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SUBJECT: Deferred examination of European patent applications

SUBMITTED BY:

1. Danish delegation
2. German delegation
3. Netherlands delegation

ADDRESSEES: Administrative Council (for opinion)

SUMMARY

Proposal of the Danish, German and Netherlands delegations on deferred examination of European patent applications.

I. THE CONCEPT

Under Article 94 (1) EPC the European Patent Office shall, in accordance with the Implementing Regulations, examine on request whether the European patent application meets the requirements of the Convention. According to Rule 70 (1) of the Implementing Regulations this request for the examination of the patent application may be made by the applicant up to six months after the date on which the European Patent Bulletin mentions the publication of the European search report. If the applicant does not request the examination of his application within the prescribed time limit his application is according to Article 94 (2) EPC deemed to be withdrawn.

To avoid the loss of right the applicant must request the examination of his application within the prescribed time limit. Today all applications are searched and examined regardless of their actual economic value, on the simple basis of first-in-first-out. At the point in time when an applicant must request the examination of his application he will often not be in a position to determine the relevance of a particular invention that depends on many other factors such as economic trends and consumer behaviour. Often his inventions might never be important at all. Regardless of this fact, in the present day situation all applications – whether these applications are of great importance for applicants / third parties or not - are processed in the same way extending the duration of the examination process for all applications alike. Today the duration of the procedure from application to grant has increased to an average duration of 43 months. This approach, which has in a way led to an actual deferred examination for all applications, could be considered uneconomical with a view to the not unlimited resources of the examination divisions of the EPO.

The deferred examination is a more intelligent way of processing applications which aims at decreasing the EPO workload and at the same time further increasing the quality of the examination of patents (raising the bar) by concentrating the efforts of the Office on those applications that are economically of particular importance to applicants or third parties and leaving those applications which are of no interest to either of them unexamined. By prioritizing the work of the EPO at the request of applicants and third parties its work would become more demand-driven. Under a regime of deferred examination, the applicant would be allowed more time to consider his invention and to request the examination of the application. Deferred examination could be applied during a time span to be determined, for example 5 -10 years, starting from the date of filing. Where no examination is requested during that time the application would automatically be deemed to be withdrawn. In a considerable number of

applications that request will never be made. As a consequence, the workload of the EPO would be reduced and important applications examined more quickly.

At the same time a regime of deferred examination would contribute to the efforts to increase the quality of applications to be examined. In document CA/PL 14/08 Rev.1 proposals are made to increase the quality of applications. However, in some cases the lack of quality of applications, which causes unnecessary additional work for the EPO, might be due to the situation that the applicant finds himself in when he does not know, at the early stage of the examination under the present Article 94 (1) EPC, Rule 70 (1), whether his invention will ever be used at all and consequently whether protection is actually needed or, if so in what form it would be needed. Under deferred examination it can be expected that the applicant would request only the examination of applications where he has a clear view of the protection he desires and thus has a particular interest in the swift grant of the patent. It is likely that these applications would serve the quality objective in patent granting. While allowing the necessary flexibility for applicants, the EPO would have less work in establishing the desired appropriate form and contents of applications.

II. PROTECTION OF THIRD PARTIES

Deferred examination would have an effect on third parties.

The positive effect also for third parties would be that the time for grant procedures could be expected to decrease. Therefore clarity on economically important inventions could be reached more quickly. In particular SMEs with sometimes limited financial resources have an interest in achieving clarity quickly for a legally secure decision on investments in a given area.

The negative effect would be that not all applications are examined and that third parties / competitors are hindered in their product clearance investigations to proactively identify patents in the relevant areas and to reduce the risk of subsequent patent infringement. However, this disadvantage could be addressed in the following way:

- First of all, third parties should be given the right to request the examination of an application for which the examination is deferred. In doing so, third parties would not become a party to the examination proceedings. They should, however, present observations under Article 115 EPC. The fees for the examination would need to be paid by the applicant. Solely for the purpose of avoiding the abuse of this right by third parties systematically

asking for the examination of patents, the requesting third party should be required to pay a flat fee.

- Secondly, the examination on request by a third party should be a fast-track examination. It should be concluded within a strict time limit, much shorter than it would have taken to examine the application if the examination had not been deferred. In this situation the disadvantages – notably legal uncertainty - for third parties are minimised.
- Thirdly, the EPC provides in Article 92 for a European Search Report. This search report will give third parties the information on existing prior art and will help in the evaluation of the application and the question whether or not to request the examination of the application.

III. ADDITIONAL OPTION: DEFERRAL OF THE SEARCH PHASE / PRIORITARISATION OF SEARCHES

The deferred examination of the patent application alone would under the current Article 92 EPC automatically lead to a European search report drawn up by the EPO and, according to Rule 62, an opinion on the patentability of the claimed invention (extended European search report). To further increase the positive effect on the workload of the EPO consideration could be given not only to deferring the examination of the patent application but to extending this concept to the search itself, including the written opinion on patentability. The drawback would be an increase in legal uncertainty for third parties because no search report would be available. It should be examined whether this could be motivated with a view to the efficiency savings for the EPO which would lead to faster examination of more important applications (from the point of view of applicants and/or third parties), which in turn would be adding to clarity and quality of the patent system and to the right of third parties to request the examination of the application. One way of securing legal security is to limit the deferral of the search phase to applications for which a search report already exists from a first filing. Deferred searches should be seen as (demand-driven) prioritisation of search work; it would mean that the EPO – in the situation where there would be a relapse in search requests (in specific areas) - could continue its work ex-officio; applications would be dealt with in the order of prioritisation as requested by applicants and third parties.

IV. LEGAL IMPLEMENTATION

Article 95 EPC (1973), which was deleted by the EPC 2000 Revision, contained a particular type of deferred examination. According to that Article, the Administrative Council was empowered to extend the period within which the requests for examination may be filed if it were established that European patent applications could not be examined in due time. Even although the Convention does not contain this provision any longer the introduction of deferred examination nevertheless remains possible. The Basic Proposal MR/2/00 explicitly bases the deletion of Article 95 EPC on the flexibility needed for a possible introduction of a system of deferred examination not limited to the situation as provided for in Article 95 EPC (1973).

Deferred examination could be introduced by a decision of the Administrative Council under Article 33 (1) lit. c EPC, amending the Implementing Regulations accordingly. Presently Rule 70 of the Implementing Regulations provides for a six month time limit during which the examination of the application can be requested. This time limit could be extended appropriately. As is the case for the present day six- month period, the application would under the regime of deferred examination according to Article 94 (2) EPC automatically be deemed to have been withdrawn if no request for examination was made within the prescribed period.

According to Article 92 EPC the EPO shall, in accordance with the Implementing Regulations, draw up a European search report which according to Rule 62 shall be accompanied by an opinion on the patentability of the claimed invention. The Implementing Regulations could - as in the case of the examination - provide for a time limit in which the search could be applied for.