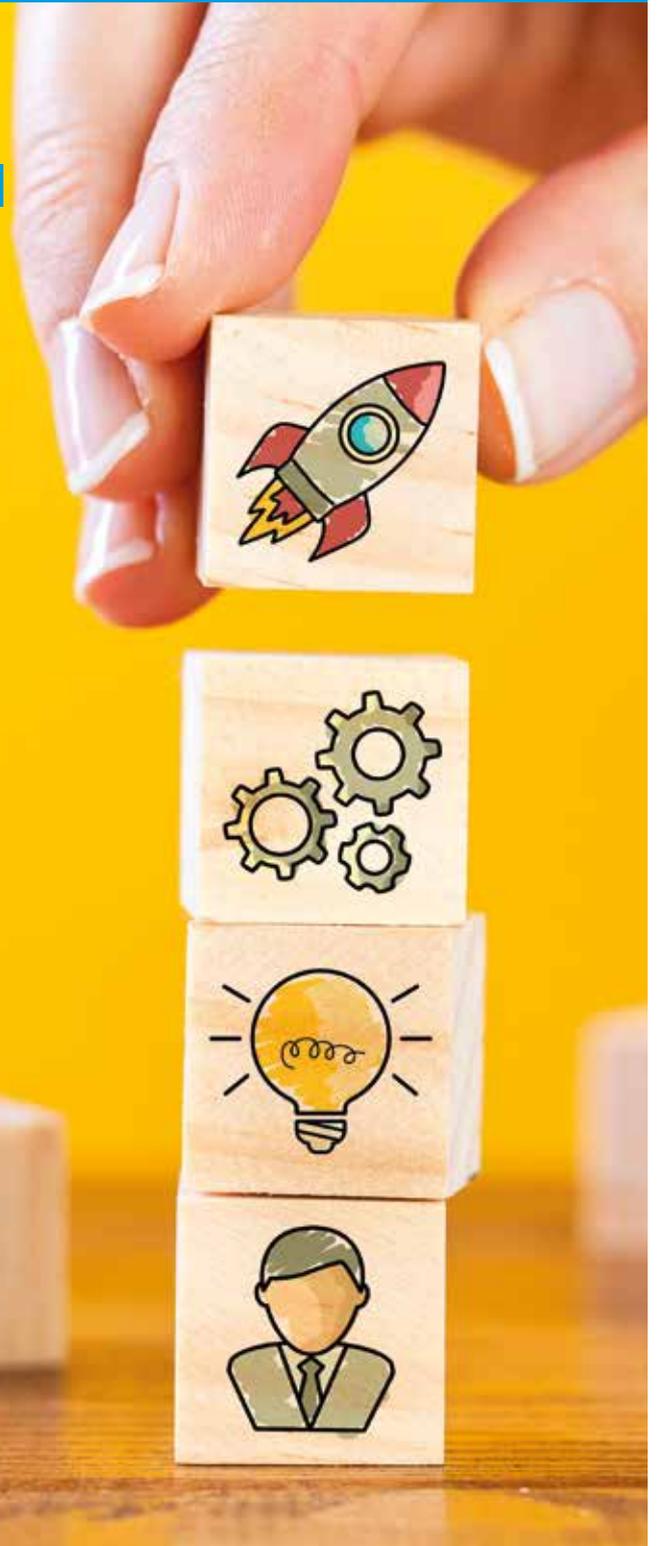


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European Patent Office Accelerated processing before the Boards of Appeal



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It's a fast moving world and at times the wheels of patent prosecution can seem to move quite slowly by comparison. Yet in this edition we report on how proceedings before the Boards of Appeal of the European Patent Office can (under some circumstances) be accelerated and also on how recent PCT rule changes can allow international preliminary examination to begin earlier. As ever there are details and consequences to consider in each case, so I recommend that you consult your usual D Young & Co advisor to be guided though either process.

Finally I wish all our readers a refreshing summer break!

Editor:
Nicholas Malden



Events



24-26 September 2019
IPO Annual Meeting, Washington DC, USA
European Patent Attorneys Garreth Duncan (contributor to the IPO Pharmaceutical & Biotechnology Issues standing committee) and Nicholas Malden (contributor to the Software Related Inventions standing committee) will be attending the IPO September meeting.

