

D YOUNG & CO

PATENT

NEWSLETTER *no.87*

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Countdown to the Unified Patent Court

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As we go to print the UPC Administrative Committee has shared news of its inaugural meeting, in which it confirmed its rules of procedure (setting its legal framework), and adopted important instruments of the court's secondary legislation, such as the rules on the European patent litigation certificate and other appropriate qualifications, the court's service, staff and financial regulations. Preparation for this seismic change in the European patent landscape is key for patent owners and practitioners at this time. We have published our opt-out FAQs in this newsletter and our guides and webinars are now available at www.dyoung.com/upandupc.

Simon O'Brien, Editor

Webinars on demand



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Catch up with our latest round up of important and recent European biotech case law, presented by Simon O'Brien and Tom Pagdin. First broadcast 08 February 2022.

Introduction to the UP & UPC

Rachel Bateman presents an introduction to the unitary patent and Unified Patent Court.

The UPC opt-out

Jonathan DeVile discusses the ins and outs of this important UP and UPC action point.

Introduction to the UP & UPC

David Al-Khalili presents a webinar concerning UP v EP validation.

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Getting your priorities right (for the EPO & UKIPO)

CIPA webinar, 10 March 2022

Laura Jennings will discuss the requirements and other important aspects of priority, with reference to EPO Board of Appeal and UK court decisions.

Patent protection for software-related inventions in Europe and the USA

24-25 March 2022

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Countdown to the Unified Patent Court

As launch preparations begin we answer your UPC opt-out questions

Following news on the 18 January 2022 that Austria has deposited the instrument of ratification for the Protocol to the Agreement of a Unified Patent

Court, the UPC Preparatory Committee has announced the commencement of the UPC Provisional Application Period (PAP). The UPC provisional application period allows for completion of preparatory work establishing the UPC, including stress testing of the electronic case management system and the appointment of judges. The provisional application period is expected to last eight months, although this may be extended if more time is needed to complete the preparatory work.

With the provisional application period in effect, Germany can deposit its ratification of the UPC Agreement. Once German ratification is deposited, the new court will commence on the first day of the fourth month after the month in which that deposit occurs. Germany will not trigger this timetable until all preparatory work is complete. Consequently, the UPC and UP system could come into force between mid 2022 and early 2023.

Sunrise period

Ratification by Germany will also determine the beginning of the "sunrise period" – a three-month window before the UPC becomes fully operational when patent owners are able to file "opt-outs" for existing European patents and associated SPCs in one or more countries taking part in the UPC, and pending European applications. The list of countries is available here: <http://dycip.com/upc-countries>.

Opting out in the sunrise period is important for patent owners wanting to avoid the jurisdiction of the UPC. In this article we have summarised the UPC opt-out frequently asked questions (FAQ).

What is the opt-out?

The opt-out is a means by which a patent owner can remove European patents and European patent applications from the jurisdiction of the Unified Patent Court (UPC) when it comes into effect. The default position is that all European patent applications and

European patents with a filing date of 01 March 2007 or later will be subject to the jurisdiction of the UPC when it comes into effect, unless an opt-out is filed. The opt-out ensures that the litigation options remain the same.

The opt-out is related to the UPC. It is not relevant for unitary patents. Unitary patents (UPs) are always subject to the jurisdiction of the UPC and cannot be opted out.

What happens if I don't file an opt-out?

The UPC will share jurisdiction over your European patent and associated SPC(s) with the national courts. In practice this means that enforcement or third party actions can take place in the UPC or one or more national courts.

When can an opt-out be filed?

The opt-out will be available from the beginning of the "sunrise period" to the end of the "transitional period", provided that there is no ongoing UPC litigation when the opt-out is filed.

The sunrise period does not yet have a start date but it is expected to begin at least three months before the UPC comes into effect. If, for example, the UPC begins on 01 October 2022, then the sunrise period and opt-outs could have a start date of 01 July 2022.

The transitional period will expire at least seven years after the UPC comes into effect. It may, however, be extended by a further seven years. Continuing the above example, the transitional period could therefore expire on 01 October 2029 or 01 October 2036. An opt-out timeline with example dates is shown on page 03 of this newsletter.

So the opt-out depends on the beginning of the UPC; when will that be?

The UPC will come into effect once Germany deposits its ratification of the UPC Agreement. Specifically, the UPC will come into effect on the first day of the fourth month after Germany deposits its instrument of ratification. Germany is therefore the "gatekeeper" to the UPC and UP and are expected to deposit their ratification in mid to late 2022 depending on whether the necessary preparation for the UPC and UP has been completed.



