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EPO OPPOSITION: BEHIND THE STATISTICS OF THE EPO'S ANNUAL REPORT

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ARTICLE
EPO OPPOSITION

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Ever wondered what's behind those statistics on opposition in the EPO Annual Report? Which nationalities are more inclined to oppose? Which representatives are typically chosen? And how do in-house IP departments of companies perform in EPO opposition? NLO presents you a series of five reviews that will answer all of your questions.

PART 1:
EPO OPPOSITION: POPULAR TECHNOLOGIES AND OPPOSITION BEHAVIOUR OF PARTIES BY NATIONALITY **4**

PART 2:
EPO OPPOSITION: CHOICE OF REPRESENTATIVE BY NATIONALITY **9**

PART 3:
EPO OPPOSITION: PRIVATE PRACTICE PATENT FIRM'S ENGAGEMENT **14**

PART 4:
EPO OPPOSITION: PRIVATE PRACTICE PATENT FIRM'S CORE TECHNOLOGIES **16**

PART 5:
EPO OPPOSITION: CORPORATE IN-HOUSE IP DEPARTMENTS' ENGAGEMENT **21**

PART 1

EPO opposition: popular technologies and opposition behaviour of parties by nationality

The European Patent Office (EPO) Annual Report 2016 showed a 40% increase in granted patents relative to 2015. The effects of this leap in productivity on parties' opposition behaviour were anticipated in 2017 given the nine-month opposition filing term. According to the EPO Annual Report 2017, the absolute number of opposed patents increased by almost 25% in 2017, having remained more or less constant between 2013 and 2016. Given the 10% rise in granted patents in 2017 relative to 2016 (an increase of almost 55% relative to 2015), the absolute number of oppositions is expected to increase further in 2018. Opposition is thus becoming an increasingly important tool for parties to secure their freedom to operate.

This report is the first of a series of five reviews that analyses data from the public EPO registers on filed oppositions in 2016 and follow-up trends relative to 2015 and earlier (for further information please see "EPO opposition: key players, key fields and the key to change"). The first report in our series focuses on the technologies and nationalities of parties involved in opposition. The second part will discuss the choices of representative made by parties. The third and fourth parts will cover the engagement in opposition of patent firms in private practice and the core technologies of their opposition portfolio. Finally, the fifth part will highlight the share of in-house IP departments of companies in opposition.

TECHNOLOGIES AND NATIONALITIES

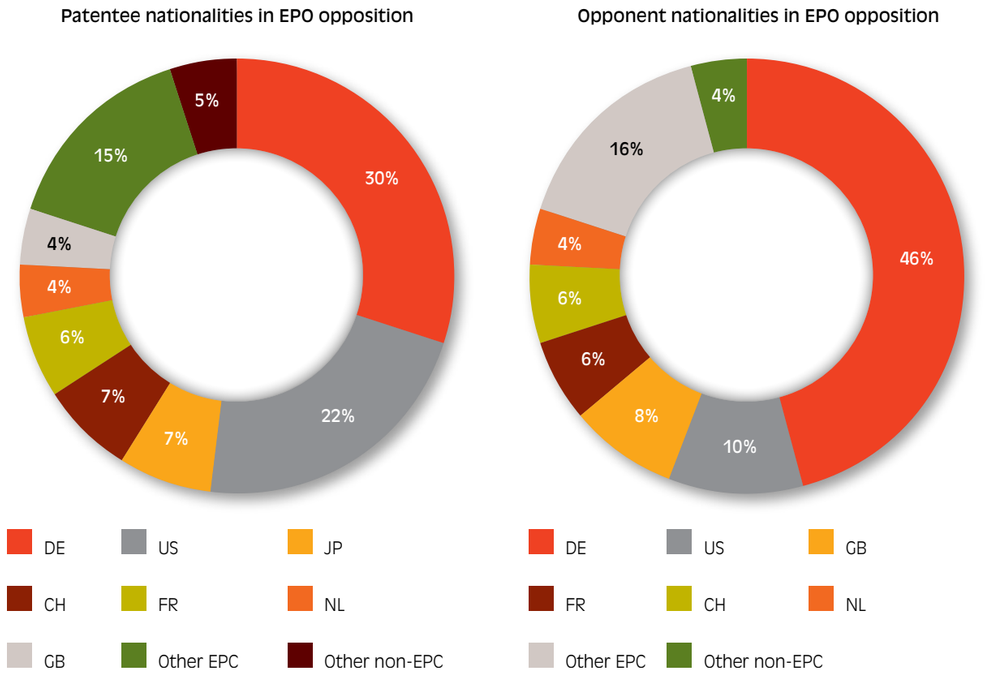
From 2015 to 2016, it seems that more technological areas became aware of the benefits of opposition to their patent strategy.

While opposition is traditionally most popular for International Patent Classification Classes A (human necessities), B (performing operations, transporting) and C (chemistry, metallurgy), which altogether accounted (at about equal contributions) for 68% of total oppositions in 2016 and 72% in 2015, opposition seemingly becomes more important in Class F technologies (mechanical engineering, lighting, heating, weapons), whose opposition rates nearly doubled from 8% in 2015 to 14% in 2016.

There was little change in the opposition rate from 2015 to 2016 for the remaining classes (D (textiles, paper) and E (fixed constructions), which hover around 2% to 3%, and G (physics) and H (electricity), which hover around 6% to 7%).

From 2015 to 2016 the nationalities of parties that are typically involved in EPO opposition as patentees and opponents remained more or less the same. Opposition appears to have been used by the same types of party, at least in terms of nationality. Figure 1 illustrates that in 2016 German parties continued to account for nearly one-third of cases as patentees (30%) and for nearly half of the oppositions filed (46%).

Figure 1



While the number of oppositions with US and German proprietors in 2016 was relatively proximate (22% versus 30%), for their participation as opponents in opposition, the 10% share of US parties was dwarfed by a 46% share of German parties – US parties do not appear to have discovered the benefits of centralised invalidation through EPO opposition.

EPC AND NON-EPC COUNTRIES

As in 2013 to 2015, the 2016 data suggests that non-European Patent Convention (EPC) countries are most often involved in EPO opposition because it is filed against them, rather than through active involvement as an opponent.

This is reflected by the fact that 34% of patentees and only 13% of opponents involved in 2016 oppositions were parties from non-EPC countries – numbers which have remained more or less constant from 2013. The data shows no increased awareness or lowered threshold for parties from non-EPC countries to participate in EPO opposition.

Figures 2 and 3 expand the patentee-opponent ratio for the top five EPC member states that account for most 2016 oppositions and for the non-EPC nationalities that account for more than 0.2% of total 2016 oppositions, respectively.

Besides Switzerland, the top five EPC member states are more inclined to oppose, rather than defend. As in 2013 to 2015, such a proactive approach to opposition is particularly prevalent for German and UK parties, with patentee-opponent ratios of 30% to 46% and 4% to 8% in 2016, respectively.

However, for most non-EPC countries, opposition is still an underdeveloped tool – nearly all of them are predominantly involved passively as patentees, rather than by filing oppositions.

