

Opposition procedure before the EPO as a powerful competitive tool

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Source: European Patent Office

Summary

✓ Opposition at the EPO



✓ National invalidity route: UK, DE, IT



✓ Third party observations at the EPO

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Patent invalidity procedures in Europe

European patents

- ✓ opposition proceedings (+ appeal) at the EPO (**centralized procedure**)
- ✓ revocation proceedings before a **national court** (+ appeal)

Infringement procedures  national route only

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What is an opposition?

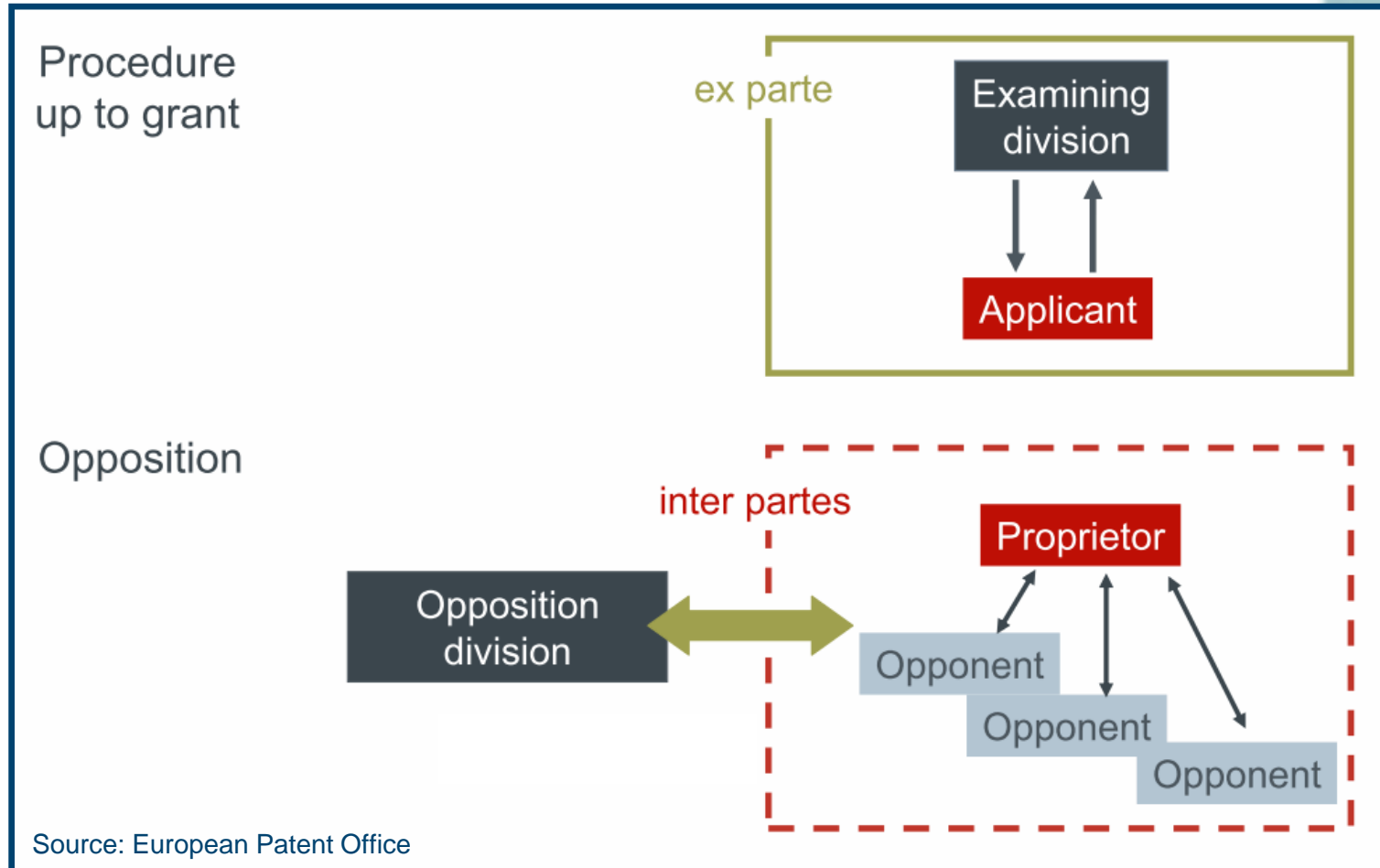
Key facts

- ✓ **Post-grant** *inter partes* procedure before the European Patent Office
