

# HOUSTON JOURNAL OF INTERNATIONAL LAW

---

VOLUME 3

SPRING 1981

NUMBER 2

---

## A NEW INSTRUMENT OF TECHNOLOGY TRANSFER: THE EUROPEAN PATENT\*

*Joanna Schmidt\*\**

The first Euro-patent applications have been filed with the European Patent Office in Munich.<sup>1</sup> The European patent law, expected or feared for a quarter of a century, has become a legal and economic reality since the Convention on the Grant of European Patents (EPC), signed at the Munich Diplomatic Conference on October 5, 1973.<sup>2</sup> The formation of the European system, however, will not be complete until the European Community Patent Convention (Luxembourg Convention), signed at Luxembourg on December 5, 1975,<sup>3</sup> is ratified by a sufficient number of countries. When both the EPC and the Luxembourg Convention have come into force, they will constitute an independent

---

\* Source material used in this article is on file with the HOUSTON JOURNAL OF INTERNATIONAL LAW.

\*\* Docteur en Droit (Ph.D.), Associate Professor of Law, University of Lyon (France); Director, Institute of Business Law; Professor, Center of International Studies on Industrial Property (C.E.I.P.I.), University of Strasbourg (France); Visiting Professor of Comparative Law, University of Minnesota (Minneapolis).

1. Since its entry into force on June 30, 1980, over 24,000 European patent applications have been filed. See van Benthem, *Der Start des Europäischen Patentamts, seine Planung und Entwicklung*, GRUR INT. 427 (1978).

2. The text has been published in English, French, and German by the government of the German Federal Republic, and may be obtained from Wila Verlag, Wilhelm Lampl, D 8000 München 21 Landsberger Str. 1919. A copy is also on file with the HOUSTON JOURNAL OF INTERNATIONAL LAW, University of Houston, Houston, Texas 77004. The EPC has been ratified and entered into force in the following States: Federal Republic of Germany, Netherlands, United Kingdom, Switzerland, France, Luxembourg, Belgium, Italy, Austria, Sweden, and Lichtenstein.

3. The text is published in the Journal Officiel des Communautés Européennes, Jan. 26, 1976. The English version may be obtained from the Office des Publications des Communautés Européennes, B.P. 1003, Luxembourg.

system which organizes the granting of and the defining of the rights conferred by a European patent.

Since the EPC remains the only Convention in force, the national patent laws coexist, temporarily, with the European patent law. The EPC concerns the mechanics of granting a patent and not the rights conferred by the granted title.<sup>4</sup> The so called "European patent" granted by the Munich European Patent Office (EPO) is an ensemble of national patents which have effect in the States designated by the applicant, and the national patents are subject to the local national law of each state designated. The present system allows the grant of several national patents by means of a single procedure. This situation will be modified by the Luxembourg Convention which defines the extent of the rights attaching to the granting of a patent. In the EEC member-states, the "European patent" granted by the EPO will create the effects of a single patent, subject to the Luxembourg Convention. In those states designated by the applicant, which do not belong to the EEC, it will produce a series of national parallel patents. Every applicant for a European patent who designates at least one EEC member-state will be presumed to be applying for a Community patent.<sup>5</sup>

In the present transitional phase, the European patent granted in a national system is not completely exempt from European law. The national patent granted according to the European procedure is subject to the rules of patentability provided for by the EPC. Its validity will be determined by the national judge, applying the European rules of patentability. After the ratification of the Luxembourg Convention, the courts of the EEC member-states, when dealing with an infringement of a European patent, will have to suspend the decision until a special Community court decides on the problem of validity.

The application of the EPC by the national courts will create a problem of interpretation, and it should be interpreted as uniformly as possible. To achieve uniformity, the preparatory and implementing documents of the EPC should be examined.<sup>6</sup>

---

4. See Rupp, *Die gewerblichen Schutzrechte im Konflikt zwischen nationalen Grundrechten und Europäischem Gemeinschaftsrecht*, NEUE JURISTISCHE WOCHENSCHRIFT (NJW) 993 (1976); Greenblum, *The French Patent and the European System*, J. PAT. OFF. Soc'y 573 (1977).

5. Repaci, *Vers un Droit Europeen des Brevets, Une Deuxième et Decisive Etape: La Convention sur le Brevet Communautaire*, REVUE DU MARCHÉ COMMUN 86 (1976).

6. Together with the Implementing Regulations, four Protocols have been adopted relating to: the Recognition of Decisions in respect of the Right to the Grant of a European Patent; the Privileges and Immunities of the European Patent Organization; the Centralization of the European Patent System and its Introduction; and the Interpretation of Article 69 of the EPC. Those documents may be obtained in the three official languages from Wila Verlag, München, Fed. Rep. of Germany.

This convention is not the sole source of European patent law; it is closely linked to two preceding convention texts: the Paris Convention for the Protection of Industrial Property, signed in Paris on March 20, 1883, and the Patent Cooperation Treaty (PCT), signed in Washington on June 19, 1970.

The EPC is a "special arrangement" within the meaning of Article 15 of the Paris Convention. All the ratifying states of the EPC are subject to the PCT.<sup>7</sup> The PCT organizes an international application procedure creating simultaneous procedures in each contracting state designated by the applicant. There is a close relationship between the two conventions, and the writers of the European text were eager to make it compatible with the PCT especially as to the formal rules relating to the application for the patent.<sup>8</sup> The EPC has to be read in conjunction with the documents which have preceded and inspired it since 1946.<sup>9</sup>

Several European rules have been modeled on the Strasbourg Convention signed on November 27, 1963, which unified some elements of patent law.<sup>10</sup> Both conventions have a common origin, since they both draw from the Council of Europe drafts prepared between 1959 and 1962. All the reforms of the national patent systems carried out in different states since 1973 have aimed at the harmonization of the national law with the European system on the basis of the Strasbourg Convention.<sup>11</sup> In spite of the outward similarity of texts, the national systems remain divergent and the EPC may not be considered a simple addition of national notions; it is an independent legal system and must be interpreted as such.

The autonomy of European patent law can be seen both in relation to the conditions (Part One) and to the effects (Part Two) of the grant of a European patent.

---

7. EPC Article 150. Chapter I and Chapter II of the Patent Cooperation Treaty has been ratified (June 1, 1981) by the Netherlands, Hungary, Japan, Australia, Monaco, Korea, Rumania, Sweden, Federal Republic of Germany, United Kingdom, Soviet Union, Brazil, Centrafrican Republic, Senegal, Madagascar, Malawie, Cameroon, Chad, Togo, Gabon, and Zaire. It has been ratified with reservations towards Chapter II by the United States of America, France, Switzerland, Denmark, Lichtenstein, Luxembourg, and Norway. Since its entry into force, 1,297 international applications were filed during the first year, and, 3104 during the second year.

8. Ladas, *Patent Cooperation Treaty and the European Patent Convention*, IDEA 37, 38 (1975).

9. On the genesis of the European Patent System, see Ehlers, *Bibliographie zum europäischen Patentrecht*, GRUR INT. 251 (1976); PANEL, LA PROTECTION DES INVENTIONS EN DROIT EUROPÉEN DES BREVETS (1977).

10. The text is published in *La Propriété Industrielle* 13 (1964); see Chavanne, *Propriétés incorporelles*, *Revue Trimestrielle Droit Commercial* 309 (1964).

11. See Beton, *Future Prospects—Harmonization of National Patent Laws*, EUROPEAN INTELLECTUAL PROPERTY REVUE (EIPR) 13 (1979).

## PART ONE: THE CONDITIONS OF GRANT OF A EUROPEAN PATENT

The grant of a European patent is subject to the filing of an application (examined in Section I) which is followed by the realization of a specific procedure (examined in Section II).

## I. FILING OF THE APPLICATION FOR A EUROPEAN PATENT

The procedure to obtain the grant of the European patent begins with an application filed either directly at the European Patent Office in Munich, or at its sub-office in The Hague, or at any national receiving office which transmits the application to the EPO.<sup>12</sup> The applicant is free to choose the place to file when he files the application. In certain circumstances (such as where his initial application has been held to be complex) his freedom is restricted; he then must file the European divisional applications directly with the EPO.<sup>13</sup> Moreover, some national patent systems require filing at the National Patent Office.

When examining the application, several questions arise:

- 1) Who may apply?
- 2) What are the patentable inventions?
- 3) How should the application be filed?

A. *Who May Apply*

Article 58 of the EPC states that any person may apply for a European patent; thus, there are no restrictions based upon the identity of the applicant, the nature of the applicant (individual or legal persons), or the nationality of the applicant.<sup>14</sup> The EPC provides for special rules of representation.<sup>15</sup> But either the applicant or the applicant's as-

---

12. On the organization of the EPO see Vincent, *European Patent Institute*, THE JOURNAL OF THE CHARTERED INSTITUTE OF PATENT AGENTS (CIPA) 378 (1979); on the relations between the national patent offices and the EPO see Zimmer, *Stellung und Aufgaben der nationalen Patentämter neben dem Europäischen Patentamt*, GRUR INT. 609 (1979).

