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Editorial

As 2022 draws to a close, the delay to the sunrise period for the UPC has been universally welcomed. Well prepared as we were at D Young & Co for the first days of 2023 to herald the birth of Europe's new Unified Patent system, it was clear that many participants might not have been fully ready, given the technological bumps in the road that had in particular arisen. Nevertheless the new system remains on the brink of starting and we continue to urge all of our readers carefully to consider what consequences this will have for their patenting strategies across Europe. This edition has a comprehensive guide to the most important advice we are currently giving our clients, in particular whether to "opt-out" and whether to elect unitary status. We wish all of our readers a very healthy and happy festive season, and we look forward to embarking on the exciting new journey that 2023 will bring.

Nicholas Malden, Editor

Events

Biotech patent case law webinar
21 February 2023
Partners Simon O'Brien and Tom Pagdin present our popular European biotech patent case law webinar at 9am, noon and 5pm. Registration now open to reserve your webinar seat.

Patent Easter Internship
Week including 11 April 2023
Our Easter Internship, taking place in the week including 11th April 2023, is open to undergraduate and postgraduate students. Within our electronics, engineering and IT team, every year we look for a number of enthusiastic and focused candidates to spend time with our team for three days during the Easter break. Applications must be received by Sunday 29 January 2023.

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UPC sunrise delayed
Pros and cons of the unitary patent and Unified Patent Court

With only weeks to go before the expected start of the sunrise period on 01 January 2023, the Unified Patent Court (UPC) preparatory committee has indicated that there is to be an "adjustment of the timeline", with the start of the sunrise period being postponed for two months.

> The UPC has been delayed and is now expected to begin on 01 June 2023 with the sunrise period expected to begin on 01 March 2023.

This delay provides additional time for users to prepare themselves for the UPC's case management system (CMS) and for the strong authentication required to access it. The UPC's CMS will be critically important for all stakeholders, not least owners of European patents and applications and their representatives. Opting-out European patents and applications from the jurisdiction of the UPC, for instance, will be done through the UPC's CMS once the sunrise period begin.

We have a dedicated team working on the issues for our clients in view of this change in the European patent landscape, and will be able to support our clients whether it is desired to opt European patents out of the UPC or to request a unitary patent (UP). We will also be able to represent clients before the UPC.

We will keep you informed of any changes to the expected start of the sunrise period as and when we know more and suggest bookmarking our dedicated UP & UPC website page for regularly updated guidance and information: www.dyoung.com/upandupc.

Despite the delay, now is a critical time for patent owners to consider opt-out options and their strategy to enable decisions to be made for the sunrise and transitional periods. In addition to our "UPC opt-out FAQs" (see www.dyoung.com/faq-opt-out) we have prepared the following overview of pros and cons of the UP and UPC to assist with your opt-out decision-making.

Pros & Cons of the UP & UPC

Pros and cons of the unitary patent

A unitary patent (UP) will be a single patent right, having unitary effect across up to 24 European Union member states. Specifically, a UP will take effect in all states that are:

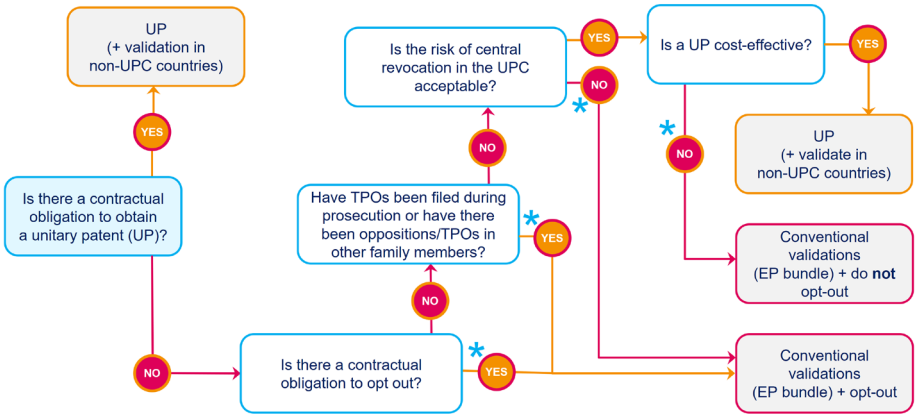
1. participating member states of the UPC, and
2. have ratified the UPC Agreement at the date of registration of unitary effect by the EPO.

A complete list of the countries that have signed the UPC Agreement and their ratification status is available here: http://dycip.com/upc-countries. Once Germany ratifies, the countries in which a UP will have effect are Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Sweden and Slovenia. There are a number of benefits and drawbacks of unitary patents which need to be considered when deciding whether or not to request unitary effect. This article will discuss these in more detail. If you have any further questions, please do not hesitate to contact us.

Benefits of unitary patents

+ **Central administration:** under the existing "bundle patent" system, high costs can be incurred at grant from validating in the EPC states where protection is desired. This procedure typically involves payments of fees to national patent offices, often via agents in those jurisdictions, and translations for those countries which are not party to the London agreement. This can lead to high costs.
+ **Broad coverage:** once Germany ratifies the UPC Agreement, a UP will provide protection across 17 EU member states. More countries are expected to ratify as time passes.
+ **Single renewal fee payable:** a single renewal fee will be payable to the EPO to maintain a UP. Under the existing "bundle patent" system, renewal fees must be paid annually in all states where the patent is

Decision tree: pending European patent (EP) application



being maintained. Over time this can lead to high costs. At a very general level, the UP is expected to be cost effective for those patent proprietors who tend to validate and maintain their patents in four or more EPC contracting states taking part in the UPC.

+ **Limited translation costs:** the UP will only need to be translated once; into English if proceedings before the EPO were in French or German, or into "any other official language of the (European) Union" if proceedings were in English. This is in contrast to the "bundle patent" system where each country has a different translation requirement.