- ✓ **Uniform, centralized** revocation or limitation of a European Patent (a single procedure for **38 countries**)
- ✓ Time limit: **9 months** from the grant of a European patent
- ✓ Allows **third parties** to challenge grant of a European patent for **any reason** (e.g. strategic reasons, infringement allegations, political/ethical reasons etc.)
- ✓ **Grounds** for opposition limited
- ✓ Simple **written procedure** + final **oral hearings**
- ✓ **Appeal** against adverse decisions always possible
- ✓ Considerably **more cost-efficient** than national litigations

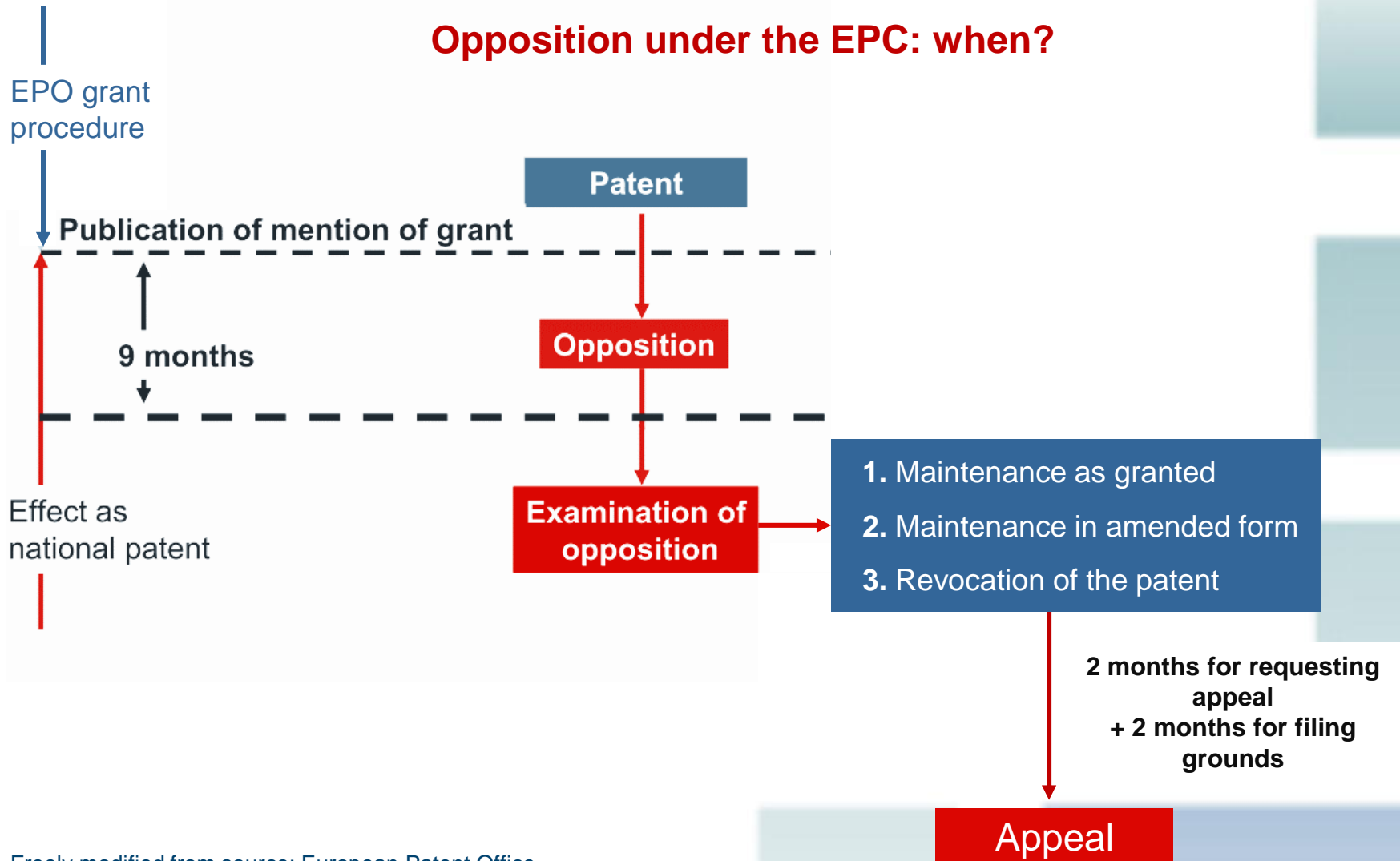
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Opposition: post-grant *inter partes* procedure