13. EPC art. 76(1).

14. Intensive discussions took place on the problem of accessibility and the definition of the persons who will be allowed to use the European Patent System. In its final version the EPC is open to any person regardless of citizenship or residence in one of the contracting states. See Ladas, *Les Traités du Marché commun concernant les brevets et les marques de fabrique ou de commerce seront-ils «ouverts» ou «fermés»?*, LA PROPRIÉTÉ INDUSTRIELLE 35 (1962); Chavanne, *La probléme de l'accessibilité dans l'avant-projet de convention relatif à un droit européen des brevets*, Revue Trimestrielle de Droit Commercial 505 (1963); Megret, *De l'accessibilité au droit européen des brevets*, JOURNAL DU DROIT INTERNATIONAL 871 (1965).

15. EPC arts. 133, 134, 163. They may be summed up as follows: natural persons resident in one of the contracting states may act by themselves before the European Patent Office; natural or legal persons resident in one of the contracting states may be represented by an employee who need not be a professional representative; non-resident persons may file the application by themselves, but must be represented in further proceedings by a professional representative chosen from a special list of authorized representatives.

signee must have the quality of an inventor; as a consequence, the inventor has the right to be mentioned as such, and he must be designated in the European patent application.<sup>16</sup> In two cases, however, the applicant may not be the inventor, nor his assignee. First, when the applicant is an employee, Article 60 provides that the right to apply is defined by the law of the State where the employee has his principal activity, or, if this State cannot be determined, the applicable law shall be "that of the State in which the employee has his place of business to which the employee is attached." The right to apply and the right to an eventual sharing in the profits derived from the use of the European patent are governed by a single legal system, which may not be that of the patent, but in the great majority of cases, will be that of the contract of employment.<sup>17</sup>

The consequences of being the inventor are further reduced by the fact that the EPO does not check the quality of the applicant who "is deemed to be entitled to exercise the right to the European patent."<sup>18</sup> Article 61 of the EPC provides for a solution in the case when the right to apply is contested. Such a proceeding may be instituted in the competent national court, between the date of the application and that of the grant of the European patent. According to the EPC the plaintiff will have to prove his right to the European patent. The decision of the court will be automatically recognized in all the contracting states, according to the Protocol on Jurisdiction and Recognition of Decisions in Respect of the Right to the Grant of a European Patent, added to the EPC.

Under Rule 13 of the EPC, if a third party provides proof to the EPO that the third party is seeking a judgment that he is entitled to the grant of the European patent, the EPO has to stay the procedure for grant after the publication of the original application, unless the third party consents to the continuation of the granting proceedings. Rule 14 provides that the applicant may not withdraw the patent application nor the designation of any contracting states between "the time a third party proves to the EPO that he has initiated proceedings concerning entitlement and up to the date on which the EPO resumes the proceedings for grant."

If the right to the European patent is recognized as belonging to a person other than the applicant, the other person may either continue the application in respect of the same invention, or request that the

---

16. EPC arts. 60(1), 62, 81.

17. Doughty, *Employee Inventors' Rights*, THE INVENTOR 16 (1979).

18. EPC art. 60(3).

application be refused.<sup>19</sup> The new application has the benefit of the date of filing of the earlier application and of any right of priority.<sup>20</sup>

The EPC does not provide for any specific sanction in the case where the European patent has been granted to an unentitled person. The opposition procedure is not available in this case.<sup>21</sup> Where the law of the contracting state in which the European patent is contested allows this, it is possible to seek the revocation of the European patent on this ground in the competent national courts.<sup>22</sup> The protection of the "principle of the first inventor" is, thus, largely left to national law.

### *B. What Are the Patentable Inventions?*

The draft of the European criteria of patentability was one of the toughest issues during the negotiations of the EPC. Articles 52 to 57 deal with this problem and appear to be the most important part of the European patent system. The inventions which have not been excluded from protection may be covered by a European patent if they meet the conditions of patentability.

#### 1) Non-patentable Inventions

Article 53 provides a list of the inventions which are excluded from protection by a European patent. The exclusions deal with two categories of inventions: (a) those the publication or use of which would be contrary to public order or morality and (b) new varieties of plants or animals or essentially biological processes for the production of plants or animals. Plant varieties are subject to a particular system of protection under The Paris Convention signed on December 2, 1961. The non-patentability of animal species seems to be founded on ethical ground which condemn the genetic manipulation of living species. This exclusion does not apply, however, to microbiological processes or the products thereof.<sup>23</sup> Special texts have been inserted in the EPC relating to the filing of such applications and the conservation of culture collections.<sup>24</sup>

---

19. EPC art. 61.

20. EPC art. 76(1).

21. EPC art. 100.

22. EPC art. 138(1)(c).

23. EPC art. 53(b).

24. See Epstein, *Der Schutz der Erfindungen auf dem Gebiete der Mikrobiologie*, GRUR INT. 271 (1974); Wegner, *Patent Protection for Novel Microorganisms Useful for the Preparation of Known Products*, 5 INTERNATIONAL REVIEW OF INDUSTRIAL PROPERTY AND COPYRIGHT LAW (IIC) 285 (1974); Tak, *Protection of Applied Microbiology*, 5 IIC 382 (1974); Hüni, *The Disclosure in Patent Applications for Microbiological Inventions*, 8 IIC 500 (1977); Leherte, *L'invention de Selection chimique est-elle Brevetable dans les Pays Contractants de la Convention Sur le Brevet Europeen, tant par la voie Nationale que par la voie Europeenne?*

To the exclusions provided for by Articles 52 and 53 above, must be added those which proceed from the reservations made by the contracting states under Article 167. The reservations allow the states to decide under what conditions European patents are ineffective or revocable. The reservations may be formulated on the following inventions: chemical, pharmaceutical or food products, as such, and agricultural or horticultural processes (other than those provided for by Article 53). The possibility of making reservations was accepted to satisfy those of the contracting states whose legal systems prohibit the protection of the above inventions.<sup>25</sup> This possibility introduces into the European system a contestable but only temporary complication, the reservations being in effect for only ten years from the entry into force of the EPC.

## 2) Patentable Inventions

To be patentable, a technical creation must satisfy four conditions: (a) it must be an "invention" within the meaning of the EPC, (b) it must be new, (c) it must imply an inventive step, and (d) it must be capable of industrial application.

### (a) "Invention" Within the Meaning of the EPC

The EPC does not give any definition of "invention." The existence of this requirement is implied from Article 52(2), which provides for a list of non-patentable creations which are not considered as inventions. The EPC excludes, first, the patentability of scientific discoveries, as do the great majority of occidental patent systems;<sup>26</sup> second, aesthetic creations (creations which present only an aesthetic, but not an industrial aspect);<sup>27</sup> third, abstract creations (creations without any material application, such as scientific or mathematical theories, and methods of organization). The lack of any material construction makes it, in effect, difficult to punish the infringements of an eventual patent

---

REVUE DE DROIT INTELLECTUEL 389 (1978); Teschemacher, *Ein Sonderrecht für mikrobiologische Erfindungen?* GRUR INT. 444 (1979); Vossius, *Patent Protection for Biological Inventions—Review of Recent Case Law in EEC Countries*, EIPR 278 (1979); Gershman and Scafetta, *Patents on Microorganisms*, 21 IDEA 1 (1980).

25. Five southern European States were concerned: Spain, Greece, Yugoslavia, Portugal, and Turkey. Those States do not recognize the protection for chemical, therapeutic, or food inventions, whereas the EPC admits their patentability. See Polus, *Application of the Munich Convention by the Contracting Countries*, CIPA 505 (1978).

26. Most of the socialist systems allow a reward to the author of a scientific discovery. See PLASSERAUD AND HIANCE, *LA PROTECTION DES INVENTIONS* (1970); Schmidt, *Traits Originaux du Système Soviétique de Protection des Inventions*, REVUE INTERNATIONALE DE DROIT COMPARÉ (R.I.D.C.) 506 (1970).

27. National legislation may allow other means of protecting such creations. See Perot-Morel, *L'application respective du régime de protection des dessins et modèles industriels et des inventions brevetables*, REVUE DE TRIMESTRIELLE DROIT COMMERCIAL, 23 (1976).

covering such creations.<sup>28</sup>

Computer programs are also excluded from patentability.<sup>29</sup> This form may designate either creations lacking material support such as algorithms, or creations included in a material support such as magnetic tapes. Algorithms would be excluded from protection on the grounds of their abstract character. Only the second creations are considered as "computer programs" and excluded as such from the protection of the European patent.

Finally, Article 52(2)(d) excludes the protection of presentations of information. All the creations with which Article 52(2) is concerned are excluded from patentability only if a European patent application or patent relates to them "as such" (see Article 52(3)). Consequently, one of the creations mentioned above may be patentable if it is included in a technical unit. For instance, a computer program may be patentable with a computer if it and the computer form a technical unit.