Figure 2

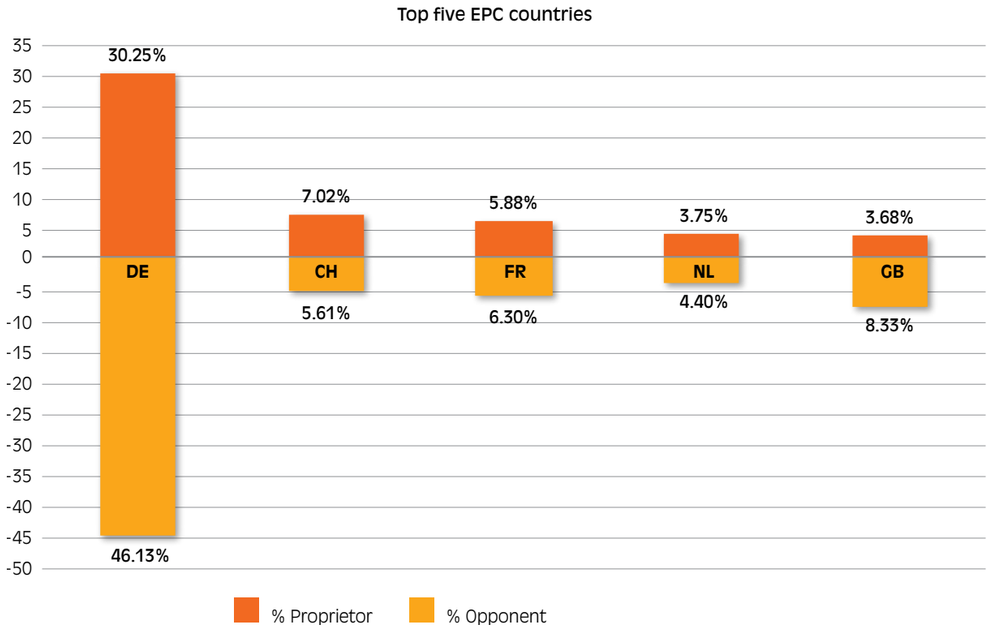


Figure 3

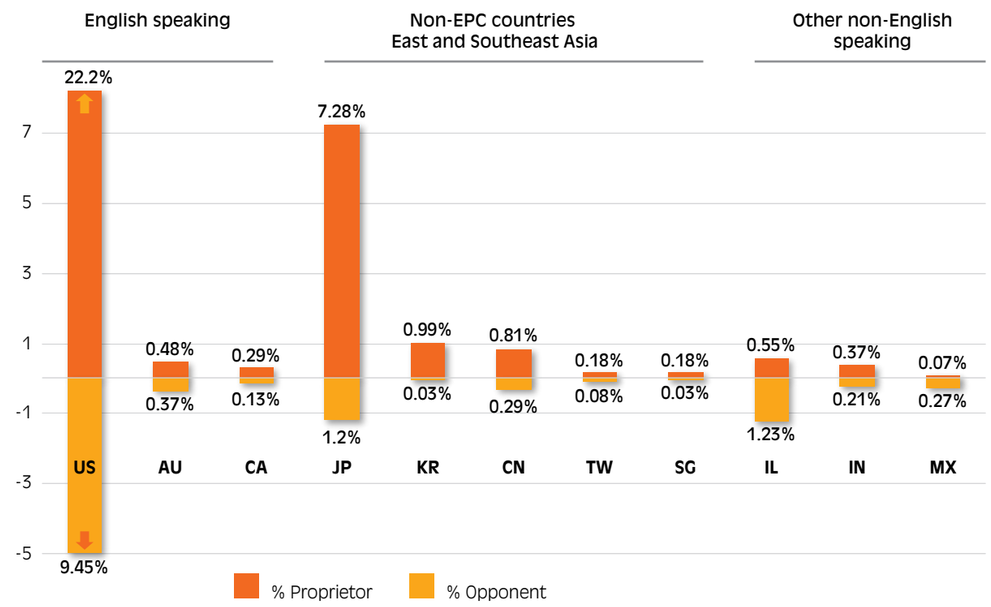
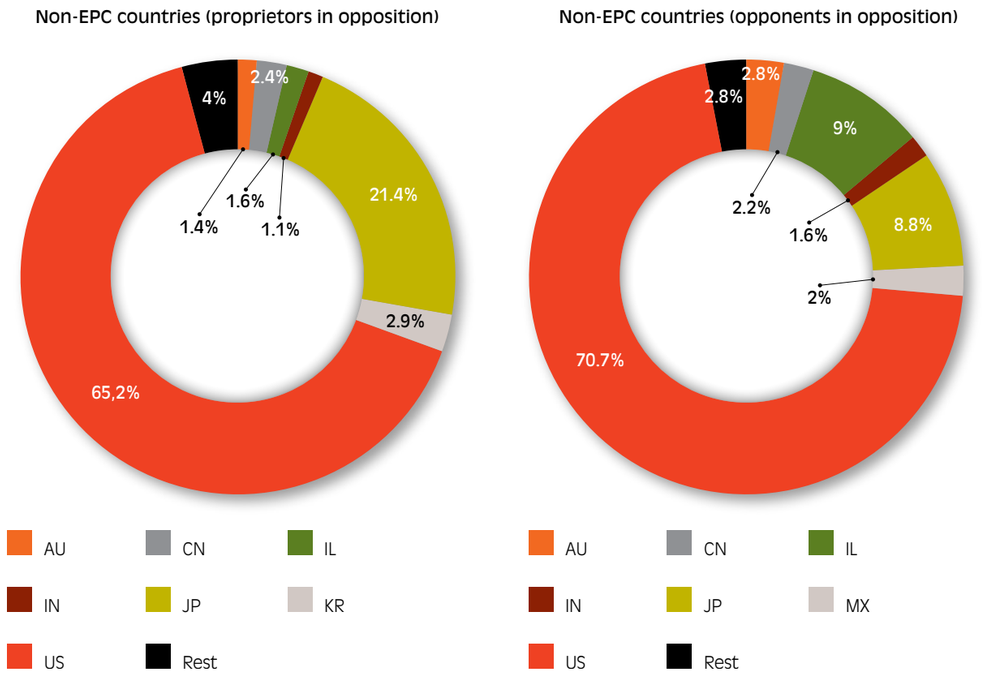


Figure 4



The US and Japanese parties are the most striking examples of the patentee-opponent imbalance in terms of absolute numbers, with ratios of 22% to 9% and 7% to 1%, respectively.

For Japan, the relative patentee-opponent imbalance is also particularly large – Japanese parties are seven times more often involved in an opposition as a patentee than as an active opponent.

This appears typical for Asian countries. The relative patentee-opponent imbalances of Korea, China and Singapore are such that they act 33, nearly three and six times more often as patentees than opponents, respectively. Israel and Mexico seem to be the only non-EPC countries to have discovered the use of opposition as a central invalidation tool, actively opposing more than twice and nearly four times as much as defending, respectively.

Figure 4 further illustrates the major nationalities of non-EPC patentees and opponents involved in 2016 EPO oppositions. As in 2013 to 2015, by far the most non-EPC parties are from the United States, accounting for 65% of the non-EPC patentees and an even higher 71% of the non-EPC opponents in 2016.

Among non-EPC countries, the active use of EPO opposition gained traction in Israel (3.6% in 2013 to 2015, which almost tripled to 9% in 2016) and 2016 has welcomed Mexican parties as opponents (new entry in 2016 at 2%).

Further, Asian nationalities are more often dragged into opposition, rather than using it as a tool themselves: Japanese, Korean and Chinese parties accounted for 21.4%, 2.9% and 2.4% of non-EPC patentees, respectively; but for 8.8%, 0.2% (not shown) and 2.2% of non-EPC opponents, respectively. As in 2013 to 2015, it seems that Asian businesses did not exploit the benefits of using centralised invalidation at the EPO in 2016.

While these statistics show little variation compared with 2013 to 2015, Chinese participation as patentees almost halved in 2016 – from 4.3% to 2.4%. This decrease is unexpected and contradicts the 18.6% increase in the number of patents granted to Chinese parties from 2014 to 2015 (EPO Annual Report 2015); with a nine-month opposition period, participation should have been greater in 2016. Perhaps there were more grants to Chinese parties in technological areas that are less prone to opposition.

Non-EPC countries are legally obliged to appoint a European representative – a choice that can be highly revealing. Our next report will dive deeper into this issue.

SUMMARY

From 2016 to 2017 the absolute number of EPO oppositions grew; however, in 2016 there were no new players in terms of nationality. While US and Japanese parties were often involved as patentees, they rarely took the initiative to use the centralised invalidation tool before the EPO as opponents. Further, while other Asian countries discovered Europe as a site for retrieving intellectual property, few parties were obtaining freedom to operate in the European markets through centralised opposition.

PART 2

EPO opposition: choice of representative by nationality

Our first European Patent Office (EPO) opposition series installment examined the nationalities of opponents and patentees (for further details please see "EPO opposition: popular technologies and opposition behaviour of parties by nationality"). We reported that parties outside European Patent Convention (EPC) territories rarely took the initiative to oppose the grant of a European patent centrally at the EPO. However, opposition is becoming an increasingly important tool for retrieving freedom to operate on the European markets.

Further analysis of which kinds of representative those involved in opposition proceedings are inclined to work with reveals that 78% of EPC patentees appoint a patent attorney from the same country. For EPC opponents, this number is even higher at 80%. Factors such as linguistic and cultural similarities as well as proximity to the representative are clear advantages that may explain these statistics. However, these factors are less applicable to non-EPC patentees and opponents, which are legally obliged to appoint a European representative.

Their preference is clear as Figure 1 shows that in 2016 (as in 2013 to 2015) almost 90% of non-EPC patentees and opponents chose a German or UK representative. While from 2013 to 2015, German representatives were more popular among non-EPC patentees (49%) than UK representatives (40%), this was reversed in 2016 (43% and 46%, respectively). For non-EPC opponents, the situation remained more or less the same in 2016 compared with 2013 to 2015: German representatives were still more frequently chosen than UK representatives (46% and 42%, respectively).