The grant and opposition procedures compared



Opposition under the EPC: when?



Freely modified from source: European Patent Office

- ✓ **Any person** can file an opposition (i.e. any individual or legal entity)
- ✓ No specific **interest in bringing proceedings** needs to be specified
- ✓ The actual opponent does not need to be identified (**straw man**)
- ✓ **Representatives**: European patent attorneys (representation is compulsory for non-European companies or individuals)

Grounds:

- lack of novelty
- lack of inventive step (obviousness)
- patent-ineligible subject-matter (e.g. business method or method of medical treatment)
- insufficiency of disclosure (enablement)
- the granted patent extends beyond the content of the application as originally filed, i.e. that new subject matter has been added during examination

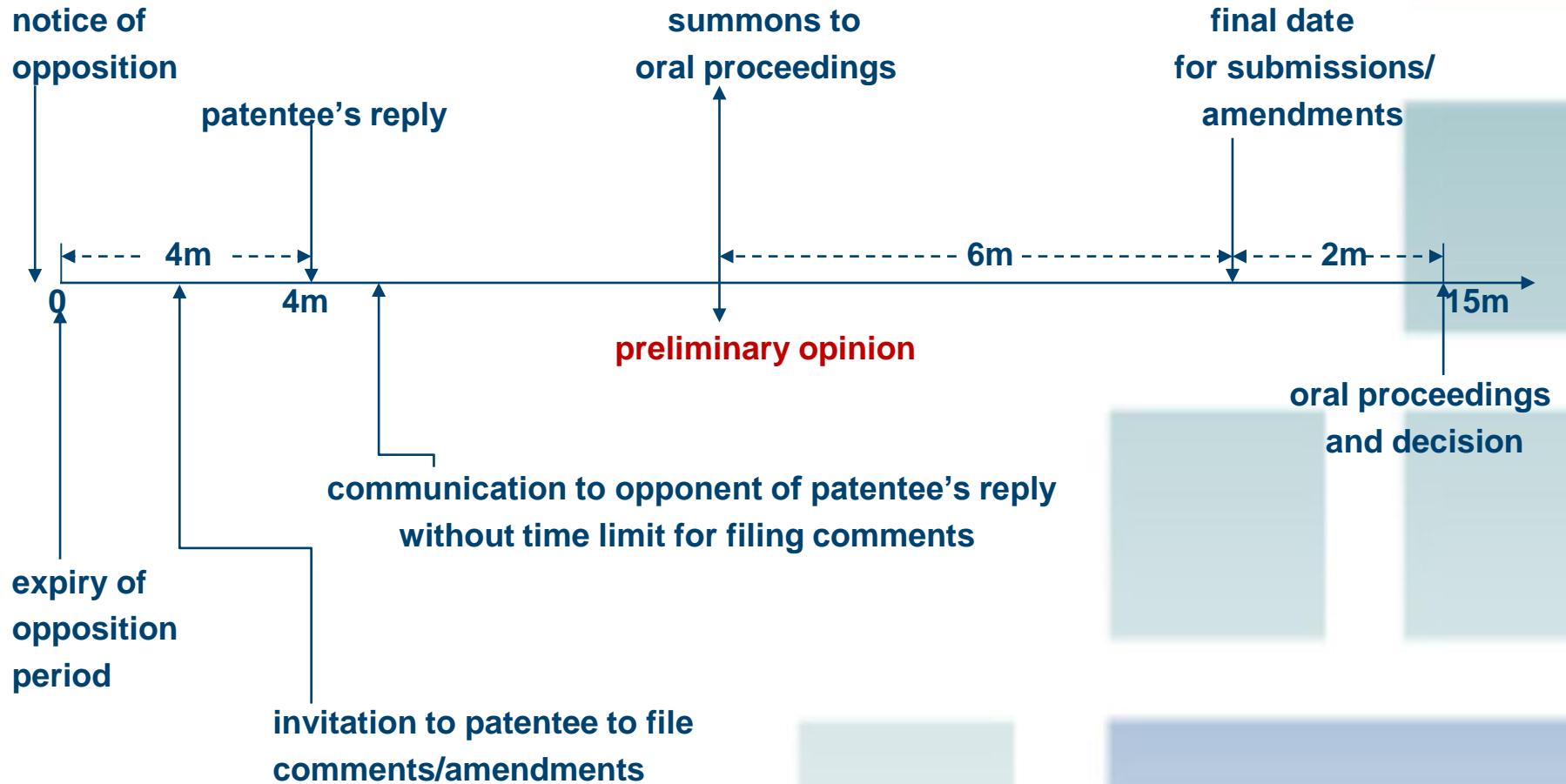
No grounds for opposition:

