other support services in the present DG 3, as the third organ of the European Patent Organisation alongside the Administrative Council and the Office. This new organ of the Organisation would be designated the „European Court of Patent Appeals“ and fulfil the judicial functions provided for in the EPC. The Organisation would then have the tripartite separation of powers typical of a state bound by the rule of law, namely legislature, executive and judiciary, the latter being the new judicial body.

The necessary revision of the EPC would be limited to changes to the general and institutional provisions and the financial provisions of the EPC. The patent grant procedure in all its phases (including the appeal procedure) would remain essentially unchanged. The EPC's procedural provisions will mainly require technical amendments only to reflect the proposed new structure of the Organisation.

The *Microsite* outlines the main elements of the project, including details on the lifetime appointment of the judges, the budget and the structure of the new European Court of Patent Appeals. A link to the latest draft allows easy access to the proposed provisions.

## III. London Agreement and EPLA

Beyond the framework of the European Patent Organisation, at Intergovernmental Conferences of the EPC Contracting States, the two major shortcomings of the existing European patent have been addressed:

- the high cost of translating the full patent specification into the national languages of the states where the patent is to take effect and
- the absence of a common European litigation scheme to deal with infringement and the validity of European patents.

So far, the reform initiatives at intergovernmental level have given rise to:

- the London Agreement on the application of Article 65 EPC, which has been signed by 10 EPC Contracting States and is currently being ratified by national parliaments, and
- the draft European Patent Litigation Agreement (EPLA), which was finalised in November 2003 and is now ready for submission to an Intergovernmental Conference for adoption.

Basic information on these two optional agreements has been included in the new *Microsite*:

- As regards the London Agreement, a few introductory remarks and a link to the Agreement are followed by a table showing the current status of ratification or accession. To date, four states (DE, MC, SL and IS) have deposited their instruments of ratification or accession in Berlin, and Denmark has amended its patents act to implement the pro-

visions of the London Agreement but has not yet deposited its instrument of ratification. In a few other states, implementation bills have been put before parliament (SE, CH, LU).

- As regards the EPLA, reference can be made to a previous announcement in *epi-Information* 2004, 21-22, on the occasion of the publication of the finalised draft EPLA on the EPO's website. Since November 2003, the establishment of a litigation system for European patents has been held up owing to the work being done by the European Union with a view to introducing a Community patent with a jurisdictional system of its own. However, a future Community patent system will not include any jurisdictional arrangements for the 700 000 European patents granted by the EPO since 1980, nor for the many European patents that the EPO will continue to grant over the next few decades. A litigation system for European patents is already badly needed by European industry, and the proposed European Patent Court could be fully operational within, possibly, five years. By contrast, even in the most favourable scenario it will be perhaps 10 years before the first Community patent is granted, and even longer before any significant patent law jurisprudence is developed by the planned Community Patent Court in Luxembourg.

Lower translation costs and a better enforcement scheme would stimulate industry as a whole – and SMEs in particular – to validate their European patents in more

states, eventually leading to greater patent density in Europe. Both the London Agreement and the EPLA should therefore be seen as the patent field's modest contribution to enhancing the competitiveness of Europe's economy. In that sense, they do fulfil objectives on the Lisbon Agenda and they deserve to be included in the Lisbon process, which expressly recognises that not only the instruments under the EC Treaty but also „all other appropriate means, including voluntary agreements“ must be fully exploited.<sup>7</sup> Optional agreements such as the London Agreement and the EPLA, agreed by 10 or 12 European states willing and ready to make progress in a field of crucial importance to industry, cannot be seen as alien to the Lisbon Agenda.

#### IV. Community patent

Finally, for the sake of completeness, the *Microsite* includes information on the Community patent project. Links provide easy access to the latest proposal for a Community Patent Regulation (8.3.2004) and to the Commission's proposals for the Community Patent Court (23.12.2003).

