



Attacking Patents and Applications in Europe and the UK

Third party patents can represent significant obstacles to achieving a commercial goal. The opposition procedure at the European Patent Office (EPO), if used successfully, can provide a cost-efficient mechanism for removing or limiting a troublesome patent. As a general rule, it is relatively cheap compared to national litigation and the centralised procedure means that revocation or limitation of a European patent in the opposition procedure applies in all of the validation states. However, EPO oppositions are often slow, in particular when the appeal stage is taken into account.

EPO Oppositions

Once a European patent has been granted, there is a nine month period within which an opposition can be filed. Oppositions can be filed by “any person”, i.e. by any individual or legal entity, and the actual opponent does not need to be identified - they can remain anonymous by filing the opposition in the name of a so-called “straw man”. It is common, for example, for European patent attorneys to file oppositions in their own names on behalf of undisclosed clients.

There are a number of grounds under which a granted patent can be attacked in an opposition. Thus, objections can be raised that the claims of the patent are not novel or inventive. Further grounds for objection may be that the patent relates to patent-ineligible subject matter such as a business method or method of medical treatment, that the patent lacks sufficiency (enablement) or that the granted patent extends beyond the content of the application as originally filed, i.e. that new subject matter has been added during examination.

One notable issue that is considered during examination but which cannot be raised as a ground of opposition is lack of clarity. As lack of support (written description in US patent practice) and conciseness are governed by the same article of the EPC, these cannot be challenged either. However, if the claims of the patent are amended during an opposition and the amendment introduces a lack of clarity into the claims, then objections on that basis can be pursued.

A patent cannot be amended during opposition such that its scope of protection is broadened in any respect. This can be particularly relevant in a case where, during examination, the patentee has amended the claims by introducing a non-allowable limiting feature. The result may be that the feature in question cannot be maintained in the claims since it adds subject matter, but nor can it be removed since that would extend the scope of protection. Patents can be revoked solely on this basis, and even where this so-called “inescapable trap” does not apply because the patentee can react via a narrowing amendment, attacks of added subject matter can be very powerful.

When filing an opposition you have the right to request an oral

hearing at which your European patent attorney can argue in support of your case. The initial submissions in the procedure are made in writing and you will later be summoned to attend a hearing during which the three-member opposition division will reach a decision concerning the validity of the patent. The opportunity to present your case in such a forum is usually an important aspect of the process. It can be particularly useful if, for example, you are relying on a complex argument or if the EPO has not fully understood any aspects of your submissions.

However, it also offers the patentee the opportunity to amend, usually in ways foreshadowed in advance by so-called “auxiliary request” amendments. An oral hearing will take place unless neither party wants one, so it is usually best to attend and take the opportunity to press your case.

It is worth noting that although a publicly available disclosure in any form can be used as the basis for an objection, the EPO procedure is very much focused on documentary evidence. There are provisions which allow for witnesses to be called to provide testimony to support objections based on, for example, prior use or oral disclosures, but these are rarely used and the evidential burden to support such objections is high. There is also not in general a large role for expert witnesses. The EPO is however capable of processing very sophisticated technical arguments on novelty, obviousness and insufficiency, including those relying on experimental data.

The timescale for completion of an opposition at first instance will vary, but is usually between two and four years. The EPO is trying to deal with oppositions more quickly, with a stated goal of reaching a decision within two years. Any party adversely affected by the resulting decision is able to file an appeal, and this can add as much as another four years to the process. Consequently, the entire procedure can be expected to take between four and eight years. The length of time before a final decision is reached is one of the major criticisms of the opposition procedure. However, it is possible under certain circumstances to have the proceedings before both the opposition division and the board of appeal accelerated, especially where there is parallel national litigation ongoing or where the decision of a potential licensee of the patent which is the subject of the appeal hinges upon the outcome of the proceedings.

