

June 30, 2015

Mr. Benoît Battistelli
President
European Patent Office
Bob-van-Benthem-Platz 1
80469 Munich
GERMANY

Via email: president@epo.org

Re: Restructuring and Reform of the Boards of Appeal

Dear President Battistelli:

I write on behalf of the American Intellectual Property Law Association (AIPLA) to comment on the “Proposal for a structural reform of the EPO Boards of Appeal,” dated March 6, 2015 (CA/16/15) (the “Proposal”), and in response to your letter to AIPLA dated April 29, 2015, regarding “Reform of the BOA–User Consultation.”

AIPLA is a national bar association in the United States of America with approximately 15,000 members who are primarily lawyers in private and corporate practice, in government service, and in the academic community. AIPLA’s members represent a wide and diverse spectrum of individuals, companies, and institutions, and are involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law. Our members represent both owners and users of intellectual property. Some of our members also practice in Europe or have European presence.

Following receipt of the Proposal and your letter, we informed members of our IP Practice in Europe, Corporate Practice, and Patent Law Committees and solicited their comments. During their recent meetings in Europe, members of our IP Practice in Europe Committee received presentations about the Boards of Appeal and discussed relevant issues with representatives of several European IP organizations. We also have had the opportunity to consider draft and final answers to your questions prepared by some other organizations. The substance of this letter was approved by the AIPLA Board of Directors.

The general subjects of the questions in your April 29, 2015, letter and our suggestions in response are set forth below. We would welcome the opportunity for further consultations with the EPO on this and other subjects affecting the European patent system.

Question A. Position of the Boards of Appeal – Independence

Based on the information that AIPLA has received, our members generally do not perceive a need for additional independence of Boards of Appeal (BOAs) and their members. The asserted problems with present structure appear to be hypothetical. In our inquiries, no one reported any instances of BOA decisions having been improperly influenced by EPO management.

Likewise, our members do not perceive a need to move the Boards to another building or another city for reasons of independence, and we would have some concern with the costs associated with such a move, if they were to adversely impact user fees.

We observe that there are approximately 175 Board members and that their responsibility is to assure the grant of patents in accordance with the European Patent Convention (EPC) and EPO rules and regulations. Therefore, greater management probably is required to assure consistency than might be required in a court of review, which typically would be smaller and less technically oriented. In light of the lack-of-independence objections to the present organization of the Boards, increased management within a more independent Boards' structure appears appropriate.

The EPO has inquired about possible improvements in the appointment and reappointment procedures and how more external candidates might be attracted. The USPTO appears to have had substantial success in recruiting experienced patent attorneys/lawyers as Administrative Patent Judges (APJs) of the USPTO Patent Trial and Appeal Board (PTAB). The EPO may wish to consult with the USPTO about its recruiting and hiring experience with APJs.

Some of our members have suggested that the positions could be better advertised, the interviewing process might be improved by having well-trained professionals involved in the interviewing process and less focused on knowledge of BOA decisions, and part-time appointments of practitioners and judges could also be considered. Several persons have pointed out that the five-year term and existing limits on post-BOA activities are deterrents for external candidates. Age limits also are an obstacle to attracting older external candidates who might find service as a BOA member an attractive way to conclude their careers.

Question B. Work of the Boards of Appeal – Efficiency

The major concern of our members who have commented on BOA issues is the long duration of proceedings before the BOAs and Opposition Division. For example, one of our members has anecdotally stated that, after a European patent is granted and an opposition is filed, one must wait 5 or 6 years to find out if the patent is valid and what its scope will be, while paying annuities through this waiting period.

Our members suggest that a goal should be for both opposition panels and the Technical Boards of Appeal (TBAs) to each make a final decision within one year from the date when the grounds of appeal are submitted for the opposition. That would be comparable to the goals in the PTAB, in which the goal of disposition is within one year from the date of institution of an Inter Partes Review, and to the proposed EU Unified Patent Court (UPC). We also, however, understand that this could require more resources by the EPO, which may lead to higher user fees, and that the final decision requires a compromise between costs and speed. Whether it is possible to achieve this goal via increased efficiency either alone or in part is a question that we do not have the data to address.

The EPO should consider providing assistants for the TBAs to help improve their productivity. In the United States, for example, federal district and appellate courts typically have law clerks to assist judges. Some law clerks are newly admitted attorneys in temporary and relatively low-paying—yet nonetheless highly respected and desirable—positions, while others are experienced, full-time attorneys. In addition to law clerks, the U.S. Court of Appeals for the Federal Circuit also has scientific advisers, who are both legally and technically qualified.

We suggest that consideration be given to moving toward a true review process in the TBAs, in which all issues would be presented at the beginning of an appeal, and later submissions of amendments and new prior art would be rarely permitted. In the U.S., for example, the appellate courts generally do not hear issues that are presented for the first time on appeal.

We understand that some practitioners may reserve arguments for use in the TBAs rather than presenting them to opposition panels. We suggest strengthening the opposition board procedures and promoting a more uniform practice within the Boards by limiting appeals of oppositions to issues raised before an opposition division, or at least limiting appeals to issues raised at the beginning of an appeal. This might help reduce the number of appeals, focus issues in appeals, and expedite the proceedings. The recently implemented practice of returning cases not ready for appeal to the opposition or examining division should be continued in the context of the shortened duration of appeals suggested above.