- Lack of clarity (unless amendments are proposed during opposition)
- Lack of support (written description under U.S. practice)
- Lack of unity

- ✓ Publicly available disclosure in any form can be used as the basis for an objection, however **the burden of proof for prior use or oral disclosure is very high**: what, where, when, under which circumstances and by whom?
- ✓ Witnesses can be heard to provide **testimony** about, for example, prior use or oral disclosures
- ✓ Opposition procedure is very much **focused on documentary evidence**
- ✓ **There is not a large role for expert witnesses**: the opposition division is composed of examiners having a background (degree and/or PhD) in the relevant art and therefore they are able to process sophisticated technical arguments on novelty, obviousness and insufficiency, including those relying on experimental data.

- ✓ Amendments can be proposed at **any time during the procedure**; however amendments proposed during oral proceedings can be considered late-filed and therefore not accepted.
- ✓ **Combination** of claims
- ✓ Feature(s) **taken from the description**

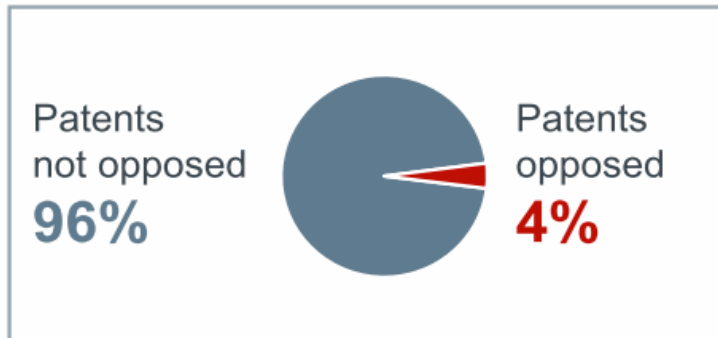
Opposition: typical timeline for standard cases