These documents are in an advanced state of preparation, and the adoption of the Community Patent Regulation now hinges on the political decision-making process in the Council of Ministers. One of the key recommendations of the High Level Group chaired by Wim Kok is to reach a decision on the Community patent in the near future.<sup>8</sup>

## Law Lords Have Final Say in Kirin-Amgen Case A Lesson for European Patent Applicants

C. Germinario (IT)

*With the revocation of the Kirin-Amgen patent on recombinant Erythropoietin, the Law Lords have put an end to over ten years' litigation. Whether or not the decision diverges from European Patent Office case law, its message must be heeded in the future by European patent applicants.*

After two decisions that had at first denied, then confirmed the validity of the British portion of the controversial Kirin-Amgen patent EP-B-148 605, on 21 October 2004 the Law Lords, in decision UKHL-46, definitively revoked the patent concerning the production process for recombinant Erythropoietin (Epo) in genetically modified host cells, as well as the recombinant protein obtained through that process.

#### Two apparently contradictory decisions

The Board of Appeal of the European Patent Office had confirmed the validity of the patent covering the DNA encoding the protein and its functional analogues, the tools necessary for its production through expression in host cells, the method of preparation, and finally the very product „erythropoietin“ as long as it is produced in eukaryotic cells – i. e., as long as it is correctly glycosylated. (decision T 0412/93 of 21 November 2004).

The Law Lords, on the contrary, though recognising the validity of most claimed subject-matter, namely the

<sup>7</sup> Lisbon Agenda, point 12 „Establishing a European Area of Research and Innovation“ ([http://ue.eu.int/ueDocs/cms\\_Data/docs/pressData/en/ec/00100-r1.en0.htm](http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm))

<sup>8</sup> <http://europa.eu.int/growthandjobs/pdf/2004-1866-EN-complet.pdf> page 23.

genetic material (DNA) and the production-process, revoked the patent in its entirety for lack of novelty and for insufficient disclosure of the claims protecting the recombinant erythropoietin as such (claims 19 and 26).

### Same principles, different findings of fact

Although the different holdings could raise concern that the case law of British Courts and of the European Patent Office are taking opposite directions, careful examination and comparison of decisions T 0412/93 and UKHL-46 prove the contrary. The Law Lords actually applied the same fundamental principles consistently upheld by the Boards of Appeal of the European Patent Office, and in order to do so even went as far as changing an old British practice such as the construction of the scope of protection conferred by a product-by-process claim.

The divergence between the two decisions on the same case does not apparently arise from different evaluation of patentability requirements or application of legal principles, but simply from another interpretation of facts. In other words, the Law Lords' holding was based on broadly and generally accepted principles, and the divergence arises from the discretionary power which any court is entitled to exercise in the assessment of technical facts and evidence.

The first reason for revocation of the patent is the lack of novelty of claim 26 which reads:

„A polypeptide product of the expression in a eucaryotic host cell of a DNA sequence according to any of claims 1, ... etc“.

For the Law Lords, the words „...product of the expression in...“ inherently qualifies this claim as a product-by-process claim.

The prior art cited against product claims 19 and 26 comprised a first piece of scientific literature (Dordall) possibly disclosing unglycosylated erythropoietin (aglycoEpo) and other documents disclosing natural erythropoietin isolated from a urinary source (uEpo).

During the appeal proceedings before the Board of Appeal of the European Patent Office, the original claim 26, which was directed to „a polypeptide product of the expression in *procaryotic* (emphasis added) or eucaryotic cells...“, was amended by deleting the words „procaryotic or“. The deletion of this alternative restricted the scope of the claim to the sole glycosylated erythropoietin, while excluding the known unglycosylated protein (aglycoEpo). In fact, it is well known that unlike eucaryotic (e.g. mammal) cells, procaryotic (bacteria) cells are incapable of glycosylation.

As expected, the Board of Appeal recognized that the polypeptide of amended claim 26 was novel over the previously disclosed aglycoEpo (Dordall).

