

Comments on the proposed Rules of Procedure Statement of Dr. Michael Wallinger

The Boards of Appeal Committee (BOAC) and the President of the Boards of Appeal have invited users to take part in a written consultation on the proposed revised Rules of Procedure of the Boards of Appeal, according to the first published draft dated February 1, 2018.

The following statement is submitted in my own name. I am a professional representative before the EPO and have represented clients in more than one hundred appeal cases. My first appeal case T 241/87-3.2.3 relating to EP Patent 29 971 was decided on July 24, 1990. I further represented clients in the review cases R 23/10 and R 19/12.

Over the last few months I have taken part in many discussions with other professional representatives and with members of patent departments of German corporations. I believe, as a result of those discussions, that the following considerations are shared by a large number (and perhaps a majority) of stakeholders of the EPO:

Summary

Many users of the EPO are greatly disappointed by the proposed revision of the rules of procedure (RPBA). The proposal does not take advantage of this opportunity to correct deficiencies of the RPBA of 2007 in any way that would address the urgent need of users to obtain decisions in fair and timely proceedings based on "*material*" patent law instead of decisions that stop at formal objections. It appears that the primary if not the only aim of the draft is to increase the so-called efficiency of the Boards of Appeal (BoA) by reducing the time spent per case. In other words, purely formal case management issues are addressed, instead of making the overall proceedings truly more efficient by resolving material questions of patentability without unnecessarily toggling between first and second instance.

Therefore, many users oppose the current draft and request serious amendments to the RPBA in order to establish fair proceedings and to improve the actual independence of the BoA, not just the "*perceived*" independence.

General comments

With letter of June 30, 2015 to the Chairman of the Administrative Council of the EPO (J. Kongstad), I commented in the name of EPLIT on a proposal by the EPO in document CA/16/15 of March 6, 2015 regarding a planned reform of the BoA.

I welcomed the initiative of the EPO to improve the independence of the BoA and pointed out that the focus on "*objectives of efficiency to be reached*" may be a possible source for a conflict of interest for the Chairman of the Enlarged Board of Appeal (EBoA) (cf. Interlocutory decision R 19/12 , points 17.2 and 17.3).

Further, it was stated that efficiency is only one of the aspects to be considered regarding the internal organisation of the Boards, and not even the most important one. It should be the main objective of a judiciary to issue well-founded decisions on the basis of a fair trial, as it is required by Art. 113 (1) EPC and Art. 6 (1) of the European Convention of Human Rights, which governs the proceedings of the EPO, as stated in decision R 19/12 (point 9), G 1/05 (point 22), and G 2/08 (point 3.3).

It appears that the perspective of users has not been taken into consideration in the proposed RPBA. Instead of amending the rules in a way that would harmonize the practice of the BoA and which would make decisions more foreseeable, the apparent aim of the new RPBA is to limit the rights of the parties to present their cases, which is in contravention of the fundamental principle of the right to be heard.

It cannot be expected that setting stricter rules for parties to make further submissions will increase the efficiency of the BoA. An empirical study of 150 decisions taken in each of the years 1995, 2004 (i.e. after entering into force of the RPBA 2003) and 2013 has shown that appeal proceedings have become much more formalised and that discussions and decisions on substantive issues have been replaced by "*formalities-only*"- or "*formalities-first*"- decisions. Looking at all decisions taken by the BoA in 1995 leads to the conclusion that these decisions were, on average, shorter and, in fact, did get more to the point of material patentability than decisions rendered in 2013. Recently,

it can be seen that the bulk of the discussions in oral proceedings is spent on tiresome discussions regarding procedural problems, including, in particular, questions of admissibility, before any substantive discussion can even begin. Users of the EPO expect discussions on material patentability to be the core of the examination of the allowability or validity of a claimed invention.

Decisions based on substantive criteria of patentability tend to be much more persuasive and acceptable, in particular to the losing party, than those (primarily) based on procedural restrictions. If an application/patent is lost because a relevant request has not been admitted purely for formal reasons, the losing party tends to have the impression that the case would have been decided in its favour if only the BoA had dealt with the substance.

