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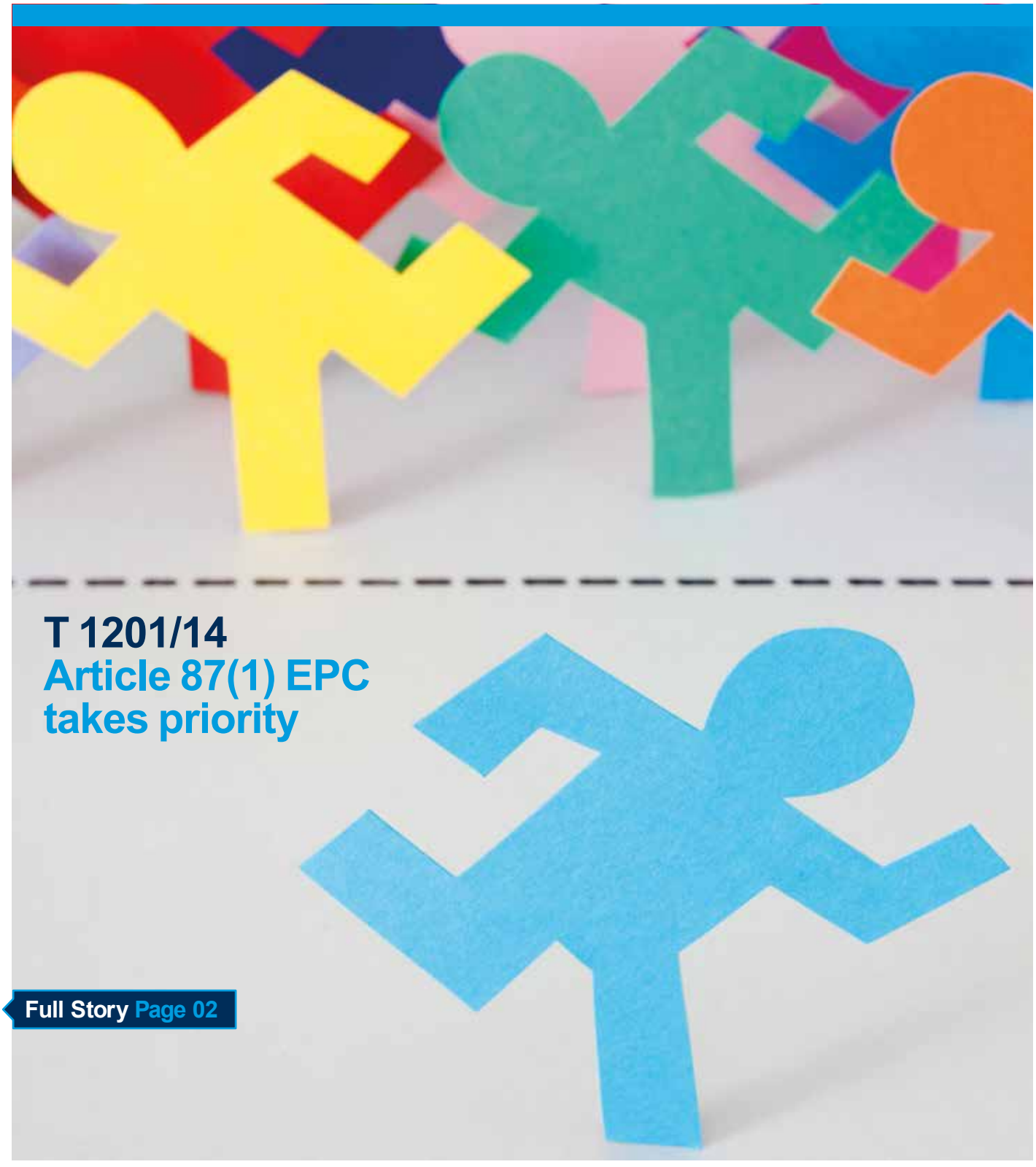

T 1201/14
Article 87(1) EPC takes priority

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Editorial

For claim interpretation in the UK 2017 has been a momentous year with the Supreme Court concluding that a doctrine of equivalence does exist under UK law. The court did not provide any clear guidance as to the application of this doctrine beyond the question of infringement and further referrals to the court can be expected. A first question arose in the recent judgment discussed in this newsletter when the judge considered the relevance of "equivalence" to the question of novelty. This, together with questions of priority and sufficiency (plausibility) remain "hot topics" at the end of the year. We report on two important decisions on these matters while also noting revisions to the EPO Guidelines, threats provisions in the UK and new approaches to searching chemical patents. In a generous close to the year, the proposed reductions to certain EPO fees will be welcomed by all! On behalf of all of us at D Young & Co, I extend our best wishes for a relaxing and enjoyable festive season.

