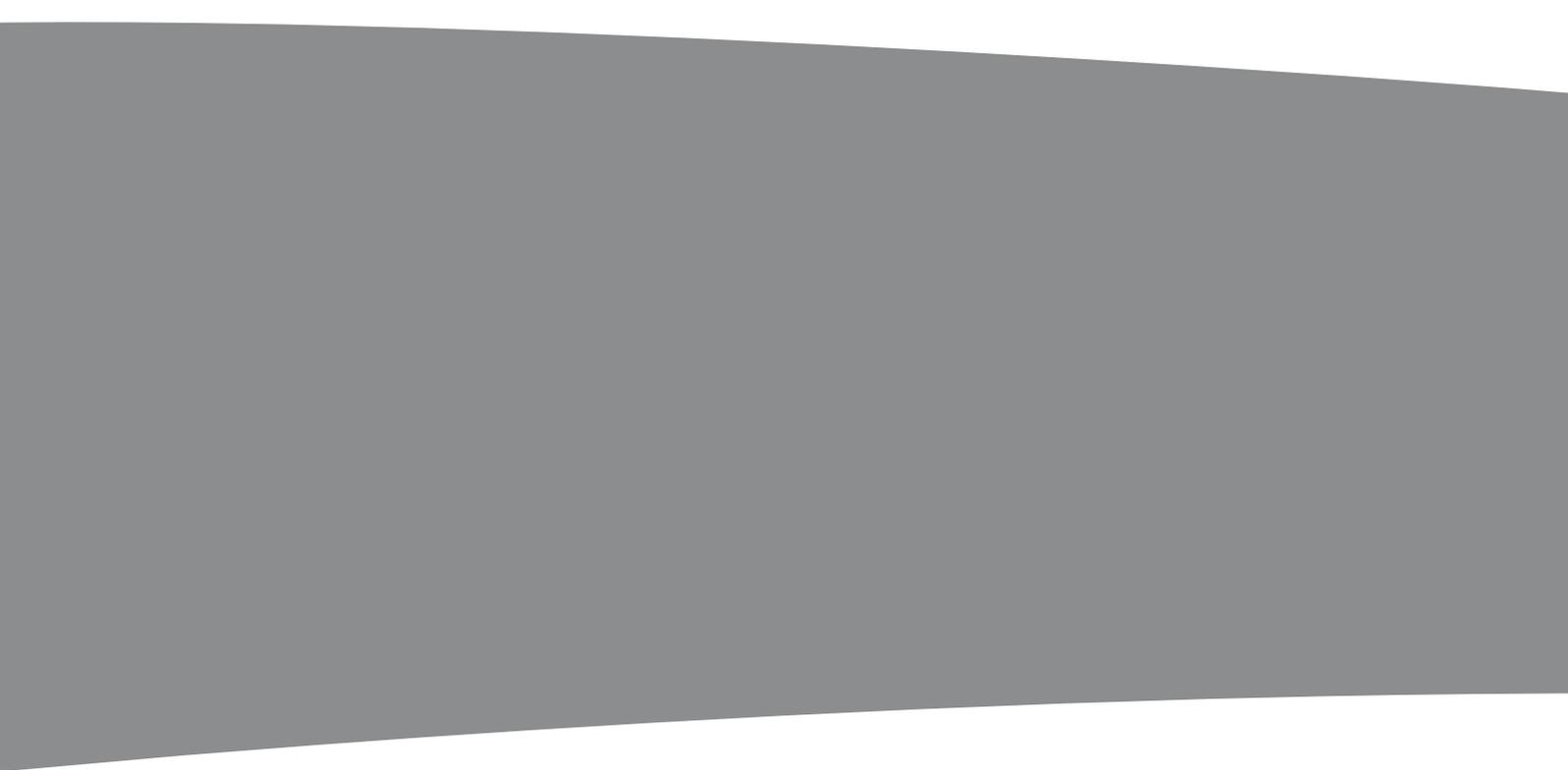


# ARTICLE PITFALLS IN OPPOSITION

2019 EDITION

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**ARTICLE**

Pitfalls in Opposition 2019

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*Photo by Skitterphoto from Pexels*

**A third-party opposition at the European Patent Office (EPO) is one of the worst things that can happen to a patentee who has just invested significant resources validating its European patent. Nine months after grant the patentee learns that its patent is under attack and, while still pleased with the scope of protection granted by the EPO after substantive examination in a friendly, patent-minded atmosphere, the patentee is asked to invest in the patent again, to avoid losing it after having already crossed the finish line.**

The number of EPO grants issued has been increasing year on year, with a policy that encourages EPO examiners to appreciate quantity before quality. With still no possibility of centralised nullification proceedings before a Unified Patent Court on the horizon, the number of oppositions before the EPO is expected to rise. If a third party wants freedom to operate, centralised opposition proceedings before the EPO are the cheapest bet. According to the EPO Annual reports the growth in the number of granted EP patents from 2015 onwards was more than 55%. Our own research revealed that the number of patents opposed grew with more than 25%, from about 3000 patents opposed in 2015, to about 3650 in 2017.