### (b) Novelty

The requirement of novelty is traditionally associated with the notion of invention and is known to all the patent systems. The disclosure of a technique already known is of no interest for the economy and does not justify the grant of an exclusive right. Novelty is defined by Article 54(1) of the EPC: "an invention shall be considered to be new if it does not form part of the state of the art." This definition is identical to the one in the Strasbourg Convention.<sup>30</sup> It is an objective notion implying a comparison between the state of the art and the proposed invention to demonstrate that the latter is not already part of the former.<sup>31</sup> The state of the art consists of all the technical information accessible to the public on a certain date. The state of the art may be more or less broad according to whether the notion of novelty is "absolute" or "relative." In the first case, the state of the art includes, without any restriction, all the information accessible on the date of the patent application; in the second case, the state of the art is limited to certain information only, taking into account its form and the date or

28. SCHMIDT, *L'INVENTION PROTEGÉE* (1972).

29. Ulmer, *Copyright Protection for Scientific Works with Special Reference to Computer Programs*, 2 IIC 56 (1971); Bardehle, *Die praktische Bedeutung der Patentfähigkeit von Rechnerprogrammen*, MITTEILUNGEN DER DEUTSCHEN PATENTANWÄLTE 141 (1973); Pagenberg, *Patentability of Computer Programs on the National and International Level*, 5 IIC 1 (1974); Braubach, *Protection Internationale des Programmes d'Ordinateur*, REVUE DE DROIT INTELLECTUEL 115 (1979).

30. Strasbourg Convention art. 4.

31. Bossung, *Stand der Technik und eigene Vorverlautbarung im internationalen, europäischen und nationalen Patentrecht*, GRUR INT. 381 (1978).

the place of its disclosure. The EPC adopts the system of absolute novelty. According to Article 54(2) the state of the art consists of all the information disclosed by any means on the date of the European patent application. No supplementary condition is required and it is not necessary to take into account either the means of disclosure (which may result from a document or a use) or its date (the disclosure by the applicant or the inventor destroys the novelty, except in the case provided for by Article 55), or the place (the disclosure may have taken place in a country very remote from the place of the application). Thus, the disclosure may be proven by all means.<sup>32</sup>

The principle of absolute novelty provided for by Article 53(2) allows two groups of exceptions. In some cases, information is considered as not belonging to the state of the art, although it has been accessible to the public before the date of the European patent application and the state of the art is, in that case, exceptionally restricted. In some other cases, information is deemed to belong to the state of the art although it has not been accessible to the public before the date of the European patent application and the state of the art is, in that case, exceptionally enlarged.

In the first group of exceptions, certain information is not considered as belonging to the state of the art whether in consideration of a right of priority, the origin of the disclosure, or in consideration of the nature of the invention. First, the right of priority<sup>33</sup> provided for by the Paris Convention of 1883 applies also to European patent applications, which may be filed on the basis of an earlier foreign application. The disclosures which have taken place between the two applications are not considered as belonging to the state of the art. It must be noted that for the first time in the history of industrial property, it is possible to file a single application which is effective in several countries. The EPC is thus, *per se*, a solution to the problem of parallel applications.<sup>34</sup>

Article 55 also excludes from the state of the art certain information on account of its origin. This occurs when the disclosure has taken place less than six months before the European patent application, as a

---

32. The rule of the proof of the "novelty by all available means" is to be applied not only during the grant procedure, but also in lawsuits relating to the validity of a European patent. The national competent courts could not, therefore, limit the means of proof according to the national law. This problem is not merely procedural, but relates to the object of the right of the patentee.

33. The right of priority allows the owner of a patent application filed in one of the contracting states of the Paris Convention to file within twelve months other applications for the same invention in other contracting states. Neither the first application nor information appearing subsequent to its date destroys the novelty of the subsequent applications.

34. See Alexander, *L'Établissement du Marché commun et le problème des brevets parallèles*, REVUE TRIMESTRIELLE DE DROIT EUROPÉEN 513 (1968).

result of an *evident abuse* vis-à-vis the applicant or his predecessor in title, or as a result of the exposition of the invention by the applicant or his predecessor in title, during one of the officially recognized expositions in the sense of the Paris Convention signed on November 22, 1929.<sup>35</sup> Those two exceptions are classical exceptions and are provided for by many national patent systems. Article 54(5) provides for a third exception, based on the nature of the invention. This text deals with the "substances or compositions" already known, which are used for the first time as methods of surgical treatment, therapeutical treatment, or diagnosis. Article 52(4) allows a European patent application for such methods although they are already known as "substances." The above exceptions, restricting the state of the art, allow the solution of some problems where the principle of absolute novelty would lead to inequitable or inconvenient results.

The EPC also provides for other exceptions to the principle of absolute novelty and enlarges it by the inclusion in the state of the art of some information which should not logically appear because it was not accessible to the public before the date of the European patent application. Such is the case, according to Article 54(3), for the content of European patent applications which are filed before the application concerned, but which are not yet published on the date of the latter.<sup>36</sup> The EPC article deals with the problem of "double patenting."<sup>37</sup>

The problem of "double patenting" is one of a conflict between a patent and an identical application filed previously by a third person but not yet published on the date of the second filing. The first application should not logically destroy the novelty of the second one, since it is not yet disclosed to the public. In order to solve the conflict, Article 54(3) prohibits the granting of a European patent on the grounds of the second application by ficticiously including in the state of the art the whole content of the first application. Only the novelty of the first application is destroyed, and not its inventive character.<sup>38</sup>

---

35. Those exhibitions are in fact relatively rare. They consist, essentially, of the "great world exhibitions," the next of which will take place in Barcelona, Spain, in 1982, or of "professional" exhibitions which are organized by the contracting states.

36. This rule must be completed by art. 54(4) stating that 54(3) is applicable only to the extent that a contracting state designated in the second application was designated also in the first published application.

37. On the problem, see Blumenberg, *Die ältere Anmeldung im Künftigen europäischen Patentrecht*, GRUR INT. 261 (1972); Teschemacher, *Das ältere Recht im deutschen und europäischen Patenterteilungsverfahren*, GRUR INT. 641 (1975).

38. EPC art. 56. It must be noted that art. 54(3) and (4) solve only the conflict between two European patent applications. In each designated contracting state, this application may conflict with an identical unpublished national patent application, which cannot be considered by the EPO. This difficulty must be solved according to the national rules of the designated state dealing with "double patenting," EPC art. 139.

(c) *The Inventive Step*

The patentable invention which involves an inventive step is defined as the one which does not proceed from the state of the art in a manner evident to a person skilled in the art.<sup>39</sup> The appreciation of the inventive step implies a comparison between the state of the art and the proposed invention. The state of the art to be taken into consideration is the same as for the appreciation of novelty, and a single definition is given by Article 54(2). But novelty involves a purely quantitative analysis dealing with the difference between the invention and the state of the art, whereas the analysis of the inventive step is a qualitative analysis. The appreciation of the inventive step appears to be a very subjective one. On the grounds of the information contained in the state of the art, the subjective test indicates whether one skilled in this art would be able to reach the invention via standard professional capacities. The information previously known may be combined to prove the presence of the inventive step. This analysis is very delicate and might be helped by objective indicia of the prior non-existence of the inventive step, such as the existence of an unsatisfied technical need, the commercial success of the invention, and/or prior unsuccessful attempts to solve the problem. The EPC gives no guidance as to such indicia; therefore their choice is left to the national judge in charge of deciding on the patentability of an invention protected by a European patent, who may be helped by a comparative analysis.<sup>40</sup>

(d) *Industrial Application*

Article 52(1) of the EPC provides that an invention which is new and which implies an inventive step must be susceptible of industrial application. This requirement is defined by Article 57: an invention is considered as being susceptible of industrial application if it may be manufactured or used in any kind of industry or agriculture. The word "industry" is used in a very broad sense including "any human enterprise aimed at the transformation or the use of nature." This definition illustrates the problem of the patentability of inventions which may be manufactured but may not be used. Those inventions should be patentable, whatever their destination.

---

39. EPC art. 56.

40. Boucourechliev, *Invention et non-évidence dans le droit américain des brevets d'invention*, LA PROPRIÉTÉ INDUSTRIELLE 302 (1967); Jones, *Relevance for the EEC of American Experience with Industrial Property Rights*, 10 J. OF WORLD TRADE L. 513 (1976). See also *L'activité inventive et l'étendue de la protection dans le brevet européen*, Papers of the Congress of the Centre d'Etudes Internationale de la Propriété Industrielle, Strasbourg, 1974; Casalonga, *The Concept of Inventive Step in the European Patent Convention*, 10 IIC 412 (1979).

This requirement is completed by Article 52(4) which defines the inventions which are not considered as susceptible of industrial application. This Article prohibits the patenting of diagnostic methods and treatment of humans or animals. However, a European patent may protect the products related to the application of such methods if, of course, they meet the other requirements of patentability. This category of inventions is the only one which is deemed not to be susceptible of industrial application. The justification for this category is not correct and it may be linked more with social or moral considerations than with legal considerations. Even if the invention meets all the above conditions, it must still meet the formal requirements laid down by the EPC.