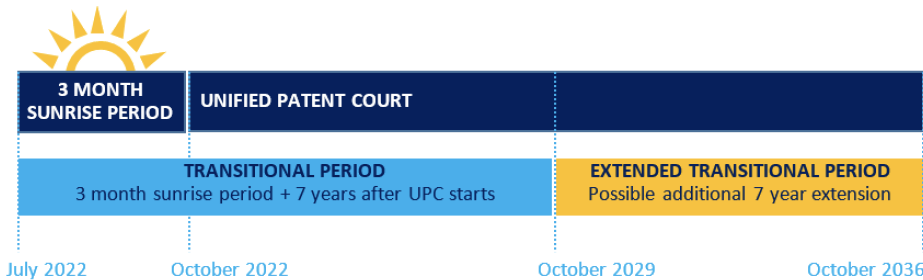
UP & UPC resources

New! In addition to our written UP & UPC guides, we have recently published three new UP & UPC webinars at www.dyoung.com/upandupc.

Introduction to the UP & UPC:
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UPC opt out:
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Unitary patent v European patent validation:
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disadvantages of the new system. Another option is to have co-existing national and European patents (provided double patenting provisions are complied with).

What about the UK?

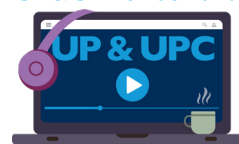
The UK has withdrawn its ratification of the UPC Agreement and its involvement in the UPC and UP. This means that nothing changes for EP patents validated in the UK (the UK part of the European patent "bundle"). The UK courts continue to have jurisdiction for any enforcement or third party action. UK-based European patent attorneys will, however, be able to represent clients in the UPC, file opt-out applications and provide advice on the new system.

Representation

A unitary patent (UP) is obtained by filing a European patent application and selecting the UP at grant. Both our UK and Germany based European Patent Attorneys will be able to obtain UPs at the European Patent Office, exactly as we currently do for European patents. We will also be able to prepare and file opt-outs.

Furthermore, D Young & Co's experienced European patent attorneys, UK and German qualified patent attorneys as well as solicitors and Rechtsanwälte have the rights of representation before the UKIPO, the DPMA, the EPO and the UPC and can advise and support you when enforcing or defending actions for patent infringement and revocation/nullity actions. We will therefore be able to advise on a strategy for choosing the most appropriate route for patent protection utilising both the options of the unitary patent and national patent rights to match budget with respect to our client's business strategy.

UP & UPC on demand webinars



Our new library of UP & UPC webinars, including our webinar guide to the UPC opt-out is now online:

www.dyoung.com/upandupc.

Author:

Rachel Bateman



How long will the opt-out be effective?

It is understood that the opt-out, once registered by the UPC Registry, will be effective for the lifetime of the European patent/patent application. An exception to this will be if the patent owner subsequently withdraws the opt-out.

So I can change my mind about the opt-out?

Yes – if you file an opt-out and later change your mind, then you can withdraw the opt-out in order to restore the shared jurisdiction of the UPC and national courts. This option is, however, only available once. Withdrawal of the opt-out is permanent, it is not possible to file a second opt-out. A withdrawal is also not available if an action has been launched in the national courts.

How can I request the opt-out?

Opt-out applications will be submitted to the UPC registry via an online management system. There will be no official fee.

Only the proprietor(s) or applicant(s) is entitled to opt-out and the European representative submitting the opt-out application will be required to complete a declaration stating that they are entitled to act on behalf of the proprietor(s)/applicant(s). The current proprietor(s)/applicant(s) might not be the owner(s) registered before the EPO or national patent office(s) meaning that the preparation of a valid declaration is likely to be key for acceptance and validity of any opt-out application.

Can co-owners, licensees or SPC owners request the opt-out?

Licensees will not be able to request an opt-out. If you are a licensee, exclusive or otherwise, and have a preference for the opt-out, this should therefore be discussed with the patent owner. Licence agreements should also be reviewed for handling of the opt-out. Co-owners must opt-out in agreement. It is

not possible to divide a bundle of national rights from a granted European patent if they are owned by different entities, for example, opting out certain members of the bundle.

A supplementary protection certificate (SPC) must "follow" the EP patent on which it is based. This means that if the European patent is opted out, the SPC must also be opted out. If the SPC and patent are owned by different entities, then all owners must opt out in agreement.

Why should I consider the opt-out?

There are, unsurprisingly, many advantages and disadvantages to the new system and the opt-out decision is likely to need a case-by-case analysis balancing a range of factors.

One of the key factors is the risk of central revocation in an untested environment. Many patent owners may therefore opt out everything – at least in the initial few years of the system coming into effect. Should central action in the UPC be desired in future, the opt-out could then be withdrawn and suitable action taken, provided that no action has been launched in the national courts. However, the risk of opting everything out is that competitors will be able to initiate national litigation and "lock" patents out that may have been suited to UPC enforcement. Opting everything out will also mean that there is limited opportunity for UPC case law to be influenced.

Another factor to consider is the shared jurisdiction between the UPC and national courts for non opted-out EP patents. This shared jurisdiction allows the proprietor to choose where to bring an action; assuming of course that proceedings have not already been started in the UPC.