+ **Central litigation forum (UPC):** all UPs must be enforced and litigated in the Unified Patent Court (UPC).

+ **Availability of pan-EU remedies:** the UPC will offer a range of pan-EU remedies (for example, damages, preliminary and final injunctions, freezing orders) to UP proprietors.

+ **Licensing possibilities:** a UP must be treated as a single patent right and this facilitates a single licence being granted for all countries within its scope.

+ **More options for enforcement:** cross border activities that would not constitute indirect infringement of a bundle of national patents, e.g. export from Belgium for use in France, would be considered indirect infringement of a UP as all activities are occurring within the same jurisdiction.

Drawbacks of unitary patents

- **Limits in geographical scope:** a UP does not cover all countries which are part of the EPC and thus may not cover some key jurisdictions for your business, for example, non-EU EPC states such as the UK and Turkey, non-participating EU states such as Spain and Poland, and non-signatory EU states such as Croatia. UPs will not cover any EU country that has not ratified at the time the request for unitary effect is registered by the EPO. A list of the countries which have signed the UPC Agreement and their ratification status is available here: http://dycip.com/upc-countries.

- **Loss of renewal fee flexibility:** it is not possible to pick which jurisdictions you would like protection in. Instead, the single renewal fee is payable for protection in all 17 (once Germany ratifies) participating and ratified states. Importantly, it is not possible to drop protection in particular jurisdictions over the lifetime of the UP in markets that prove to be unimportant. This will typically lead to higher costs toward the end of the lifetime of the patent if ordinarily patents in particular jurisdictions would have been allowed to lapse as part of a portfolio shaping or cost management exercise. Cost-effectiveness of a unitary patent could therefore decrease as the patent life progresses and potentially outweigh the benefit during the earlier years.

- **Loss of licence flexibility:** a UP must be licensed as a single right. It is not possible to split up a UP between the countries it covers. This may result in a more complicated licensing strategy.

- **National prior rights:** These are applications filed in a specific country before, and published after, your patent's priority date, and are typically relevant to novelty for only the corresponding validated country. However for the UP, such an application from any one of the 17 to 28 participating states is deemed relevant to novelty for the patent, significantly increasing both the odds of such an application existing and the consequence of it. For this reason, the EPO has recently started to offer an optional national prior rights search service when issuing a Rule 71(3) intention to grant communication.

- **Translation costs:** if protection would usually only be sought in countries party to the London agreement (where it is just required that claims are translated into French and German), translation costs for a UP (where the entire specification is required to be translated) are likely to be significantly higher (proportional to the length of the description versus claims).

- **Higher renewal fee:** this depends on scope of validation. If you would usually seek protection in two or three EPC states taking part in the UPC, the renewal fee for a UP is likely to be higher (see "Validation and renewal costs" below). At a very general level, the UP is expected to be cost effective for those patent proprietors who validate in four or more EPC contracting states taking part in the UPC.

- **Central litigation forum (UPC):** the validity of your patent can be attacked at the UPC centrally and unlike opposition this possibility remains for the lifetime of the patent. Thus, your patent is at risk of revocation across multiple countries all in one go. UPs can also only be enforced in the UPC, which may not necessarily be a more cost effective enforcement mechanism as compared to national courts. This will depend on the nature of your business, and whether you need to enforce your patent in multiple jurisdictions at the same time. Since the Unified Patent Court has not yet opened its doors, it is unclear whether the UPC will be more "patentee-friendly" than national courts. This will be established as case law evolves over time.

- **Same scope of claims in all jurisdictions:** in order to request unitary effect, the European patent must have been granted with the same set of claims in respect of all the participating member states. This reduces flexibility in scope of the patent in different jurisdictions.

Unitary patent decision tree

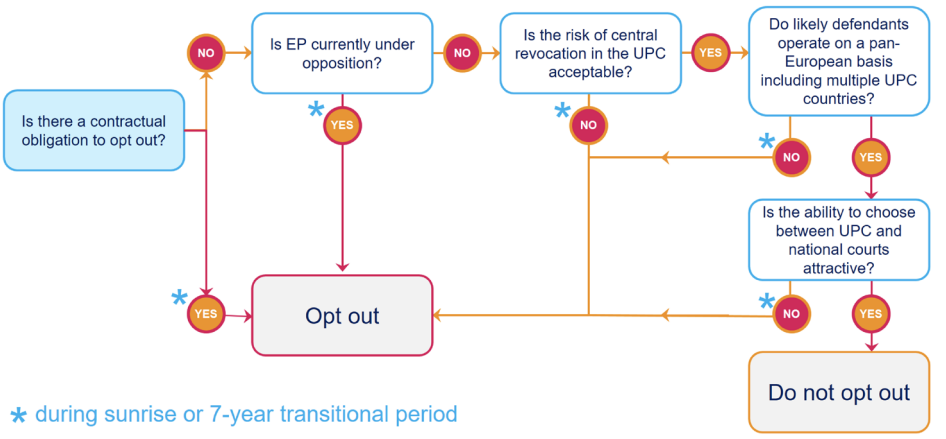
The decision of whether or not to obtain a unitary patent will need to be made on a case-by-case basis. There will need to be a balancing of risk and benefit including an assessment of cost-effectiveness. The decision tree shown above may help when deciding whether or not to request unitary effect during the transitional period (at least seven years from the start of the UPC) for a particular case. However, if you would like any further assistance or advice or a more detailed comparison of costs, please do not hesitate to contact us.