But then, unexpectedly, the Board also stated that the existence of novelty and inventive step for the DNA of claim 1 was sufficient ground for a finding of novelty and inventive step also in the product of expression of said DNA, and therefore in the claimed recombinant erythropoietin as well.

### Novelty of a DNA does not necessarily imply novelty of that DNA's expression product

These conclusions were rejected by the Law Lords on two grounds.

Firstly, the novelty of a DNA sequence does not automatically lead to a finding of novelty in the product of expression of said DNA. It worthy to point out that the protection conferred by claim 1 of the EP patent covers, *inter alia*, DNA sequences obtained from a human genomic library, comprising the DNA sequence coding for the *natural* human urinary erythropoietin. The novelty of the DNA material was recognized not because it was found to differ from the natural erythropoietin DNA, but because the natural erythropoietin DNA had not been previously isolated and disclosed. However, the expression in eucaryotic cells of this DNA necessarily resulted in the production of the corresponding natural glycosylated polypeptide, namely the known urinary erythropoietin.

The Law Lords added that the novelty of a known product cannot be reinstated simply because it is produced according to a novel (and inventive) process, and is claimed in a „product-by-process claim“. The very product for which protection is sought must fulfill patentability requirements (novelty, inventive step etc), regardless of the preparation process. Applied to the specific case, this means that the polypeptide of claim 26 could not be regarded as novel only because it resulted from expressing a novel (though natural) DNA according to a new process. This polypeptide was indeed considered identical to the previously known erythropoietin obtained by extraction from a urinary source. Such a construction of the protection conferred by a product-by-process claim is in complete harmony with the interpretation consistently given by European Patent Office case law.

On the basis of these findings, the Law Lords decided that the novelty of the subject-matter of claim 26 had been destroyed by the previously disclosed native urinary Epo.

### Insufficient disclosure

The second ground for revocation was insufficient disclosure of the polypeptide protected by claim 19, which reads:

„A recombinant polypeptide having... [structural and functional characteristics of human or monkey erythropoietin] ...and characterized by being the product of eucaryotic expression of an endogenous DNA sequence and *which has a higher molecular weight by SDS-PAGE from erythropoietin isolated from urinary source*“ (emphasis added).“

The „molecular weight“ limitation was added during the procedure before the Board of Appeal of the European Patent Office and was intended to define the difference between recombinant and natural uEpo.

Here again the Law Lords reached a conclusion that diverges completely from that of the European Patent

Office, due to a different interpretation of the experimental results and evidence provided by the parties during the proceedings, rather than to a different application of the patentability requirement.

In particular the Law Lords agreed with the UK lower court in that claim 19 appeared to assume that all uEpo actually had the same molecular weight, irrespective of source and method of isolation. This had proved not to be the case. Indeed many cited documents showed that, at the filing date of the European application, experts did not agree on the actual molecular weight of the natural protein. Many documents reported significant variations in apparent molecular weight of both recombinant and natural urinary erythropoietin. Under these circumstances, the Law Lords had to establish which uEpo the claim required to be used for the test, and concluded that simply to use the first uEpo which came to hand would turn the claim into a lottery. This part of the patent was therefore considered invalid for insufficient disclosure.

## Conclusions

From the point of view of case law, it is interesting to find that the decision reached by the Law Lords does not start a new line of case law in contrast with the principles applied so far by the European Patent Office.

From the point of view of European patent applicants, it is important to note that Amgen, having invented a perfectly good and ground-breaking process for making recombinant Epo, lost the patent in its entirety from trying to extend patent rights to non-patentable subject-matter such as the protein itself. The Law Lord's decision, in this regard, contains an implicit but very practical lesson against seeking unreasonably broad protection, which may put the patentee at risk of losing all rights, regardless of the high level of the invention.