Figure 1 Non-EPC representation in EPO oppositions, 2016

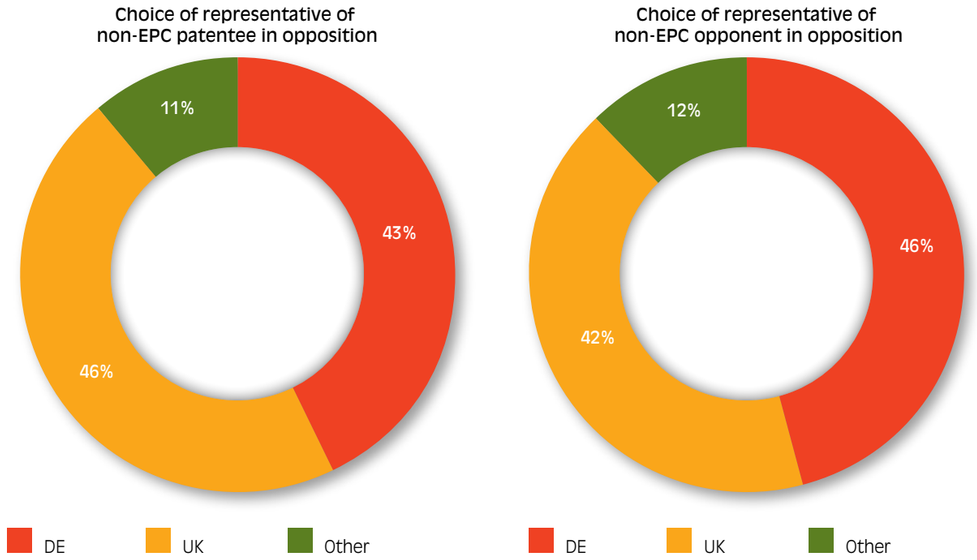
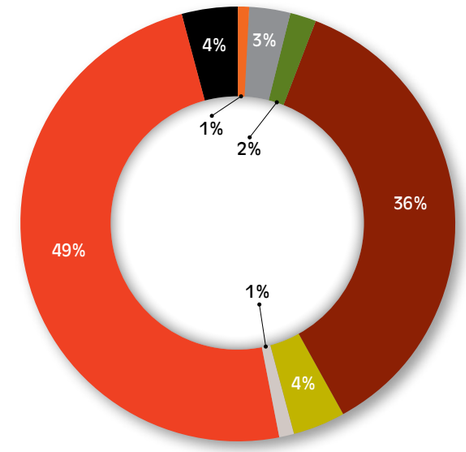
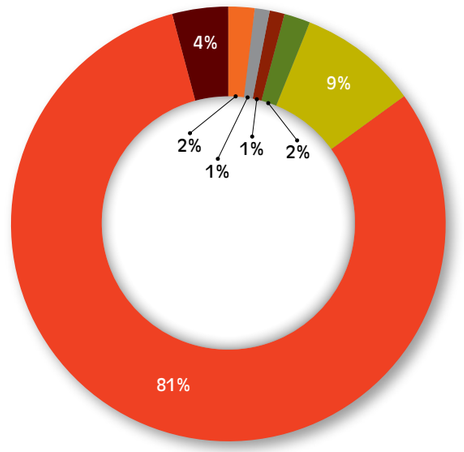


Figure 2 German versus UK representation, 2016

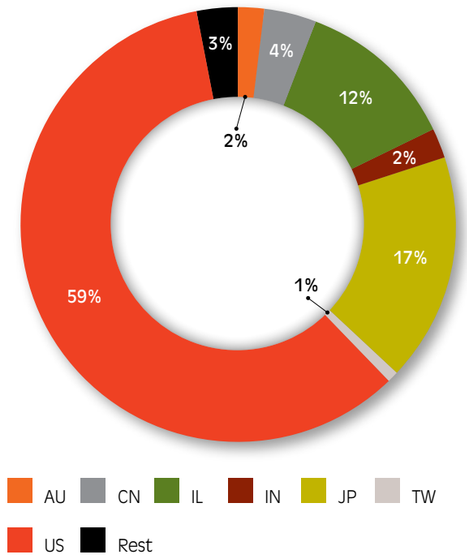
German representation of non-EPC patentees



UK representation of non-EPC patentees



German representation of non-EPC opponents



UK representation of non-EPC opponents

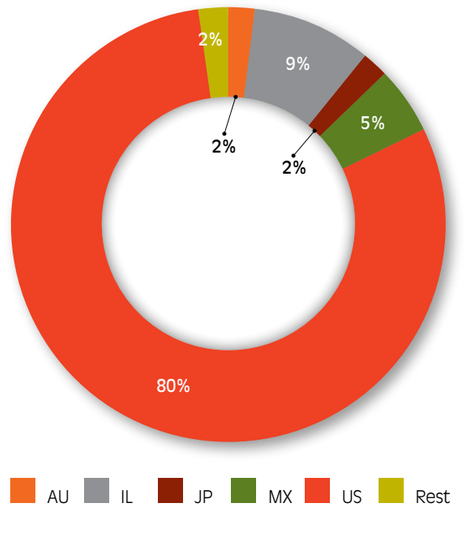


Figure 2 shows which non-EPC nations are typically represented by German and UK representatives. The vast majority of UK patent attorney portfolios of non-EPC patentees and opponents consist of US parties (80%), with Japanese parties having the second-largest share as non-EPC patentees (9%) and Israeli parties as non-EPC opponents (9%). German patent attorney portfolios of non-EPC parties show more variation in terms of patentee and opponent nationality: US parties also have the largest share as non-EPC patentees (49%) and opponents (59%), albeit considerably smaller compared to UK representatives. However, German representatives have a much larger share of Japanese patentees (36%) and Japanese opponents (17%) compared to UK representatives (9% and 2%, respectively) as well as a small share of Korean (4%) and Chinese (3%) patentees and Chinese opponents (4%); for UK representatives, the Korean and Chinese party share is approximately 0%. German and UK patent attorneys have equal shares of Israeli patentees (2%), but Israeli opponents slightly preferred German over UK representation (12% and 9%, respectively).

While UK patent attorney portfolios have a small Mexican opponent contribution (5%), this nationality is absent from German patent attorney portfolios. The preference of non-EPC nationalities for a German or UK patent attorney is more apparent from Figure 3.

Between 2013 and 2015, East Asian countries preferred German over UK representatives. This trend continued in 2016: German attorneys handled patentee opposition proceedings more often than UK attorneys for parties from China (50% and 14%, respectively), Japan (72% and 20%, respectively), Korea (63% and 15%, respectively) and Taiwan (80% and 0%, respectively). This preference was even higher when acting for the opponent: German patent attorneys represented 91% of Chinese, 86% of Japanese, 100% of Korean and 100% of Taiwanese opponents. UK patent attorneys represented only 9% of Chinese and 11% of Japanese opponents (with no Korean or Taiwanese opponents represented).

Representation by UK patent attorneys was higher for Southeast Asian countries – for example, all Malaysian opponents chose a UK representative. Further, Singaporean patentees chose UK representation more often than German representation (60% and 40%, respectively). However, all Singaporean opponents chose German representation when opposing a patent before the EPO.

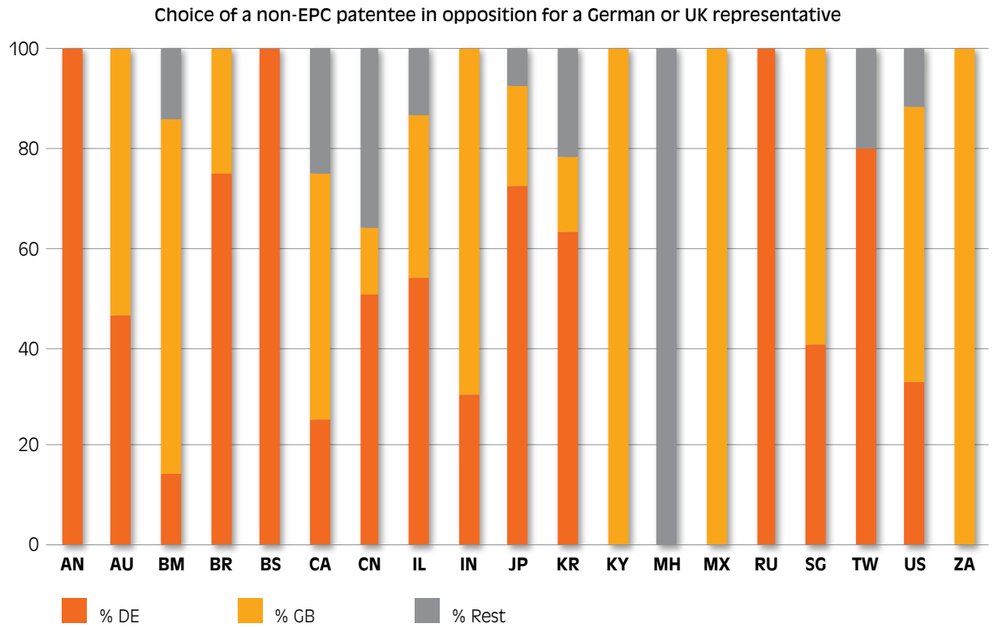
Between 2013 and 2015, English-speaking non-EPC countries were more inclined to appoint UK over German patent attorneys; this trend continued in 2016. This tendancy of parties from large English-speaking non-EPC countries to appoint a UK representative is clearer when these parties act as patentees than when they act as opponents. German representatives gain in popularity at the expense of UK representatives when filing EPO oppositions for parties from large English-speaking non-EPC countries. Therefore, for these parties, the percentage gap between German and UK representation is narrowed for opponent representation. This trend is clearly visible for US and Australian parties, where German and UK representation was as follows:

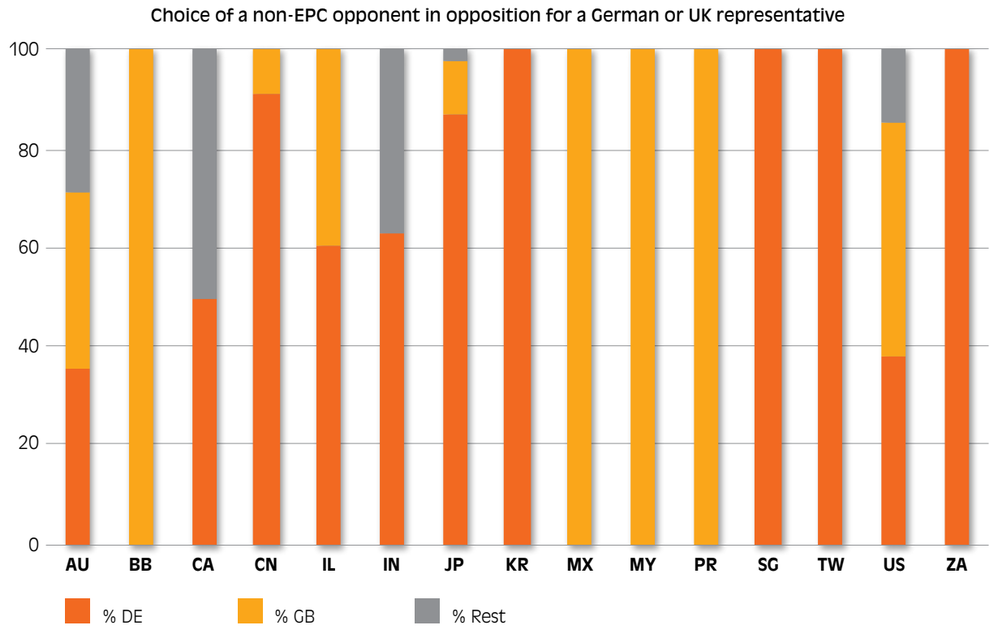
- US patentees: 32% and 56%, respectively (24% gap);
- US opponents: 38% and 47%, respectively (9% gap);
- Australian patentees: 46% and 54%, respectively (8% gap); and
- Australian opponents: 36% and 36%, respectively (0% gap).

The most striking example is Canada, where German and UK representation for patentee cases was 25% and 50%, respectively (25% gap), and for opposition cases was 50% and 0%, respectively (50% gap).

Compared with 2013 to 2015, in 2016 the representation preferences for English-speaking non-EPC countries shifted towards German patent attorneys at the expense of UK representation when filing oppositions – for example, from 2013 to 2016, UK patent attorneys lost approximately one-third of their opposition share from Australian opponents, while German patent attorneys gained two-thirds of theirs; for Canadian opponents, all cases went to German representatives, leaving UK representatives with none; and for US opponents, UK patent attorneys lost a small percentage of their share, while the share of German representatives increased slightly.

Figure 3 Representation for non-EPC patentees and opponents in EPO oppositions, 2016





Regarding other non-EPC countries, German representatives are favoured over UK representatives by Brazilian (75% and 25%, respectively), Israeli (53% and 33%, respectively) and Russian (100% and 0%, respectively) patentees. For opponents from these countries, the German preference remained – for example, 60% of Israeli opponents chose German representation, while 40% were represented by UK patent attorneys. India, Mexico and South Africa were more inclined to choose UK representatives when acting as patentees; however, there was yet another dramatic increase in popularity of German over UK representation when these nationalities acted as opponents. For example, German and UK representation for Indian patentees was 30% and 70%, respectively, and for Indian opponents it was 63% and 0%, respectively. While South Africa only chose UK representatives as patentees, they shifted to appointing only German representatives as opponents.

The data illustrates an emerging trend whereby representation preferences for non-EPC nationalities shift towards German patent attorneys at the expense of UK representation when filing EPO oppositions.

SUMMARY

Most EPO oppositions involving non-EPC parties are divided between German and UK representatives. While most non-EPC patentees and opponents in UK patent attorney portfolios are US parties, German patent attorney portfolios of non-EPC parties show greater variation in terms of nationality: US parties also have the biggest share, but the shares of Japanese, Korean and Chinese patentees and opponents are comparatively much larger. In countries traditionally tied to the United Kingdom such as Canada and Australia, there is a shift towards choosing German over UK representation.

The next installment in our EPO opposition series will address private practice patent firms' engagement in EPO oppositions, which is an important factor when choosing a representative.

PART 3

EPO opposition: private practice patent firm's engagement

In the second part of our European Patent Office (EPO) opposition series, we revealed that German patent attorneys are growing more popular for representing non-European Patent Convention (EPC) parties who act as opponents (for further details please see "EPO opposition: choice of representative by nationality"). This may be the result of the location of EPO's headquarters in Munich; non-EPC parties engaged in oppositions may be unaware of the fact that the EPO also has a branch in The Hague.

However, from 2013 to 2016 The Hague's EPO branch has seen its popularity as a venue for oral proceedings in oppositions increase by 2% (from 35% to 37%) at the expense of the Munich branch (63% to approximately 61%). The EPO's Berlin branch accounts for a constant 2% of oppositions. With the number of oppositions on the rise, the possibility of having the case heard in The Hague should be considered when choosing a representative if proximity to an EPO site is regarded a factor.

Proprietors whose patents are opposed and opponent parties interested in opposing the grant of a patent should also bear in mind that opposition proceedings are complex and require a representative with a different set of skills than those demanded in patent prosecution. The EPO has anticipated this and is adapting its internal structures to accommodate a department of examiners who specialise in oppositions. On the attorney side, the chances of success and expectation management are maximised by cleverly choosing a representative that is fit to deal with opposition dynamics.

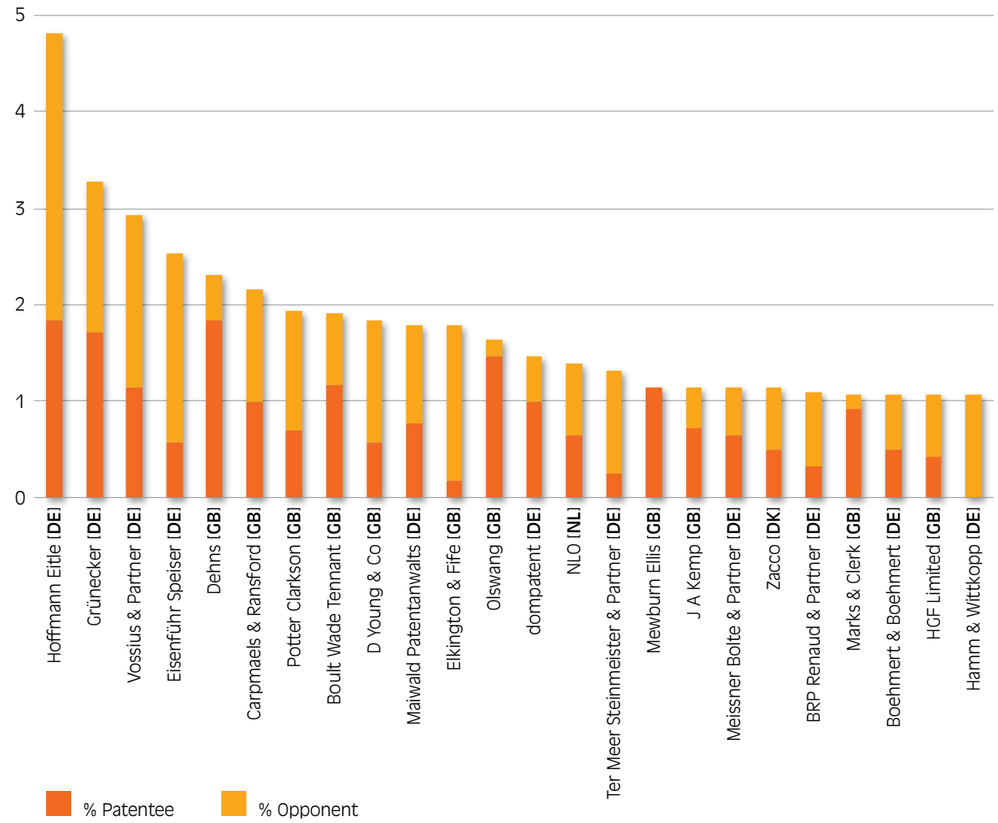
Figure 1 shows the top private patent firms involved in most 2016 oppositions (ie, as a percentage of total 2016 oppositions). For clarity and brevity, participation in more than 1% of the total number of oppositions in 2016 was used as a cut-off criterion. Within a given private patent firm's opposition portfolio, the ratio of cases where a firm acted as representative of a patentee or an opponent is also indicated. As defending and opposing patents before the EPO require different skills, a firm's experience in these two roles may be a factor when choosing a representative.

German and UK firms dominated the top 10 private patent firms involved in oppositions – in 2016, five were German and five were from the United Kingdom. The top four firms handling the most oppositions remained unchanged in 2016 compared to the data from 2013 to 2015 and involved only German firms: Hoffmann Eitle, Grünecker, Vossius and Eisenführ Speiser. The highest-ranked UK firm was Dehns (fifth), which pushed Carpmaels & Ransford (ranked fifth between 2013 and 2015) into sixth.

The first non-German, non-UK firm on the list for 2016 was Netherlands-based NLO, ranked 14th overall. With its headquarters in The Hague, NLO had an approximately equal number of patentee and opponent cases in 2016.

