Intellectual® Property Owners Association

President
Philip S. Johnson
Johnson & Johnson

Vice President
Carl B. Horton
General Electric Co.

Treasurer
Kevin H. Rhodes
3M Innovative Properties Co.

Directors
Steven Arnold
Micron Technology, Inc.
Edward Blocker
Koninklijke Philips N.V.
Tina M. Chappell
Intel Corp.
William J. Coughlin
Ford Global Technologies LLC
Robert DeBerardine
Sanofi-Aventis
Anthony DiBartolomeo
SAP AG
Daniel Enebo
Cargill, Inc.
Barbara A. Fisher
Lockheed Martin
Louis Foreman
Enventys
Scott M. Frank
AT&T
David A. Frey
Rolls-Royce Corp.
Darryl P. Frickey
Dow Chemical Co.
Krish Gupta
EMC Corporation
Henry Hadad
Bristol-Myers Squibb Co.
Michael Jaro
Medtronic, Inc.
Charles M. Kinzig
GlaxoSmithKline
David J. Koris
Shell International B.V.
William Krovatin
Merck & Co., Inc.
Allen Lo
Google Inc.
Thomas P. McBride
Monsanto Co.
Steven W. Miller
Procter & Gamble Co.
Micky Minhas
Microsoft Corp.
Douglas K. Norman
Eli Lilly and Co.
Elizabeth A. O'Brien
Covidien
Salvatore Pace
Praxair, Inc.
Richard F. Phillips
Exxon Mobil Corp.
Dana Rao
Adobe Systems Inc.
Curtis Rose
Hewlett-Packard Co.
Matthew Sarboraria
Oracle Corp.
Manny Schecter
IBM, Corp.
Steven Shapiro
Pitney Bowes Inc.
Dennis C. Skarvan
Caterpillar Inc.
Daniel J. Staudt
Siemens Corp.
Brian K. Stierwalt
ConocoPhillips
Thierry Sueur
Air Liquide
Brian R. Suffredini
United Technologies, Corp.
James J. Trussell
BP America, Inc.
Roy Waldron
Pfizer, Inc.
Michael Walker
DuPont
BJ Watrous
Apple Inc.
Stuart Watt
Amgen, Inc.
Charlotte Whitaker
Motorola Solutions, Inc.
Jon D. Wood
Bridgestone Americas Holding Co.
Mike Young
Roche Inc.

General Counsel
Michael D. Nolan
Milbank Tweed

Executive Director
Herbert C. Wamsley

6-30-15

The Honorable Benoit Battistelli
President
European Patent Office
Bob-van-Benthem-Platz 1
80469 Munich, GERMANY

Via email: bbattistelli@epo.org

RE: Reform of the EPO Board of Appeals–User Consultation

Dear President Battistelli,

Thank you for your letter of April 29 informing IPO of the proposed reform of the Boards of Appeals (BOA) at the European Patent Office (EPO). IPO appreciates the opportunity to review the proposed reform and respond to the questions posed in the letter.

Any reforms to the BOA should focus on reaching timely, fair, and consistent decisions. Our comments are set forth below on each of the Questions A to F.

Question A. Position of the Boards of Appeals - Independence

The BOA already demonstrates independent decision-making. The appearance and perception of independence among the members of an appeal body is essential to any properly functioning appeals system, whether administrative or judicial. Therefore, while per se rules may not be entirely necessary, the procedures for appointing members of the BOA should be fair and unbiased. A general code of conduct after appointment should focus on the avoidance of conflicts and impropriety and the appearance of impartiality and independence of the BOA. Examples of conflicts could be provided to help members understand what type of situations should be avoided.

We also suggest formation of an advisory group to have interactive discussions about whether rules or guidelines should be required, which scenarios should be covered, and how the appointment and re-appointment procedures could be improved.

Question B. Work of the Boards of Appeals - Efficiency

IPO believes that the optimal time frame for completing an appeal is within one year to eighteen months, while ensuring a fair process for all parties and an opportunity for the patentee to advance and have considered Auxiliary Requests reasonably aimed at overcoming the objections raised. The current time frame of nearly three years is too long for many applicants to even consider an appeal. The delay caused by the backlog

and the complete lack of certainty during this time detract from a user's ability to effectively license and develop products.