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## Italy Adopts New Industrial Property Code, Speedier Court Proceedings Expected

F. de Benedetti (IT)<sup>1</sup>

*The new Code, in force as from 19 March 2005, greatly simplifies the procedures for obtaining or transferring industrial property rights, but above all introduces important changes in rules for court proceedings, which as a result should become much quicker.*

The Italian Code of Industrial Property Rights, published on 4 of March 2005 in the Italian Official Journal No. 52 as Legislative Decree No. 30/2005, has repealed previous national laws on patents and inventions, designs, trademarks, plant breeders' rights and semiconductor topographies, most of which dated back to the years between 1939 and 1942, as well as the later amending laws and decrees issued until 2003 on industrial property matters.

The new Code, drafted by a special Committee of the Italian Ministry of Productive Activities which includes Società Italiana Brevetti's Senior Partner Fabrizio de Benedetti, came into force on 19 March 2005, except for the provisions concerning court proceedings, which will enter into force only six months later.

In substance, there have been no relevant changes in the provisions on the protection of patents for inventions, models, designs, trademarks etc., as these conform with several international conventions and European Community directives. However, there have been significant changes and additions concerning several points, such as inventions by employees and researchers, the legal value of claims in determining the scope of patent protection, the limits within which preparing patented drugs in a pharmacy is legitimate, the prohibitions against adopting a company domain name in conflict with third parties' trademarks or distinctive signs, the publication of models and designs registered according to Italian copyright law, the exemption from application of copyrights until 19 April 2011 to designs and models that were in the public domain on 19 April 2001.

Greater changes concern the provisions on filing and examination of applications. In particular, rules have

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been introduced to simplify the filing of applications pursuant to provisions of the Trademark Law Treaty and Patent Law Treaty, although these two conventions have not been ratified by Italy yet. The opposition procedure to trademark registration, which the previous laws provided for, but was never applied, has been amended and better defined, but will only come into force after a further decree is issued. The procedure for recordal of deeds of assignment and transfer of industrial property rights has also been streamlined.

The system for appeal against decisions of the Italian Patent and Trademark Office has been amended substantially and will work like a jurisdictional appeal. The new procedure is similar to the one used in appeals before administrative courts, and is therefore likely to be more complicated than the current one.

One fundamental change introduced concerns court actions. The competence of the specialised sections in twelve Italian Courts (Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Trieste and Venice) is outlined more precisely and confirmed as far as industrial property matters are concerned. These courts, although they are defined as Community trademark and design courts within the meaning of Regulations (EC) No. 40/94 of 20 December 1993 on the Community trademark and No. 6/2002 of 12 December 2001 on Community designs, will have competence not only for trademarks, patents, utility models, plant breeders' rights, models, designs and copyrights, but also for other industrial property rights as defined by the new Code, which are geographical indications, denominations of origin, semiconductor topographies, reserved company information and distinctive signs other than trademarks, which should include business and company names, signboards and company domain names. Rules of procedure provided for by Law No. 5/2003, which so far only applied to company and financial law, will also apply to all court proceedings concerning industrial property rights, including those involving the rights of inventors employed by companies, universities of public research organisations, as well as proceedings concerning industrial property related infringements of anti-trust or competition laws. These provisions are extremely innovative with regard to the current Code of Civil Procedure.

During the first part of proceedings, parties will exchange statements within very short time limits, and during a second phase the court will intervene to attempt a settlement, decide on evidence to be produced by parties, or order a technical expertise, especially when the conflict concerns the validity or infringement of a patent. This second phase should also take place in a much shorter time than the terms provided for by current rules, with the aim of concluding proceedings swiftly. However, the new rules of procedure will be applicable only six months after entry into force of the new Industrial Property Code, and it remains to be seen whether the shorter terms introduced – as feared by some experts – will prove inadequate for proceedings to progress correctly, in view of the complexity of the issues involved in assessing the validity or infringement of industrial property rights.

Criminal sanctions for infringements of industrial property rights have been stepped up and extended, and courts now have more leeway in assessing damage not only on the base of lost profit, but also of profit made through infringement of rights, as well as of royalties due had a license been granted.