[CONTINUED ON PAGE 04]

UPC sunrise delayed Pros and cons of the unitary patent and Unified Patent Court

[CONTINUED FROM PAGE 03]

Decision tree: granted European patent (EP)



Pros and cons of the Unified Patent Court

The Unified Patent Court (UPC) is a new, international court for patent litigation in Europe for states which are both members of the European Patent Convention and member states of the UPC Agreement. It is a single court, comprising both first and second instances, with multiple locations. The UPC will have jurisdiction over "bundle" European patents unless an "opt-out" is filed. There are many benefits of the UPC (supporting a decision not to opt-out) as well as drawbacks and we present these in detail below. If you have any further questions, please do not hesitate to contact us. It will not be possible to opt-out UPs from the jurisdiction of the UPC.

Benefits of the UPC and not opting-out

+ **Pan-European enforcement:** it will be possible to enforce European patents via a single infringement action brought at the UPC. The UPC will also share jurisdiction with the national courts during the transitional period meaning that patentees should be able to choose whether to enforce in the national courts or the UPC.

+ **Well-run court:** it is generally considered that the judges presiding over the UPC will be of high quality and that the decisions will be thorough. First instance UPC cases will be heard by a panel of three experienced and specialist intellectual property judges.

+ **Cost effective:** since a single infringement action can be brought, this will typically be more cost effective than bringing infringement actions in multiple national courts.

+ **Quick and efficient:** the Rules of Procedure of the UPC predict that a first instance decision will be obtained within 12 months of commencing proceedings. This is quicker than most national courts. There is also an emphasis on written procedure, reducing ancillary costs.

+ **Language:** patents granted in English are likely to be litigated at the UPC in English. This will lead to a reduction in translation costs.

+ **Administrative time and cost of opting out:** although multiple cases will be able to be opted out simultaneously, the opt-out process will incur cost and administrative time. Additionally, where licenses are in place, licensees will not be able to request the opt out.

+ **Influence on case law:** by leaving some cases within the jurisdiction of the UPC, it may be possible to influence the development of its case law.

+ **Reduced cross-border issues:** it is thought that it will be easier for patentees to demonstrate infringement of method claims where individual steps of the method have been performed in disparate member states.

+ **Changes to forum shopping:** the proprietor can decide in which local or regional division to start an action provided that (1) an infringement has taken place in the state of that division, or (2) the defendant has its domicile or principal place of business in the state of the division. If a revocation counterclaim is filed, it can be requested for the case to be transferred to the central division.

Drawbacks of UPC and reasons to opt-out

- **Potentially expensive:** although the UPC does have the potential to be cost effective (see above), given the wide remit of the UPC's jurisdiction, and the amount of resources that will need to be used to meet short deadlines required by the UPC, costs may be higher than expected. Additionally, court fees at the UPC are relatively high compared to costs in individual national courts.

- **Potentially complex:** in practice the physical structure of the court is relatively complex, with local and regional divisions having different (and as yet unsettled) competencies to hear issues, and the regional divisions specialising in different technology areas. Meanwhile the first and second instance courts are located in different countries.

- **Avoid central revocation risk:** by opting out from the UPC, the bundle of European patents cannot be centrally revoked but must be attacked in the national courts in the individual states in which they are validated. Thus, by opting out from the UPC, the rights cannot be attacked by a single action. This is likely to deter competitors from attacking rights in all jurisdictions.

- **No case law:** since no cases have yet been heard at the UPC, it is not known whether it will be a "patentee-friendly" jurisdiction. This will be established as case law evolves over time. It may therefore be advisable to opt-out key cases in the early stages of the court. It should be possible to opt back in (provided no national litigation has been started during the lifetime of the patent).

- **Changes to forum shopping:** A proprietor can decide which local or regional division to start an action in provided that (1) an infringement has taken place in the state of that division, or (2) the defendant has its domicile or principal place of business in the state of the division. If a revocation counterclaim is filed, it can be requested for the case to be transferred to the central division. However, this may therefore be in a different country. Meanwhile, for example, a UP patent does not have access to the German court and its ability to separate infringement and validity hearings.

- **Maintaining status quo:** by opting out it is possible to maintain the status quo for enforcement and litigation. In order to have a patent revoked, a challenger would need to pursue a central opposition and/or bring revocation actions before national courts.

UPC opt-out decision tree

The decision of whether or not to opt out from the jurisdiction of the UPC will need to be made on a case-by-case basis.

The decision tree above may help when deciding whether or not to request an opt-out during the transitional period for a particular case. However, if you would like any further assistance or advice or a more detailed comparison of costs, please do not hesitate to contact us.

Validation costs

Validation for the common combination of DE, FR, & GB is roughly half the cost of validation of the UP for a short patent specification (for example, 10,000 words), and typically one tenth of the cost for a long specification (for example, 35,000 words). However official fees among additional states can vary significantly, and for states outside the London Agreement requiring a full translation, the costs can increase further. Hence adding to the above national validations a popular state such as Spain, Italy or Austria can result in total validation costs 50% greater than UP, whilst validating in eight of the more popular states can cost two or three times as much to validate. However, it should be noted that several such states are not in the UP scheme, including GB, ES and TR, and hence would need validating in parallel in any event. Some typical validation figures are given right for a long specification.

Renewal costs

Some lifetime renewal costs are given below as a percentage relative to the cost of renewing for DE, FR, and GB - which is currently both the cheapest and most common validation pattern in Europe, and covers states representing more than half of Europe's GDP. It can be seen that the unitary patent costs roughly equivalent to four average renewal fees. Hence as noted, for applicants who regularly validate in four or more states for the full lifetime of their patent, the UP may be cost effective for renewals. Meanwhile if an applicant regularly drops states to manage costs, it is possible for the UP to become significantly more expensive in later years.

