

April 5, 2013

The Honorable Benoît Battistelli
President
European Patent Office
Erhardstrasse 27
80469 Munich, Germany

via email: patentlaw@epo.org

**Re: AIPLA Comments to EPO Consultation Regarding
Divisional Applications (Rule 36 EPC)**

Dear President Battistelli,

The American Intellectual Property Law Association (AIPLA) is pleased to provide the following comments in response to the European Patent Office's (EPO) request for consultation regarding possible further amendments to Rule 36 EPC on divisional applications (<http://www.epo.org/law-practice/consultation/ongoing/divisional-applications.html>).

AIPLA is a U.S.-based national bar association with approximately 15,000 members who are primarily lawyers in private and corporate practice, government service, and the academic community. AIPLA represents a diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, unfair competition, and trade secret law, as well as other fields of law affecting intellectual property, in the United States and in jurisdictions throughout the world. AIPLA has had a longstanding and close relationship with the EPO and appreciates this opportunity to provide detailed input on this important practice question.

Preliminary Comment

AIPLA supports the EPO's undertaking to improve the efficiency of the examination process. We believe that the time limits on the filing of divisional applications as set by Rule 36 EPC have been more harmful than helpful. As a result, AIPLA is encouraged that the EPO is revisiting this issue and considering further amendments of the rule.

Problems with Rule 36 EPC in Its Current Form

According to the EPO, Rule 36 EPC was amended at least partly to address a perceived abuse of divisional application practice, particularly filings intended to unjustifiably prolong or otherwise extend prosecution. Such abuse was thought to create legal uncertainty for the public as to what patent protection a given invention might ultimately receive.

Rule 36 EPC therefore imposes a twenty-four-month time limit for filing a divisional application, measured either: (1) from the first Official Communication under Article 94(3) EPC (action on the merits) or Communication under Rule 71(3) EPC (notice of intent to grant) with respect to the earliest related application, or (2) from any communication from the Examination Division raising a given unity of invention issue under Article 82 EPC for the first time.

AIPLA believes that the twenty-four-month deadline set forth in Rule 36 EPC is unrealistically short and too often forces applicants to make important decisions regarding prosecution without enough information. The time periods of the rule frequently do not permit sufficient development of patentability issues during examination of a would-be parent application, such that applicants must make more of a guess than a reasoned judgment in deciding whether to file divisional applications. On the commercial/technical side, similar problems arise because the time limits are too short to permit applicants to fully explore and identify commercially valuable aspects of their inventions.

Even though applicants may not be well positioned to make informed choices regarding divisional applications because of the short time limits, they are nevertheless obliged to expend considerable cost and effort (either directly or via the expense of a local practitioner) tracking at least one deadline (and possibly two—a unity of invention objection not being inevitable) over a two-year period, based on unpredictable starting points, for fear of losing the opportunity to file divisional applications.

In addition to the burdens imposed on applicants, Rule 36 EPC does not effectively address the issues that spurred the amendments thereto.

Returning to the issue of perceived abuse of divisional application practice, for example, our counterparts at the Institute of Professional Representatives before the European Patent Office (“epi”) observed in their position paper of November 22, 2012, that the amended rule does not, strictly speaking, eliminate the possibility of filing several generations of chained divisional applications, even if the window to do so is more compressed because of the time limits.

Furthermore, the time period of Rule 36 EPC that is measured from a communication under Article 94(3) EPC or Rule 71(3) EPC (for a so-called “voluntary” divisional application) is not necessarily measured from the oldest application in a sequence of related applications. For example, if a parent application and a divisional application based thereon are timely filed, it is perfectly conceivable that the first Article 94(3) EPC or Rule 71(3) EPC communication could be issued in the divisional application before the parent application, and this would start the twenty-four-month time limit of the rule. This variability in the applicable deadline for filing divisional application undermines the legal certainty that the EPO is seeking.

Finally, the time limits of Rule 36 EPC are also self-defeating as evidenced by the net increase in divisional applications filed since the amended rule came into force. As noted above, the short deadlines under the rule mean that the viability of a would-be parent application is more difficult to assess at such an early point, which increases the incentive to file a divisional application as a

precaution. Moreover, early divisional application filings (whether or not obliged by rule) are comparatively less expensive to file because of the general requirement to retroactively pay annuities. This further encourages an applicant to file one or more divisional applications.

Potential New Amendments to Rule 36 EPC

In considering how Rule 36 EPC might be amended, it is important to distinguish between zealous and thorough prosecution and abuse of the patent system, whether by way of divisional applications or otherwise.

Responsible patent practitioners customarily adopt a cautious and deliberate strategy in the prosecution of a patent application. While practitioners recognize the value of a patent granted over the best available prior art, they also seek a patent with the fewest number of limitations in the claims, the least number of arguments made in support of patentability, and, when possible, no amendments or new data at all. The pursuit of these legitimate objectives necessarily tends to extend the prosecution process when a robust prosecution strategy, possibly including the filing of related later applications, is employed.

Most practitioners who engage in these strategies are not trying to game the system, but are simply trying to protect the interests of the creative people who make and disclose inventions to the public, and of the entities that convert ideas to reality and bring tangible benefits to the public. While we do not doubt that abuse of divisional application practice in the EPO occurs in the manner described, most divisional applications are filed for legitimate reasons, not simply to delay prosecution.

As stated above, therefore, AIPLA strongly believes that the twenty-four-month time limits set forth in Rule 36 EPC are far too short.

More generally, arbitrary time limits on the filing of divisional applications, beyond a requirement that the prior related application still be pending, are not an effective solution to the concerns raised by the EPO in view of the negative effects such time limits have on the examination process. Indeed, as discussed above, time limits actually appear to encourage, rather than discourage, divisional applications. For this reason, AIPLA concurs with our colleagues from epi, and suggests that the best approach to this issue would be to amend Rule 36 EPC so that it reverts to its prior wording, namely, applying no timing requirement to the filing of a divisional application other than requiring its parent to still be pending.

AIPLA also believes that concerns expressed regarding legal uncertainty for the public caused by divisional application practice are largely addressed by the publication of patent applications and the transparency of prosecution within the EPO thereafter. In most instances, therefore, the public is (or at least can be) very well informed as to the progression of a given patent application and can form reasoned expectations as to outcomes.

With respect to perceived abusive delay of examination (to the extent that such exists), the EPO frequently employs mechanisms intended to modify applicant behavior that are far less severe than an absolute bar (as is imposed by Rule 36 EPC). For example, there are steep (indeed, non-linear) increases in extra claims fees to deter (but not prohibit) applications with large numbers of claims to be examined. Increasing filing fees for divisional applications, perhaps as a function of time elapsed since the filing of the parent application, could be considered. Such increased fees could be implemented in a much more predictable and clear manner than the variable time periods of Rule 36 EPC. This approach would be preferable in that fee-based deterrence maximizes filing options for applicants while at the same time encouraging more thought regarding each filing in view of the costs.

At a procedural level, further development of a prohibition against double patenting could be considered. This would further distinguish between divisional applications filed as part of a considered strategy from those filed with little or no effort, presumably as dilatory placeholders. If some time limits are considered indispensable, AIPLA encourages the EPO not only to make them as long as possible (at least 48 to 60 months) in consideration of the observations above, but also to associate them with more fixed and clear references (particularly compared with the time limit for a voluntary divisional application as set forth in Rule 36(1)(a) EPC).

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AIPLA appreciates the opportunity to comment on these draft Rules, and we stand ready to provide additional comments whenever appropriate.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Lewis". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Lewis" clearly distinguishable.

Jeffrey I.D. Lewis

President

American Intellectual Property Law Association