### **THEORY VERSUS PRACTICE**

In theory, unless the third party brings forward that 'killer' prior art document that nobody has seen before, the patentee can remain confident that all will end well. In practice, it is key for the patentee to understand that there are no guarantees or certainties when entering opposition proceedings. With the EPO's rotation scheme, it is likely that the patent will be (re-)examined by a three-member opposition division that is completely different from the three-membered examination division. From an objective viewpoint, six pairs of eyes will always

see more than three. Obviously, the patentee with the Examining Division on its side may not appreciate that in the same way. Nonetheless, the patentee's 'edge' may have disappeared. With a 'neutral' Opposition Division, the dynamics have already changed.

This is in addition to the fact that opposition is an *inter partes* proceeding. There is less room for open dialogue with the EPO and no listening ear with the Opposition Division, as another party is involved that does not wish to corroborate with the patentee. When the Opposition Division takes on a neutral role (as it should), it could lead to a situation where the Examining Division believes that the claims would find support in the original application and are substantiated by an effect sufficiently disclosed in the original application. The Opposition Division may come to a different ruling, based on a different interpretation of the same rules and case law. Applying terms like 'directly' and 'unambiguously' (for support) and 'plausible' (for enablement) on a case-to-case basis will open the door for discussion – these are often not black and white, but of various colours. The opposing party will be keen to bring weak spots or gaps in the patentee's argument to the Opposition Division's attention.

All in all, everything is different from examination proceedings working towards allowance.

### **ESSENTIAL ROLE FOR PATENTEE'S REPRESENTATIVE**

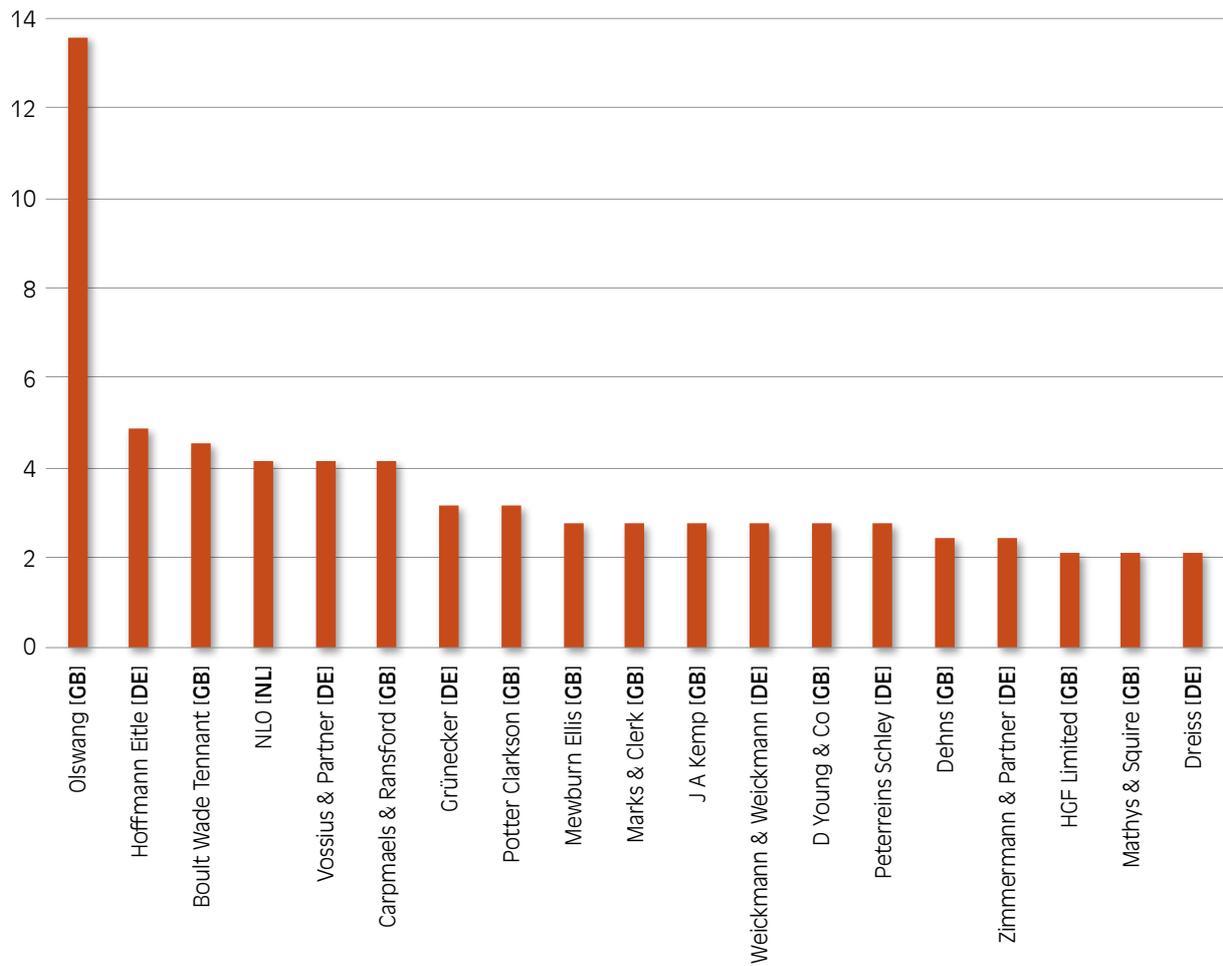
We at NLO have seen opposition proceedings become stricter over the years, and are experienced in navigating this changed landscape. We have a team dedicated to oppositions which has performed approximately 10-20 oppositions or opposition-appeal hearings annually, per attorney, over the last ten years. Based on the latest figures available, NLO, is ranked 14<sup>th</sup> and is the first non-German, non-UK firm representing both patentees and opponents in opposition proceedings. In fact, in IPC Class A (human necessities including food) – where most patents are opposed – NLO is ranked 4<sup>th</sup> in terms of number of cases representing the patentee.