24-26 October 2019
AIPLA Annual Meeting, Washington DC, USA
Solicitor Antony Craggs and Rechtsanwalt Uli Foerstl will be attending the AIPLA annual meeting in October.

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Accelerated appeals

European Patent Office Accelerated processing before the Boards of Appeal

Appeal proceedings at the European Patent Office (EPO) typically last in excess of three years, but can last significantly longer (according to the 2017 Annual Report of the Boards of Appeal, technical appeal proceedings lasted 38 months on average, but some cases had been pending for eight years). With this long duration of proceedings, it is no surprise that there is a substantial backlog of pending cases (over 9,000 at the end of 2018, according to the 2018 Annual Report of the Boards of Appeal).

Often appeal proceedings concern matters of great commercial importance to, for example, applicants/proprietors looking to work, license or enforce a patent, and opponents looking to clear the way to work an alleged invention. Therefore, this long duration of proceedings can be problematic for applicants/proprietors and opponents. Moreover, in a number of EPC states, national nullity/infringement proceedings are often stayed pending an EPO final decision.

To address these issues, the EPO provides for accelerated appeal proceedings under certain circumstances, based on the "Notice from the Vice-President Directorate-General 3" on 17 March 2008 (OJ EPO 2008, 220; "the notice").

Specifically, parties with a "legitimate interest" may request that an appeal is prioritised and accelerated.

Requests for accelerated processing of an appeal should be filed with the competent Board of Appeal, and may be filed at the beginning of or during appeal proceedings. Such requests should specify the reasons for urgency, and be submitted with documents that support this reasoning. There is no official form for requesting accelerated processing of an appeal.

Legitimate Interest
Exactly what constitutes a legitimate

interest is not entirely clear from the notice, although some specific examples of circumstances that could justify accelerated processing are provided:

- Where infringement proceedings have been brought or are envisaged;
- Where the decision of potential licensees of the patent under appeal hinges upon the outcome of the appeal proceedings; and
- Where an opposition that was granted accelerated processing has been made the subject of an appeal.

While the latter of these circumstances is straightforward, the other two leave some room for interpretation, and thus allow the relevant Board of Appeal significant scope when deciding whether the requestor has a legitimate interest or not. Indeed, according to established case law of the Boards of Appeal, the granting of accelerated processing is always at the Board's discretion, and there is no fixed standard of proof (see CLBA 8th Edition, IV.E.1.3, particularly T 895/13, which is supported by numerous cases including T 1125/13 and T 239/16). We will discuss how the example reasons for accelerated processing have been applied in practice by the Boards of Appeal below.

If the EPO becomes aware of national infringement proceedings pending in relation to the European patent, it will accelerate processing of the opposition (based on the Notice from the EPO on 17 March 2008 (OJ EPO 2008, 221)). A party to the opposition proceedings may request accelerated processing under these circumstances. The request may be filed at any time, but must be filed in writing.

Following such a request, the EPO will endeavour to issue the next procedural action within three months of the request, or within three months of the patent proprietor's response to the notice of opposition, as appropriate.

Useful links

1. "Notice from the Vice-President Directorate-General 3" on 17 March 2008 (OJ EPO 2008, 220) on the EPO website: <https://dycip.com/epo-notice-accelerated>
2. The new rules will enter into force from 01 January 2020, and can be viewed on the EPO website at <https://dycip.com/rpba-2020>, along with explanatory remarks.

Parties with a legitimate interest may request that an appeal is accelerated



It is clear from the above cases that there is precedent for accelerated processing being granted in cases where the infringement proceedings have not been brought in an EPC contracting state, and where the infringement proceedings relate to a different, although closely related, patent to that under appeal at the EPO.

What is required for infringement proceedings to be "envisaged"?

The notice also provides for proceedings to be accelerated if infringement proceedings are not yet brought, but are envisaged.

Where requests for accelerated proceedings have been granted, the party requesting acceleration has typically provided evidence, or otherwise asserted, that there is a product on the market that appears to infringe the claims of the patent/application (based on, for example, T 248/17, T 1948/13, T 644/10, and T 1541/10).