### *C. How Should the Application be Filed?*

The European patent application contains the following documents: (1) request, (2) description, (3) claims, (4) drawings, and (5) abstract.<sup>41</sup> A fee must be paid with each application.

#### 1) Request

The request is a petition for the grant of a European patent. The patent is the sole form of protection offered by the EPC, which has not adopted any secondary form of protection such as "additional certificates" or "utility certificates" as used in French law, or "utility models" as used in German law. The request is not to specify the form of protection sought by the applicant, although this was formerly its main role in the national patent systems.<sup>42</sup>

The request must set out certain facts relating to the requested protection. It has to indicate the date of the filing, and eventually the date of the priority, the title of the invention, the identity of the applicant and his representative, the designation of the inventor and the contracting states for which the protection is requested.<sup>43</sup>

Rule 26(2)(f) provides, if the application is not an initial one, such as a divisory application or a new application provided for by Article 61(b), or an application claiming a right of priority, it must refer to the initial application. Finally, the request must contain a list of its docu-

41. EPC art. 78 and rules 26-36.

42. Mousseron, *L'obtention des droits sur inventions industrielles: brevet, certificat d'utilité ou certificat d'addition?* LA SEMAINE JURIDIQUE 2313 (P. Level ed. 1970).

43. The EPC does not forbid the cumulation of the European patent with a national patent granted for the same invention. EPC Art. 139(3). Most of the statutes introducing the Convention into the national laws exclude the cumulation and provide for the lapse of the national patent from the date of the grant of the European patent.

ments and be signed by the applicant or his representative.<sup>44</sup>

## 2) Description

The description, which is the main document in the application, plays a number of very important roles. Before the patent is granted, the description sets the limits within which the applicant will be allowed to modify the claims. It may, at any time, be used for the interpretation of claims. Finally, it has an economic character in that it discloses the invention and allows further research.

In order to play the roles, the description aforementioned must satisfy certain requirements relating to content and date of presentation. Rule 27 states that the description must contain the following information: title of the invention as it appears in the request, area of technology, state of the art (as far as known by the applicant), exposition, description of the drawings (if any), at least one way of effectuating the invention, and a possible industrial use.

The description must be sufficiently clear and complete for an expert in the subject-matter to put it into effect.<sup>45</sup> This requirement is designed to compel the applicant to completely disclose his invention. This disclosure enriches the stock of accessible technical information and is a justification for a grant of the exclusive right of exploitation. The penalty for incomplete disclosure is the refusal of the European patent<sup>46</sup> either by its total or partial annulment<sup>47</sup> or by opposition to the grant.

The formal presentation of the description is provided for by Rules 27 and 36. If the invention concerns microorganisms, it is subject to special requirements contained in Rule 28. Under Article 80, a date cannot be attributed to the application if it does not contain a description. Possible modifications to the initial description as provided for by Rule 41, limited by Article 123(2), are: “[a] European patent application or a European patent may not be amended in such a way that it contains subject-matter which extends beyond the content of the application as filed.”<sup>48</sup>

---

44. In general, the EPC copies the dispositions of the Implementing Regulations of the Patent Cooperation Treaty relating to the presentation of the application. The designation of each state leads to the payment of designation fees, which are to be paid within twelve months from the filing or from the priority date, if any.

45. EPC art. 83.

46. EPC rule 39.

47. EPC art. 138(1b).

48. The Directives adopted by the EPO Administrative Council create a close link between the modifications of the claims and those of the description. Guidelines for Examination in the European Patent Office, Part G Guidelines for Substantive Examination at 52.

### 3) Claims

As do all patent systems which conduct an examination of the application prior to granting a patent, Article 76 of the EPC requires that the applicant formulate "claims" which define the matter for which subject-protection is sought. For the "claims" to play this role, Article 84 demands that they be clear and concise and be supported by the description. Opposition to the grant of a European patent may be based on the violation of the requirement of support, and the European patent, once granted, may be revoked for the same reason.<sup>49</sup> Article 82 states that the claims must satisfy the requirement of unity of invention, which means that a patent application may relate to only one invention. The obligation to divide a complex application, as provided by Rule 46, is the remedy for this condition. Once the European patent is granted, it cannot be revoked on grounds of complexity; this point is not provided for by Article 138 which relates to revocation. The same solution has been adopted by most national systems.

The formulation of the claims is strictly regulated by Article 84 and Rule 29. Article 84 provides that whatever the chosen formulation, the claims must clearly set out the subject-matter of the invention, "[t]hey shall be clear and concise. . . ." As a consequence, the claims must be intelligible in an independent manner, and Rule 29(6) prohibits reference to the description or the drawings. The application for a European patent which does not contain claims cannot receive a date of filing. The initial claims may, however, be further amended during the procedure of examination or opposition.<sup>50</sup> Except for material errors, which may be corrected at any time as provided in Rule 88, the applicant may amend the claims only under the conditions of Article 96; that is if he is invited to do so by the EPO. The EPC does not present the content, extensive or restrictive, of the modifications; both are authorized, provided that the subject-matter of the application is not extended beyond its initial content.<sup>51</sup>

The effects of the amendments are provided for by Article 69(2) and are different depending on whether or not the claims have been modified during the procedure of opposition. In the first case, the extent of the protection is determined by the last claims filed before publication. This modification takes effect retroactively up to the date of filing, even if the amendment has extended the claims. If the claims have been modified during an opposition procedure, only the restrictive

---

49. EPC arts. 100(c) and 183(i).

50. EPC arts. 51 and 102(3).

51. EPC art. 123(2).

amendments are retroactive. It is not clear, however, if this dates from the grant of the patent or from the filing. Article 69(2) seems to adopt the second solution. It is regrettable that the draftsmen of the EPC have adopted such a complex system, for it will sometimes be difficult to determine the extent of a European patent granted after amendment of the claims.

#### 4) Drawings

The drawings are compulsory only if the description or the claims refer to them. They are useful during interpretation of the claims and are very important. The date of the filing of the drawings must coincide with the date of the filing of the application; otherwise, either the application is re-dated or the drawings are deemed to be deleted.<sup>52</sup> Rule 32 precisely regulates the formulation of the drawings.

#### 5) Abstract

The abstract is a summary of the subject-matter of the application. This document is not necessary in order for the application to have a date of filing. The abstract is published with the application and is merely informational. It does not interfere with the delimitation of the protection. Rule 47(1) allows the EOP to re-write the abstract on its own initiative.

The filing of an application which complies with the above requirements opens the procedure of examination.

## II. PROCEDURE FOR THE GRANT OF A EUROPEAN PATENT

The grant procedure is aimed at checking compliance with the requirements of the EPC.<sup>53</sup> The grant procedure differs depending on whether the EPO acts under (A) the EPC or (B) the Act.

### A. *The EPO Acting under the EPC*

The grant procedure may be divided into two parts. The first leads to the provisional grant of a European patent and the second leads to its definitive grant.

---

52. EPC rule 43.

53. For a more detailed description of the procedure, see Schmidt, *Traits originaux du système européen des brevets*, REVUE TRIMESTRIELLE DE DROIT COMMERCIAL 659 (1978). Bardehle, *Der Bewegungsspielraum des Anmelders in Prüfungsverfahren vor dem Europäischen Patentamt*, GRUR INT. 393 (1979).

### 1) Procedure Leading to the Provisional Grant of a European Patent

The procedure consists of the following four stages: (a) receipt of application, (b) publication, (c) documentary search, and (d) examination. The first three steps are mandatory, the last, is optional.

#### *(a) Receipt*

When the application arrives at the Receiving Section,<sup>54</sup> the Section examines the application for compliance with the conditions on which a date of filing is to be granted, payment of application and search fees, and inclusion of a translation into the language of procedure. If one of those conditions is not satisfied, the Receiving Section invites the applicant to correct the defect within a period of one month. If not corrected, "the application shall not be dealt with as a European patent application."<sup>55</sup>

If the above requirements are satisfied, the application is given a date of filing and is immediately transmitted to the Search Division. The Receiving Section proceeds during that time with a more thorough investigation, according to the conditions of Article 91(1). All the deficiencies noted may be corrected by the applicant after modification by the Receiving Section. If the correction is not made the application shall be refused or deemed to be withdrawn.<sup>56</sup>

#### *(b) Publication*

All European patent applications are published in the European Patent Bulletin "as soon as possible" after the expiration of eighteen months from the date of filing or from the date of priority.<sup>57</sup> The applicant may request publication before the expiration of this period. The publication contains the description, the claims, the drawings, the abstract, and the European search report (if available). Publication implies that the application has been recognized as within the norm and that a European patent search has been completed.

The publication of the application has important consequences in

54. EPC art. 16. The Receiving Section is part of the EPO department in The Hague, Netherlands, which brings together all the bodies competent to deal with the European patent application before its examination.

55. EPC art. 90(2). Some irregularities may not be corrected, such as the omission of the applicant's identity, the omission of a description, the omission of the state, and the date of the priority application, if any.

56. The application refused or deemed to be withdrawn may be transformed into a national application under Article 136 of the EPC.