One option to consider is therefore the use of divisional applications and/or related cases to balance the advantages and

AI & IP consultation

Focus on patents

In view of the increasing use of artificial intelligence (AI) in fields of research as diverse as drug discovery and automotive design, a consideration of inventorship issues arising from this use is warranted; and the UKIPO is currently undertaking a consultation focusing on potential changes to copyright and patent law. Here we explore the issues considered by the consultation and explain the reasoning behind our response, with a particular focus on patents. In a later newsletter we will explore the issues surrounding copyright and data mining in more detail.

The UK Patents Act (UKPA) defines an inventor as “the actual deviser of the invention” (Section 7(3) UKPA). It is currently accepted within UK law that this must be a person (*Thaler v Comptroller General of Patents, Trademarks & Designs*, 2020, EWHC 2412(Pat)), and this view has also recently been confirmed by the EPO (J8/20 & J9/20).

As AIs become increasingly autonomous and complex, the patents section of the current consultation focuses on whether AIs could, and should, be listed as inventors, as has recently been accepted in Australia and South Africa. This is of course an important issue in the UK, where patent ownership follows inventorship.

As part of the consultation the UKIPO has identified four potential ways forward:

Patent inventorship	
Option 0	Make no legal change.
Option 1	“Inventor” expanded to include humans responsible for an AI system which devises inventions.
Option 2	Allow patent applications to identify AI as inventor.
Option 3	Protect AI-devised inventions through a new type of protection.

Making no legal change is not fit for purpose
In our opinion the UKIPO’s current system

for determining inventorship of inventions made using an AI is not fit for purpose since it gives no credit for the invention to the deviser of the AI, even though they may have been instrumental in arriving at the invention. We therefore consider that option 0, make no legal change, should not be adopted.

“Inventors” should be expanded to include humans responsible for an AI system

In our response to the consultation we strongly advocated for option 1, which would see the term “inventor” expanded to include humans responsible for an AI system that generates inventions. This appears to be broadly in line with the approach recently adopted by the German Federal Court.

We consider that, for the foreseeable future, AIs simply cannot be considered to be inventors. AIs are increasingly capable of generating new things which are not obvious to a person skilled in the art, as required for inventive step. However, this does not mean that the AI is the deviser of the invention because there is an implication of planning, forethought and foresight within the term “devise” that cannot be achieved by current AIs.

Typically, the planning, forethought, and foresight required to devise an invention are provided by the people responsible for creating and training an AI. The AI then generates an output or function, which is latent within a concept space occupied by the training set and inputs provided by those people. Hence whilst the output of the AI may be novel and non-obvious, the AI is merely a sophisticated processing tool and therefore cannot be considered an inventor. Rather, in this scenario, the inventors should be the people responsible for training the AI.

Option 1 could be achieved by amending the Patents Act to include a new provision similar to section 9(3) of the Copyright, Designs and Patents Act 1988 (CDPA), where authorship is accorded to the person “by whom the arrangements necessary for the creation of the work are undertaken”. This seems to be a clear and straightforward option, and would unify the approach

between copyright, designs and patents.

Identifying AIs as inventors would lead to additional problems

As discussed, we consider that AIs are simply not capable of devising inventions, and therefore cannot be considered inventors.

In addition, identifying AIs as inventors on UK patent applications would lead to a series of additional problems.

For example, declaring AIs to be inventors opens up questions for inventive step, who the skilled person still is and what forms the state of the art. The skilled person is conventionally understood to have full knowledge, but a limited capacity for innovation. Meanwhile the knowledge of an AI is limited to its training and by its architecture, but within that it may have the potential to fully explore the concept space these define.

Different training, architectures, and inputs of AIs can be assumed to generate different inventive capabilities, but are all unknowns that create a new degree of uncertainty when assessing inventive step. This uncertainty would be mirrored in deciding what constitutes the state of the art for an AI. For example, AIs could be considered exempt from knowledge that is offline such as paper-only books, or public prior use. Conversely, AIs could be considered able to use machine-readable data such as binary or encoded information not normally treated as practically accessible to the skilled person.

There are also a number of practical obligations placed upon inventors, including assigning and licencing patent applications. These could not be performed by an AI.

We must also consider the implications that amending UK law to list AIs as inventors would have on applications which are subsequently filed in other jurisdictions. For example, an AI could not fulfil the assignment and declaration requirements of the US. Further, where an AI is in the cloud, it may be difficult to assign a nationality to an AI, which would have implications in countries which require patent applications to be first

➤ Related articles

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AI in drug discovery - technical and IP challenges: www.dyoung.com/en/knowledgebank/articles/ai-drug-discovery

AI (part one): how does AI interact with UK excluded subject matter provisions?:
www.dyoung.com/en/knowledgebank/articles/ai-uk-excluded-subject-matter

AI (part two): inventorship and ownership:
www.dyoung.com/en/knowledgebank/articles/ai-patent-inventorship-ownership

The UK AI and IP consultation asks whether an artificial intelligence can or should be listed as an inventor?



filed as a national application. Finally, if an AI can be acknowledged as an inventor in the UK, but not in other jurisdictions, there are implications for both the inventorship and ownership of applications claiming priority to a UK application which lists an AI as an inventor. This may lead to the need to first file outside the UK in a jurisdiction which does not allow AIs to be listed as inventors, to ensure a valid priority application which can be relied on in all jurisdictions.