Authors:
David Al-Khalili, Doug Ealey, Rachel Bateman & Alice Stuart-Grumbar

Validation countries v UP + validation	EP bundle validation	UP + validation
GB, DE, FR v UP + GB	£434	£4,430
GB, DE, FR, IE, CH, ES, IT, NL, DK, SE v UP + GB, IE, CH, ES	£12,510	£10,985
All possible states (including extension / validation states) v UP + validation in all other states	£86,390	£58,067

Our frequently updated UP & UPC resources, including articles, webinars and guides, are available on demand online at:
www.dyoung.com/upandupc

Webinars

- Introduction to the UP & UPC
- UPC opt out
- UP & UP - jurisdiction
- Unitary patent v European patent validation
- UPC: representation and judges
- UPC: structure, language and where to start a case

Guides

- Guide to the unitary patent (UP)
- Guide to the Unified Patent Court (UPC)
- UPC opt-out FAQs

Cumulative renewal cost re DE FR GB	DE FR GB (%)	DE FR GB ES (%)	DE FR GB NL (%)	DE FR GB IR NL IT AT ES (%)	DE FR GB NL ES IT FI SE TR (%)	UP only (%)	UP + GB (%)	UP + GB ES TR (%)
At 5 years	100	120	140	220	400	120	140	200
At 10 years	100	120	140	280	340	140	180	220
At 15 years	100	120	140	280	300	140	180	220
At 20 years	100	120	140	260	260	140	160	200

CNIPA issues further revision of draft examination guidelines
A summary of new major changes

In light of the new measures brought about by the latest version of Chinese Patent Law, which came into force on 01 June 2021, China's National Intellectual Property Administration (CNIPA) has issued a further revision of draft amendment for the Patent Examination Guidelines (the draft guidelines) for public consultation. This is the fourth draft amendment following the previous ones issued in September 2020, November 2020, and August 2021.

> According to CNIPA's announcement, this revision of the draft guidelines covers 48 areas of the Chinese Patent Office proceedings and examination practices, in addition to a whole new chapter devoted to international designs procedures.

The proposed amendments are mainly refinement or elaboration of provisions introduced in previous drafts, such as procedures for adding, correcting and restoring priority rights; amending a patent application by referencing an earlier patent application; and the processing and examination of international design applications. In this article we will provide a brief summary of the new major changes in the draft guidelines.

Patent term adjustment

Patent term adjustment (PTA) was initially proposed in the Draft Implementing Regulations of Patent Law of 2021 to provide compensation of patent term for unreasonable delay caused by the patent office during the examination process for an invention patent. The draft guidelines set out the calculation of unreasonable examination delay, which is the patent grant date minus the date that has elapsed four years from the patent filing date, and has lapsed three years from the date of requesting for substantive examination. Notably, delays caused otherwise by stay of proceedings, preservation measures, administrative litigation proceedings, or re-examination proceedings after patent amendment are not considered unreasonable delays for the calculation of PTA.

Patent term extension

Patent term extension (PTE), which is analogous to the Supplementary Protection Certificate (SPC) in Europe, was also proposed by the Draft Implementing Regulations to provide patents (mainly pharmaceutical patents) with a compensation period for obtaining regulatory approval for the related active ingredients.

The draft guidelines provide for the calculation of the PTE, which is the date when the new drug gets approved for marketing in China, deducting the date that has lapsed five years from the patent filing date. Meanwhile, the compensation period shall not exceed five years, and the total effective patent term shall not exceed 14 years after the drug marketing approval.

Patent open license

The CNIPA launched the "Trial Program on Patent Open License" in May 2022 to propel patent rights commercialisation under the 14th Five–Year National Plan for IP Protection and Application. The draft guidelines stipulate the detailed procedure for submitting an open license statement, based on the experience from the trial programme. Specifically, an open license statement shall include the patentee's commitment to comply with the conditions of the open license statement, and a brief description to explain the basis and method of calculating the license fee.

The patent license fee shall generally not exceed 20 million Chinese Yuan if it is paid by a fixed fee. If the licence fee is paid in the form of royalty, the net sales royalty is generally limited to 20%, and the profit royalty is generally limited to 40%.

Patent ownership disputes and invalidation proceedings

The draft guidelines propose that when a stay of invalidation proceeding is sought by parties involved in ownership disputes of the same patent the collegiate panel may decide not to suspend the invalidation proceedings, if an invalidation decision is ready to be issued following the investigation that has been conducted. Additionally, the request for stay may be refused if the relevant ownership dispute apparently lacks sufficient grounds and evidence for the existence of a genuine ownership dispute, the request is clearly dishonest and improper, or the stay of proceedings would be apparently contrary to the interest of the parties or general public.

Observers have pointed out that the proposed amendment targets (addressing the procedural abuse in which the party "creates" artificial ownership disputes in order to delay the invalidation proceedings), result in an excessively long invalidation trial period.

Patent amendment during invalidation proceedings

The draft guidelines explicitly state that any amendment to the patent claims during invalidation proceedings must be based on the reasons for invalidation or deficiencies raised by the collegiate panel. Otherwise, the collegial panel may reject the claim amendment, even if it is an appropriate limitation of the technical solution and satisfies the requirements of other provisions.

Abolishing the 15-day rule for electronically-filed applications

The draft guidelines also propose that the original "15-day rule", which provides for adding a 15-day grace period to deadlines triggered by receipt of a patent office communication, will no longer apply to electronically delivered documents.

The public consultation ended on 15 December 2022. Taking note of the recently announced CNIPA plans for promoting the implementation of the "Opinions on Strengthening Intellectual Property Protection", which states that the draft guidelines shall be finalised by the end of 2022, we believe the ultimate version will not deviate much from the current draft.

Author:
Nigel Lee

The importance of pointers to technical effects
Lessons from T 0698/19

As ever more fields of technology benefit from computerisation, more and more applicants are finding themselves caught by the EPO's rules on "mixed-type" inventions. These include a mixture of features which the EPO considers to be "technical", and features which the EPO considers to be "non-technical". A recent decision by the Boards of Appeal in T 0698/19 provides an example which neatly illustrates a number of key considerations when dealing with such inventions.