Potential licensees

The second example of circumstances in which accelerated processing may be granted is where the decision of potential licensees hinges on the outcome of an appeal.

Accelerated processing has often been granted on this basis, and nearly always without proof being required, as licensing negotiations are inherently confidential (based on, for example, T 690/13, T 109/15, T 1987/10, T 644/10, T 585/08 and T 342/07).

However, T 872/13 states that requests for accelerated processing on these grounds must be filed by the patent proprietor, not an opponent who may also be a potential licensee.

Other reasons for acceleration

Infringement proceedings and licensing are only example reasons why accelerated processing may be granted, although in practice the Boards of Appeal have usually based their decision on whether the reasoning matches the example reasoning of the notice.

[Continued overleaf, page 04]

What counts as infringement proceedings?

The circumstances for accelerated processing for an appeal are broader than those for a pending opposition, which are limited to when infringement proceedings are pending in relation to the European patent before national courts of a contracting state. The corresponding definition for appeals appears to suggest that any proceedings, in any jurisdiction, could give a party a legitimate interest, depending on the judgment of the Board of Appeal.

Infringement proceedings brought in national courts of an EPC contracting state and relating to the same patent under appeal generally lead to accelerated processing being granted. This can also be requested by the national courts themselves.

However, accelerated processing has also been granted under circumstances that do not fall in this category, for example:

- In T 1868/16, proceedings were accelerated due to arbitration proceedings being brought in Portugal against an affiliate company of an opponent.

Since this arbitration is mandatory in Portugal, it was considered by the Board of Appeal in this case to represent *de facto* infringement proceedings.

- In T 1009/14, a request for accelerated proceedings by the appellant was granted due to its filing of several complaints for patent infringement in the USA based on a US patent that claimed priority from the application under appeal.
- In T 239/16 and T 1677/11, accelerated proceedings were granted based on infringement proceedings being brought against a parent (T 239/16) or a sibling (T 1677/11) patent of the patent under appeal. Notably, in T 239/16 a stay of proceedings had been requested in the French courts awaiting the decision of the appeal, which may have influenced the decision of the Board of Appeal. Moreover, in T 1677/11 the sibling patent was the subject of litigation in several countries and another appeal at the EPO where acceleration had been requested and the issues were closely related, which may also have influenced the decision of the Board of Appeal.

Accelerated processing before the Boards of Appeal

[Continued from page 03]

There are, however, cases where Boards of Appeal have decided to grant accelerated processing for other reasons, for example:

- **National courts may grant preliminary injunctions despite revocation at first instance:** For example, in T 1125/13, accelerated processing was granted because the Belgian courts were likely to grant a preliminary injunction (possibly *ex parte*) even though the patent was revoked at first instance, and the patent proprietor had previously sought preliminary injunctions in such instances;
- **Limited patent term remaining and/or the EPO was responsible for long delays in prosecution or opposition proceedings:** For example, in T 936/11, accelerated processing was granted because only four years remained of the full patent term, and because of the protracted length of the first instance

proceedings (similar to T 40/13 and T 370/13). In T 2495/11, accelerated processing was granted due to prolonged search and examination. However, in T 845/12, accelerated processing was not granted despite limited patent term remaining. It appears that accelerated processing is more likely to be granted if the EPO was responsible for long delays in prosecution or opposition proceedings; and

- **Phase III clinical trials:** For example, in T 1502/10, accelerated processing was granted because a product of the patent proprietor that fell within the scope of the patent claims was entering phase III clinical trials.

Arguments that have been rejected

As might be expected, it has often been argued that accelerated processing should be granted due to the appeal process “causing uncertainty”, “hampering investment”, or being of “commercial importance”. These arguments have been rejected almost exclusively.

Similarly, arguments that the case raises legal issues of fundamental importance have usually been rejected. However, according to established case law of the Boards of Appeal, accelerated processing may be granted despite such reasoning if there is agreement between the parties, and early resolution of the dispute is in the public’s interest (see CLBA 8th Edition, IV.E.1.3, particularly T 734/12).

Importantly, accelerated processing has also been rejected when requested by a strawman that argued the real party behind the appeal had a legitimate interest, because the strawman itself did not have a legitimate interest (based on T 872/13).