In short, allowing AIs to be listed as inventors has a number of legal and practical implications in both the UK and other jurisdictions which would need to be addressed if this option were pursued.

Protecting innovation produced using AI through a new type of protection is not appropriate

The final option proposed in the UKIPO consultation is a new sui generis right for alleged AI inventions. We consider that there is no need for such a right if we accept that AIs are not capable of devising inventions. Further, the introduction of a new right is also likely to lead to additional issues making it an unattractive proposal.

Although many people discuss AIs as though they were identical this is, of course, incorrect. A new right for alleged AI inventions would require AIs to be accurately defined in order

to determine which inventions should be protected by this right. Since not all innovation which involves the use of an AI is likely to be derived solely by the AI, careful consideration would also need to be given to when an AI is used as a tool and when the AI itself has produced the invention. In such a rapidly developing field these are likely to represent ongoing and substantial challenges.

It would represent another challenge to determine the appropriate scope of protection for such a new right. If the scope were the same as that of a traditional patent one would query why the new right is actually required. Similarly, if the new right were to offer more limited protection the new right may be unappealing, as may currently be the case for utility patents in some jurisdictions.

There are also likely to be difficulties associated with claiming priority from the new right in jurisdictions which do not offer a corresponding right for AI inventions. This could represent a significant hurdle, requiring either a large number of bilateral agreements or an amendment to the Paris Convention to recognise the new right.

There are also likely to be difficulties if an invention is considered to have been co-invented by a human and an AI. At present it is not clear whether such an invention should be protected by a patent or by a new sui

generis right, and whether it would be possible for an invention to be transferred between the patent system and the new sui generis right if, for example, the claims were limited during prosecution to exclude the contribution made by the human or by the AI. This would lead to new uncertainty for third parties.

Conclusion

It is apparent that AIs will make a comprehensive contribution to innovation over the coming years. There is therefore a need to ensure that such innovation is appropriately protected and attributed in order to encourage innovation. However we consider that AIs are simply not capable of devising inventions, and that they should therefore not be listed as inventors on patent applications. A sui generis right would be unlikely to offer appropriate protection, both in the UK and abroad, particularly in view of the rapidly evolving nature and widespread use of this technology.

We consider that the most appropriate response to the present consultation is an expanded definition of the term “inventor” to include humans responsible for an AI system which generates patentable subject-matter. In this way, such innovations would be appropriately protected and owned whilst maintaining certainty for all parties.

Authors:

Doug Ealey & Jennifer O'Farrell



Keeping IP fit

Patent strategies for the connected home gym

After the start of 2022, many of us will have committed to exercising more. For some this will mean signing up for a monthly gym membership that we use regularly for a couple of months and then rarely use again (cancelling it again in November). For others though this will mean buying a new piece of equipment to use in our homes.

Over the pandemic, connected home gym equipment such as the Peloton bike, Hydrow rowing machine and the Lululemon Mirror have become incredibly popular. The term “home gym equipment” used to mean a home assembled foldaway rowing machine whose seat never quite worked properly and that used to sit in the corner of garage collecting dust. Recently, however, home gym equipment means commercial-grade, low-maintenance, beautifully-designed and well-built pieces of kit whose aesthetics mean they sometimes take centre stage in a lounge.

From a consumer perspective, these pieces of equipment provide the ability to have a fitness class in your own home whilst working out using an ergonomically designed and stylish looking device. From a company perspective, these pieces of equipment are sold at a premium and, importantly, require a monthly subscription to get access to the array of classes performed on these devices. This provides a continual revenue stream for the company. This type of business model is very profitable and allows companies to grow rapidly.

For example, Peloton began in 2013 with its first bike being sold for \$1,500 on Kickstarter. It is now a publically traded company with an annual revenue of almost \$4 billion (with an increase in demand being provided by the pandemic).

In addition to the actual equipment and subscription services, many of these companies have developed corresponding apparel lines. Some of these apparel lines have been developed in conjunction with established sports brands as well as others that have been developed by the equipment manufacturer themselves. For example, Peloton has developed apparel with Adidas whilst also developing apparel on its own.

Patent opportunities and challenges for the home gym equipment market



Due to the rapidly increasing and ever more crowded market, intellectual property plays an important part in protecting the unique selling point of the products.

Recently, Nike Inc launched a patent infringement action at the US District Court in Manhattan against Lululemon Athletica Inc accusing it of patent infringement with the Lululemon Mirror and its related apps. The action centres around six patents including technology that enables users to target specific levels of exertion, compete with other users and to record their own performance. This functionality is really important for users as it helps the user improve their performance over time and thus reach their goals.