T 0698/19 concerned the automation of the assessment of insured loss claims

The invention in T 0698/19 concerned the automation of the assessment of insured loss claims. Techniques have been known since the 1960s to partially automate the assessment through parametrisation of the insurance claims. These techniques, while increasing efficiency, came at the loss of accuracy. The claimed approach seeks to overcome this problem by using a two-part system, which uses the known parameterisation approach for the aspects of the insurance claims that are readily parameterisable, and uses pattern matching on historical data for the aspects of the insurance claims which are less readily parameterisable. In this way the entire insured loss claim can be automated in an accurate and efficient manner.

Under the EPO's assessment of mixed-type inventions, known as the "COMVIK" approach, the ultimate business aim of automatically handling insured loss claims would be considered as being non-technical, and hence unable to contribute to inventive step. However, having a non-technical aim does not disqualify an invention from patentability, and the computerised implementation (for example, the two-part system) can, in principle, be considered to involve technical aspects capable of supporting an inventive step.

In the appeal, the Board of Appeal summarised the appellant's position as follows: "(a) Splitting an insurance case into a parameterizable and a non-parameterizable part and treating the non-parameterizable part by pattern matching with historical data and seamless integration was technical and had a technical effect that could only be achieved by the technically skilled person through inventive activity. (b) When dividing a claim into technical and non-technical features, the notional business person could not be assumed to have these technical skills."

In reaching its decision, the Board of Appeal emphasised a number of important aspects that serve to guide applicants in arriving at patentable claims. A helpful aspect was that the Board of Appeal fully endorsed the concept of a notional "business person", who acts as the non-technical counterpart to the (technically) "skilled person". The Board of Appeal confirmed that the "business person", in contrast to, for example, a real world manager, is completely devoid of technical understanding: "In the case of a separation of technical and non-technical features, a feature with a technical effect could not be attributed without justification to the notional business person who, in contrast to the real business person, had no technical understanding at all."

This is important, as it requires that all technical aspects, even those which would be known by a real-world manager, must be taken into account by an EPO examiner when considering inventive step.

However, when considering the "seamless integration" of the technical implementation, the Board of Appeal noted that while such a feature could be regarded as a technical feature with a technical effect, the accompanying description did not sufficiently point to the technical effect of the feature now relied upon by the appellant such that this feature could not be relied upon. Additionally, the Board of Appeal noted that the description did not provide technical detail of how the pattern matching of historical data can be implemented, such that a technical effect of this aspect could not be implied from the specification.

The overall decision is succinctly summarised in the headnote of the case which reads: "If non-technical features have both a technical and a non-technical effect, the technical effect must be taken into account when assessing inventive step, but the technical effect must be clearly derivable from the application as a whole (Reasons 3.6.4 (1))."

So, the decision highlights a number of important practice points when prosecuting such mixed-type inventions at the EPO. In particular, this decision highlights the importance of making sure that your description as originally filed explicitly includes sufficient detail both on how technical aspects of your invention are implemented and, at least, pointers towards technical effects of the claims. While there is certainly scope to argue that technical effects are implicit from the description during prosecution, the applicant is on the back foot and is ultimately reliant on the examiner agreeing that these features are indeed implicit from the description. If you have any questions or concerns regarding this area your D Young & Co representative is here to help.

Author:
Anton Baker

EPO calls time on pilot project for ViCo opposition proceedings

Videoconferencing the default from 01 January 2023

Following publication of the final report on the pilot project for oral proceedings in opposition by videoconference (ViCo), the President of the European Patent Office (EPO) has decided all opposition oral proceedings are to be held by ViCo, by default, from 01 January 2023.

Introduction

The Covid-19 pandemic provided the catalyst for many changes to the EPO's IT systems and working practices. Although oral proceedings by ViCo were allowed in examination proceedings before the pandemic this was at the discretion of the Examining Division, and it was only in April 2020 that oral proceedings by ViCo became the default position in examination proceedings.

Due to the additional complexities oral proceedings present in opposition proceedings (such as there being multiple parties, the frequent need for real-time interpretation, and the proceedings being public), opposition oral proceedings were exclusively held face-to-face prior to the pandemic. The pilot project was therefore launched in April 2020 as an attempt to maintain business continuity during the pandemic. Although initially planned to run for one year, the pilot was extended four times, and will now finish on 31 December 2022.

> During the project over 6,000 oral proceedings in opposition were held by ViCo, including 34 oral proceedings on the same day, a feat that would have been impossible with face-to-face oral proceedings at the EPO.

Experience and feedback

The final report presented the results of a user satisfaction survey conducted in autumn 2022, which found that overall satisfaction with opposition oral proceedings by ViCo continues to improve, with 77% of respondents reporting favourable experiences of oral proceedings: up from 66% in a similar survey in 2021.

There was a perception at the beginning of the pilot project that oral proceedings by ViCo would affect the outcome of the proceedings. Indeed, following the start of the pilot project there was an increase in the number of patents being revoked (and conversely a reduction in the number of patents being maintained in amended form). However, this variance in outcome, compared to before the start of the pilot project, disappeared in January 2021, following the removal of the requirement for all parties to consent to oral proceedings being held by ViCo. This also resulted in a significant reduction in the number of requests for postponement of oral proceedings. It is likely that requests for postponement were used tactically at the beginning of the pilot project, for example opponents only consenting to oral proceedings by ViCo where they believed the chance of revocation was high, thereby increasing the number of opposition proceedings ending in revocation. The distribution of outcomes returning to pre-pandemic trends confirms that oral proceedings by ViCo has no bias or impact on the outcome of proceedings.