While most firms handled approximately equal numbers of patentee and opponent oppositions in 2016, some acted more frequently in one of these opposition roles than others. For example, the UK firms Dehns, Olswang and Marks & Clerk and German firm dompatent were clearly more active in patent defending; the entire opposition portfolio of UK firm Mewburn Ellis seemed to focus on representing patentees. A clear inclination towards opposing patents is discernable in the portfolios of German firms Eisenführ Speiser, Ter Meer Steinmeister & Partner and BRP Renaud & Partner as well as UK firms Potter Clarkson, D Young & Co and Elkington & Fife; German firm Hamm & Wittkopp even acted solely on behalf of opposing parties.

Figure 1 Percentage of total oppositions and proportion of being proprietor or opponent for private firms (cut off: >1%)



Another factor for choosing a representative may be its familiarity with a certain type of technology, which will be the subject of our next EPO opposition series installment.

SUMMARY

In 2016, oppositions continued to occur mostly at the EPO's Munich branch, although The Hague's EPO branch is growing more popular. The top 10 private patent firms involved in 2016 oppositions was dominated by German and UK firms. The first non-German, non-UK firm on the list for 2016 was Netherlands-based NLO, ranked 14th overall.

PART 4

EPO opposition: private practice patent firm's core technologies

The third part of our European Patent Office (EPO) opposition series ranked the top private patent firms by the total number of oppositions handled in 2016 and highlighted the ratio of cases where a firm acted as a representative of a patentee or an opponent (for further details please see "EPO opposition: private practice patent firm's engagement").

The fourth installment dives deeper by ranking private practice patent firms by the number of patentee and opponent cases handled in 2016 (Figures 1 and 2, respectively), alongside the core technologies of patentees and opponents in each firm's opposition portfolio, as shown by the coloured subdivisions which correspond to International Patent Classification (IPC) Classes A to H (Figures 1 and 2). For clarity and brevity, representation of patentees or opponents in more than 0.5% of the total number of oppositions in 2016 was used as a cut-off criterion.

Figure 1 IPC class involvement of private firms as representatives of patentees in oppositions (cut off: more than 0.5% of total oppositions)

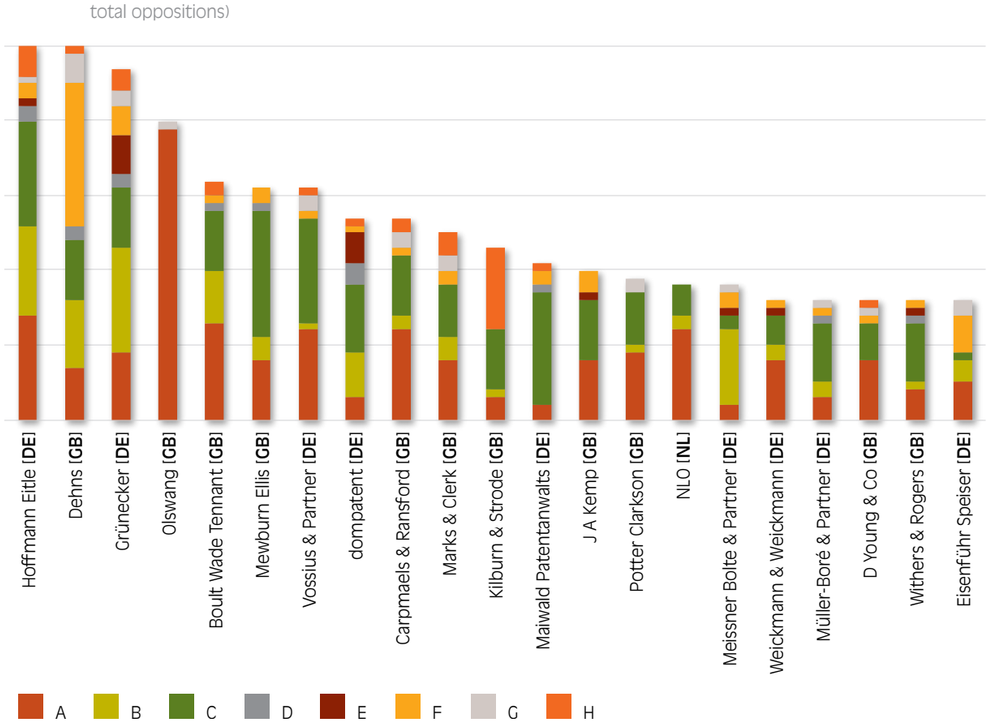
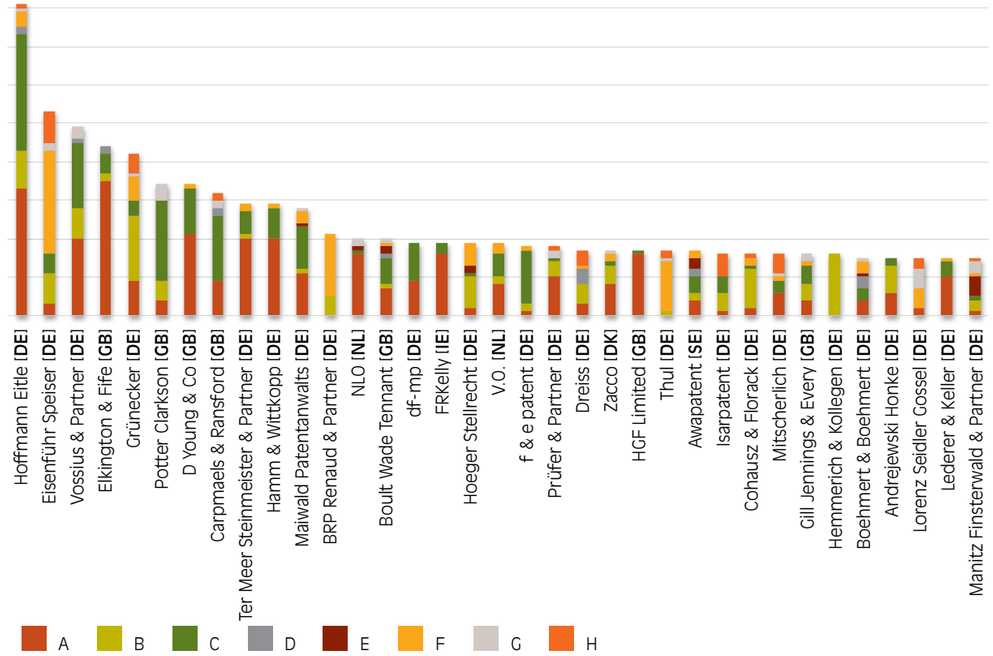


Figure 2 IPC class involvement of private firms as representatives of opponents in oppositions (cut off: more than 0.5% of total oppositions)



As with the top five for total EPO oppositions, German patent firms also dominated the top five for representing opponents (in both instances, four out of five patent firms were German and one was from the United Kingdom). However, UK firms gained a foothold in the top five for representing patentees (two out of five patent firms were German and three were from the United Kingdom).

The top ten patent firms reflected a similar trend. For total EPO oppositions, the share of UK and German firms was equal (five from Germany and five from the United Kingdom). However, when representing patentees, UK firms tipped the balance (six firms from the United Kingdom and four from Germany), while for representing opponents, German firms came out on top (six firms from Germany and four from the United Kingdom). Thus, the breakdown of the total EPO oppositions into contributions from patentee and opponent representation supports the convention that UK firms are more active in defending and German firms more active in opposing patents.

German firm Hoffmann Eitle, which ranked first for total EPO oppositions in 2016, handled the most patentee as well as the most opponent cases; its share of opponent cases was considerably larger than the rest – a testament to German firms' tradition of opposing patents.

Dehns was the highest-placed UK firm for total EPO oppositions (fifth) and placed first in terms of representing patentee cases (a position it shared with Hoffmann Eitle) – a testament to UK firms' tradition of defending patents. Regarding opponent cases, Elkington and Fife was the highest-placed UK firm (fourth). However, Dehns and Elkington and Fife were not listed in the opponent and patentee rankings, respectively, as their case numbers did not surpass the 0.5% cut-off criterion.

NLO was the highest placed non-German, non-UK firm in both the patentee and opponent rankings (15th and 13th, respectively). It was also the only non-German, non-UK firm to surpass the 0.5% cut-off criterion for patentee cases.

CORE TECHNOLOGIES OF PATENT FIRMS IN EPO OPPOSITIONS

Regarding core technologies, the data suggests that some firms are generalists (ie, having portfolios covering a broad range of IPC classes), while others are specialists (ie, having portfolios dominated by a particular IPC class).

All IPC classes (A to H) were covered for patentee representation in opposition by German firms Hoffmann Eitle and Grünecker. However, no firm covered every class with respect to opponent cases – Hoffmann Eitle and UK firm Boult Wade Tennant came close, but each was missing a class (IPC Classes E and H, respectively).

The specialist firms whose portfolios comprised mostly IPC Class A for patentee representation were UK firm Olswang and Dutch firm NLO, and Elkington and Fife, NLO, Irish firm FRKelly and UK firm HGF Limited for opponent representation.

