

Opposition at the European Patent Office

Alan MacDougall and Chris Hamer of Mathys & Squire explain how to challenge the validity of a competitor's European patent rights.

Any business that develops new products or processes runs the risk of infringing third-party patent rights, which can result in the business being drawn into patent disputes. It is therefore good business practice for companies to maintain a regular watch on the patenting activities of at least their main competitors. Where potentially relevant patents or patent applications are found, strategies can be developed to reduce this risk by designing around the patents, by challenging the validity of the patent rights or by amicable business resolution.

The European Patent Convention (EPC) provides an opposition procedure which allows the validity of a granted European patent to be challenged. The opposition must, however, be filed with the European Patent Office (EPO) within nine months of the grant of the European patent. The opposition procedure is a consolidated process which allows a single challenge to be made that is effective in all countries covered by the granted patent. Third parties that are sued for infringement under a European patent may also intervene in any existing opposition proceedings provided they do so within three months of the start of the infringement proceedings.

What challenges can be made

The European Patent can be challenged on the grounds that the claimed invention is not patentable (for example it is not new or not inventive); that the patent does not

describe in sufficient detail how the claimed invention can be carried out; and/or that the granted patent contains new matter that has been added since filing.

How to build a case

The strength of any opposition is only as good as the evidence that is provided to support the grounds on which the European Patent is challenged. It is therefore critical to consider what contribution the patent claims to have made over existing knowledge, and to assess whether this contribution meets the patentability requirements set by the EPC. To make this assessment, companies need to investigate and understand what was publicly known before the effective filing date of the patent. This will involve searching for earlier publications, such as papers, journals and earlier patents and patent applications. The EPO will itself have carried out a search for such material, and in granting a patent will have concluded that the claimed invention is patentable over the material it found. You should however double-check this yourself, as the EPO may have been misled by the proprietor.

Another useful source of material is the official files of corresponding patent applications possibly filed in other countries. The material found by other patent offices may be more relevant than that found by the EPO. Consideration should also be given to whether or not anybody (including the proprietor) had publicly used the claimed invention prior to the effective filing date of the patent. It is worth checking the proprietor's sales and marketing material, since some companies forget the need to file their patent application before publishing the invention. With this knowledge it is then possible to assess whether there is a case to be made that the claimed invention is not patentable.

With regard to the other grounds, consideration should be given to whether or not it is actually possible to carry out the claimed invention from the information in the patent (supplemented by common general knowledge that was available before the effective filing date of the patent), as well as whether any amendments have been made since the filing of the patent which may have inadvertently introduced new matter (whether by addition or deletion). If there are any gaps in the patent's teaching or if there is such new matter, there may be a case to argue on these other grounds as well.

Once you have built a case, what next?

Once you have built your case and know its strengths and weaknesses, you can then consider the best strategy for achieving the desired result - that the patent will not affect your business. One way to achieve this result is to try to negotiate a licence under the patent with the proprietor before the deadline for filing the opposition. If your case is strong, you may be in a position to negotiate a free or nominal licence with the proprietor, or persuade it to narrow the patent claims to exclude the technology of interest to you. If you cannot agree terms with the proprietor before the opposition deadline, you can still file an opposition and withdraw it if terms can be agreed before the conclusion of the opposition proceedings. However, the EPO may well continue the opposition on its own if it believes the case has merit.

What is needed to file the opposition

An opposition must include a written reasoned statement of case (the notice of opposition) in English, French or German, which provides, among other things, an indication of the facts, the evidence relied on and the arguments. An opposition fee must also be paid. The notice of opposition must be filed and the opposition fee paid within nine months of the publication of the grant of the European patent. There is sometimes the opportunity for evidence to be filed later, but this should not be relied upon.

What happens after filing the opposition

If the opposition is admissible, then the EPO will forward the opposition to the proprietor for comment. The proprietor is given a period of time (usually four months) to consider the opposition and to file counter-arguments and/or amendments to overcome the objections. As the opponent, you will be sent the proprietor's response and given a period of time to file further arguments based on the proprietor's response. Further opportunities for written correspondence may be given, but usually at this stage the case is considered by an Opposition Division which is a group of three EPO examiners.