This recent action follows other skirmishes in this area. In November 2021, Lululemon sued Peloton in the Central District of California alleging that Peloton infringed a number of designs for apparel such as sports bras and leggings. A few days prior to this, and pre-empting the suit, Peloton had sought a declaration from the court saying that it did not infringe Lululemon designs.

Again in November 2021, Peloton itself accused Echelon Fitness and NordicTrack maker iFit of patent infringement in the Delaware Federal Court. Specifically, Peloton alleged that Echelon’ bikes, treadmills and rowing machines infringed a patent relating to a leaderboard that helped users compare their performance during live classes. In the case of iFit, Peloton alleged that NordicTrack’s bikes, treadmills, elliptical machines and other kit infringed four patents including technology that allows workouts to be automatically adjusted based on performance.

In many instances of these new pieces of home gym equipment, the actual devices use fundamentally known technology which makes it difficult to protect the core technology of the equipment using patents. For example, the Peloton bike uses magnetic resistance to adjust the resistance on the bike rather than felt pads which have been included spin bikes for many years.

In other instances, the equipment is fundamentally based on known technology but that technology has been adapted for a new purpose. For example, in the Hydrow

Exhaustion of IP rights in the UK Regime set to continue

The UK Government has announced that its current IP exhaustion regime will remain in place for the time being, as there is not enough data available to understand the economic impact of any alternative proposals.

Since leaving the EU, the UK has been operating under what the government calls a “UK+” regime, which is where intellectual property rights in relation to goods are considered exhausted when first placed on the market in the EEA by the IP owner or with the owner’s consent and then imported into the UK. This is not, however, reciprocated by the EU for products going the other way.

In the height of summer 2021 the UK Government launched a 12-week consultation through the UKIPO seeking views from owners and users of IP rights on what form of exhaustion regime the UK should take following its departure from Europe. Among other questions, the government sought views on four different proposals including UK+, national, international and “mixed” forms of exhaustion, each considering at what point rights become exhausted.

After reviewing 150 responses from businesses, organisations such as trade associations, and other private individuals, on 18 January 2022 the government concluded that “there is not enough data available to understand the economic impact of any of the alternatives to the current UK+ regime. As a result, it has not been possible to make a decision based on the criteria originally intended.” The government announcement went on to say that further development of the policy framework is required. As no timeframe has been set for any such development or decision, it appears IP rights holders must continue to be patient for further developments while the current asymmetric exhaustion regime continues.

View the consultation summary:
<http://dycip.com/uk-exhaustion-summary>.

Author:
Jake Hayes



rowing machine, resistance is provided by a new magnetic arrangement rather than the more conventional fan or water and paddle arrangement. This not only allows the machine to be quieter, but by controlling the resistance 100+ times a second, the experience of rowing on water is more closely replicated. This adaptation of known technology is capable of patent protection in Europe which helps protect the fundamental technology in the equipment.

However, as noted, the equipment itself is only part of the story. The subscription services provide great value to these companies. So, can these be protected?

In short, the answer is maybe. In Europe, the key question to answer is what is the technical effect or advantage of the distinguishing feature or features of the invention compared with the closest prior art. In order for the claim to be even arguably inventive, there needs to be a technical advantage associated with the distinguishing feature.

This notion of technical advantage associated with the distinguishing feature(s) can make obtaining patents for subscription services in this area of technology challenging and careful drafting of the patent application may assist in obtaining patent protection in Europe.

Let us illustrate the challenge in drafting these applications with an example. In order to assist with competition, many of these subscription services provide a real-time leaderboard which is displayed on the screen. This leaderboard identifies people in the class and ranks their position based on real-time performance, usually including the user’s position in the ranking to provide motivation for the user. Given the large number of participants in a class, and the need for real-time updating, this provides certain challenges for the designers of the leaderboard.

However, many advantages for the user are associated with the **layout** of leaderboard information. Whilst patents to the layout will be very useful (and will help easily identify infringement), these types of advantages are rarely seen as “technical” at the EPO as the layout is one way of presenting information, and

so will likely ultimately fail under inventive step.

However, it is possible to improve the chances of obtaining patents to this aspect of the product.

The leaderboard information is generated in a server from data collected from the equipment of many thousands of participants. At the home gym side, this may mean the data is processed and packaged in a particular way to reduce the amount of bandwidth of the home network required and to ease unpacking at the server side so that the data can be processed quickly and easily at the server. This allows the amount of data to be uploaded to the server to be reduced and allows for generation of the real-time leaderboard from many thousands of participants with less resource used at the server side.

Moreover, as many participants’ view on-demand content, the leaderboard will evolve as more participants view the content over time. The mechanism for retrieval of archived data associated with a particular workout and the generation of a live leaderboard for the user viewing the archived workout is technically very complicated at the server side to ensure that server resources are used efficiently.

These mechanisms at the home gym side and the server side associated with this aspect of leaderboard generation are far more likely to be seen as having a technical advantage and it is worth putting in time and effort in describing these areas in the original patent application to improve your chances of obtaining patent protection in Europe.