IPC Class A is an important technology field for oppositions: most patents subject to EPO oppositions in 2016 belonged to IPC Class A. Therefore, the percentage shares of patent firms of total patentee and opponent oppositions in IPC Class A (Figures 3 and 4, respectively) have been emphasised, using firms which covered more than 2% of total patentee or opponent oppositions in IPC Class A as a cut-off criterion.

Figure 3 Percentage of total patentee oppositions in IPC Class A for private firms (cut-off: more than 2%)

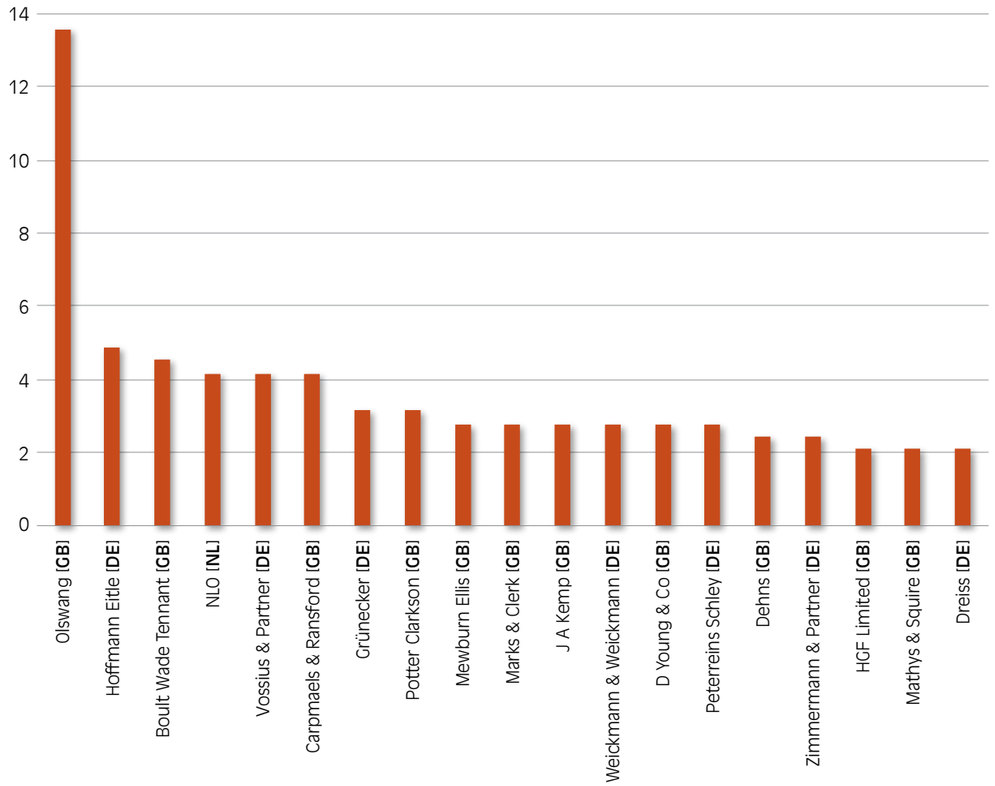
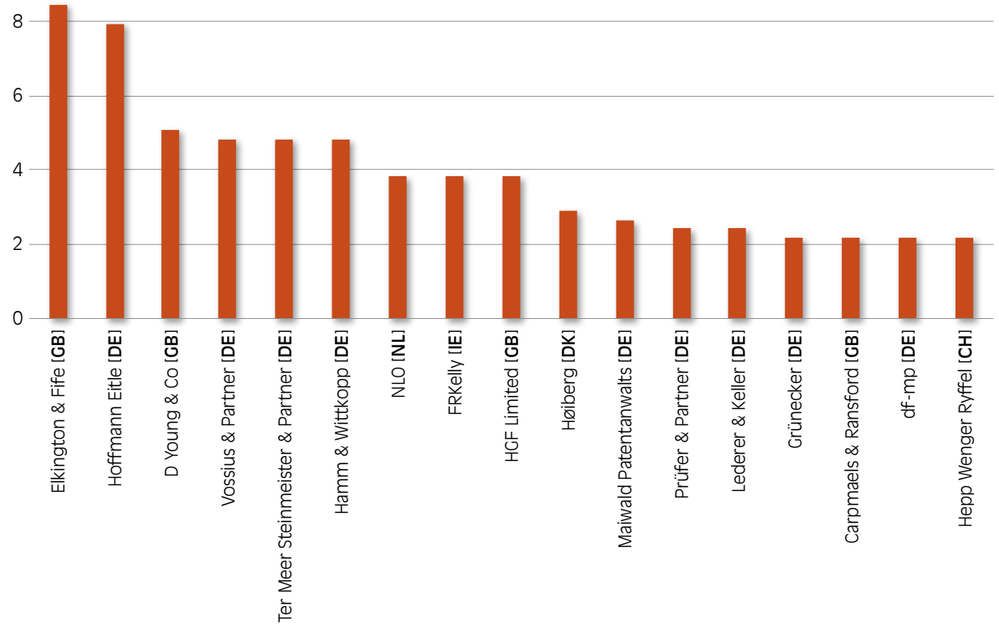


Figure 4 Percentage of total opponent oppositions in IPC Class A for private firms (cut off: more than 2%)



Olswang handled the most IPC Class A patentee oppositions (by a significantly margin), followed by Hoffmann Eitle and Boult Wade Tennant; NLO ranked fourth. Elkington and Fife handled the most opponent oppositions in IPC Class A, closely followed by Hoffmann Eitle (second) and, by a larger difference, UK firm D Young & Co (third); NLO ranked seventh and retained its position as the highest placed non-German, non-UK firm for IPC Class A oppositions, both for patentee and opponent representation.

The firms with specialised opposition portfolios in IPC Classes B to H were all from Germany or the United Kingdom. Those with the most dedicated opposition portfolios in IPC Classes B, D and E were all German, in terms of both patentee and opponent representation. Firms with comparatively large shares of IPC Classes B, D and E in patentee oppositions included:

- Hoffmann Eitle (IPC Classes B, D and E);
- Grünecker (IPC Classes B, D and E);
- Meissner Bolte (IPC Class B); and
- dompatent (IPC Classes D and E).

Regarding opponent representation, firms with comparatively large shares of IPC Classes B, D and E included:

- Hemmerich (entirely IPC Class B);
- Cohausz & Florack (IPC Class B);
- Grünecker (IPC Class B);
- Dreiss (IPC Class D);
- Boehmert & Boehmert (IPC Class D); and
- Manitz Finsterwald (IPC Class E).

While UK firms had the most dedicated opposition portfolios in IPC Classes F, G and H for patentee oppositions, German firms handled more opponent oppositions for the same technologies. While Dehns represented a large share of patentees in oppositions involving technologies in IPC Classes F and G, German firms represented a larger share of opponents in oppositions involving these technologies, including Eisenführ & Speiser, BRP Renaud and Thul in IPC Class F and Vossius, Lorenz Seidler Gossel and Manitz Finsterwald in IPC Class G (UK firm Potter Clarkson was a strong contender in terms of opponent representation in the latter class).

UK firm Kilburn & Strode had a particularly dedicated patentee portfolio involving technologies in IPC Class H, with Hoffmann Eitle and Grünecker also having a considerable share. However, opponent representation in IPC Class H oppositions was handled mostly by German firms, those with large portfolio shares including:

- Eisenführ & Speiser;
- Grünecker;
- Dreiss;
- Isarpatent; and
- Mitscherlich.

More UK firms specialised in IPC Class C technologies in opposition than German firms – for example, the most dedicated portfolios representing patentees in this class were handled by UK firm Mewburn Ellis and German firms Vossius and Maiwald, while UK firms Potter Clarkson and Carpmaels & Ransford specialised in representing opponents in IPC Class C.

SUMMARY

The 2016 EPO opposition data confirmed the tendency for UK firms to represent patentees and German firms to represent opponents in oppositions. Netherlands-based NLO was the highest ranked non-German, non-UK firm for both patentee and opponent representation (15th and 13th, respectively) and is among the firms with the most dedicated patentee and opponent opposition portfolios in IPC Class A technologies (fourth and seventh, respectively). Most of the specialised firms for oppositions in technologies of IPC Classes B to H were from either the United Kingdom or Germany.

Besides private practice firm performance, the share of in-house IP departments of companies in EPO oppositions can be revealing and will be the focus of our final EPO opposition series installment.