If either party has requested a hearing, the Opposition Division will summon the parties to a hearing where each party can present its case orally. The summons usually includes an indication of the Opposition Division's view of the case and what in its opinion needs to be discussed at the hearing. The hearing usually ends with the Opposition Division announcing its decision, which will be to revoke the patent, to maintain the patent as granted, or to maintain the patent in amended form. A written decision is then issued, detailing the reasoning underlying the decision.

How long it takes and how much it costs

The opposition proceedings (from the date of filing the opposition to issue of the decision) usually take two to three years, and sometimes longer in complex cases. The costs involved vary depending on the complexity of the case, the extent of the searching carried out and the thoroughness with which the opposition is handled. Typical costs that can be expected are from €7,500, for a simple case which does not need significant preparation or searching, to €35,000 or more, for complex cases involving difficult subject-matter or complex evidence issues. The costs are spread over the duration of the opposition proceedings, and are far lower than would be incurred by separate revocation actions in each country, particularly if the opposed patent has been validated in all 37 possible countries (as of 1 March 2007).

Help with an opposition

European patent attorneys can advise you on a strategy, prepare and file the opposition on your behalf and represent you at the hearing (and at any subsequent appeal).

Can you get an award of costs?

Usually each side bears its own costs, but costs can be awarded if the other party has acted inequitably, such as by the late filing of evidence or amendments.

What happens to a European Patent when an opposition is pending

The European Patent remains in force in each country it has been validated. If the proprietor attempts to enforce the patent in a country's national court, the court will decide whether or not to wait for the outcome of the opposition.

Can you appeal the decision?

Any party to the opposition that is adversely affected by the decision can file an appeal. A notice of appeal must be filed within two months of the date of the written decision. A grounds of appeal must be filed within four months of the date of the written decision, setting out the basis for the appeal.

What happens after filing the appeal

In theory the appeal is a review of the decision, but in practice it often results in a complete rehearing of the case. The procedure is very similar to that of the opposition procedure described above, and takes about the same time to complete. The costs involved in an appeal are typically similar to those of the opposition. As with the opposition procedure, each party usually bears its own costs, except when one of the parties has acted in an inequitable manner.

The appeal is terminated by a decision, which may be to revoke the patent or to uphold the patent as granted or as amended. In some cases, where the Board of Appeal does not uphold the Opposition Division's decision and there remain issues yet to be considered by the Opposition Division, the Board of Appeal can remit the case back to the Opposition Division for further consideration.

Can you appeal the Board of Appeal's decision?

Currently there is no right to appeal the decision of the Board of Appeal. If the appeal decision is to revoke the patent, no further avenues of appeal are available to the proprietor. However, if the appeal decision is to maintain the patent either in amended or in its granted form, then the opponent can file revocation actions in each of the European countries covered by the patent.

There is an Enlarged Board of Appeal whose current purpose is to rule on important points of law and to ensure a uniform application of the law, where for example two Boards of Appeal have issued conflicting decisions.

However, changes to the EPC will come into effect in December 2007 (at the latest), which will allow parties to the appeal to request that the Enlarged Board of Appeal review the appeal decision. There are limited grounds for requesting such a review, and so it is likely that this review process will be used only in exceptional circumstances.

Tips for opposition/appeal strategy

When opposing a patent:

- Understand the extent to which the patent conflicts with your business so that the opposition can be targeted to the relevant parts of the patent.
- Perform a comprehensive review of what was known before the effective filing date of the patent to be opposed.
- Leave plenty of time to carry out the review so that time is available to fully understand the situation.
- Before filing the opposition, consider settlement with the proprietor.
- Where possible, try to keep the arguments simple and to the point.
- Link the grounds of opposition and the arguments so as to force the proprietor to narrow the claims in a direction away from your technology.
- Do not withdraw any grounds of opposition, so that the objection can still be raised in any future appeal.
- Always ask for a hearing (even though you may decide not to attend).

When defending an opposition:

Consider the importance of the patent to your business and defend accordingly. Beware of arguments based on hindsight which are often made by opponents. If amendments are necessary, consider different limitations of the patent which are commercially acceptable. If appropriate, multiple independent claims can be filed. Do not withdraw any requests for which you may wish to file an appeal. Always ask for a hearing (even though you may decide not to attend). Prepare with great care for the hearing to avoid unwelcome surprises.