IPO would not support attempts to raise the efficiency and/or reduce the backlog, however, if it would lead to a decrease in the quality of BOA decisions. IPO members have experienced in a number of appeals that requests or documents were not allowed by the BOA, perhaps to speed up the procedure or reach a faster conclusion. Therefore, the focus when considering how to reduce the backlog should be on maintaining quality, rather than compressing the procedure or taking short-cuts.

The situation at the BOA parallels the nullity proceedings in Germany a few years ago. There, the backlog was resolved in part by installing a temporary further senate at the Bundesgerichtshof. Such a measure, i.e., installing temporary further boards and/or recruiting temporary additional board members or supporting staff, may similarly address the BOA's backlog without significantly impacting quality. The temporary board members or support staff could either come from within the EPO or could be recruited from national judges or EPO practitioners, and could work in cooperation with the Budapest training centre of the Unified Patent Court. The experiences from the Swiss Patent Court, where practitioners serve as part-time judges, are promising, and could be a model for the EPO as well.

Another possible course of action would be to increase the number of BOAs in technical areas with high backlogs to meet the proposed one year to eighteen month time limit proposed above.

Question C. Work of the Boards of Appeal - Procedure

IPO would support the BOA returning to the more liberal position it used approximately ten years ago, in which it was more accepting of requests and documents as long as they were aimed at satisfying a rejection raised and helpful to reaching a final decision.

Additionally, we believe that the practice of the EPO opposition divisions to issue a detailed preliminary opinion when the oral hearing summons is sent has proven useful for users and the efficacy of the system overall. Presently, BOA practice is not uniform – some boards issue a detailed preliminary opinion while some boards issue only a very brief opinion or note and some issue nothing of substance at all. IPO would welcome a practice which is similar to opposition proceedings before opposition divisions in this respect to allow for a quicker disposition of some cases and for users to make better informed decisions and understand the reasoning behind issued decisions.

Furthermore, there appears to be some lack uniformity as to whether certain boards within the BOA are or should be respecting decisions of other boards. The situation before the EPO has some similarities to German patent litigation, where the different Oberlandesgerichte also have some degree of freedom with the Bundesgerichtshof securing uniform jurisprudence. German courts have a stronger tendency to allow revision to the Bundesgerichtshof and there is also a "Nichtzulassungsbeschwerde" (petition to review) which allows parties of the litigation to have their case reviewed by the Bundesgerichtshof. EPC Art 112a serves the same purpose, but a petition here is possible only for fundamental procedural violations. The possibility to file a petition also for other grounds, such as those in Art 112, would be helpful.

We believe these three procedural reforms could help ensure uniformity and predictability among all of the boards of the BOA.

Question D. Boards of Appeals Committee (BOAC)

IPO strongly supports the creation of the proposed BOAC and providing users seats on the committee. We would be in favor of the BOAC carrying out surveys on the general functioning of the BOA and making proposals for general improvement. We would also favor permitting the BOAC to make proposals for rule changes.

Question E. Proceedings of petitions for review

IPO would support a change in the composition of the Enlarged Board of Appeal insofar as it should not include members whose decision are being reviewed.

Question F. General

IPO recommends three areas of general reform. First, as noted in response to Question C., above, IPO supports making it a common practice of all boards of the BOA to issue a detailed preliminary opinion when the summons to the oral hearing is issued.

Second, IPO supports improving the procedure for involvement of the Enlarged Board of Appeals, insofar as it should be easier to refer a case to the Enlarged Board if decisions of some boards are not considered or disregarded by a further board.

Third, IPO has noted that the petition for review under Art 112a EPC is very often denied for formal reasons, especially referring to Rule 106 EPC. A more flexible approach in this regard would be welcomed. The possibility to cure apparent procedural mistakes or lack of consistency by the EPO or the BOA should be the focus and not whether the formal requirements, especially those of Rule 106 EPC are fulfilled.

We thank you again for inviting us to comment on the proposed reforms. We appreciate the opportunity to respond and remain always eager to provide our views. We hope that you will find them helpful. IPO would welcome the opportunity to participate in any advisory group that may be formed regarding the proposed reform of the BOA.

Sincerely,

Philip S. Johnson
President