The cost of an opposition will depend on the complexity of the subject matter, the number of documents and issues under consideration, and to an extent also the number of parties involved in the case (if there are multiple opponents, their submissions will need to be reviewed as well as the patentee’s). Preparing and filing an opposition could cost in the region of £5,000 for a straightforward case, but could rise to £20,000 or even higher for complicated cases. Further prosecution and then attending the hearing could result in similar charges and all of these could be incurred again at the various stages of the appeal

process. The cost of the overall opposition procedure is variable but is normally measured in tens of thousands of pounds, or a few hundred thousand pounds in the most complex cases. It is usually significantly cheaper than litigating the same issues in even a single national court, let alone more than one. An opposition is therefore almost always good value even if it is not cheap. Cost also depends to an extent on the value of the case to the opponent: it is often possible to work to a budget to contain costs, and it is also possible to stop incurring costs at any stage simply by ceasing to fight the case. In these situations, the patentee does not prevail by default; the opposition division (or appeal board if the case has reached the appeal stage) still has a duty to reach a decision and may revoke or limit the patent without the opponent's continued participation.

By the same token, it should also be noted that it is not possible simply to settle an EPO opposition in the same way and with the same consequences as is possible in litigation. Even if all opponents reach an agreement with the patentee and withdraw, the opposition division still has to reach a decision. Sometimes this is simply to uphold the patent but in other cases the patentee is forced to defend its position and possibly to face limitation or even full revocation. In the appeal phase, however, withdrawal of all appeals immediately terminates the procedure with the result that the first-instance decision of the opposition division becomes final.

All of these factors combine to make an EPO opposition a fairly attractive procedure and the filing of oppositions before the EPO is quite common. In fact, oppositions are filed against almost 1 in every 20 cases that proceed to grant and the EPO typically issues more than 2000 opposition division decisions each year. From these, about 30% uphold the patent as granted, about 30% revoke the patent and in the remaining 40% the patent is maintained in amended form. The proportion of cases in which at least some limitation is secured by the opponent is therefore a high one. It is also not uncommon for more than one party to oppose a patent, in which case the EPO processes the oppositions together in one set of proceedings.

For more information, please see our companion briefing that deals specifically with the procedural details of the opposition procedure.

Third Party Observations against pending European Patent Applications

Third parties have always been able to offer observations concerning the allowability of a pending EP application. However, historically, these have not been widely used, partly since it was thought that examiners did not seriously consider the content of any such submissions. This has changed over the last few years and the examining divisions are now obliged to comment explicitly on the relevance of any third party observations. Also, the filing of third party observations has been made easier by the introduction of an on-line form on the EPO website which is designed specifically for this purpose.

A further potential factor in favour of filing third party observations during examination proceedings is that, where filed non-anonymously, they now have the effect of accelerating prosecution of an application. A final decision concerning which claims are allowable, if any, may therefore be reached at an earlier stage.

Third party observations can be submitted at any time from

publication of the application. However, if they are received after the proceedings are concluded (via the decision to grant that follows the allowance of the application and the applicant's filing of claims translations and payment of the grant fee), they will not be taken into account and will instead be added to the non-public part of the file. If possible, it is generally preferable to submit observations at an early stage in the procedure. Thus, although observations filed late on can be effective (in some cases we have managed to have communications proposing the text for grant rescinded following third party observations), in practice they are not always given appropriate consideration by examiners. It is also possible to file multiple observations against a single case, to track and react to the application's progress, although some care is needed as the examiner may after a while become weary of this.

During examination, third party observations can be filed raising objections concerning any issue of patentability, including lack of clarity, support or unity of invention. This can provide an advantage over the opposition procedure where objections of lack of clarity cannot be raised against the patent as granted. One particular situation where this can arise is where the application relies on parameters to define the scope of the claims. Thus, consider the case where a patent is granted with claims which contain a parameter that is fundamentally unclear. The clarity of the parameter cannot be attacked after grant, but if the relevant objections had been identified during examination then the patent would not have been granted in that form.

Third party observations can be useful to bring relevant issues to the attention of the EPO examiner. It is important to note that by filing such observations you do not become a party to the proceedings. You will be able to monitor the file to assess the progress of the case and file further submissions as necessary. However, you will not be invited to provide further explanation of any points or to react to anything the applicant submits in reply to your observations. In addition, hearings before the examining division are not open to the public and you will not be able to have any involvement in the discussions between the examiner and the applicant. This is one advantage associated with filing an opposition, in which you are a party to the proceedings, and have the right to present arguments in both writing and at the oral hearing on every issue on which a decision will be taken.