Editor:
Neil Nachshen

Events

7-8 December 2017
IP Summit, Brussels, Belgium
Partner Solicitors Tamsin Holman and Uli Foerstl will be attending the IP Summit. Tamsin will moderate the Brexit impact on Trade Marks and Community Designs workshop on Thursday 7 December.

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Transfer of right of priority

T 1201/14
Article 87(1) EPC takes priority

This case emphasises the importance of ensuring that any transfers during the priority year are executed correctly and evidenced appropriately.

The priority year is often crucial to the success of a patent application as well as the invention(s) embodied within. Inventors will often use this time to formally disclose their technology in order to attract further funding, which can in turn be used to generate further supporting data. These data can be included in subsequent filings and can even lead to new embodiments and/or inventions.

In order for this to work, the priority claim from the subsequent filing(s) must be valid. Our recent article on the subject of "poisonous priorities" (see notes, page 03) demonstrated how the contents of the filings can influence this validity. Equally important to a priority claim are the legal requirements. Getting either of these wrong can be irrevocably destructive for the subsequent applications.

The law

While the legal requirements derive from the Paris Convention, every jurisdiction has its own statutory implementation. The EPC 1973 provides for this under Articles 87 to 89 and in Rules 52 to 54 (largely unchanged in the EPC 2000 revision). Article 87(1) EPC states that:

"Any person who has duly filed, in or for (a) any State party to the Paris Convention for the Protection of Industrial Property or (b) any Member of the World Trade Organization, an application for a patent, a utility model or a utility certificate, or his successor in title, shall enjoy, for the purpose of filing a European patent application in respect of the same invention, a right of priority during a period of twelve months from the date of filing of the first application."

From this, the two fundamental legal requirements are that the right of priority can (1) only be enjoyed by the same person, or successor in title, and (2) only be derived for the same invention.

Background

Decision T1201/14 concerns specifically the former requirement; in this case, the board was required to decide on whether an assignment of priority right had been validly executed in respect of the first (priority) application.

During the opposition proceedings, the proprietor (Innovative Sonic Limited) alleged that two assignments had taken place for the priority application (a US provisional application): from the inventor to ASUSTeK, and from ASUSTeK to the proprietor. The validity of the priority claim was critical to the disputed patent (EP 1883190B) as ASUSTeK disclosed the invention in the intervening priority year.

The Opposition Division was satisfied of the first transfer (to ASUSTeK), but rejected the second transfer (to the proprietor from ASUSTeK) as invalid. In particular, the Opposition Division pointed out that the correct reading of Art. 87(1) EPC ("… for the purpose of filing…") would mean that there has to be evidence of the right of priority being transferred prior to the convention filing; in this case, the proprietor was relying on a back-dated (*nunc pro tunc*) assignment under US law. The Opposition Division also rejected the arguments from other national laws as being inapplicable.

The decision

Applicability of National Laws
The board appeared willing to hear the numerous arguments presented by the proprietor from different national laws in order to verify the validity of the second assignment. In particular, the board accepted that the available jurisprudence before the EPO already relied on several different laws as basis for the formal

Case details at a glance
Jurisdiction: European Patent Office
Decision level: Boards of Appeal
Parties: Innovative Sonic Limited (applicant) and Telefonaktiebolaget L-M Ericsson (opponent)
Date: 09 February 2017
Citation: T1201/14
Link to full decision: http://dycip.com/t120114

Inventors often use the priority year to disclose their tech to attract further funding

requirements for registering a transfer:

- the law of the country where the first application was filed (*lex originis*)
- the law of the country where the later application was filed (*lex loci protectionis*);
- the law of the country which is agreed upon in the relevant contract (*lex loci contractus*;
- the law of the country where at least one of the parties to the transfer has its residence (*lex domicilii*).

Arguments

In the present appeal, the proprietor had relied on at least US law (*lex originis*), German law (*lex loci protectionis* – as an EPC-contracting state), and Taiwanese Law (*lex domicilii* – for where ASUSTeK was based).