Rules against piracy have been introduced, but are applicable only where there is evidence of intent and of systematic infringement. Along the lines of Law No. 350/2003, but with greater preciseness, the Code provides that the Ministry of Productive Activities, or mayors at a local level, will act against acts of piracy to seize counterfeit goods, which may be destroyed with a court's authorization. The sphere of competence of the National Anti-Counterfeiting Committee, established by Law 350/2003, is also better defined.

The role and tasks of the Italian Patent and Trademark Office and of the Ministry of Productive Activities have also been outlined more precisely, and include competence for granting fees applicable to industrial property rights and terms of payment. Lastly, pending patents, models, designs, trademarks, recordals, etc. will be examined under, and subjected to, the new Code's provisions.

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## Über Neuheit, Offenbarung, Fachmann, Äquivalenz, und Schutzbereich

G. Kern (DE)

siehe epi-information 2004/4, Seiten 124 – 125 betreffend EUROTAB, insbesondere EPO und DE.

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AT – H. Nemeč AT – A. Peham BE – F. Leyder BE – P. Vandersteen BG – T. Lekova CH – E. Irniger CH – G. Surmely CY – C.A. Theodoulou DE – M. Hössle DE – G. Leißler-Gerstl DK – P. Indahl DK – A. Hegner EE – J. Ostrat EE – M. Sarap ES – E. Armijo ES – L.A. Duran	FI – T. Langenskiöld FI – A. Weckman FR – H. Dupont FR – L. Nuss GB – P. Denerley GB – E. Lyndon-Stanford* GR – D. Oekonomidis HU – A. Mák HU – F. Török IE – L.J. Casey IE – C. Lane IS – E.K. Fridriksson IS – G.Ö. Hardarson IT – E. de Carli IT – M. Modiano LI – B.G. Harmann LT – O. Klimaitiene	LU – J. Beissel LU – B. Kutsch MC – T. Schuffenecker NL – M.J. Hatzmann NL – L.J. Steenbeek PL – E. Malewska PL – A. Szafruga PT – P. Alves Moreira PT – N. Cruz RO – D. Nicolaescu RO – M. Oproiu SE – J.O. Hyltner SE – A. Skeppstedt** SK – M. Majlingová TR – H. Cayli TR – A. Deris
<b>Berufliche Qualifikation</b> Ordentliche Mitglieder	<b>Professional Qualification</b> Full Members	<b>Qualification professionnelle</b> Membres titulaires
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	Stellvertreter	Suppléants
	Substitutes	
AT – P. Kliment CH – M. Liebetanz DE – G. Ahrens DK – A. Hegner	FI – C. Westerholm FR – D. David GB – J. Vleck IS – G. Hardarson IT – P. Rambelli	NL – A. Land PT – I. Franco SE – M. Holmberg TR – B. Kalenderli
(Examination Board Members on behalf of the epi)		
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<b>Biotechnologische Erfindungen</b>	<b>Biotechnological Inventions</b>	<b>Inventions en biotechnologie</b>
AT – A. Schwarz BE – A. De Clercq BG – S. Stefanova CH – D. Wächter DE – G. Keller DK – B. Hammer Jensen ES – F. Bernardo Noriega	FI – M. Lax FR – A. Desaix GB – S. Wright HU – A. Bodizs IE – C. Gates IT – G. Staub LI – B. Bogensberger	LU – P. Kihn NL – J. Kan PT – J. E. Dinis de Carvalho SE – L. Höglund SK – J. Gunis TR – O. Mutlu

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Stellvertreter	Substitutes	Suppléants
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## Corrigendum

Results of the election to the 14<sup>th</sup> Council published in issue 1/2005 of epi Information

An error occurred in the publication of the figures for Finland, group „private practice“, page 7. The numbers of valid ballots and void ballots have been switched. It should read:

Valid ballots: 49

Void ballots: 2