There was also a perception at the beginning of the pilot project that oral proceedings by ViCo would increase the length of the oral proceedings. In reality, 49% of survey respondents reported that oral proceedings by ViCo were a similar length to face-to-face oral proceedings, and 34% reported that oral proceedings by ViCo were shorter, although a true comparison is difficult due to individual factors for each opposition.

Another advantage of oral proceedings by ViCo is the removal of travel requirements for multiple parties to attend face-to-face proceedings at the EPO. The EPO conservatively estimates that the pilot project saved 1,000 tonnes of CO_2 in 2021: the equivalent of the annual electricity emissions of 300 households. The removal of travel requirements has also improved accessibility for members of the public, and resulted in a 24-fold increase in the number of requests from members of the public to attend oral proceedings. This provides an opportunity for trainee attorneys and foreign associates to gain valuable insight into oral proceedings and procedures at the EPO.

Technological advancements

Following a similar user experience survey in November 2021 the EPO has taken steps to mitigate against the main disadvantages users reported from holding oral proceedings by ViCo. These included improving the quality of video feeds, and introducing the ability to pin several specific video feeds within the display window, to allow users to focus on the body language and facial expressions of particular participants.

The EPO also introduced digital whiteboards, screen-sharing and chat functionalities, to allow participants to share annotations, presentations, documents, and written exchanges, to support or clarify their arguments. This provides more media for presenting arguments than available at face-to-face proceedings, with the digital whiteboard functionality alone exceeding the functionality of the paper flip charts available at face-to-face proceedings.

Although 57% of respondents in the 2022 user satisfaction survey rated recent oral proceedings by ViCo better than earlier in the pilot project, only 37% of respondents said the technological advancements provided by the EPO contributed to this. The main factor in the apparent improvement in oral proceedings by ViCo was the users' own increased experience with the format, demonstrating that familiarity with the format is important in order to get the most from oral proceedings by ViCo.

D Young & Co patent attorneys have extensive experience of using ViCo for both examination and opposition oral proceedings, having been participants in the initial ViCo feasibility

Useful link
EPO oral proceedings in opposition by videoconference, pilot project final report, November 2022: https://dycip.com/op-vico-nov22

During the pilot project nearly 300 oral proceedings by ViCo involved D Young & Co attorneys

trial conducted by the EPO in 2018. During the pilot project nearly 300 oral proceedings were scheduled in opposition proceedings involving D Young & Co attorneys.

Evolving legal and procedural framework

In the decision G1/21, in July 2021, the Enlarged Board of Appeal held that oral proceedings by ViCo are legally equivalent to oral proceedings held face-to-face under Article 116 EPC, and that oral proceedings by ViCo, although considered "sub-optimal" by the Enlarged Board of Appeal, comply with the principles of fairness of proceedings and the right to be heard.

> Although face-to-face proceedings will be permitted where oral proceedings by ViCo are deemed inappropriate, this will only be in very limited circumstances, such as a party to proceedings having visual impairment that prevents them following oral proceedings on-screen, or where demonstration or inspection of an object with essential haptic features is required.

Recent Board of Appeal decisions following G1/21 have held that the following are not sufficient reasons for making oral proceedings by ViCo inappropriate:

- A high number of documents and/or experimental data in the proceedings.
- A high number of parties to proceedings.
- An anticipation that the proceedings will have a long duration.

Following a peak in December 2020, the number of objections to oral proceedings by ViCo has steadily fallen, indicative of a change in attitude of users to oral proceedings by ViCo, and users' increased acceptance of the format.

Having previously peaked at 6,523, at the end of 2020, the number of pending oppositions is also back to pre-pandemic levels of just under 5,000, thanks in part to ViCo enabling a higher throughput of oral proceedings. The EPO announced its intent to maintain the number of pending oppositions below 5,000. The timeliness for resolution of oppositions has also gradually improved during the pilot project, with the EPO now aiming to resolve 70% of oppositions within 18 months, by the end of 2023. No indication, however, has been provided as to how close the EPO is to achieving this target.

Conclusions

In line with the final report's conclusions, the President of the EPO decided not only that the pilot project is to end, but also that oral proceedings in opposition are to be held by ViCo by default from 01 January 2023. This will bring opposition oral proceedings in line with other first instance proceedings.

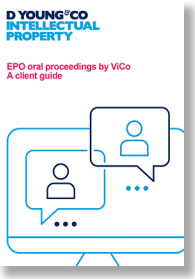
Although the President's decision goes against the decision G1/21, which stated that face-to-face oral proceedings are "the gold standard", G1/21 was explicitly limited to oral proceedings before the Boards of Appeal, and the Enlarged Board of Appeal did acknowledge that Article 116 EPC does not limit the form of oral proceedings. Equally, the President's decision does not extend to oral proceedings before the Boards of Appeal, which are governed separately by the Rules of Procedure of the Boards of Appeal.

From the data presented in the final report, resistance to the President's decision will be much lower than earlier in the pilot project, and many will welcome the decision. Indeed, D Young & Co continues to be well placed to represent clients in oral proceedings at the EPO.

Author:
Andrew Cockerell

Guide to ViCo at the EPO

We have drawn from our experience before the EPO by video conference to prepare a guide for participants covering what to expect and how best to prepare.



The guide includes our handy client "Checklist for ViCo": **www.dyoung.com/vico-guide**

Women's participation in inventive activity
A recent EPO study

It has long been understood that women are under-represented in a vast number of industries, including many areas of science and technology. For example, a 2017 report by the Organisation for Economic Co-operation and Development (OECD) found that women accounted for only around 37% of new entrants into tertiary-level science programs, less than 20% of entrants into tertiary-level computer science programs, and only around 18% of engineering entrants. In November 2022 the European Patent Office (EPO) published a study assessing the degree to which women are represented in inventive activities. This comprehensive study published by the EPO provides an opportunity to consider whether, and to what degree, this under-representation of women in research and industry translates into under-representation of women in inventive activity.