The US law argument was essentially that the validity must be tied to the validity of *nunc pro tunc* assignments under US law, rather than on any reading of the EPC.

The German and Taiwanese law arguments were similar, and essentially focussed on the existence of a "general policy" at ASUSTeK to transfer priority rights of priority filings to the proprietor. These national Laws were relevant primarily for the fact that neither required an assignment to be concluded by way of a formal written contract. The proprietor further argued that Taiwanese law also did not differentiate the right to an application and the right to priority.

There was a further argument for a "direct" transfer by virtue of the transfer of "all rights" for a separate application which claimed priority from the same priority document in the presently contested patent.

Reasons

The board rejected all of the proprietor's arguments.

With regard to the US law argument, the board re-emphasised that this simply did not meet the fundamental requirement, as stated in Art. 87(1) EPC, that the assignment must have concluded prior to filing the second (convention) application. The board further stated that this was not an issue that had been disputed in other decisions (including the well known Edwards Lifesciences AG decision in the High Court - [2009] EWHC 1304 (Pat)), and thus further did not see a need to refer this point to the Enlarged Board.

With regard to the German and Taiwanese Law arguments, the board held that the transfer was not sufficiently evidenced. In particular, the fact that this relied on internal documents where the proof would only lie in the possession of the proprietor, the standard of proof had to be "beyond reasonable doubt" rather than on the "balance of probabilities" (as is normally the case before the EPO for eg, prior use). The board further noted that there was evidence that certain filings had not followed the alleged "general policy", and this further cast doubt on the validity of transfer.

The "direct transfer" argument failed because the assignment simply concerned a different application, rather than the priority application in question.

The board also noted, in relation to the Taiwanese law argument, that irrespective of the stance of a national law on whether or not a priority right is separable, a substantive requirement of the law according to the EPC was that there had to be a specific transfer of the priority right, which is independent of the right to the application. Thus, mere transfer of an "application" would not necessarily indicate the transfer of a priority right in that application.

Conclusions

The EPO neatly sidestepped the question of whether any particular national laws would take precedence over another if there was ever conflict between laws in determining the validity of a transfer. However, this case further emphasises the importance of ensuring that any transfers during the priority year are executed correctly and evidenced appropriately.

Author:
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Notes

Related article: "G 1/15 resolves question of poisonous priorities" by Alan Boyd, published 06 February 2017 concerning the issue of "poisonous priorities" where an applicant's own priority application is used against a subsequent patent application:

www.dyoung.com/knowledgebank/articles/g115-decision

Generics (Mylan) & Anor v Yeda

Sufficiency and the extent of the doctrine of equivalence

Case details at a glance
Jurisdiction: England and Wales
Decision level: High Court (Patents Court)
Parties: Generics (UK) Ltd (t/a Mylan) & Anor v Yeda Research and Development Company Ltd
Date: 26 October 2017
Citation: [2017] EWHC 2629 (Pat)
Link to full decision: http://dycip.com/ewhc2629

The ongoing dispute regarding patents relating to Teva's multiple sclerosis drug Copaxone® was the subject of a judgment of Mr Justice Arnold in the High Court in November 2017[1].

Patent EP2949335B

Yeda's patent EP2949335B under which Teva have an exclusive licence, relates to a 40mg three-times-a-week dosing regimen for Copaxone as an improvement over the originally approved 20mg once-daily dosing schedule. It was found invalid over a prior suggestion of administering 40mg every-other-day in an earlier patent application. Similar claims in the parent patent had been upheld by the Opposition Division of the EPO. EP2949335B is itself presently the subject of opposition proceedings.

> The case involved two legal points of current interest – equivalence and plausibility.

Mylan and Synthon (the co-claimants) argued that in the light of the Supreme Court decision in *Actavis UK v Eli Lilly*[2] concerning infringement by "equivalents", the same considerations should be applied to the assessment of novelty and the claim should therefore lack novelty over the prior disclosure.

Three lines of defence were offered. Referring to comments by Lord Hoffmann in *Synthon BV v SmithKline Beecham*[3] concerning the infringement test for novelty the defendants maintained that this test did not extend to anticipation by equivalents as these comments were made prior to *Actavis UK v Eli Lilly*, ie, the change in the assessment for infringement provided by *Actavis UK v Eli Lilly* should not be extended to the question of novelty. This was supported by the fact that in *Actavis UK v Eli Lilly*, Lord Neuberger did not refer to *Synthon BV v SmithKline Beecham*. The judge felt that a further decision would be required from the Supreme Court to resolve this issue.