Art. 6

According to Rule 124 EPC, minutes of oral proceedings and of the taking of evidence shall be drawn up, containing the essentials of the oral proceedings or of the taking of evidence, the relevant statements made by the parties, the testimony of the parties, witnesses or experts and the result of any inspection.

In many cases, the minutes of oral proceedings before the BoA are very short, the content primarily consisting of the requests of the parties. It should be noted that the missing requirement for detailed minutes in the appeal procedure is one of the arguments discussed by the petitioners in pending cases before the German Constitutional Court, to substantiate the view that the appeal procedure before the BoA violates the right to be heard.

Incomplete minutes have the consequence that the EBoA has been repeatedly confronted with different representations of what had happened in the oral proceedings before a BoA and there are no practical means of assessing who is right. Therefore, a provision should be added into the RPBA stipulating that questions discussed in the oral proceedings which had not been addressed in the communication preparing the oral proceedings should be reported in the minutes, as well as the main arguments presented by the parties.

Art. 10 (1) and (2)

We welcome the dealing of several appeals within the same proceedings. This provides an efficient procedure and avoids contradictory decisions.

Art. 10 (3) to (6)

Care must be taken in accelerated proceedings that the right of a fair procedure with full right to be heard and to present proper requests and arguments in response to the course of proceedings is guaranteed.

The acceleration of some procedures should not cause unreasonable delay to other procedures. The influence of accelerating a procedure should be made transparent to other procedures affected thereby, in order to allow the parties concerned to react accordingly. Note that a hearing and decision within reasonable time is a fundamental right of all parties in the EPC system.

Art. 12 (2)

The proposed new Art. 12 (2) states that it is the primary object of the appeal proceedings to judicially review the decision under appeal, directed to the requests, facts, objections, arguments and evidence on which the decision under appeal was based.

Many users strongly oppose the introduction of the Art. 12 (2).

Firstly, the responsibility of the BoA, as it is laid down in the Convention, may not be changed by the implementing rules and in particular not by changing the RPBA. The proposed Art. 12 (2) violates the right to be heard according to Art. 113 (1) EPC and destroys the balance between Art. 114 (1) and Art. 114 (2) EPC. In particular, the right provided by Art. 114 (2) EPC to disregard facts and evidence aims to prevent abuse of procedure and cannot be understood as limiting the competence and the responsibilities of the BoA to evaluate the facts and evidence presented in the first instance.

In this regard, the EBoA points out in G 4/92 pts. 7:

“For a party to wait until oral proceedings before presenting new facts or evidence that could have been submitted earlier thus constitutes an abuse of procedure which the competent department at the EPO may sanction by disregarding such matter in accordance with Article 114(2) EPC.”

Secondly, under Art. 114 (1) EPC, the BoA are obliged to examine the facts of their own motion and, in doing so, the BoA are not restricted to the facts, evidence and arguments provided by the parties and the relief sought.

The interpretation of Art. 114 EPC therefore requires a balance between its paragraphs Art. 114 (1) and (2) EPC. In T122/84 (OJ 1987, 177) the BoA summarised the historical development of the principle of ex officio examination with regard to “late submissions” on the basis of the "travaux préparatoires" to the EPC 1973. It came to the conclusion that a rigid rule excluding all new evidence on appeal might lead to injustice and unfairness in some cases and would not be compatible with the principles of procedural law generally recognised in the Contracting States (J 5/11, J 6/14).

The Convention confers on the BoA the full competence to decide on all aspects of a case, including the admittance of new facts, arguments and requests (Art. 111 (1) EPC). There is no indication in the Convention that the role of the BoA should be restricted to a judicial review in the sense of a limited legal review.

Quite to the contrary, Art. 21 EPC explicitly makes a difference between the Legal BoA, comprising three legally qualified members, and the Technical BoA, comprising a majority of technically qualified members. This difference as explicitly codified in the Convention would be unnecessary if appeal proceedings were intended only or primarily as a judicial review in the sense of a legal or a mostly legal review.

Therefore, the introduction of the proposed new Art. 12 (2) into the RPBA would be in contrast to the wording and the spirit of the Convention.