It may be that many people tire of their home gym equipment and return to more organised fitness classes as Covid restrictions lift. This will leave garage corners across the world filled with ever increasingly expensive pieces of gym equipment. However, it is clear that the connected nature of gym equipment (be it at home or in a commercial gym) allowing classes of many thousands and the desire for people to improve their fitness using technology is here to stay.

Author:
Jonathan Jackson



G1/22 & G2/22

Referral to Enlarged Board of Appeal on entitlement to claim priority

Two questions have recently been referred to the Enlarged Board of Appeal regarding entitlement to claim priority. In particular, referrals have been made from related appeals T 1513/17 and T 2719/19 regarding whether the European Patent Office (EPO) has the power to decide on entitlement to a priority right, and how the “joint applicants approach” is to be applied to PCT applications where different applicants are listed for different states.

Questions referred to the Enlarged Board of Appeal

- I. Does the EPC confer jurisdiction on the EPO to determine whether a party validly claims to be a successor in title as referred to in Article 87(1)(b) EPC?
- II. If question I is answered in the affirmative Can a party B validly rely on the priority right claimed in a PCT-application for the purpose of claiming priority rights under Article 87(1) EPC in the case where
 - 1) a PCT-application designates party A as applicant for the US only and party B as applicant for other designated States, including regional European patent protection and
 - 2) the PCT-application claims priority from an earlier patent application that designates party A as the applicant and
 - 3) the priority claimed in the PCT-application is in compliance with Article 4 of the Paris Convention?

Background

Article 87(1) EPC stipulates that the entitlement to claim priority belongs to the applicant of the earlier application (the priority application) or their successor in title. The applicant of the later-filed EP application must therefore be the same as the applicant of the priority application, or must be their successor in title. This may appear to be relatively straightforward where there is only one applicant for both the priority application and the later-filed application. However, matters can become increasingly complex where multiple parties are listed as the applicant for either or both of the priority and later-filed applications.

It is well-established practice at the EPO that, in cases where the later application is filed by

two or more joint applicants and claims priority from an earlier application, the priority claim is valid provided that the applicants (or their successors in title) of the priority application are included in the list of applicants for the later European patent application. In other words, the addition of applicants to the later application is not precluded so long as all of the applicants of the priority application are also included. This is referred to as the “joint applicants approach”, and was summarised succinctly by the Board of Appeal as follows: “The “joint applicants approach” concerns, in the most simple case, the situation where a party A is applicant for the priority application and parties A and B are applicants for the subsequent application in which the priority right is invoked. Party B can now benefit from the priority right to which their co-applicant party A is entitled. A separate transfer of the priority right to party B is not needed.”

Facts of the case

In the case at issue, the priority application was a provisional US application that was filed in the name of the three inventors – inventors “X”, “Y” and “Z”.

A PCT application was subsequently filed, claiming priority to this US provisional. As is possible under PCT provisions, the PCT application listed different applicants for different designated states:

- Inventors X, Y and Z were listed as inventors and applicants for the US only;
- Parties V and W were listed as applicants for all other designated states (including European patent), with inventors X, Y and Z listed as inventors only.

In the first instance decisions under appeal, it was held that the priority claim was not valid because the right to claim priority had not been assigned from applicant-inventors Y and Z to either party V or W.

Question II – applicability of “PCT joint applicants approach”

On appeal, the appellant argued that, where the applicants for a PCT application were not the same for all designated states, they should nevertheless be regarded as joint applicants.

The appellant thus argued that the “joint applicants approach”, which is applicable to European patent applications, should also apply to PCT applications. The Board of Appeal referred to this as the “PCT joint applicants approach”. Following that approach, the priority claim should be acknowledged as valid because the applicants of the priority application – X, Y and Z – were **among** the applicants of the PCT application, irrespective of the fact that they were not applicants for the European patent designation.

However, a counter-argument to this was that none of inventors X, Y or Z were applicants for the European patent designation, and therefore that they cannot be considered to be joint applicants for the European patent application at issue.

The Board of Appeal agreed that the applicability of the PCT joint applicants approach is of fundamental importance as several other appeal cases identify this as a disputed concept. The Board of Appeal also commented that the answer to the question of whether the PCT joint applicants approach can be accepted is “not clear cut”, and therefore found it appropriate to refer questions concerning this matter to the Enlarged Board of Appeal.

The answer to question II may be of most relevance to cases where a priority claim is made in respect of a US provisional application filed before March 2013 (pre-AIA), back when inventors were often listed as the applicants, such as was the case in the referring decisions. However, although this may no longer be common practice, there are still many cases before the EPO where such priority claims are at issue. Additionally, the referred questions are not limited to the particular scenario of a pre-AIA US provisional application, and the answers will thus have implications for any application that lists different applicants for different states.