PART 5

EPO opposition: corporate in-house IP departments' engagement

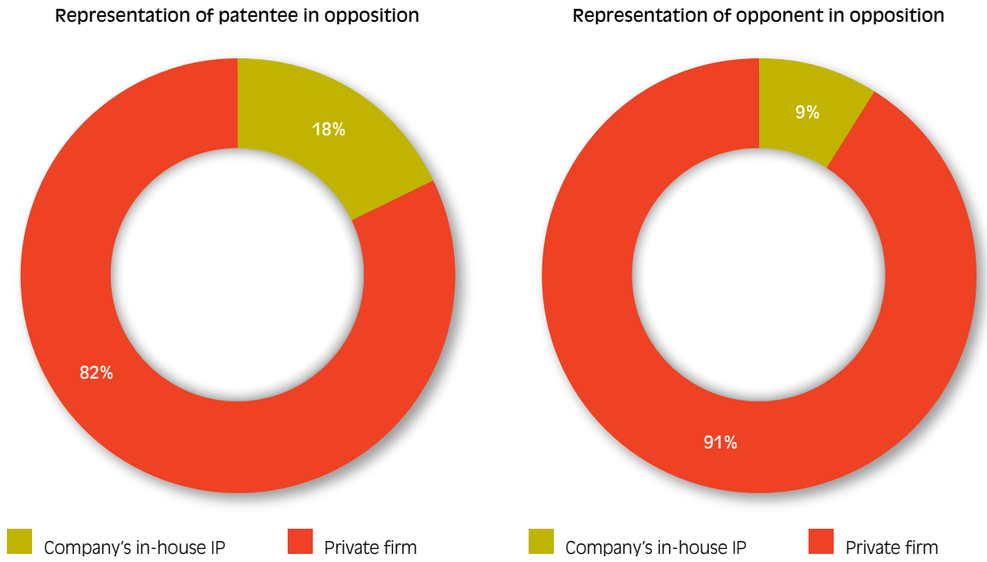
The third and fourth installments of our European Patent Office (EPO) opposition series discussed the performance of private patent firms. This highlighted cases where (external) professional representation in opposition was sought by a patentee or an opponent (often a company) (for further details please see "EPO opposition: private practice patent firm's engagement" and "EPO opposition: private practice patent firm's core technologies"). However, some EPO oppositions are handled by companies on their own through in-house patent attorneys (ie, sidestepping the need for external representation).

The fifth and final installment in our series highlights the share, performance and technological expertise of representation by in-house patent attorneys in 2016 EPO oppositions.

PATENTEE VERSUS OPPONENT REPRESENTATION BY IN-HOUSE PATENT ATTORNEYS

Figure 1 illustrates that in-house representation of companies in opposition (whether as patentees or opponents) was generally low: less than one-fifth of patentee cases and as low as one-tenth of opponent cases were handled by companies' in-house patent attorneys.

Figure 1 Percentage of patentees and opponents represented by corporate in-house and private firm patent attorneys in 2016 EPO oppositions



This significantly low share could be the result of companies realising that, in addition to being time-consuming, oppositions require specific skills, expertise and experience to avoid common pitfalls. These aspects of opposition could be reasons for companies to delegate opposition work to specialised private practices that generally handle far more opposition cases than companies and have a wealth of opposition experience to draw on.

Companies were seemingly more likely to represent themselves when acting as patentees than as opponents, which may relate to the need to be in charge of the defence of their own business interests. In-house patent attorneys typically have a more thorough insight into:

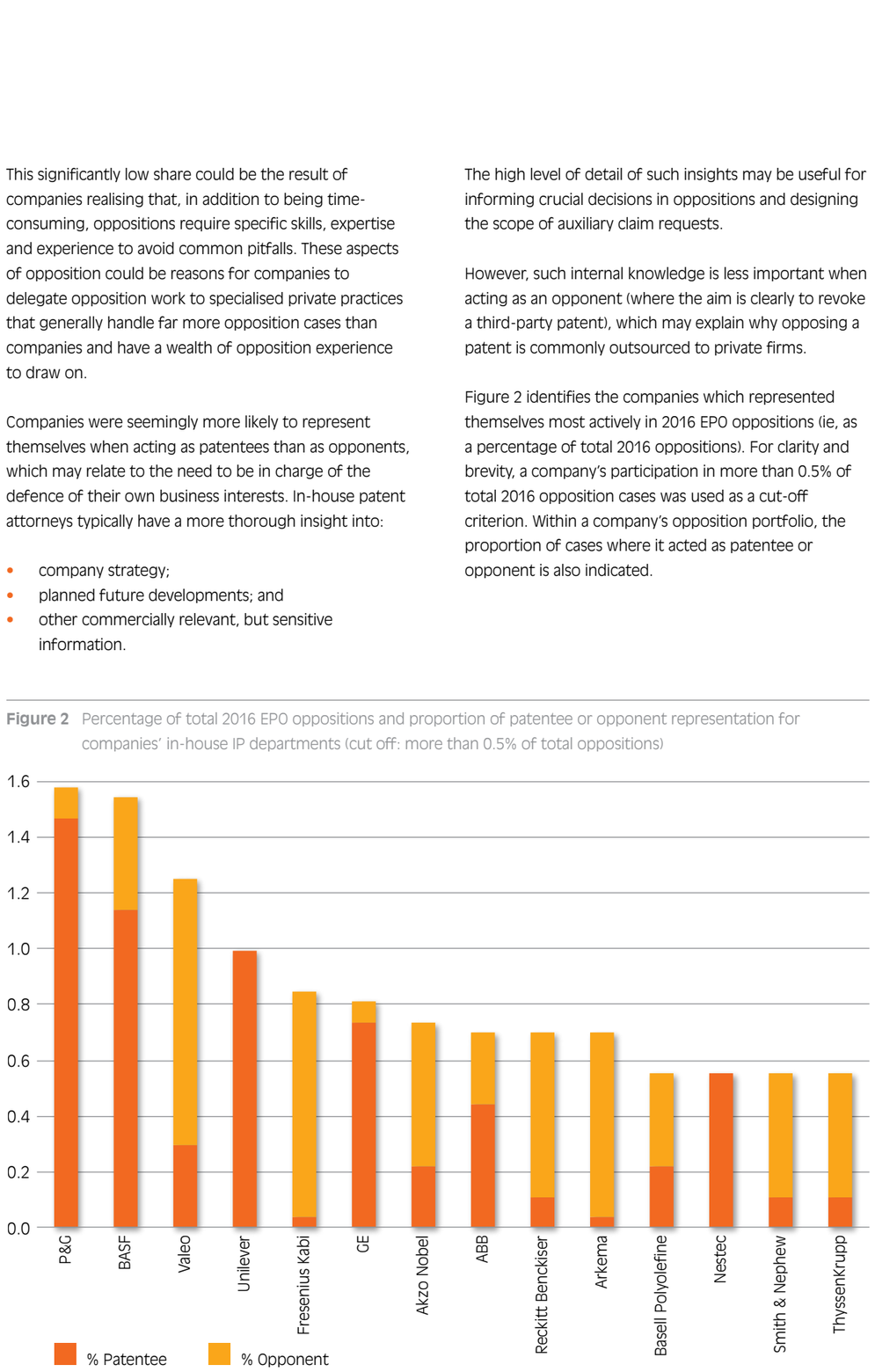
- company strategy;
- planned future developments; and
- other commercially relevant, but sensitive information.

The high level of detail of such insights may be useful for informing crucial decisions in oppositions and designing the scope of auxiliary claim requests.

However, such internal knowledge is less important when acting as an opponent (where the aim is clearly to revoke a third-party patent), which may explain why opposing a patent is commonly outsourced to private firms.

Figure 2 identifies the companies which represented themselves most actively in 2016 EPO oppositions (ie, as a percentage of total 2016 oppositions). For clarity and brevity, a company's participation in more than 0.5% of total 2016 opposition cases was used as a cut-off criterion. Within a company's opposition portfolio, the proportion of cases where it acted as patentee or opponent is also indicated.

Figure 2 Percentage of total 2016 EPO oppositions and proportion of patentee or opponent representation for companies' in-house IP departments (cut off: more than 0.5% of total oppositions)



Compared with our third installment's ranking of private patent firms in terms of total oppositions, the company which used in-house representation in opposition most often in 2016 would have been ranked 13th, confirming the relatively low activity of in-house patent attorneys in this regard. In the top five self-representing companies, two were from the fast-moving consumer goods and food sectors: Procter & Gamble (P&G) (first) and Unilever (fourth). Reckitt Benckiser (ninth) and Nestec (12th) were also high-ranked businesses from these sectors, confirming the popularity of in-house representation among such companies.

Companies in the chemical sector also regularly self-represent in oppositions: BASF ranked second by a small margin and other high-ranked companies from this sector included AkzoNobel (seventh), Arkema (10th) and Basell Polyolefine (11th).

Further, the high rankings of Valeo (third), General Electric (GE) (sixth) and ABB (eighth) illustrate that oppositions for companies in the automotive and power and energy sectors are relatively frequently handled by in-house patent attorneys.,

The pharmaceutical industry – where intellectual property traditionally plays a considerable role – was surprisingly absent from the top self-representing companies in EPO oppositions: no pharmaceutical company surpassed the 0.5% cut-off criterion for the number of cases handled by in-house representation; it may be more common for such companies to outsource opposition work to private firms. While para-pharmaceutical companies made the rankings, including Fresenius Kabi (fifth) and Smith & Nephew (13th), this sector handled considerably fewer oppositions by in-house representation than those mentioned above.

In-house patent attorneys of companies tended to focus almost exclusively on either defending their own patents or opposing third-party patents: P&G, BASF, Unilever, GE, ABB and Nestec were among the former, while Valeo, Fresenius Kabi, AkzoNobel, Reckitt Benckiser and Arkema were among the latter. Unlike the involvement of private patent firms in oppositions, there was little middle ground (ie, few companies handled an equal number of patentee and opponent cases using in-house representation). Three of the companies in the top five essentially represented themselves as patentees, underscoring the preference of companies for in-house representation when defending their own patents in EPO oppositions; which is not to say that such companies never or rarely oppose – rather, many may outsource their filed oppositions to private firms.