Future developments

The Rules of Procedure of the Boards of Appeal (RPBA) have recently been revised and approved by the Administrative Council.

The new rules will enter into force from 01 January 2020, and can be viewed on the EPO website via <https://dycip.com/rpba-2020>, along with explanatory remarks.

Revised Article 10 paragraphs (3) to (6) now explicitly incorporate the possibility for acceleration of appeal proceedings. These provisions are intended to replace the notice in OJ EPO 2008, 220.

The explanatory remarks specifically state that the party requesting acceleration will no longer need to show a legitimate interest.

What the ramifications of this will be is not clear, although this may allow parties to validly request acceleration for reasons (such as infringement proceedings) that do not directly concern them. Otherwise, the accepted conditions for accelerated processing are unlikely to alter drastically. We will keep you informed of developments in this matter.

If you are interested in requesting accelerated processing of opposition or appeal proceedings, or have any questions in respect of the above, please do not hesitate to contact a member of our patent team.

Authors:

Khalil Davis & Laura Jennings



Related article

“European Patent Office - Revised Rules of Procedure of the Boards of Appeal”, Catherine Keetch, 08 July 2019: see page 07 of this newsletter.

Accelerated EPO appeal processing



New legal effect International preliminary examination under PCT Chapter II to get a move on

As of 01 July 2019, changes to Rule 69.1(a) PCT encourage international preliminary examination to begin earlier for applicants who choose to enter PCT Chapter II.

Chapter II is an optional stage of the PCT that allows examination of an application in the international phase. When entering Chapter II, users may voluntarily amend their application and engage in discussion with international examiners.

Users often enter Chapter II with the goal of obtaining a positive International preliminary examination report (IPRP) indicating that their application meets the major requirements for the grant of a patent. A positive IPRP is not legally binding, but it can be a useful tool for speeding up grant of an application in the national/regional phases, and commercially for indicating the potential strength of an IP position.

PCT Chapter II will begin earlier

The change to Rule 69.1(a) PCT has reversed the status quo for when examination under PCT Chapter II begins. Unless users proactively request a delay, examination will now begin as soon as:

- All essential requirements to enter Chapter II are met; and
- When users provide amendments or a supporting statement.

Only the timing of when examination begins has been affected by the new legal effect of Rule 69.1(a) PCT. The essential requirements and the deadlines for entering Chapter II remain unchanged. These include:

- Filing a demand;
- Paying the required fees; and
- The provision of a search report (or equivalent declaration) and written opinion from the International Searching Authority (under Chapter I).

Users rights to amend their application and engage in discussion with the

international examiner are unaffected by the new legal effect of Rule 69.1(a) PCT.

More time for examination

By starting examination earlier, the international examiner now has more time to assess the application as well as any amendments and the statement provided by the user. There is also more time for users to engage in discussion with the international examiner when outstanding matters remain that may lead to a negative IPRP. This discussion will likely be in the form of the international examiner having more time to issue a second written opinion to which users may respond.

Caution: there are no guarantees that starting examination earlier and having more discussion will lead to the goal of achieving a positive report (IPRP).

In cases with more discussion under Chapter II, users will also need to commit further time and upfront costs in preparing and providing additional responses.

Nullifying the new legal effect

The new legal effect cannot force users into an earlier start for examination under Chapter II.

Users may choose to sacrifice the added time for examination provided by the Rule 69.1(a) PCT change, in favour of using that time to consider possible amendments to their application after having received the written opinion under Chapter I.

Users may prevent the effects of the rule change by:

1. Not meeting the essential requirements for Chapter II significantly earlier than their required deadlines.
2. Meeting the essential requirements for Chapter II early, but not filing amendments or a supporting statement at the same time. This will result in an invitation from the international examiner to provide amendments within a reasonable time limit.

3. Meeting the essential requirements for Chapter II early and filing amendments but proactively requesting a delay in examination until the end of the deadline for meeting the requirements.

Users take note that as of 01 July 2019 changes to Rule 69.1(a) PCT may encourage international preliminary examination under PCT Chapter II to begin earlier than expected. Users rights remain essentially unchanged and measures can be taken to prevent this new legal effect.