Question I – jurisdiction of the EPO to decide on entitlement to priority right

Of note is that the Board of Appeal's referral has not been limited to the question of applicability of the joint applicants approach

EPO Board of Appeal Decisions Third edition ebook

The third edition of our book of decisions from the European Patent Office (EPO) Boards of Appeal is now available as an ebook download. The selected Board of Appeal decisions have been chosen on the basis of many years of experience in arguing cases before the EPO. In general, they represent some of the most useful and frequently cited decisions used by D Young & Co's patent group during both our defence of and opposition to European patents. In this third edition we have included a number of additional cases and an updated section on the Rules of Procedure of the Boards of Appeal of the European Patent Office. We have also included a new section on oral proceedings being held by video conference (ViCo).

Contributors

The book was written and co-edited by members of our biotechnology, chemistry and pharmaceuticals patent group - Charles Harding, Antony Latham, Matthew Gallon and Rachel Bateman.



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G1/22 and G2/22 raise questions regarding entitlement to claim priority



for PCT applications, but also raises the question of whether the EPO has jurisdiction to determine whether a party validly claims to be a successor in title under Article 87(1) EPC. The Board of Appeal acknowledged that this issue has been addressed at length in the recent CRISPR-Cas decision, T844/18. In this earlier decision, it was confirmed that there is no legal basis in the EPC for disregarding the requirement for the EPO to examine who can claim priority.

right has been questioned *ex officio* in a series of other cases, and that this issue will therefore most likely be raised again.

The Board of Appeal thus considered that – given that a referral is being made to the Enlarged Board of Appeal on the question of entitlement to claim priority – this will be a “convenient opportunity” to have a final decision on the question of the EPO’s jurisdiction as well.

The answer to this question in particular could have serious implications for how priority is generally assessed by the EPO, particularly during opposition where entitlement to claim priority is often at issue. An answer in the negative would represent a significant shift in current practice, seeming to go against established case law of the EPO, and would have large ramifications for many cases that are yet to be decided upon.

We await the decision with interest.

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CRISPR patent appeal decision: EPO maintains “all applicants” approach to priority

Read our report regarding the Board of Appeal’s decision, December 2021: www.dyoung.com/en/knowledgebank/articles/crispr-appeal-all-applicants

While the Board of Appeal in the present case was inclined to agree, they nevertheless considered the jurisdiction of the EPO to decide on the entitlement to the priority

Assessing inventive step European patents and the shake-up of the automotive industry

How can the European patent system help protect innovation in the fast-changing automotive world?



The automotive industry is arguably going through the biggest transition in its history. One reason is the ongoing development of self-driving vehicles. Another reason is the phasing out of the internal combustion engine (ICE) in favour of hybrid and electric vehicles. Whilst some well-established automotive companies such as Toyota have been developing hybrid vehicles for many years, the move to fully electric is being spearheaded by governments to help combat climate change. For example, the sale of all new conventional petrol and diesel cars will be banned in the UK from 2030, with the European Union proposing a similar ban by 2035.

Traditional automotive manufacturers will no doubt remain major players in the market. For example, many such companies are already beginning to offer fully electric versions of their most popular models. Some are even looking to lead the way by offering a whole new range of fully electric vehicles (see, for example, Toyota's fully electric bZ range).

However, the transition to new technology is also opening the field to companies other than these traditional car makers.

There is, for example, Tesla. With its trillion-dollar market valuation, charismatic CEO

and fully electric, touchscreen-controlled products, it feels more like a Silicon Valley tech company than a car company. Other companies are also getting involved, including tech giants such as Apple (with its rumoured electric car) and Sony (with its recent unveiling of a second Vision-S concept car and the expected creation of a new electric car company, Sony Mobility).

Why are tech companies getting involved?

Electric, self-driving cars can be seen as quite different products to traditional ICE cars. This makes them a more relevant proposition for tech companies.

First, using a battery and set of electric motors instead of an ICE means much of the specialist knowhow related to ICEs is no longer required. At the same time, the knowledge tech companies have of batteries and electronic systems is potentially more valuable than ever before.

Second, to operate safely, self-driving cars must acquire and process huge amounts of data, far more so than even the most technically-advanced car driven by a human. This requires a large number of various types of sensors and the capability to efficiently communicate and process the data they generate. Tech companies are experts at this.

Third, once cars are able to safely drive themselves over long distances without human involvement, a whole new approach to immersive, in-car digital entertainment is envisaged. Again, tech companies (especially those with experience in the audio-visual and content creation fields) are perfectly placed to help with this.

Is patent protection important?

In light of these developments, it is expected the automotive market will become increasingly complex and competitive in the coming years. Obtaining patent protection for new automotive technology is therefore one way in which players in the market might help strengthen their position. This applies to both brand new technology and existing technology from other fields which is newly adapted for use in the automotive sector. The latter may be particularly important for companies looking to use technology they have developed in other fields in an automotive application for the first time.