57. EPC art. 93(1).

that it is the starting point of the provisional protection provided for by Article 64 of the EPC. The application confers upon the applicant in every designated State the same rights as those which would be conferred if a national patent were granted in that State.

The contracting States may decide that the European patent application confers only a more limited protection until the grant of title. This provisional protection cannot, however, be more limited than the provisional protection granted in the considered State between the publication and the grant of national patents. In any case, the EPC provides for minimum provisional protection. The applicant can claim reasonable compensation from any person who has used the invention in a contracting state in circumstances wherein that person would be liable under national law for infringement of a national patent.<sup>58</sup> The extent of the provisional protection is determined by the latest filed claims contained in the publication.<sup>59</sup>

In any contracting state in which the provisional protection may be subject to the presentation of a translation of the claims under the conditions of Article 67(3). The effects of the provisional protection are retroactively void if the application has been withdrawn, deemed to be withdrawn, finally refused, or revoked in opposition proceedings.<sup>60</sup>

### (c) *Documentary Search*

Any application which has been accorded a date of filing is immediately subject to a documentary search designed to discover any information likely to destroy the novelty and/or the inventive step of the invention. The search is made by the International Patent Institute at The Hague, a specialized department of the EPO.<sup>61</sup> The search report appears as a list of documents classified according to the date of their disclosure.<sup>62</sup>

In some cases, a partial search may be established. This will be the case if the application is irregular or if its documents lack precision and thus prevent a correct search.<sup>63</sup> It is probable that such an application would not meet the requirement of sufficient description. This will also be the case if the application is complex. The search report will then be compiled only for the parts of the application which "relate to inven-

---

58. EPC art. 67(2).

59. EPC art. 69(2).

60. EPC arts. 67(4) and 68.

61. EPC art. 61.

62. Teply, *Patent Search—Problems and Possible Solutions*, 56 J. PAT. OFF. SOC'Y 605 (1974); EPC art. 92(1).

63. EPC rule 45.

tions (for) which the fees were paid.”<sup>64</sup>

Article 92(2) provides that as soon as the search report is compiled, the report and copies of any cited documents are transmitted to the applicant. This immediate transmission allows the applicant to appreciate the economic value of his invention and to make decisions regarding the future of the application (such as withdrawal, request for examination, and increase in of the number of designated states). The search report is published with the application, if available, or as soon as possible after that date. Once the application is published, the grant procedure is temporarily interrupted but may be taken up again on the applicant's initiative. After publication, third parties may present observations concerning the patentability of the invention. These observations are transmitted to the applicant who may comment on them pursuant to Article 115(2).

*(d) Examination*

The date of publication of the search report is important because it sets the beginning of the six-month period within which the applicant may present the request for examination. Rule 50(1) requires that the applicant be told the date on which the European Patent Bulletin has mentioned the publication of the application.<sup>65</sup> The initiative for the beginning of the examination may come exclusively from the applicant, by a written request addressed to the Receiving Section of the EPO within six months from the date on which the European Patent Bulletin has mentioned the publication of the European search report. The request shall not be deemed to be filed until after the examination fees have been paid and the request for examination cannot be withdrawn.<sup>66</sup> It is logical that the period of six months begins on the date of publication of the search report and not on the date of filing. Thus, the applicant is induced to withdraw the application if prior inventions of a similar nature have been revealed by the search. If the examination is not completed within the period indicated, the application lapses and the European patent will not be granted.

In spite of the importance of this stage, the EPC says very little about its content and the order in which the operations should be con-

---

64. EPC rule 46(1) and art. 157(1). When an international application filed according to the PCT is dealt with by the EPO, the international search report replaces the European search report; a supplementary search report may, however, be required.

65. EPC art. 94(2). This notification must call the applicant's attention to the time limits of Article 94, the text of which must be annexed. This time limit begins even in the absence of notification and the applicant could not, in such a case, request an extension. EPC rule 50(2).

66. EPC art. 94(2).

ducted. Logically, the Examination Section must verify that the application meets the requirements regarding description, unity of invention, sufficiency, and claims (supported by the description and correct physical presentation). The examiners will then have to check that the subject-matter of the invention, is not excluded from protection. The examination should proceed in the following order: presence of invention, novelty, inventive step, and possibility of industrial application.<sup>67</sup> The examination ends with a decision to grant or to refuse the patent.

Article 97(1) provides that the European patent application will be refused if it does not meet the requirements of the EPC, unless other sanctions are provided. Failure to meet any requirement may be penalized by refusal of the application. The reasons for the refusal must be set out to protect the applicant against an arbitrary decision. These reasons may be only those regarding which the parties have had an opportunity to comment.<sup>68</sup> If the examination has been successful, the Examination Division will grant a European patent.<sup>69</sup> The grant depends, however, on the applicant's agreement on the text for which the Examining Division intends to grant the patent, as well as on the payment of fees, and the presentation of a translation of the claims in the two official languages of the EPO (other than the language of the proceedings).<sup>70</sup> The grant is followed by the publication of the European patent.<sup>71</sup>

The grant creates the definitive rights of the patentee, rights which have, until that time, been only provisionally protected from the date of publication, as provided under Article 67. The extent of the protection conferred by a European patent or an application is determined by the terms of the claims taken together with the description and the drawings. The grant may be contested by an opposition.

## 2) Procedure Leading to the Definitive Grant of a European Patent

The grant is definitive only when no opposition has been formulated within the prescribed period of nine months after the date of publication of the grant, or if the opposition has been refuted. The

---

67. The right of priority and of the correct designation of the inventor are not checked by the Examination Section but by the Receiving Section.

68. EPC art. 113(1). The application which has been refused or withdrawn may be transformed into a national patent application under Article 135.

69. EPC art. 97(2).

70. *Id.*

71. EPC arts. 98 and 65. Any contracting state may subject the effectiveness of a European patent in its territory to translation into one of its official languages.

opposition procedure seeks the revocation of the European patent on the grounds of non-patentability. The opposition procedure is thought to be a useful check on the examination procedure which may not be entirely effective because of the extensive technical documentation required. It is in that the definitive grant is delayed. Moreover, this procedure is sometimes systematically used as a weapon against competition. After difficult discussions, the EPC adopted an opposition procedure which takes place after the grant of the European patent.

Article 99 provides that the opposition may be formulated by any person, whatever his nationality or his relationship to the patentee, within a period of nine months after the date of publication of the grant. The opposition must indicate the identities of the opponent, the patentee, and the opposed patent. It must be filed in a written, reasoned statement based only on the following grounds:

- a) The subject-matter of the European patent is not patentable within the terms of Articles 52 to 57;
- b) The European patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;
- c) The subject-matter of the European patent extends beyond the content of the application as filed, or, if the patent was granted on a divisional application or on a new application filed in accordance with Article 61, beyond the content of the earlier application as filed.<sup>72</sup>

It is probable that opposition will be based primarily on grounds of the existence of prior inventions of a similar nature unrevealed by the examination. An opposition which does not meet one of the requirements above will be refused after having given the opponent a chance to correct the defect. The stages of the examination of a correctly formulated opposition are provided for by Articles 99 to 105 and Rules 57 and 58.

The Opposition Division has to examine whether the grounds of opposition justify the revocation of the European patent and the Division must invite the parties to present their arguments and to amend, if necessary, the description, claims, or drawings.<sup>73</sup> The powers of the Opposition Division are very broad; they are not limited by the arguments invoked by the parties.<sup>74</sup> The Division may take into account any new element of information which was not revealed during the examination of patentability. The EPC does not set out any period

---

72. EPC art. 100.

73. EPC art. 101 and rule 58(2).

74. EPC art. 114(1).

within which the opposition procedure should come to an end; thus the Opposition Division decides whether to grant an opportunity for an extended exchange of arguments and, in some cases, the Opposition Division may decide to continue the procedure on its own motion.<sup>75</sup>

The final decision depends on the basis of the grounds of the opposition. The Opposition Division may decide that the grounds of the opposition are not pertinent and uphold the European patent as it stands. It may, on the contrary, be of the opinion that the grounds for opposition do not permit the European patent to be upheld, or that the European patent should be amended by its proprietor. In this case, the EPO publishes the opposition and the new specifications of the European patent on the condition that the patentee agree with the new text and pay the fees for the new specifications.<sup>76</sup>

Articles 106-112 and Rules 64-67 deal with appeals against decisions of any of the departments of the EPO from the time of filing to the date of termination of the opposition procedure. Any such decision may be appealed on the condition that it is a final decision. Notice of appeal must be filed in writing at the EPO within two months after the date of communication of the decision appealed from and must be accompanied by an appeal fee.<sup>77</sup> The appeal postpones the reaching of a decision. The appeal is transmitted to the department which came down with the decision appealed from and if this department does not allow the appeal within one month of the statement of grounds, it is remitted to the Board of Appeals. An enlarged Board of Appeals has been created in order to ensure uniform application of the law and to consider important points of law raised. It may be seized either by the President of the EPO or a Board of Appeals on its own motion, or at the request of one of the parties.<sup>78</sup>

The above described procedure is the one which is normally followed after a European patent application. It must be added, however, that since the PCT became effective, a European patent may be granted on an international application. It thus becomes necessary to examine the role of the EPO in such a procedure.