Author:

Thomas Ricketts



In short

The new legal effect only influences the timing as to when examination under PCT Chapter II may start once all requirements are met and application amendments (or a statement) are provided.

The new legal effect provides international examiners with more time to examine applications, enabling more time for discussion. This may improve the quality of examination but is no guarantee of achieving a positive report (IPRP).

Users retain the right to take steps to delay the earlier start of examination provided by the new legal effect of Rule 69.1(a) PCT.

European Patent Office Revised Rules of Procedure of the Boards of Appeal

The European Patent Office's revised set of Rules of Procedure of the Boards of Appeal will come into force on 01 January 2020



On 01 July 2019 the European Patent Office (EPO) approved a revised set of Rules of Procedure of The Boards of Appeal (RPBA) which will come into force on 01 January 2020.

Significant changes have been made to the rules, and in particular it will now be much more challenging to have new requests, facts, objections, or arguments admitted into proceedings at the appeal stage.

Procedural efficiency

Several of the amendments to the rules aim to improve the efficiency of the appeal process.

There will now be advance publication of a list of cases for each Board of Appeal in which in the coming year the Board of Appeal is likely to hold oral proceedings, issue a communication, or issue a decision in written proceedings.

Article 5(3) specifies that the rapporteur will carry out a preliminary study of an appeal to consider whether it should be given priority over other cases, for example if it is clearly inadmissible or should be treated together with other related appeals. If appeals are connected (for example divisional applications, parent applications, and applications based on the same priority application) then the Board of Appeal will endeavour to deal with them one immediately after the other, or deal with them in consolidated proceedings (Article 10(2)).

Consent of the parties is no longer required to consolidate proceedings.

New Article 10(3) specifies that the Board of Appeal may accelerate appeal proceedings on the request of a party. Reasons for accelerating proceedings must be provided by the party, together with supporting evidence. Possible suitable reasons for acceleration suggested by the EPO include pending infringement proceedings, or licence negotiations hinging on the outcome of the appeal. A court can also request acceleration of proceedings (Article 10(4)), and the Board may also accelerate proceedings of its own motion (Article 10(5)).

The new RPBA now also state that a Board of Appeal shall not remit a case to the

department of first instance unless there are special reasons for doing so (Article 11). Fundamental deficiencies in the first instance proceedings constitute a "special reason" for remittal. This new provision is to avoid a "ping-pong" effect between the Board of Appeal and the department of first instance.

Basis of appeal proceedings

Article 12(1) specifies which documents form the basis of the appeal proceedings. This has been amended to include the decision under appeal, and the minutes of the first instance oral proceedings or any video or telephone conference with the party or parties.

Article 12, paragraphs 4 to 6 of the RPBA make it more difficult for parties to get new requests, facts, evidence and / or objections admitted during appeal proceedings.

New Article 12(2) sets out the purpose of EPO appeal proceedings, namely "to review the decision under appeal in a judicial manner". An EPO appeal is not intended to be a complete re-examination of the case. A party's appeal case shall be directed to the requests, facts, objections,

➤ Useful links

The RPBA enter into force from 01 January 2020, and can be viewed on the EPO website at <https://dycip.com/rpba-2020>

arguments, and evidence on which the decision under appeal was based. Any part of a party's case which does not relate to "requests, facts, objections, arguments and evidence on which the decision under appeal was based" is considered to be an amendment to the party's case which will only be admitted into proceedings at the discretion of the Board of Appeal.

When deciding whether to allow an amendment the Board of Appeal will consider the complexity of the amendment, the suitability of the amendment to address issues which led to the decision, and the need for procedural economy.

The Board of Appeal will not admit requests, facts, objections or evidence which were not admitted during the first instance proceedings or should have been admitted, or which were no longer maintained, unless it is decided that the decision not to admit them was an error or unless the circumstances of the appeal justify their admittance (Article 12(6)).

Article 13 defines the circumstances under which amendments of a party's case are allowed at a later stage, i.e. after the grounds of appeal or reply have been filed. Again the Board of Appeal will use its discretion. If an amendment to a party's case is made at a very late stage in proceedings, e.g. in response to a communication under Rule 100(2) EPC (an invitation from the Board of Appeal to file observations) or after issuance of the summons to oral proceedings, this shall not be taken into account unless there are exceptional circumstances which have been justified with cogent reasons.