The EPO study calculates a women inventor rate (WIR) – the percentage of women inventors on European patent (EP) applications – based on inventor data from all applications filed at the EPO between 1976 and 2019. The nearly four million applications considered include applications from across all 38 states of the EPO, and provide information about over four million inventors. Therefore, this study provides an unprecedented insight into the inventive activity of women across the EPO. By attributing gender to inventors based on their names (necessary because patent applications do not capture information on inventors' genders), the study explores various factors which may affect the WIR.

WIR across the EPO

The EPO study finds that the WIR, while steadily increasing, is still well below 50%: the WIR in 2019 was determined to be as low as 13%. The study notes that this is significantly lower than the WIR in some other countries, with the People's Republic of China and the Republic of Korea being highlighted as having a significantly higher (although still far below 50%) WIR. Perhaps more notable, however, is the significant variation in the WIR **within** the EPO. For example, figure 3 (right) shows a difference of 22.6 percentage points between the highest WIR over the period of 2010-2019 (30.6% in Latvia) and the lowest WIR over the same period (8% in Austria). Austria is at the bottom of the ranking, despite being among the top ten patenting countries at the EPO.

The study proposes two possible explanations for this variation in the WIR between different contracting states, both of which are supported by the data:

1. The WIR differs by technological sector (figure 7 below), with the WIR in chemistry (especially in biotechnology and pharmaceuticals) being far higher than in any other sector. The study found that the WIR was generally higher in countries for whom a larger proportion of patent applications are in the chemistry sector.

2. The WIR is also higher for patent applications from universities and public research organisations (PROs) than for applications from companies (figure 9, page 11). The study found that the WIR was generally higher in countries for whom a larger proportion of patent applications were from universities and PROs.

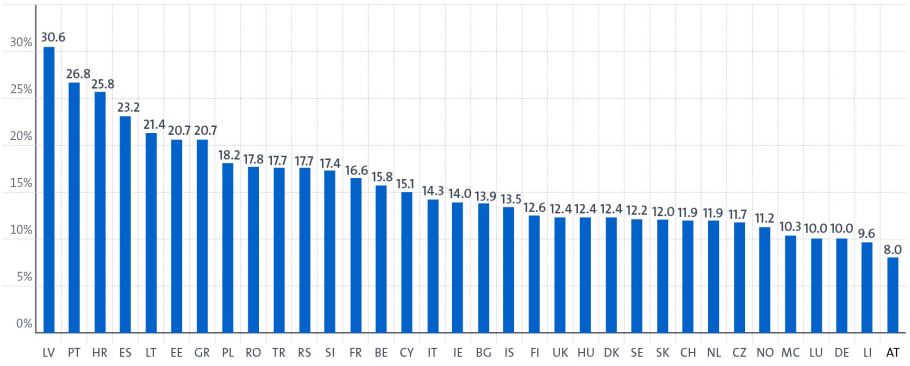
Leaking pipeline

The study considers whether the low WIR across the EPO can be explained by the so called "leaking pipeline" effect, whereby women face increasing obstacles when progressing in science, technology, engineering and mathematics (STEM) careers.

However, while it is likely that the leaking pipeline phenomenon goes some of the way to explaining the low WIR, it does not fully explain the low WIR. This is evident from the fact that the WIR is significantly lower than women's shares of research & development (R&D) personnel, researchers, and managers across the EPO (figure 5). This shows that there must be other factors at play.

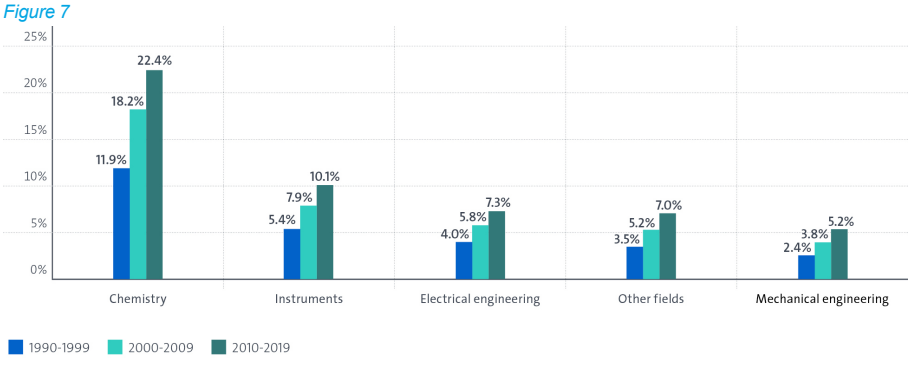
Figure 3

WIR by EPO country, 2010–2019 (priority year)



Note: 34 out of 38 countries are featured in this Figure. Albania, Malta, North Macedonia and San Marino are excluded, having too few patent applications with inventors' addresses in the country during the period analysed. The study data also exclude Montenegro, which was not yet an EPO contracting state when this report was prepared.

Figure 7



Notes: Data used in the Figure correspond to patent applications whose inventors reside in one (or more) of the 38 EPO countries.

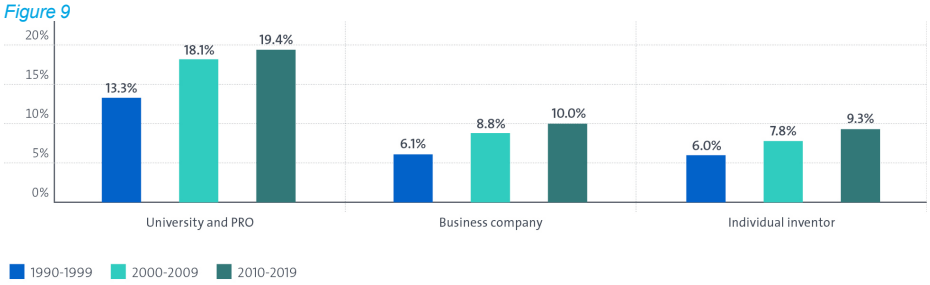
References

EPO report "Women's participation in inventive activity - Evidence from EPO data", published November 2022: https://dycip.com/epo-womeninip. Please refer to the EPO report for a full list of citations and further information about source data for figures.