### *B. The EPO Acting Under the PCT*

The PCT, which was signed in Washington on June 19, 1970, and

---

75. EPC art. 116.

76. EPC arts. 103 and 102.

77. EPC art. 108.

78. On the possibility of appeal against the EPO, see Völp, *Rechtsmittel gegen Beschwerdeentscheidungen des Europäischen Patentamts?*, GRUR INT. 396 (1979).

entered into force on January 28, 1978, provides for two distinct procedures:

- 1) A procedure for filing of international applications leading to an international documentary search, organized by Chapter I of the PCT; and
- 2) a procedure for examination of international applications, called "preliminary international examination," organized by the Chapter II of the PCT.

These two procedures are independent because they are subject to independent ratification by the contracting States, and the achievement of the procedure provided for in Chapter I is not necessarily followed by the procedure of Chapter II. Both procedures are nevertheless related, because an applicant can use the provisions of Chapter II only if he has filed the application according to Chapter I.<sup>79</sup>

Article 45(1) of the PCT provides for the possibility of any regional patent treaty to stipulate that the international application relating to a member state of both PCT and the regional patent treaty may be filed in view of the grant of the regional patent. As a result, it is possible to have a European patent granted after an international PCT procedure. Articles 150 to 158 of the EPC organize details of this possibility. This solution will be used in practice whenever an applicant wishes to protect an invention not only in Europe, but also in one or more non-European contracting states of the PCT, such as the U.S.A. or Japan. The problem is to determine the relationships between the international and the European procedures.<sup>80</sup> This relationship varies according to the role played by the EPO, which may act either as an authority applying Chapter I of the PCT or as an authority applying Chapter II of the PCT.

#### 1) The EPO Applying Chapter I of the PCT

Within the scope of Chapter I of the PCT, the EPO may act as a Receiving Office, as a Designated Office, or as an authority in charge of the international search.

##### *(a) The EPO Acting as a Receiving Office*

The EPO may act as a Receiving Office within the meaning of Article 2(xv) of the PCT such as the office in which the international application is filed. The international application requesting the grant

---

79. Department of Commerce—Patent and Trademark Office, *Patent Cooperation Treaty*, 77 PAT. AND TRADEMARK REV. 498 (1979).

80. Ladas, *supra*, note 8 at 37.

of a European patent may be filed with the EPO if the applicant is a national or a resident of a contracting state to both the PCT and the EPC.<sup>81</sup> The EPO may also be the Receiving Office if the applicant is a state member only of the PCT but which has concluded with the EPO an agreement authorizing it to act as a Receiving Office in place of its own national office.<sup>82</sup>

If the applicant chooses the EPO as a Receiving Office, he may file the application either directly with the EPO, or with a national office of a contracting state of the EPC if its national law permits it; the national office will forward the application to the EPO, which, acting as a Receiving Office, will require the payment of transmission fees.<sup>83</sup> The EPO will therefore deal with the international application in compliance with the PCT.

*(b) The EPO Acting as a Designated Office*

The EPO may be the designed office within the meaning of Article 2(xiii) of the PCT, such as the national or regional office of the State or States for which the patent protection is sought. The intervention of the EPO is subject to certain conditions under which it produces specific effects.

1. Conditions of the Intervention of the EPO as a Designated Office

The EPO may act as a Designated Office in two different situations: the first is when the contracting states designated in the international application are parties both to the PCT and to the EPC, and the applicant informs the Receiving Office that he wishes to obtain for those states, not national traditional patents, but a European patent.<sup>84</sup> In the absence of such indication, the national patent offices of the states mentioned in the international applications would be the only competent offices. The applicant may, in effect, prefer to apply for national traditional patents rather than for a European patent, in consideration of the costs or in the fear of the opposition procedure provided for by the EPC. Second, the EPO may become a Designated Office if the applicant has mentioned in his international application: (a) a contracting state both to the PCT and the EPC, (b) the law of which provides that designation of that state shall have the effect of the application being

---

81. EPC art. 151(1).

82. EPC art. 151(2).

83. EPC art. 152(3); PCT art. 14.

84. EPC art. 153(1).

for a European patent.<sup>85</sup> In this case the applicant is no longer totally free to choose his own strategy since he will be engaged *ex officio* in a European procedure. Such will be the case if the applicant wishes protection in the U.S.A., Japan, and France. The French statute<sup>86</sup> introducing the PCT in the French national patent law provides in its Article 2: "The applicant of an international application designating among others France, will necessarily be granted, for this state, a European patent."

The advantages of this procedure are not obvious if only one state is concerned. If the applicant wishes to avoid the grant of a European patent, he should not designate in his international application any European state providing for such a solution, and should file national applications with each of the national patent offices of the interested states.<sup>87</sup>

## 2. Effects of the Intervention of the EPO as a Designated Office

Article 150(3) of the EPC provides that an international application for which the EPO acts as Designated Office is deemed to be a European patent application. The problem is to determine the relationship between the international and the European procedure. The PCT organizes the passage from the international to the national or regional (European) procedures in its Articles 20 and 22 to 25 and in Rules 47 and 49 to 51.

First, a copy of the international application and of the international documentary research report are communicated to the EPO according to Article 20(1) of the PCT. After having received those documents, the EPO will proceed in compliance with the EPC. The European procedure is, however, subject to some modifications when an international application is dealt with.

*Application Fees.* Pursuant to Article 78(2) of the EPC, application fees for a European patent application are due one month after the date of filing. Under Article 22(1) of the PCT, they are to be paid within a more favorable time limit of twenty months from the date of priority if the EPO acts as a Designated Office.

---

85. EPC art. 153(1); PCT art. 45(2).

86. J.O. art. 77-682.

87. Katona, *Beating the High Cost of European Patents*, 77 PAT. AND TRADEMARK REV. 3 (1979); Klose, *Vorteile und Nachteile einer europäischen Patentanmeldung gegenüber einzelnen nationalen Patentanmeldungen*, MITTEILUNGEN DER DEUTSCHEN PATENTANWÄLTE 21 (1978).

*Publication of the Application.* The publication of the European patent application, provided for by Article 158(1) of the EPC, is replaced by the publication of the international application according to Article 21 of the PCT. The European patent application is published in the European Patents Bulletin and this allows the provisory protection of the invention provided for by Article 29 of the PCT and Article 67 of the EPC, under the condition that the application has been published in one of the official languages of the EPO. If not, the EPO will publish the translation of the international application produced by the applicant under the penalty that the application will be deemed to be withdrawn.<sup>88</sup>

*Supplementary Research Report.* Although the international search report takes the place of the European search report, the EPO may request a supplementary search report.<sup>89</sup> The EPO's Administrative Council may decide under what conditions and to what extent the supplementary search report is to be reduced. The Directives provide for a supplementary research report where the application is from the United States and the reported documents are not in the English language.

On the contrary, no supplementary search is requested if the international search has been done by the EPO or the Swedish Patent Office acting in the transitional phase.

*Transformation of the International Application.* Whenever an international application is deemed withdrawn or has not received a date of filing, the EPO may decide whether, under Article 25(2) of the PCT, it will be maintained as a European application. If the EPO Examination Division makes such a decision, the examination continues to be conducted according to the EPC except that the date of filing will be the one of the initial international filing.

*Time Limit for a Request in Examination.* Under Article 94(2) of the EPC, the request in examination must be filed within six months from the date of the publication of the European search report; for an international application, this time limit begins at the date of the publication of the international search report and cannot expire before the time prescribed by Article 22 or 39 of the PCT.<sup>90</sup>

---

88. PCT art. 22.

89. EPC art. 152(2); PCT art. 18.

90. EPC art. 150(2).

*C. The EPO Acting As The Authority In Charge Of The International Search*

When an applicant wishes to obtain a European patent by means of an international PCT application, the EPO may act either as the Designated Office or as the authority in charge of the international search. If the international application is filed outside of Europe, such as in the U.S. Patent Office, and requests the protection for the U.S., Japan and some European States, the international search is done in the U.S. and a supplementary report will be requested by the EPO. If the international application is filed in Europe and requests the protection among others, by means of a European patent, the EPO may be not only a Designated Office, but also the authority in charge of the international search and the Received (elected) Office.

1) Conditions Under Which the EPO May Act as the International Search Authority

The EPO acts as an international search authority for applicants who are residents or nationals of a contracting state of both the PCT and the EPC. Subject to an agreement between the EPO and the International Bureau of the WIPO, the EPO may act for any other applicant.<sup>91</sup>

Any Receiving Office indicates the authorities who will be competent for the international search relating to the application filed with that Receiving Office. Any European state may entrust the EPO with the search relating to the international applications for which it is the Receiving Office. As a result of the Protocol on the Centralization of the European Patent System, annexed to the EPC, all the contracting states relinquish in favor of the EPO any activity they might have as international search authorities. Thus, any search relating to an international application filed with a European contracting State by a national or a resident of a contracting state will be done by the EPO. The Swedish Patent office acts also as international search authority for the international applications of Scandinavian origin in a transitional stage.