Oral proceedings

Article 15(1) indicates that the Board of Appeal will endeavour to give at least four months' notice of oral proceedings. The circumstances under which oral proceedings can be postponed are also codified.

Abridged proceedings

The new RPBA allow the Boards of Appeal to issue decisions in abridged form with the consent of the parties (Article 15(7)).

Where it has been indicated that a third party or court has a legitimate interest in the decision not being in abridged form, they shall not be abridged.

Article 15(8) also allows for the Board of Appeal to issue the decision in abridged form if they agree with the department of first instance on one or more of the issues. Importantly, the consent of the parties is not required in these circumstances.

Article 15(9)(a) indicates that the Board of Appeal will aim to issue a decision within three months of the oral proceedings, and if it is unable to do so it will inform the parties of when the decision will be despatched.

Entry into force / transitional provisions

The revised version of the RPBA will apply to any appeal that is pending on, or filed after, 01 January 2020, except if:

1. a summons to oral proceedings or a communication under Rule 100(2) EPC is issued prior to 01 January 2020.
2. Article 12, paragraphs 4 to 6 of the revised RPBA (which relate to the admissibility of new requests, facts, evidence, and objections filed during the appeal proceedings) shall not apply to any statement of grounds of appeal filed prior to 01 January 2020.

Conclusions

Whilst the EPO intends for the amended rules to speed up the appeal process, it remains to be seen whether this will actually be the case. Instead the rules may encourage parties to file an increasing number of requests and documents during first instance proceedings just in case they are needed on appeal.

Author:
Catherine Keetch



Practical implications

Clients should review any pending appeals and consider filing any claim requests, evidence, data or arguments which would support their case but have not yet been submitted as soon as possible, and certainly in advance of 01 January 2020.

Any grounds of appeal, replies or amendments to a party's case should be filed in advance of 01 January 2020 if possible.

In relation to first instance proceedings, parties should take care to file all relevant requests, facts, objections or evidence at this stage to avoid them not being admitted at the appeal stage.

It is also now more important than ever to check carefully the minutes of the first instance oral proceedings to make sure that all relevant issues discussed at the oral proceedings are described, in case it is necessary to rely on these on appeal.

If you have any questions regarding how the new RPBA impact on your cases please contact your usual D Young & Co attorney.

D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

Patents Court SEP & FRAND updates

The Patents Court of England & Wales continues to deliver a steady flow of decisions in relation to SEPs and FRAND.

Conversant Wireless v Huawei & ZTE

In *Conversant v Huawei & ZTE*, Mr Justice Arnold has found one of the four patents in suit to be invalid for added matter. If valid, the patent would have been essential and infringed. The challenge that the patent was obvious failed. The validity, essentiality and infringement of the remaining three patents remains to be determined.

Further details on the case and earlier jurisdictional challenges can be found here:

- “*Conversant Wireless v Huawei: FRAND & Jurisdiction*”, 23 April 2018: <https://dycip.com/frand-huawei>
- “*Conversant Wireless v Huawei & ZTE: FRAND & Anti-Suit Injunctions*”, 19 October 2018: <https://dycip.com/frand-zte>

Optis v Apple

In *Optis v Apple*, Optis is asserting against Apple that seven of its patents

are valid, essential and infringed and seeking a declaration as to the terms of a (likely global) FRAND licence before the Patents Court of England & Wales (the English Court of Appeal having previously held in *Unwired Planet v Huawei* that should an implementer not take such a licence it would grant an injunction).

At a hearing at the beginning of July 2019, the Patents Court declined to grant Apple a stay of proceedings pending the outcome of a jurisdictional challenge (to be heard in December 2020) or the appeal to the Supreme Court in *Unwired Planet v Huawei*. The court gave directions for draft pleadings.

This is one of a series of applications made in different cases seeking to avoid or postpone a decision on FRAND by the Patents Court of England & Wales. In most instances, the court has declined such applications, showing its willingness to be an arbiter of such disputes.

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