The question of whether to file third party observations during examination or to retain the arguments for a later opposition will need to be assessed on a case-by-case basis. If a relevant prior art document is submitted with a third party observation, the applicant may have an opportunity to adapt the claims during examination whereas this can be more difficult during an opposition. In addition, if detailed consideration is required to fully appreciate the importance of a given document, this may also be best kept for an opposition which is a more suitable procedure for presenting complex arguments. However, if a piece of prior art goes to the heart of the invention or is close enough to your own commercial interests that it is likely to cause the applicant to amend their claims to exclude the subject matter of interest to you, then the filing of third party observations could be very beneficial. In addition, if you have an objection relating to lack of clarity in the claims, then filing third party observations would be your only way of having the objection considered by the EPO. Further, a third party observation has the potential to delay grant whereas an opposition is by definition a post-grant process. Observations can therefore be attractive in cases where there is a perceived risk of enforcement upon grant.

Also worth understanding is that it is not necessary to choose between third party observations and an opposition: both routes can be taken. The filing of unsuccessful observations does not estop the same party from filing an opposition, even if the observations openly name that party and the opposition raises identical issues. In general, parties try not to raise exactly the same issues twice because of a concern that once they have been dismissed pre-grant they will also be dismissed post-grant. Very often, it is possible to devise a strategy where the issues are presented in different ways pre- and post-grant and/or in which some are presented pre-grant and others, usually those which are more complex, are held back for the post-grant process.

Third party observations can also be filed during opposition and appeal procedures. This can be useful if a party wants to challenge a granted patent that is under opposition but did not itself file an opposition by the deadline.

There are no official fees involved in third party observations. However, having an attorney assist in preparing your attacks is likely to improve significantly the likelihood of the observations having the desired effect. The cost of this could range from £1,000 to £5,000. Third party observations can therefore be a low cost option to attack a case. They can also prove to be very effective. If they can prevent a patent from ever being granted or can ensure that the claims of the granted patent do not cover the subject matter of interest to you, the expense, risk and time associated with trying to revoke a patent after grant can be avoided altogether.

UK Revocation Procedures

It is also possible to seek revocation of a European (or nationally granted) patent in one or more individual countries. In the UK, unlike in the USA and some European jurisdictions, this does not require any actual or threatened controversy and any individual or legal entity can apply for revocation (also known as nullity) at any time after grant. Taking such action in the UK could be beneficial if it is the UK market that is of particular interest to you or if revocation of the UK patent will highlight flaws in the patent which can be relied upon elsewhere.

Applications for revocation of a UK patent can be made to the UK IPO or to the courts, the relevant courts being the High Court (Patents Court) or the Intellectual Property Enterprise Court (IPEC). The IPEC is a specialist IP court with a simplified procedure designed for shorter, less complex, lower value cases.

If action is taken before the courts, a revocation claim would probably take around 12 months to go to trial. An appeal will typically take another 12 months. Permission to appeal is required but is commonly granted in patent cases. Before the UK IPO, you might expect the procedure to take between 6 and 9 months. Decisions of the UK IPO can be appealed to the Patents Court.

If there is an opposition pending before the EPO, an application for revocation can be stayed pending the outcome of the EPO proceedings. However, if it can be shown that the UK proceedings will reach a conclusion significantly quicker than those of the EPO then the UK courts will likely decide to proceed to hear the case.

This contrasts with the procedure in some other European countries, for example in the Netherlands there is usually a stay and in Germany there is always one.

The appropriate forum for starting a UK revocation action will be determined by the value of the case, the complexity of the issues

and the nature of the evidence relied upon. If the objections are based primarily upon written evidence and are relatively straightforward, then the UK IPO could be a realistic option. More involved cases, which again rely heavily upon written documentation, may be more suited to IPEC. For large cases involving complex issues, the Patents Court is likely to be the appropriate option. J A Kemp can conduct litigation in each of these fora.