Secondly, the Guidelines for Examination at the EPO (G-VI.2) based on decisions of the Technical Boards of Appeal specifically state that equivalents are not to be taken into account when considering novelty.

Thirdly, the Supreme Court in *Actavis UK v Eli Lilly* was not considering novelty but infringement and the guidance provided by Article 2 of the Protocol on the Interpretation of Article 69 of the European Patent Convention ie, that the extent of protection provided by a claim should take "equivalents" into account. Justice Arnold concluded that these points were correct, but also concluded that if it was possible to lack novelty by virtue of a doctrine of equivalence, the claim would lack novelty.

The other topic of interest concerned the threshold requirements for sufficiency of disclosure as the patent included a clinical trial protocol but no specific results. The judgment confirmed the UK approach that the plausibility threshold in the UK is a low one - confirming the decision of the court in *Actavis Group v Eli Lilly*[4] (atomoxetine). The judge asked to hear arguments based on recent case law of the EPO Boards of Appeal and heard presentations on T448/16[5] and T950/13, seemingly opposing decisions of the same board concerning plausibility in the context of inventive step and sufficiency, respectively, which issued within two days of each other in February 2017.

Both the above decisions were discussed in our European biotech patent case law webinar on 14 November 2017.

If you would like to listen to a recording of the webinar or download the slides (PDF) please visit our website: http://dycip.com/slides-nov2017
You can also sign up to receive an invitation to our next webinar or email your details to subscriptions@dyoung.com.

As always, the facts of a particular case will influence the outcome, but given the common general knowledge at the priority date, the judge concluded that claim 1 met the requirements of sufficiency.

These arguments will possibly continue into the Court of Appeal and the Opposition Division of the EPO where D Young & Co represents the patentee.

Author:
Neil Nachshen

[2017] EWHC 2629 (Pat) concerned Teva's multiple sclerosis drug Copaxone®

Notes

1. Generics (UK) Limited and others v Yeda Research and Development Company Limited and others [2017] EWHC 2629 (Pat)
2. Actavis UK Limited and others (Appellants) v Eli Lilly and Company (Respondent) [2017] UKSC 48
3. Synthon BV v SmithKline Beecham plc [2006] RPC 10
4. Actavis Group PTC EHF v Eli Lilly and Co [2015] EWHC 3294 (Pat), [2016] RPC 12 at [177] (Henry Carr J).
5. See www.dyoung.com/knowledgebank/articles/t48816-plausibilitydenied.

European patent law and procedure
Updated Guidelines for Examination

The European Patent Office (EPO) has issued a new version of its Guidelines for Examination. These guidelines, which came into force on 01 November 2017, provide guidance for examiners and applicants on European patent law and procedure.

You can view the full guidelines on the EPO website: http://dycip.com/epoguidelinesnov17.

Many of the changes form part of the EPO's Early Certainty initiatives to speed up prosecution and opposition proceedings, some of which are discussed in this article.

Summons to oral proceedings as the first action in examination

The EPO can now issue a summons to oral proceedings as the first action in examination (C-III, 5). This will only occur in exceptional circumstances if:

- the content of the claims on file is not substantially different to that of the claims which served as a basis for the search, and
- one or more of the objections raised in the search opinion which are crucial to the outcome of the examination procedure still apply.

The annex to the summons must deal with the applicant's requests in their entirety and must include reasons why the division decided to directly summon to oral proceedings as the first action in examination In order to allow the applicant sufficient time to prepare any submissions ahead of the oral proceedings, the summons should be issued with at least six months' notice.

Advantageously, any requests filed after the deadline for making written submissions under Rule 116 EPC will not be treated as late-filed (H-III 3.3.1.2), and are therefore not subject to the "clearly allowable" criterion for admissibility.

Telephone minutes as the first communication in examination

A telephone conversation can now be used as a first action in examination (C-VII, 2.7), on condition that:

- telephone minutes are issued;
- the telephone minutes present the matters discussed with the same level of information and structure as an Art. 94(3) communication;
- the telephone minutes are issued with a time limit for reply not shorter than four months, unless agreed otherwise with the applicant.

The minutes may also include matters which were not discussed during the telephone conversation, provided it is clear in the minutes that these matters were not discussed during the telephone conversation.