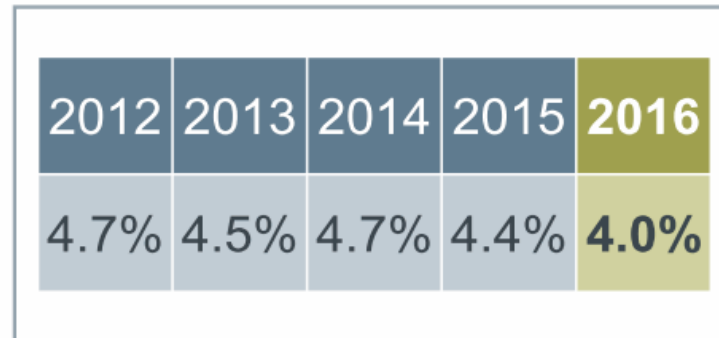
- ✓ The EPO is trying to deal with oppositions **more quickly** with a stated goal of reaching a decision within 15 months for simple cases (e.g. one opponent, no witnesses hearings, no legal complications)
- ✓ Appeal procedure can be **lengthly**: e.g. 4 years
- ✓ The **entire procedure** can take between 4 and 8 years
- ✓ It is possible to **accelerate** opposition and/or appeal proceedings under certain circumstances (e.g. parallel national litigation ongoing)

- ✓ Opposition fee: € 785 (\$930)
- ✓ Appeal fee: € 2255 (\$2700)
- ✓ European patent attorney's fees: € 15,000 – € 50,000 (\$18,000 - \$60,000) (according to the complexity of the case)
- ✓ It is possible to stop incurring costs at any stage by ceasing to fight the case; in these cases the patentee does not prevail by default: the opposition division still has **the duty to reach a decision** and may revoke or limit the patent without the opponent's continued participation.

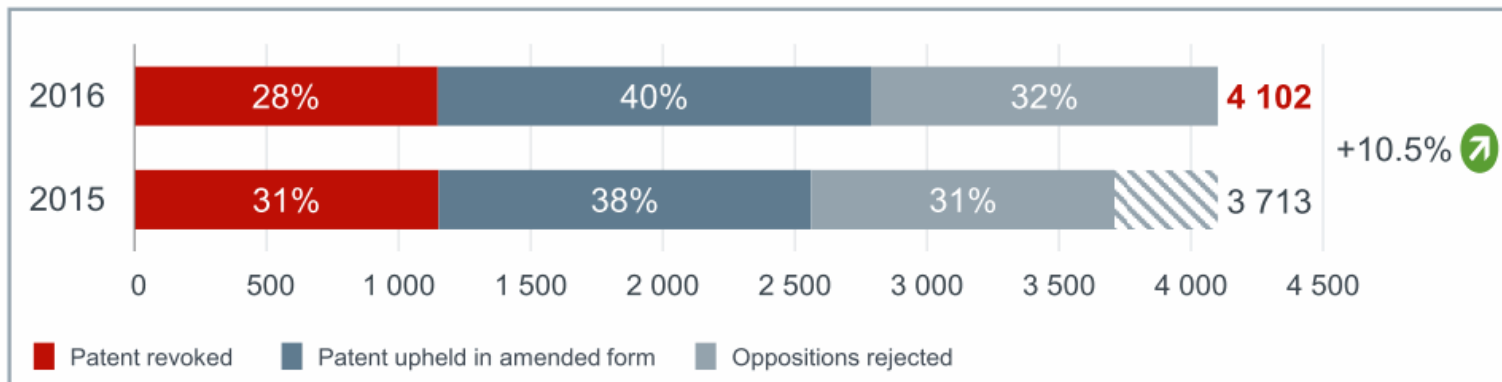
Opposed patents



Opposition rate



Outcome of decisions



Source: European Patent Office

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National invalidity procedures UK vs IT vs DE

UK

- Actual or threatened controversy not necessary
- Any time after grant
- Range of options: IPEC, High Court (Patents court)
- Relatively quick
- Can be pleaded as counterclaim to an infringement action
- Losing party bears the costs of the other side
- Can be expensive

IT

- Actual or threatened controversy not necessary
- Any time after grant
- National courts only: specialized IP courts with Specialized IP judges
- Can be slow depending on the complexity of the case
- Can be pleaded as counterclaim to an infringement action
- Losing party bears the costs of the other (amount decided by the judge)
- Not expensive

DE

- Actual or threatened controversy not necessary
- Cannot be initiated if opposition proceedings pending
- Federal patent court
- Bifurcation system
- Can be slow depending on the complexity of the case
- Can be expensive (fees can be high depending on the value of the case)
- Losing party bears the costs of the other party

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Opposition vs National Procedure: what is better?