2) Effects of the EPO Action as an International Search Authority

When the EPO acts as an international search authority, it conducts a search which is very close to the European one; for this reason, no supplementary search is requested. However, some differences exist

---

91. EPC art. 154(2).

between the normal international search and the search done by the EPO relating to an international application.

*Object of the Search.* 1) The "interfering" applications, those published at the time of or after the European application but filed before its date, are taken into consideration for the international search report only if they relate to European patent applications.<sup>92</sup> No such limitation exists in the PCT, which includes in the state of the art the European, international and national applications filed before and published after a given international application. 2) The international search within the frame of the PCT takes into account the disclosures realized within six months before the filing as a result of an evident abuse of the applicant's rights or an official exhibition. The EPC, on the contrary, does not consider such disclosures as destroying the novelty of the invention.<sup>93</sup>

*Procedure of the Search.* Some differences appear, as well, in the course of the search between the PCT search and the EPO international search.<sup>94</sup> 1) The EPC does not provide for any time limit for the search procedure to be completed, but the PCT stipulates that the search report must be established before the expiration of the longest of the two following periods: either three months from the reception of the copy of the research by the international search authority, or nine months from the date of priority.<sup>95</sup> 2) The EPO requires the payment of the search fees provided for by Article 16 of the PCT. Those fees will be paid at the same time as the national fees, as provided for by Article 157(2) of the EPC. 3) Contrary to the EPC, the PCT does not require the payment of a supplementary fee for any claim over the tenth claim. Other small differences exist but, in case of conflict, the PCT supersedes the EPC.<sup>96</sup>

*The EPO Applying Chapter II of the PCT.* Articles 155 and 156 of the EPC permit the EPO to act in the scope of Chapter II of the PCT either as an Elected Office or as the international Preliminary Examining Authority.

*The EPO as an Elected Office.* The Elected Office, within the

---

92. EPC arts. 54(3) and 139(2).

93. EPC art. 55.

94. On the specific character of the international search procedure, see *Le P.C.T.*, special issue of *Dossiers Brevets* 1978, published by Faculté de Droit, Montpellier, France.

95. PCT rule 42.

96. EPC art. 150(2). As to the differences see EPC art. 92(2) versus PCT art. 20(3), and PCT rules 38(2) and 44(2) which are not mentioned by the EPC.

meaning of Article 31 of the PCT, is the one in respect to which the applicant wishes to use the results of the international preliminary examination. Acting as an Elected Office, the EPO will ground the European patent grant procedure on the results of the international preliminary examination, whether the latter has been done by the EPO or by another international authority.

Certain conditions must be satisfied in order to permit the EPO to act as an Elected Office. First, the EPO may be an elected Office only if it has been the Designated Office, such as where the applicant has chosen one of the States listed in Article 152(1) of the EPC, which are parties both to the EPC and the PCT in its whole including Chapter II.

Second, the applicant must be a national or a resident of a contracting state bound by Chapter II of the PCT and he may then elect any state bound by this Chapter.<sup>97</sup> If the applicant is not a national or a resident of such a state, he may elect the EPO if he is one of the persons whom the Assembly of the International Patent Cooperation Union has decided to allow, pursuant to Article 312(b) of the PCT, to make a demand for international preliminary examination.<sup>98</sup>

*EPO as an International Preliminary Examining Authority.* The EPO accomplishes the international preliminary examination organized by the Chapter II of the PCT. It may do so for the applicants who are residents or nationals of a contracting state bound by that chapter as provided by Article 155(1) of the EPC, or for the applicants who benefit from an agreement provided for by Article 155(2) of the EPC.

Under the exception provided for by Article IV of the Protocol on the Centralization of the European Patent System, any international application filed with one of the contracting states of the EPC by a national or a resident of a European state will give rise to an international preliminary examination only with the the EPO.

## PART TWO: THE EFFECTS OF THE GRANT OF A EUROPEAN PATENT

As long as the European patent system consists only of the EPC, the patent granted through a European procedure is not a unitary title but a "bundle" of national patents. This will change after the entry into force of the Luxembourg Convention creating a European Community patent, which will cover in a uniform manner the whole territory of the European Economic Community (EEC). It is therefore

---

97. EPC art. 156.

98. *Id.*

necessary to examine the effects of the grant before and after the coming into force of the Luxembourg Convention.

### I. THE EFFECTS OF A EUROPEAN PATENT BEFORE THE ENTRY INTO FORCE OF THE LUXEMBOURG CONVENTION

The European Patent granted by the EPO is a patent of international origin which produces the effects of a national patent in every state for which it has been granted. The EPO does not, for instance, grant a French patent, but rather a European patent for France. The originality of the European Patent lies in its submission both to the European and to the national laws.

#### A. *Application of the European Law*

Although it takes effect in the national legal environment, the European Patent remains subject to the EPC as to certain points. First, its duration is, according to the EPC, twenty years from the application, independent of the duration of the national patents which may be different. Second, the keeping in force of a European Patent is subject to the payment of the annual renewal fees, required by Article 141 of the EPC, to the EPO. Third, the extent of the patent protection is to be defined in compliance with Article 69 of the EPC, such as on the basis of the claims interpreted, if necessary, in the light of the drawings and the description.<sup>99</sup> The principal point is that the validity of a European patent is to be examined in compliance with the rules of patentability of the EPC. Although the national courts are the only competent courts on this matter, they may annul a national patent of European origin only for one of the reasons listed in Article 138 of the EPC.

#### B. *Application of National Laws*

Article 64(1) of the EPC states that the European patent confers upon its holder the same rights as a national patent. Thus, the national courts are competent to hear the actions for infringement, in which they decide in compliance with the national law of the State for which the European Patent has been granted. In other words, the judge will have to apply the national law to determine the reality of the infringement and its possible sanctions.<sup>100</sup>

---

99. Article 64 of the EPC provides for a more precise rule of definition of the protection; if the European patent relates to a process, the rights conferred by it extend also to products obtained directly by this process. This means that in any contracting state, exploitation of products directly derived from a process covered by a European patent is reserved the patentee even if those products were not claimed and if they are not patentable as such.

100. Sijp, *Scope of Protection Afforded by a European Patent*, 10 ICC 433 (1979).

II. THE EFFECTS OF THE DEFINITIVE GRANT AFTER THE ENTRY INTO FORCE OF THE LUXEMBOURG CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

The existence of national independent patents constitutes a boost to the realization of the Common Market in that it maintains the economic borders between the Member-States. The importation of a patented product is, in effect, an infringement even if it comes from another Member-State. Therefore, the creation of a "Community patent" is the best way of eliminating obstacles to the free circulation of goods within the Common Market economic space. Such is the object of the Convention signed in Luxembourg on December 15, 1975, which has not yet entered into force.<sup>101</sup> In order to realize the above mentioned economic objectives, a Community Patent offers specific characters; it is a unitary and autonomous title.<sup>102</sup>

*A. The Community Patent is a Unitary Title*

The Luxembourg Convention states in Article 2(2) that the Community Patent has a unitary character in that it produces the same effects in all the territories where the Convention is in force: it can be granted, transferred, annulled or lapsed only for the whole of those territories. The unity of the Community Patent appears in respect to its conditions and its effects.

1) The Unitary Character of the Condition of the Community Patent

The Community Patent is granted by the EPO according to the procedure organized by the EPC. From this point of view it appears as a "European Patent for the Common Market." The European procedure has, however, been adapted in order to ensure the unitary character of the Community Patent; the applicant who designates in his European patent application one of the Member-States of the EEC is deemed to have designated them all and to have applied for the grant of a unique patent covering the whole EEC territory.

A transitional provision of the Luxembourg Convention foresees an exception to this rule: during 10 years after the coming into force of the Convention, the applicant for a European Patent may declare in his application that he does not wish to apply for a Community Patent. Therefore, in spite of the designation of one or more EEC Member-

101. Text published in Official Journal of the European Communities, Jan. 26, 1976.

102. Luxembourg Convention art. 2.

States, a normal European Patent will be granted, which is similar to a "bundle" of national patents effective in each of the designated contracting states of the EPC.<sup>103</sup> The unitary character of the Community Patent appearing in the scope of its condition exists also in regard to its effects.

2) The Unitary Character of the Effects of the Community Patent

a. *Principle of Unity* After its grant by the EPO, the Community Patent may be compared to a vast national patent covering all the Member-States of the EEC. The Luxembourg Convention creates, therefore, the first supranational patent system conferring a uniform protection on the territory of several states. The influence of the unitary character of the Community Patent upon the free circulation of goods is expressly provided for by Article 32 of the Luxembourg Convention. This article states that the rights conferred by a Community Patent do not apply to the acts relating to the products covered by this patent when those acts are done in the territory of one of the Member-States by the patent's owner or with his consent. This rule introduces into Community law the theory known as the "exhaustion of the rights of the patentee," which is of great importance. It means, in effect, that the right of monopoly deriving from a Community Patent becomes "exhausted" as of the first lawful commercialization of the product in one of the EEC Member-States. Such a product may then circulate freely within the EEC, which means that the patentee may not forbid its importation into the other EEC member-states.