The authors of the EPO study were Valentina Di Iasio, Francesco Lissoni, Ernest Miguelez, Gianluca Tarasconi, Yann Ménière, Muzio Grilli and Ilja Rudyk.

We thank the EPO for giving us permission to reproduce figures from the report.

Figure 9



Note: Data used in the Figure correspond to patent applications whose inventors reside in one (or more) of the 38 EPO countries.

Geographic constraints

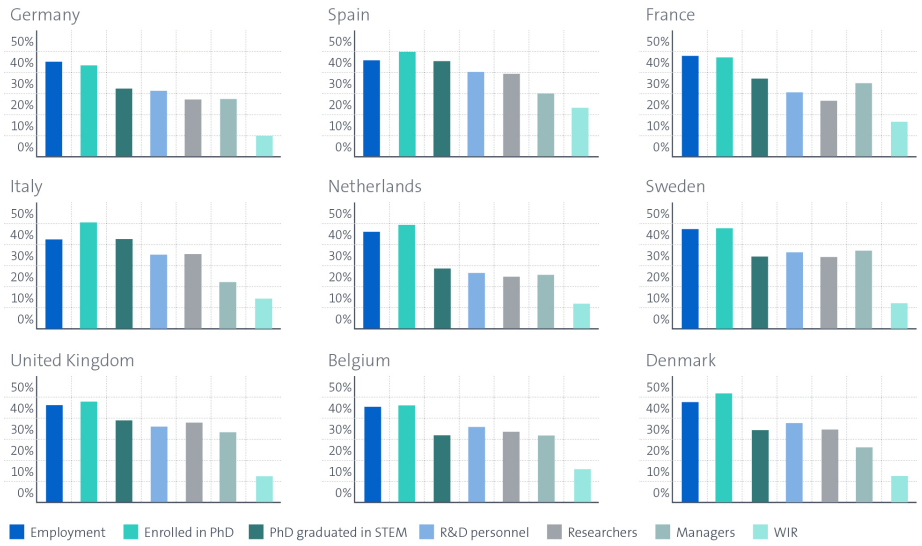
Another possible explanation identified in the study was that women may, on average, be more geographically constrained than men. As mentioned above, the study found significant variation in the WIR between EPO contracting states. In addition to this, the study also found there to be notable variation in the WIR between different regions within EPO countries. For example, the study found that most large national innovation hubs (such as London) have a WIR which is above the national average, or at least very close to it.

The study proposes a number of possible explanations for this regional heterogeneity. In some cases, it is possible that very high WIR in some peripheral regions may be statistical artefacts (owing to relatively low patenting activity in those regions). When it comes to the observation of the high WIR in national innovation hubs, however, the authors of the study considered that this might be caused by some of the same factors that cause the national variation in the WIR – national innovation hubs may show a higher degree of specialisation in technological fields where women inventors are relatively well represented, and more weight might be carried by patents from universities.

The authors of the study also suggested that part of the explanation may lie in genuine sociological factors, such as a higher acceptance of women in professions dominated by men. In addition, the study notes that previous research (Delgado et al, 2019) has found that women, relative to men, are more geographically constrained in their ability to access knowledge than men – for example, women are less likely to move across locations and participate in conferences and seminars away from their residence. The authors speculate, therefore, that the locational advantages that come from living or working in a national innovation hub such as London (including physical proximity to other inventors and researchers) may be more important for women than for men. Interestingly, the study also found the WIR to be higher for migrant women inventors than for native ones. This suggests that support for international mobility may give women more opportunities to engage in inventive careers.

Figure 5

Comparison of WIR with women's shares in total employment, PhD enrolment, PhD graduates in STEM, R&D personnel,



Notes: Employment: Share of women in the labour force (% of total labour force) – source: World Bank. PhD enrolment: Share of women enrolled in tertiary education, ISCED 8 programmes (PhD) – source: Eurostat. PhD graduated in STEM: Share of women graduated at doctoral level, in STEM (science, maths, computing, engineering), among population aged 25-34 – source: Eurostat. R&D personnel: Total R&D personnel (head counts), % women – source: UNESCO. Researchers: Researchers (head counts), % women. Managers: Women's share of employment in senior and middle management (%) – source: World Bank (ILOSTAT database). WIR: Women inventor rate.

Why should we care?

Researchers' incomes are strongly tied to their contributions (Bell et al, 2019), so a low WIR is likely to contribute to income inequality. Yet the EPO study found evidence that, while women tend to produce fewer patents than men, their inventions are as good and sometimes better than those of men. In addition, it has been found that women's patents are more likely to focus on women-specific health problems, while men's patents are more likely to focus on men-specific health problems (Koning et al.). Therefore, a low WIR translates into reduced breadth and inclusivity in technology, potentially increasing inequality in the healthcare system, for example.

Moving forward

The study notes that fields where the WIR is especially low (such as mechanical engineering, which had a WIR of 5.2% over the period from 2010-2019) could learn from those with a comparatively higher WIR (such as chemistry, where the WIR over the same period was 22.4%). Likewise, companies could learn from the work practices and cultural acceptance in universities and PROs. In addition, the study found that the presence of women in patenting increases with the importance of teamwork, which hints than increased teamwork and collaboration is likely to increase the WIR. The authors also suggest that improving the international mobility of women scientists could help to improve the WIR.

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