OPPOSITION

- Good value for money
- Can revoke the patent in all states
- Can be slow

VS

NATIONAL REVOCATION PROCEEDINGS

- More costly
- Only applies to one state
- Can be quick according to the jurisdiction
- High risk of diverging decisions
- A decision taken by a national court does not influence the outcome of another court

THIRD-PARTY OBSERVATIONS

Further Arrows in the Quiver



- Could provide **early clearance** of patent applications
- **No time limit after publication**
- **Free of charge**
- Can be **anonymous**
- **Accelerate** procedure
- **Indicator** for applicant that patent might be **opposed**
- Ensure **public participation** and an element to safeguard **quality**



- In proceedings before the EPO, following the **publication** of the European patent application, **any third party** may present observations concerning **the patentability of the invention** to which the application or patent relates.
- That person shall **not be a party** to the proceedings.
- TPO shall be filed in **writing** in an **official language of the EPO**.
- TPO shall be **communicated to the applicant/proprietor** of the patent, who may comment on them.

Article 115 and Rule 114 EPC

- Observations must concern patentability of the invention
- Lack of novelty and/or inventive step most common observations, eligibility, **insufficiency of disclosure (enablement)**, extension beyond the content of the application as originally filed
- Observations may also be directed to **clarity, unity of invention**
- Filing observations does not prevent from filing same documents or arguments in opposition and appeal proceedings

Taken into account only if:

- The alleged facts are **not disputed** by the applicant or proprietor, or
- The alleged facts are **established beyond reasonable doubt** (what, who, where).

- Use of **online form** is recommended (<http://tpo.epo.org>)
- Submissions are **considered** by examining or opposition division and **commented** on their relevance in next substantive communication
- Substantiated and non-anonymous third party observations **accelerate** procedure on patent applications

- Different evaluation during *ex parte* and *inter partes* procedures.
- Third party observations filed during opposition appeal proceedings are generally disregarded unless:
 - (1) They relate to **changes** to claims or other parts of the patent made during the opposition or appeal proceedings;
 - (2) The observations are **adopted** by a party to the proceedings or by the Opposition Division or the Board

- Submission of TPO **signed** by a **patent attorney** - without mention of the client so that they do not count as “anonymous”.
- Draft the observations in such a way as **to encourage a party to the proceedings to take a position on them** e.g. proposing a new line of argument or by commenting on details of parties' submissions to encourage them to take more detailed positions.

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Limits of TPS under the US Law: Exit Strategy from Europe

TPSs may only be used to submit prior art documents.

Time limit very restricted.

TPO must be filed prior to the earlier of:

- The date a notice of allowance; or
- The later of:
 - 1) Six months after the date on which the application is first published by the USPTO, or
 - 2) The date of the first office action on the merits.

EXIT STRATEGY

File a TPO in Europe with the relevant prior art in order to force the applicant to file the prior art at the USPTO

- **Cheap** challenging tool during pre and post-granted phases
- Anonymously **but** not for post grant proceedings (strawman)
- Useful to force **submission of prior art references in the US**

- TPO **cheap** and **early** BUT give **applicant flexibility** and **not party of the proceedings**
- More grounds compared to oppositions (clarity/unity of invention)
- Opposition **reduces patentee options** BUT more **expensive** and **slower**
- BOTH significantly **less cost** than **National revocation** in all or a few countries



Thank you for your attention