Refund of examination fees

In accordance with Art. 11(b) Fees, a 50% refund of the examination fee is available in the above situations (A-VI, 2.5), provided the European patent application is withdrawn before expiry of the time limit for replying to the first communication in examination. For a summons to oral proceedings, this is the deadline provided on the summons for making written submissions and/or amendments under Rule 116 EPC.

Other formats for a first communication in examination are also now possible, such as an invitation under Rule 137(4) EPC to indicate basis for amendments. With these changes, the rules regarding the refund of examination fees have become more complicated. Your D Young & Co patent attorney can advise whether it is possible to gain an examination fee refund.

Enquiries

In general, the EPO will reply to enquiries about the progress of a file by indicating the period within which the next office action may be expected, taking into account the workload in the technical area concerned and the internal deadline for the completion of the pending action.

Guidelines for Examination Nov 2017

In certain circumstances, an enquiry will automatically cause the EPO to issue the next action (E-VIII, 7). The next action will be issued within one month from receipt of the enquiry if:

- the extended/partial European search report in respect of European patent applications filed on or after 01 June 2014 has not been issued within six months from the filing date or from expiry of the period under Rule 161(2); or
- an office action in respect of an application which is being processed under the PACE programme or for which a previous enquiry has been made has not been performed within the committed period;

The next action will be issued within six months from receipt of the enquiry if:

- the extended/partial European search report in respect of European patent applications filed before 01 June 2014 and which do claim priority (second filings) has not been issued.

Although filing an enquiry does not guarantee acceleration of examination, it can provide more certainty as to when the next communication may be expected. There are other measures made available by the EPO for speeding up prosecution, such as the accelerated prosecution of European patent applications (PACE) procedure.

Author:
Andrew Cockerell

Patent searching
Free chemical structure searching in patent documents

Patent applications and granted patents provide a rich source of chemical information which can be searched using a variety of strategies including searching by keywords, applicant names and patent classification codes. This information is important as the first public disclosure of chemical entities is often in patents.

Chemical patents also include large volumes of molecular structures which have traditionally been harder to access than other data, particularly through free online sources.

Now chemical information availability is changing as more open access is being provided.

Patentscope chemical structure searching

One such free source is WIPO's chemical structure search functionality in the Patentscope database, which is an add-on to its existing search facilities providing users with a free resource for searching chemical structures.

The chemical structure search provides a feature that both recognizes the names of chemical compounds in the text of the patent and recognizes the structures of compounds from drawings embedded in the text. The structure search is available in the PatentScope dropdown search box as chemical compounds search option (this is available for logged-in users and an account can be created free of charge). Here users can upload or draw a structure or convert an entered structure to a compound, commercial or trivial name.

Searches can be run for the exact structure or enlarged by the "search for scaffold" option which searches the basic skeleton of a molecule. The search is conducted through the title, abstract, claims and description fields of the patents, and coverage includes PCT applications in English and German (from 1978) and the national collection of the US (from 1979). The results are presented as a list and structures in the retrieved results can be displayed.

Accessible, free, subscription and pay-as-you-go online chemical data sources

There is also an analysis function enabling the search results to be classified, for example by inventor or applicant, providing some basic patent landscaping. Structure searches can be combined with other searches such as classification codes or a keyword.

> In our experience, the PatentScope chemical structure search is easy and intuitive to use and provides chemical scientists with a very useful first-stop free resource to identify potentially relevant patents.

Other online chemical data

Other sources of free online chemical data include PubChem, SureChEMBL and ChemSpider, while databases such as CAS patent databases on STN and Questel Orbit's new Orbit Chemistry module can be accessed by subscription or pay-as-you-go fees. SureChEMBL is an additional source of up-to-date chemical information extracted from patent documents and is also searchable using chemical structures or substructures, as well as drug names or a combination of both structure and keywords. PubChem also offers fast chemical structure searching across both patent and non-patent documents, and provides information on biological properties and activities.

As the wealth of online resources of searchable chemical data rapidly expands, finding ways to navigate and exploit such information is a key skill for today's innovators. At D Young & Co our IP search team can assist with your chemical searches and other technology patent searches, and provide advice on searching your chemical inventions. Our searches are attorney led and conducted by specialist searchers using a variety of proprietary databases, free online resources and specialist searching tools; our investigations include validity searches, freedom to operate searches, patentability searches and landscaping reports. Contact us via our direct search email address search@dyoung.com or via our website.