Art. 12 (3)

A fair trial requires that a party be given an opportunity (or opportunities) to react to the course of the procedure by filing one or more requests adapted to the arguments presented by the other party and the court. The revision forces the parties to anticipate all possible

arguments. This results in an undue burden to the parties. The proposed rules would have the effect that procedures will be overloaded with huge amounts of documents and auxiliary requests, thus resulting in an inefficient procedure.

It would be welcomed if the parties were allowed to file appropriate requests and arguments adapted to the respective course of the proceedings until the oral hearing. This would be in line with the fundamental right to a fair procedure with equality of opportunity and weapons in a judicial trial instance.

Art. 12 (4)

According to Art. 12 (4), any part of a submission which does not meet the requirements in Art. 12 (2) is to be regarded as an amendment and may be admitted only at the discretion of the BoA. The BoA shall exercise its discretion, inter alia in view of: the complexity of the amendments; the suitability of the amendments to solve the issues which led to the decision under appeal; and the need for procedural economy.

In our view this wording omits two important aspects:

Any rejection of a party's submission as being late affects the party's right to be heard. Consequently, such a rejection is only admissible if there is an abuse of procedure, and this is not the case if:

1. the submission does not delay the proceedings; or
2. if the party can excuse the late filing with good reasons.

Both points are missing in Art. 12 (4) and should be added to bring Art. 12 (4) in compliance with Art. 113 (1) EPC and the general requirements for a fair trial, as set forth in Art. 6 (1) of the European Convention of Human Rights, which is also applicable for disputes on appeals against decisions of a patent office (ECHR, British American Tobacco v. the Netherlands, Appl. No. 19589/ 92, 20 November 1995).

Art. 12 (5)

Art. 12 (5) gives the BoA discretion to reject any submission on the basis of Art. 12 (3). Whereas there are at least some points in Art. 12 (4) which have to be considered by the BoA when exercising the discretion, Art. 12 (5) does not mention any legal requirement at all. Thus Art. 12 (5) in its present form provides a basis for decisions violating the parties' right to be heard and has to be amended as suggested with respect to Art. 12 (4).

Art. 12 (6)

The first paragraph of this article seems to be acceptable in general. However, the term "*manifest error*" defines a rather high legal standard. In our opinion, in order to achieve fair proceedings it is necessary to delete the term "*manifest*". Otherwise, the first instance would effectively limit the scope of the review by the BoA. Since the Boards of Appeal are the first judicial instance in the sense of an administration court (G 9/91), this would have the consequence that the executive may control the access to court proceedings. In such a case, the independence of the BoA would be jeopardized.

Therefore many Boards of Appeal have taken the position that a discretionary decision by the first instance on the non-admission of late submissions is subject to full review if it is based on an assessment of substantive criteria, such as e.g. inventive step or clarity. The Board in T 1816/11 points to the fact that G 7/93, always cited to justify a limited review of first instance discretionary decisions, was dealing with a situation in which the exercise of discretion was based on procedural aspects and in which the substance of the requested amendment was not contested. The Board in T 1816/11 pointed out that the review of decisions based on substantive criteria is the core competence of the BoA and that the considerations in G 7/93 cannot be applied in this area.

The second paragraph of the proposed Art. 12 (6) corresponds to Art. 12(4) RPBA 2007, corresponding to Art. 10a (4), RPBA 2003. In the last few years this article has often been the basis for a rejection of submissions in appeal proceedings, which was found to be extremely unfair by the parties concerned.

Firstly, it should be understood that in most cases a party does not know beforehand the opinion of the Examining or the Opposition Division and therefore may be surprised by the written reasoning of the decision. According to the general perception of how the right to be

heard has to be interpreted in such a case, the party must have the possibility to react by amending their requests or their arguments in the second instance.

Secondly, the opinion of the BoA may, as it is often the case, differ from the opinion of the first instance. Again, the right to be heard allows parties, according to the common understanding in the Contracting States, to adapt its requests and arguments to the opinion of the BoA.