Revocation proceedings in the Patents Court routinely, and in the IPEC commonly, involve expert testimony to ensure that the judges have a deep understanding of the knowledge of the skilled person at the time of the invention. Accordingly, if a case relies upon such knowledge rather than necessarily on published prior art, the UK courts can be a better forum than the EPO. In addition, revocation actions before English courts may include disclosure (known as discovery in the US) and experimental evidence, and the opportunity to cross-examine the opposition's expert witness. This procedure enables a thorough examination of the patent.

The costs of the proceedings will be determined by the complexity of the case, but may typically be in the range of £10,000 to £30,000 before the UK IPO, £50,000 to £200,000 before IPEC and £250,000 to £1,000,000 or even higher before the Patents Court. It is also worth bearing in mind that in English litigation, the losing party generally has to pay the costs of the other side. Before the UK IPO costs awards are limited, in the IPEC the amount of costs that may be awarded is capped at £50,000, in the Patents Court there is no limit on the award of costs but the costs budget rules apply for cases valued under £10 million. If the costs budget rules apply then parties will know exactly how much the opposition will be able to recover from them should they not succeed in the litigation, and how much they will recover if they do succeed.

Grounds for revocation are essentially the same as those that can be raised in an EPO opposition. However, it is also possible to seek revocation on the ground that the person to whom the patent was granted was not entitled to it. Such an application can only be made by a person who is entitled to the patent and, unless it can be shown that the patentee knew he was not entitled to the patent, must be commenced within two years from the date of grant.

Before commencing revocation proceedings in the UK, it may be advantageous to consider first obtaining an opinion from the UK IPO. You can apply for an opinion that an invention is not patentable for reasons of lack of novelty or inventive step based on particular evidence. The opinion is not binding, but can provide a low cost indication at an early stage of the likelihood of success.

A revocation action brought in the UK will concern only the UK patent. However, the court's judgment including its reasoning may well be persuasive in proceedings in other jurisdictions concerned with the validity of parallel patents or may assist in obtaining an agreement or settlement with the patentee relating to other territories. In practice, as decisions of the UK courts are respected by other courts around Europe, revocation or limitation in the UK is likely to make it harder for a patentee to enforce its corresponding patents elsewhere even though the revocation or limitation achieved by the UK proceedings is of the UK patent only. It is not unknown for different courts, faced with corresponding patents and the same or similar evidence, to issue conflicting decisions but this is increasingly rare. Moreover, as

with observations versus oppositions, it is possible to pursue both routes in parallel. This is of course more expensive but because of the speed of the UK proceedings it is possible to deploy a strategy in which one files for UK revocation immediately upon grant but defers filing the opposition (which the EPO cannot in any case process until the deadline has passed, in case there are other opponents). The UK revocation application may be significantly progressed or completed before the opposition is very far advanced and the UK outcome may be fed into the opposition.

The EPO tribunal will not simply follow the UK court but this approach can be useful, in particular if the court's greater fact-finding powers are needed to obtain more evidence than can be brought to bear via the EPO alone. In addition, the combined weight of the two procedures and in particular the combination of the short term pressure of the UK action and the threat of a Europe-wide defeat in the EPO later, may be more likely to force an early settlement.

Summary

Although filing an opposition against a patent at the EPO is an effective way to achieve revocation, there are other options available which can lead to quicker resolution or even avoid grant of the patent in the first place. The various options need to be considered in the round, both as alternatives and parallel

approaches. The best strategy will vary from case to case depending on factors including urgency, significance, available resources, strength of case, and the likelihood of settlement.

A tabular comparison of some of the main pros and cons of the different approaches is set out overleaf. If you have any further questions, please do not hesitate to contact us.

Third Party Observations

Pros	Cons
<i>Inexpensive Can raise clarity, support and unity Can prevent grant of a patent</i>	<i>Not a party to the proceedings</i>

Oppositions

Pros	Cons
<i>Good value for money Can attend oral hearing Can revoke the patent in all states</i>	<i>Can be slow</i>

UK Procedure

Pros	Cons
<i>Range of options Relatively quick Very thorough Can influence tribunals in other jurisdictions</i>	<i>More costly than an Opposition or Third Party Observation Only applies to one state</i>

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