As an object of property, the Community Patent is also a unitary title in that it may be transferred as a whole and for the entire ensemble of territories for which it is effective.<sup>104</sup> In order to be effective towards third parties the transfer must be registered in The Registry of Community Patents at the request of the interested party.<sup>105</sup> In the same manner, execution and bankruptcy proceedings must refer to the whole of a Community Patent if it is involved.<sup>106</sup>

b. *Limitations to the Principle of Unity* The Community Patent is not, however, an entirely unitary title because of the existence of some provisions of the Luxembourg Convention which might destroy the unitary title, and also because of its concurrent existence with the na-

---

103. Françon, *Brevet Européen et Brevet Communautaire*, ANNUAIRE FRANÇAIS DE DROIT INTERNATIONAL 918 (1977).

104. Luxembourg Convention art. 39(1).

105. Luxembourg Convention art. 40(3).

106. Luxembourg Convention arts. 41 and 42.

tional patent system.<sup>107</sup>

First, the EEC territory could be divided by means of a limited Community Patent license. Article 43 of the Luxembourg Convention, in effect, permits the patentee to grant such licenses, whether exclusive or not. It would seem that the violation of the limits provided for by the license would amount to an infringement. The licensor could thus impose a respect for territorial limits upon the licensee in order to prevent the licensee from exporting the patented product to other EEC Member-States.<sup>108</sup> Thus, only third parties lawfully purchasing the patented product from the licensee may not be stopped from importing it to the other EEC Member-States. It is necessary to take into account the EEC case law relating to antitrust practices: the reconciliation might be somewhat difficult, since a limited Community Patent license may in fact, lead to restoration of economic borders between the Member-States. Another exception to the unitary character of the Community Patent derives from Article 88 of the Luxembourg Convention, which permits each Member-State to stay the effects of a Community Patent on its territory pending a translation of the Patent into one of the official language of that state.<sup>109</sup>

Finally, the coexistence of the national patent systems with the Community Patent provided for by Article 6 of the Luxembourg Convention leads to some other limitations of the unitary character of the latter.<sup>110</sup> The first one relates to the problem of "double patenting;" a national patent application not yet published at the date of a Community Patent application for the same invention prevents the effectiveness of the latter in the territory of the State where the national application has been filed.<sup>111</sup> This is so only if a national patent might be declared void in that State because of the existence of the prior application.

It must be noted, however, that the same invention cannot be protected both by a national and a Community Patent. According to Article 80 of the Luxembourg Convention, the national patent becomes ineffective on the date on which the Community Patent is definitively granted or confirmed following an opposition. The solution is not af-

---

107. M. Chabanel, *Le Brevet Européen, Convention de Luxembourg*, (April 26, 1973) Lyons Law School.

108. Luxembourg Convention Art. 43(2).

109. Luxembourg Convention Art. 37.

110. See Sanson-Hermitte, *Psychanalyse en trois mouvements pour l'article 43 de la Convention de Luxembourg*, JOURNAL DE DROIT INTERNATIONAL 38 (1977); Plaisant, *Les licences de brevets et l'article 85 du Traité de Rome interdisant les ententes*, LA PROPRIÉTÉ INDUSTRIELLE 249 (1977); Héryn, *Brevet et concurrence au regard de la jurisprudence de la Cour de Justice des Communautés européennes*, REVUE TRIMESTRIELLE DE DROIT COMMERCIAL 383 (1977).

111. Lewinsky, *Ein Gemeinschaftsamt für EG-Patente und EG-Marken—das Europäische Patentamt*, MITTEILUNGEN DER DEUTSCHEN PATENTANWÄLTE 122 (1979).

fectured by a subsequent lapse or revocation of the Community patent. Any Member-State may provide for the procedure whereby the loss of effect of the national patent is determined. Of similar effect is Article 38 of the Luxembourg Convention, which permits the right of personal possession of the invention acquired in a Member-State to be opposed to the effects of the Community Patent in that state. It appears that the unitary character of the Community Patent will be entirely realized only when the patent systems of the EEC member-states will be unified.

*B. The Community Patent is an Autonomous Title*

Article 2(3) of the Luxembourg Convention states: "The Community patent has an autonomous character. It is subject only to the dispositions of the convention on the European Patent which apply necessarily to any European Patent and which are for this reason deemed included in the present convention." The Community Patent is not subject to the diversity of the national patent laws, but, in principle, only to the Luxembourg Convention, which constitutes an autonomous legal system. The problems relating to (1) the validity and (2) the infringement of a Community Patent must, in principle, be solved by application of the European patent law.

1) Validity of the Community Patent

A Community patent can only be annulled as to the whole of the Community and not for a particular state only. The annulment can be grounded only on one of the reasons listed in Article 57 of the Luxembourg Convention, which copies Article 136 of the EPC. In order to avoid the possible differences in the interpretation of this text and to ensure in an efficient manner the autonomy of the Community patent, the Luxembourg Convention creates a common jurisdictional system which is exclusively competent to deal with validity problems. This system consists of the Revocation Divisions Chambers (courts of second degree), as part of the European Patent Office in Munich, Federal Republic of Germany. An appeal for cessation—an appeal leading to the review of the law but not of the facts—may be introduced in the Court of Justice of the European Communities in Luxembourg.<sup>112</sup>

The annulment procedure is governed by Articles 56 to 61 of the Luxembourg Convention. Any interested party may bring such an action at any time, except during the opposition term or opposition pending procedure.

---

112. Luxembourg Convention art. 90(4).

The annulment may be total or partial, depending upon how the causes for annulment affect the Community Patent. In partial annulment, the annulment takes the form of a limitation of the patent. The annulment decision is effective in the whole EEC, according to the unitary character of the Community Patent. An exception to this principle is foreseen by Article 90 of the Luxembourg Convention, relating to the States where the same courts are competent on actions for annulment and to actions for infringement. Those States may, at the time of the ratification of the Luxembourg Convention, make a reservation in order to permit their courts, when seized with an action for infringement of a Community Patent, to rule also on its validity in the territory of the said state. As a consequence, in those cases a Community Patent may be declared void for only one state by a decision of a national court. The national court is, nevertheless, bound by an eventual prior decision of the EPO authorities relating to the validity of the patent in question. Those reservations will be effective for ten years after the coming into force of the Luxembourg Convention.<sup>113</sup> This exception, which may be questionable, is the result of a compromise reached during the Luxembourg Conference to answer the British objections to the Community Patent formulated in 1974, which appeared to be a menace to the whole project.

## 2) Infringement of the Community Patent

The content of the exclusive rights granted by a Community Patent is defined by the Luxembourg Convention Articles 29 to 30, without reference to national legislation. The maintenance of the Community Patent is subject to the payment of annual renewal fees under Article 48 of the Luxembourg Convention. Most of the national systems have now harmonized their provisions with those of the Luxembourg Convention. But, whereas the content of the right is defined by the Convention, the infringement is to be defined by the national law of the court which hears the action. National courts are, in effect, competent for actions for infringement of Community patents. In order to determine which court is competent, it is necessary to apply jointly to the Luxembourg Convention and the Brussels Convention relating to competence, recognition and execution of judgments in the EEC (signed on Sept. 27, 1968), as indicated by Article 68 of the Lux-

---

113. Stauder, *Überlegungen zur Schaffung eines besonderen Beweisverfahrens im europäischen Patentverletzungsrecht-Saisie-contrefaçon oder actio ad exhibendum als Beispiele*, GRUR INT. 230 (1978); Stauder, *Auf dem Weg zu einem europäischen Patentgericht*, GRUR INT. 173 (1979); Lachat, *Le régime dérogatoire ouvert par les réserves à la Convention de brevet communautaire*, LES PETITES AFFICHES 3 (1979); Stauder, *Thoughts on the Development of the European Patent Infringement Procedures*, 253 EIPR (1980).

embourg Convention.<sup>114</sup>

The principal courts of the state are those located where the defendant has his domicile. Those courts may hear an action for infringement relating to acts accomplished in the territory of any Member-State. Also, the courts of the state where the supposed infringement has taken place may be competent courts. In this case, the court may decide only upon acts done on the territory of this state.

Any national court in which an action for infringement of a Community Patent is brought must consider this patent as valid. If its decision on the infringement depends upon a question of validity of the patent, the Court may suspend the procedure until the EPO advises on the extent of the protection, but the court is not bound by this advice.<sup>115</sup> Penalties for the infringement are determined by the applicable law national.

The rapidity with which the EPC is coming into force and the immediate filing of European patent applications make it clear that the world of business takes an interest in the new patent system. The complexity of the procedures may be a source of legal insecurity—all the more so as the European patent coexists with national patents, with the international PCT and, tomorrow, with the EEC patent. The choice may be somewhat complicated. The solution is, perhaps, to carry on with the task of unifying patent law.

---

114. Luxembourg Convention art. 76.

115. Luxembourg Convention art. 78.