Author:
Joanne Jennings

Unjustified Threats Act
Key changes to the old law

The new Unjustified Threats Act came into force on 01 October 2017. The aim of the Act, which applies to "threats" after this date only, is to make the law consistent across all relevant IP rights and help businesses avoid litigation, if possible. The old law often had the effect of deterring parties from settling disputes through negotiation before litigation because they did not want to risk threatening a potential infringer. This was particularly so in areas other than patents.

The old law deterred parties from settling disputes through negotiation before litigation

Consistency between all forms of IP rights

The principal objective of the Act is to bring other intellectual property rights (trade marks, registered designs and unregistered design rights) in line with the provisions already in place for patents. The Act provides that threats in respect of primary infringements or to a primary infringer generally are no longer actionable, as has been the case for patents for some time.

In addition, it is now a defence in relation to threats made concerning all relevant IP rights to use "reasonable steps" to identify a primary infringer before threatening a secondary infringer. This will apply provided the threatener inform the party being threatened as to what those steps were. This is a slight change from the previous provisions concerning patents, now amended, which required "best endeavours".

Changes to previous validity defences for patents

Under the old law, if a threat was made in respect of a patent and the patent was shown to be invalid, the patentee would have a defence to a claim of unjustified threats if the patentee was able to prove they didn't suspect that the patent was invalid at the time of the threat.

This defence has been repealed because it is felt that, because the rightsholder is best placed to evaluate validity, it should bear the risk in this regard.

Considering whether or not a communication contains a threat

Previously, for a communication either oral or in writing to constitute a threat it had to be understood by a recipient as being a threat to bring proceedings **in a UK court**. The Act modifies this such that it relates to whether the communication would be understood by a recipient to mean that someone intends to bring infringement proceedings in respect of the relevant IP right for an act done or intended to be done **in the UK**. This change was made to take into account the unitary patent (UP) and Unified Patent Court (UPC), in which UPs and many European patents will be litigated, for territories both in and outside the UK. The Unified Patent Court (UPC) will not be a UK court but it is intended to address UK issues, whether in the UK branches or elsewhere. It is therefore necessary to ensure the threats provisions apply to acts in the UK regardless of where threatened proceedings may be brought. This may however lead to procedural issues because UK national courts, which would deal with a threats claim, will not have jurisdiction over infringement or validity of UPs or, in due course, European patents: in order to defend a threats claim, therefore, a patentee may be forced to bring parallel proceedings in the UPC where any threats claim is brought in the UK concerning a patent subject to the jurisdiction of the UPC, especially UPs.

> A threat of infringement proceedings is still only considered to be actionable if the recipient can be said to be "aggrieved" by the threat.

Liability for professional advisers

Under the old law, professional advisers who made threats on behalf of a client were liable for threats actions by an aggrieved party. Changes have been made to provide protection for professional advisers such as patent attorneys and solicitors. The communication sent to the potential infringer must clearly state the adviser is acting on client instructions and identify in the communication the client on whose instructions the adviser is acting.

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And finally...

European Patent Office

EPO fees
Proposals for certain fee reductions

Since 2012 the EPO has frozen some of its official fees and additionally not increased them to account for inflation. At the end of October 2017, and following a drive by the EPO to increase efficiency, further proposals were put forward by the EPO management to reduce particular official fees. These proposals were as follows:

- Reduce each of the PCT search fee and examination fee by EUR 100 to EUR 1,775 and EUR 1,830 respectively.
- Increase the discount from 50% to 75% for European examination fees for files already examined by the EPO in PCT proceedings.
- This will mean any applicants using the EPO as the international searching authority for search and examination and entering the European regional phase will benefit from a fee saving of EUR 656 compared to the current situation.
- Not apply the inflation-based biennial fee adjustment for 2018-2020.

Further plans exist to extend the agreement to provide additional reductions for certain applicants such as SMEs and universities and also to propose cheaper national search reports with written opinions to specific member states that outsource search work to the EPO.

Finally, the EPO intend to waive the EUR 130 transmittal fee charged by the EPO as receiving office for applicants filing in Microsoft Word (.docx) format.

All of these proposals are subject to approval by the organisation's member states in December 2017.

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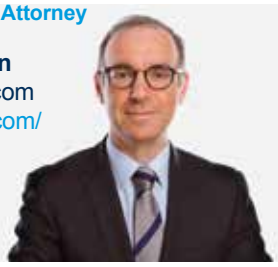

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