TECHNOLOGICAL FOCUS OF COMPANIES' IN-HOUSE REPRESENTATION

Figures 3 and 4 outline in more detail the strategies of companies for self-representation. Companies are ranked by the number of 2016 EPO oppositions handled by in-house patent attorneys acting as patentees and opponents, respectively; in-house representation of patentees or opponents in more than 0.25% of the total number of oppositions was used as a cut-off criterion. The technological focus of companies' opposition portfolios of patentee and opponent cases is reflected by the coloured subdivisions which correspond to International Patent Classification (IPC) Classes A to H (Figures 3 and 4).

Figure 3 IPC class involvement of companies' in-house IP departments self-representing as patentees in 2016 EPO oppositions (cut off: more than 0.25% of total oppositions)

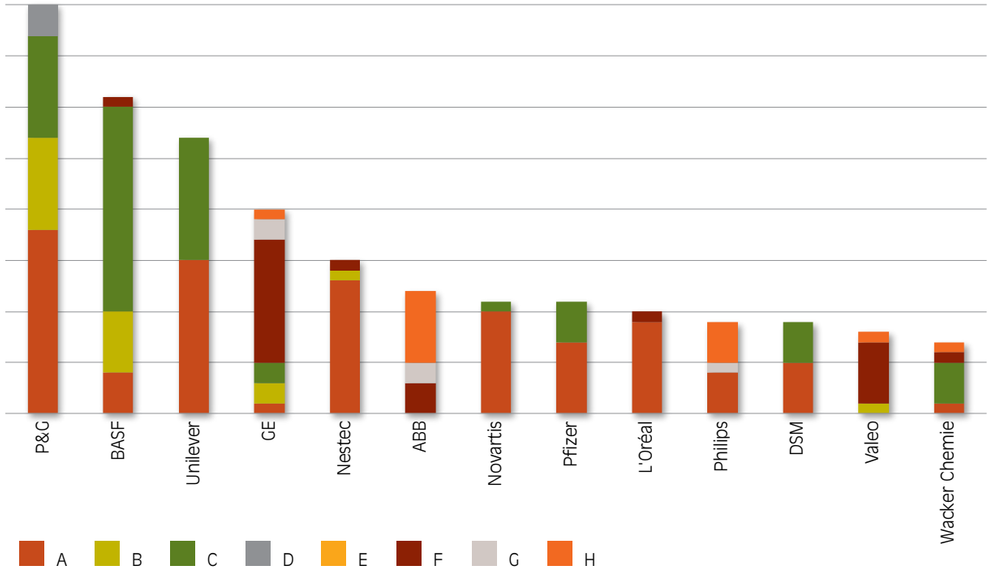
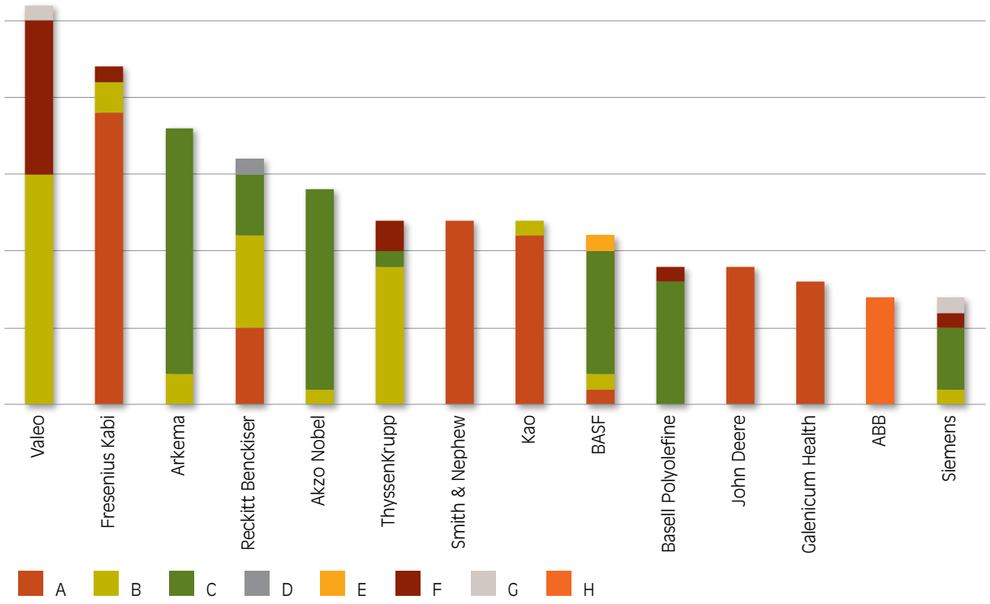


Figure 4 IPC class involvement of companies' in-house IP departments self-representing as opponents in 2016 EPO oppositions (cut off: more than 0.25% of total oppositions)



As in the overall ranking (Figure 2), P&G and BASF were first and second in the patentee ranking (Figure 3), followed by Unilever (third for patentees and fourth overall), GE (fourth for patentees and sixth overall) and Nestec (fifth for patentees and 12th overall). Three of the companies in the top five of the patentee ranking were from the fast-moving consumer goods and food sectors (P&G, Unilever and Nestec) emphasising that companies in this sector tend to focus in-house representation on defending their own patents. Valeo (third overall) dropped to 12th in the patentee ranking, while Fresenius Kabi (fifth overall) was not listed, as the number of its in-house patentee cases did not surpass the 0.25% cut-off criterion, suggesting that these companies focused on opposing third-party patents.

The technological focus of these companies was unsurprising and correlated with their respective business types: fast-moving consumer goods companies such as P&G, Unilever and Nestec, and pharmaceutical and cosmetics companies as Novartis, Pfizer and L'Oréal focused on IPC Class A, although some balanced this with oppositions in IPC Classes B and C (P&G) or IPC Class C (Unilever). Unsurprisingly, the chemical industry was most active in IPC Class C oppositions, as shown by most BASF and Wacker Chemie patentee oppositions. Most GE and Valeo oppositions involved IPC Class F technologies, while ABB and Philips oppositions involved mostly IPC Class H technologies.

Valeo was ranked first in terms of self-representation when opposing third-party patents (Figure 4), followed by Fresenius Kabi (second), Arkema (third), Reckitt Benckiser (fourth) and AkzoNobel (fifth). Two companies in the top five were from the chemical industry (Arkema and AkzoNobel), emphasising that companies in this sector tend to focus in-house representation on opposing third-party patents. Highly ranked fast-moving consumer goods companies in the overall opposition list (eg, P&G and Unilever) were not listed in the opponent ranking, as the numbers of their in-house opponent cases did not surpass the 0.25% cut-off criterion, reflecting their tendency to defend their own patents.

Unsurprisingly, the types of patent (technology wise) which companies oppose on their own by using their in-house patent attorneys corresponded with the core technologies of their business:

- Fresenius Kabi, Smith & Nephew and Kao's cases involved mostly (or even exclusively) IPC Class A technologies;
- Thyssenkrupp's cases involved mostly IPC Class B technologies;
- Arkema, AkzoNobel, BASF and Basell Polyolefine's cases involved mostly IPC Class C technologies;
- Reckitt Benckiser's cases involved both IPC Class A and C technologies; and
- ABB's cases involved mostly IPC Class H technologies.

For most companies, the technological focus of their patentee and opponent in-house representation opposition portfolios is approximately similar. However, anomalies emerged. For example, as a patentee, Valeo was significantly more active in cases involving IPC Class F technologies than those involving IPC Class B technologies; however, as an opponent, it was more active in the latter than the former.

SUMMARY

Most of the EPO oppositions in 2016 were handled by private patent firms. When in-house IP departments of companies handle oppositions on their own, there is a clear preference for patentee cases. Opponent cases are usually outsourced. Companies from the fast-moving consumer goods and food sectors, the chemical industry and automotive and power and energy sectors are particularly active in self-representation in opposition. In-house IP departments of companies typically have opposition portfolios that focus almost exclusively on either defending their own patents or opposing third-party patents. Companies are self-representing as patentees and opponents in technological fields that match with their core business activities.

COMMENT

On the one hand, a company's detailed knowledge of technology, invention and prior art can be particularly useful when collecting or interpreting prior art and dealing with insufficiency of disclosure objections. On the other hand, private firms specialising in oppositions are well-versed in opposition strategies. Therefore, the strongest opposition team may be a combination of the two: one in which a company uses the broad expertise and experience of private practice attorneys to determine how best to handle an opposition.

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René van Duijvenbode provides a full service to large and medium-sized chemical companies, including food multinationals. His daily activities involve patent drafting, prosecution, freedom-to-operate opinions and litigation. Corporate counsel greatly value his service, as evidenced by his receipt of a Client Choice Award for intellectual property (patents) in 2015. He enjoys representing both opponents and patentees in hearings before the Opposition Division and the Boards of Appeal at the European Patent Office, acting in about 15 to 20 oral proceedings annually.

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