Adapted technology and inventive step in Europe

In order for technology to be patentable at the European Patent Office (EPO), it must be new (novel) and involve an inventive step. Novelty is relatively straightforward to show (and, often, a similar standard is applied as in other jurisdictions). Inventive

➤ Useful links

"Government takes historic step towards net-zero with end of sale of new petrol and diesel cars by 2030":
<http://dycip.com/uk-gov-net-zero-cars>

"EU proposes effective ban for new fossil-fuel cars from 2035":
<http://dycip.com/reuters-eu-car-fossil-ban>

step is more subjective. However, it can be helpful that the EPO generally applies a specific, formulaic approach to assessing inventive step. This is the so-called "problem-and-solution" approach.

The problem-and-solution approach potentially makes the EPO an attractive choice for patent applicants looking to protect inventions which adapt existing technology for use in a different technical field.

The problem-and-solution approach

The problem-and-solution approach has three steps.

1. The "closest prior art" to the invention must be established.
2. The "objective technical problem" must be identified. This is derived from the technical effect or advantage of the distinguishing feature(s) of the invention compared to the closest prior art.
3. It must be determined whether the skilled person, starting from the closest prior art and looking to solve the objective technical problem, would have arrived at the invention from the teachings of the prior art without using inventive skill. If not, then the invention involves an inventive step.

The assessment of the third step can be favourable to inventions in which technology already existing in one technical field is applied to a different technical field. As made clear by the EPO Guidelines for Examination, the test for the third step is whether the skilled person would (not simply could, but **would**) have arrived at the invention from the teachings of the prior art. This is referred to as the "could-would" approach. It is also made clear that the skilled person is generally expected to look for a solution to the objective technical problem in **neighbouring** or more **general** technical fields to that of the invention. They **may**

consider **remote** technical fields. However, the prior art must **prompt** them to do this.

Thus, for an invention in the automotive field newly using existing technology from a remote technical field (such as smartphones, entertainment devices, and cameras), if there is no prompt in the prior art teachings that would have led the skilled person to apply that technology to the automotive field, there is potentially a good argument in favour of inventive step at the EPO.

Example

The invention is an automotive self-driving system using a known image sensor with a fast response time originally developed to allow more responsive smartphone photography. Features A, B and C of the image sensor work in combination to provide the fast response time. The inventors have recognised that the fast response time of the image sensor makes it particularly good for use with an automotive self-driving system, since it allows obstacles in the road to be detected in captured images more quickly. The safety of the automotive-self driving system is therefore improved.

Due to smartphone imaging being a "remote" technical field to the automotive technical field, a broad claim scope could potentially be obtained. For example, a potentially allowable independent claim could be: "An automotive self-driving system comprising an image sensor comprising features A, B and C."

Because the claim specifically defines an "automotive self-driving system" comprising the image sensor, the claim is **new** even though the image sensor itself is known.

Furthermore, starting from the closest prior art of a known automotive self-driving system (which does not use the image sensor), the objective technical problem of improved safety is solved. If there are no teachings in the prior art which would have prompted the skilled person to look to the field of smartphone imaging when looking to solve the problem of improved safety in an automotive self-driving system, then

there is potentially a good argument that the claim involves an **inventive step**.

Fall-back positions

If there are further new features included in the image sensor and/or automotive self-driving system (for example, a further feature D which formats the data output by the image sensor using hardware to reduce image pre-processing requirements, thereby further increasing the image processing speed and therefore the reaction time and safety of the automotive self-driving system), these can be included in dependent claim(s). These provide potential fall-back positions if, for example, the EPO believes the prior art does include a suitable prompt which would have led the skilled person to consider the smartphone imaging field.

It is therefore viable, in the first instance, to seek a relatively broad scope of protection for newly applying existing technology to the automotive field at the EPO. At the same time, the option to seek a narrower scope of protection, if necessary, can be easily maintained.

Conclusion

Cars on the road are likely to look and feel very different in the coming years. The phasing out of ICEs and the development of autonomous driving potentially represent the biggest change to the automotive industry since its inception. Obtaining patent protection for new and repurposed technology is one way in which companies can help bolster their position in this increasingly complex and competitive market. The European patent system, with its well-established problem-and-solution approach to inventive step, seems well placed to play its part in this.

Author:
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And finally...

Survey participation request

Financial Times Europe's leading patent law firm survey 2022

The Financial Times survey runs until 18 March 2022



We welcome your support in nominating D Young & Co as part of a survey by the Financial Times on Europe's leading patent law firms. The survey, conducted by Statista, identifies leading firms and individual patent attorneys either in general terms or for their specific expertise in the following areas:

- chemistry & pharmaceuticals
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- mechanical engineering
- biotechnology & food
- materials & nanotechnology
- IT & Software

The results of the survey will be published

in a special report in the FT this summer. All responses will be anonymised for publication and self-recommendations are not allowed. The survey is available in English, German, French and Italian.

Surveys have to be completed by **18 March 2022** and in return for every completed survey the FT will make a small donation to the International Committee of the Red Cross and Red Crescent (ICRC/ICRC).

Please visit the FT website to register and take part in the survey:
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