Also, some of our members have pointed out that hearing schedules have been adversely affected by the limited number of hearing rooms.

Question C. Work of the Boards of Appeal – Procedure

Several of our members who practice before the TBAs have suggested that the TBAs be required to provide tentative rulings before the final oral hearing in every case. That could help make sure that the panel members other than the reporter are fully informed and that the hearing will be focused. We would support tentative rulings as the normal practice if that can be done within the context of the shortened duration of appeals suggested above. Some courts in the United States, for example the Central District of California, often issue tentative rulings which may be different from the final opinion.

Some of our members who practice before the TBAs have pointed out a lack of uniformity in acceptance by the different TBAs of requests and documents after the beginning of an appeal, and have suggested a uniform, liberal standard. That would be consistent with practice in some national courts and with the practitioners' desire to raise every possible argument. We also understand that, under the present rules that give discretion to the BOAs to accept late submissions, some BOAs feel compelled to accept late submissions in order to avoid allegations that a party was denied due process. While we support the principle of fairness in permitting parties to present all evidence and arguments, we would prefer rules and procedures requiring clear and early deadlines for submitting evidence and arguments in all but exceptional situations, and for achieving decisions promptly, preferably within one year.

Question D. Boards of Appeals Committee (BOAC)

We generally support the idea of obtaining views from outside the BOAs and EPO in connection with oversight of BOA operations and BOA rulemaking. The specific proposal in CA/16/15, however, appears to mix two functions and might be improved. One function is that of oversight of the Boards, in which the Administrative Council (AC) has the ultimate responsibility. Therefore, the creation of a committee of the AC appears appropriate to provide legislative oversight, to the extent that it is consistent with the independence of the Boards. It could be useful to have outside members on such a committee.

In addition, there is an advisory function to which outside persons, such as experienced judges, practitioners, and representatives of User groups, might contribute based on their experience. Indeed, board members and such persons would appear to have more relevant experience than members of the AC. For example, the USPTO has a Patent Public Advisory Committee, and the USPTO conducts both formal and informal consultations in developing almost all changes in rules.

In the U.S. federal courts, new rules are often developed by advisory committees comprising judges, government officials, and practitioners, and sometimes including experienced professors.

Question E. Proceedings of petitions for review

One potential problem in the independence of the BOAs appears to be that EPC Article 24(1) and the Enlarged Board Rules apparently permit a member of the same TBA that rendered a decision (although not one who participated in the decision) to participate in review of that decision by the Enlarged Board.¹ We suggest that no member of the same TBA should participate in reviewing a decision by a panel of that TBA.

¹ EPC Article 24 - Exclusion and objection

(1) Members of the Boards of Appeal or of the Enlarged Board of Appeal may not take part in a case in which they have any personal interest, or if they have previously been involved as representatives of one of the parties, or if they participated in the decision under appeal.

See Enlarged Board Rules Article 2(4):

(4) In proceedings before the Enlarged Board of Appeal under Article 112, paragraph 1(a), EPC at least four of the members shall not have taken part in the proceedings before the Board of Appeal referring the point of law.

Another potential problem in the present operation of the BOAs is that there is insufficient oversight and coordination of the individual boards. This is a subject which we have discussed with the EPO over the past few years. We suggest consideration of enhancing the role of the Enlarged Board. That could be done by moving toward making its membership separate from the individual boards and by expanding the right to request Enlarged Board review by defining the “fundamental procedural defect” grounds in the Implementing Regulations for which EPC Article 112a (2)(d) provides a right to review.² For example, and without limitation, there could be a procedural right of review of (1) whether the decision of a TBA is consistent with a provision of the EPC, or (2) whether the decision of a TBA is consistent with a decision of another TBA.

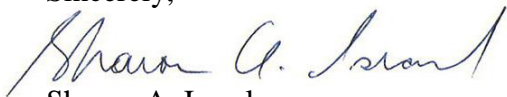
Question F. General

We note that the USPTO has substantial recent experience in reorganizing the PTAB, recruiting Board members, and preparing rules for its proceedings in new types of post-grant patent reviews under the provisions of the AIA. The USPTO officials may be able to provide useful information and suggestions.

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AIPLA appreciates the opportunity to comment on Restructuring and Reform of the Boards of Appeal and would be pleased to answer any questions these comments may raise. We believe that user groups, including AIPLA, can make significant contributions and suggest that roundtable discussions, including both users who send cases to the EPO and European professional representatives, are particularly useful. We look forward to a continuing dialogue on this and other important matters of interest.

Sincerely,



Sharon A. Israel
President
American Intellectual Property Law Association

² EPC Article 112a - Petition for review by the Enlarged Board of Appeal

(1) Any party to appeal proceedings adversely affected by the decision of the Board of Appeal may file a petition for review of the decision by the Enlarged Board of Appeal.

(2) The petition may only be filed on the grounds that:

(a) a member of the Board of Appeal took part in the decision in breach of Article 24, paragraph 1, or despite being excluded pursuant to a decision under Article 24, paragraph 4;

(b) the Board of Appeal included a person not appointed as a member of the Boards of Appeal;

(c) a fundamental violation of Article 113 occurred;

(d) any other fundamental procedural defect defined in the Implementing Regulations occurred in the appeal proceedings; or

(e) a criminal act established under the conditions laid down in the Implementing Regulations may have had an impact on the decision.