It should be noted that former Art. 12 (4) RPBA 2007 was worded as an exception to the general rule in Art. 12 (1) RPBA 2007, which says that appeal proceedings shall be based on the statement of grounds of appeal and the reply thereto. This becomes clear from the structure of the provision, the first paragraph containing the general rule and the fourth paragraph an exception.

The BoA often highlighted the exceptional character of the power to hold the earliest submissions in appeal proceeding inadmissible. It has been stated that non-admission under Art. 12 (4) RPBA requires that the “*late*” submission is the consequence of an abusive procedural conduct, in particular if it was chosen deliberately for tactical reasons. (See T 134/11 of 6.11.2012, Reasons pt. 3.3, T 2259/11 of 2.06.2016, Reasons pt. 1; T 1364/12 of 12.02.2015, Reasons pt. 1.3; T 1743/12 of 15.07.2016, Reasons pt. 2)).

Art. 12 (7)

The sentence “*The period referred to in paragraph 1(c) may not be extended*” should be deleted. The Explanatory Remarks relating to proposed Art. 12 (7) refer to “*equal treatment of the parties*” in order to justify the additional sentence. However, when a patentee acting as respondent has to respond to several appeals filed by a plurality of opponents, there would be “*equal treatment of the parties*” only if the respondent had more than four months to prepare a plurality a responses, so that an extension of time in such a case might be justified.

Art. 13 (1)

Art. 13 (1) requires a justification of any amendment to a party’s appeal case. This seems unfair in cases where the amendments are made in reaction to new objections or new

subject matter introduced by the board or another party. In this case the amendment has to be accepted in order to guarantee the right to be heard.

Art. 13 (1) includes the further requirement that the amendment must enhance procedural economy. This provision puts the procedural economy above the right to be heard and therefore again is in contradiction to Art. 113 (1) EPC and has to be deleted.

The requirement of a prima facie allowability is in contrast to the provision that the amendment is per se only possible if it was the reaction to a new situation induced by the board or another party. Therefore the patent applicant or the patentee should not have the burden of proving the prima facie allowability of the amendment. Otherwise, Art. 113 (1) would be violated.

A further paragraph should be added to Art. 13 to make it clear that an amendment which is proposed by the patentee and which consists only of the deletion of one or more entire claim(s) should be admitted by the BoA - unless it is apparent that there is an abuse of the procedure. This would ensure that a patentee can maintain the valid claims of a claim set which also contains some invalid claims. Without this additional paragraph patentees may feel a need to file a large number of requests (i.e. entire claim sets), perhaps with different combinations of independent or dependent claims, to ensure that at least one of the claim sets is acceptable in its entirety. The additional paragraph would greatly reduce this need and thereby make the procedure more efficient.

Art. 15

Art. 15 (1) should be supplemented with a requirement for the BoA to issue a Preliminary Opinion. This may help to focus the further proceedings on the topics considered important by the board.

Art. 15 (2) (b) lit. (i) only mentions proceedings before the EPO or a national court. Proceedings before a national patent office and international IP office or an international court like the UPC or the ECJ should also be included.

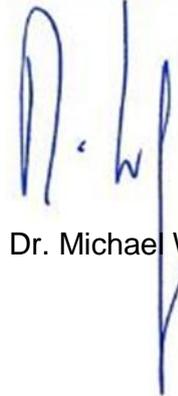
The appointment of a new representative after the parties have been summoned to oral proceedings is listed under Art. 15 (2) (c). Consideration should be given to moving it to Art. 15 (2) (b), at least for certain cases (e.g. due to an intervening conflict of interest) - with safeguards against an abuse of the procedure.

Many users expressly welcome the inclusion of time limits for issuing written decisions.

Art. 24 and 25

Since the new RPBA will significantly change the proceedings before the BoA, they should apply only to any appeal filed after they enter into force. Thus, Art. 24(2) and Art. 25. should be deleted, while Art. 24 (2) should read "*The revised version shall apply to any appeal filed after the date of the entry into force.*"

Munich, April 30, 2018

A handwritten signature in blue ink, appearing to read 'M. Wallinger', with a long vertical stroke extending downwards from the end of the signature.

Dr. Michael Wallinger