In our experience, the patentee's representative needs a critical eye to identify and fix these weak spots and gaps and to anticipate the opposing party's objections at the onset of the proceedings. Unlike in examination, there is no more room for small steps. It may have been different in the past, but today the unspoken rule of thumb is that

the division will allow the patentee only a single opportunity to amend its case per ground of opposition.

With a bit of experience and the right mind set, this is something that the patentee can live by.

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



Source: EPO, previously used in 'EPO Opposition: behind the statistics of the EPO's Annual Report' by Shiri Burema en René van Duijvenbode

However, while the EPO's recent initiatives to accelerate opposition proceedings and the board's revision of the rules of procedure certainly contribute to making opposition a valuable asset to the opponents, none of these attempts spare the patentee. In fact, with a stricter approach advocated after grant, albeit arguably following a patentee-friendly approach before grant, it appears that the patentee's rights to an appropriate defence during opposition seem to be compromised more than the rights of the opponent.

On the surface, the patentee's possibilities for defence during the written phase remain balanced.

In an average notice of opposition, an opponent may complain that the patent suffers from multiple added-matter objections and insufficiency issues, and that it lacks novelty and inventive merits. The patentee must respond within four months of receipt and bring forward new requests, including a set of auxiliary requests. Within three months of the patentee's reply, the Opposition Division, on average, issues an invitation to attend a (single-day) hearing. The invitation comes with a preliminary opinion from the division. However, comments on the auxiliary requests may be scarce and the division is unlikely to take a strong view on inventive step. Its comments are typically limited to telling the parties to follow the problem-solution approach when they come to the office. All parties have one final opportunity to present further arguments, evidence and requests, typically with a deadline set at two months prior to the hearing.

### TYPICAL EXAMPLE

Within the new practice, an opponent can still bring forward every kind of objection, other than clarity, in its notice of opposition. It is true that there is less room for changing the approach during the proceedings, but it is not impossible. Provided that objections are *prima facie* relevant, they can still be introduced in the proceedings after the nine-month opposition period. The bar for not admitting new objections and evidence during the written stages remains high. On the patentee side, there is no longer room for a two-month extension in reply to the notice of opposition, thus giving the patentee the conventional four months to reply.

Only if the patentee really wants to conduct additional experiments, will a request for an exceptional two-month extension be granted. However, this means that the patentee will feel the pressure to submit the conclusions from such experiments, even if it turns out not to be to its advantage after all.

However, in NLO's experience things become skewed when it comes to oral proceedings. At the hearing, the parties' possibilities to bring something new to the table are limited. This rule is applied to both opponent and patentee, yet in practice it is the patentee that suffers the most.

Traditionally, all parties are invited to attend the hearing at the EPO. When the hearing kicks off, the opponent can be expected to dwell on formal matters, fresh extension of subject-matter objections and sufficiency of disclosure objections – a shotgun approach with delaying tactics. The average chair, well aware that the parties' rights to be heard should be respected, does little to interrupt or control the discussions, provided that no new evidence is introduced or fresh grounds raised. The patentee is at risk of losing valuable time which could turn against them when they should be convincing the Opposition Division to allow one further request to address inventive step. Time management is likely to worsen if the division suddenly (ie, after deliberation) completely changes its views which were originally favourable to the patentee, as expressed in the preliminary opinion, and announces that it intends to side with the opponent instead. From experience, a reasonable division realising that it has taken a different turn will allow the patentee to amend its case. The patentee can file a new request and the whole circus can begin again. New amendments may trigger new discussions on support and clarity that could have been avoided or concentrated if the division and other parties had taken the time to comment on earlier requests filed during the written stages. If the division's novelty decision goes against the patentee, according to the rules, the patentee should be allowed to go to the next auxiliary request. Too often this is the time that the division gets nervous: a number of requests may remain on file, but with inventive step may remain undiscussed, risking further amendments could take a further two to three hours to complete. At this stage the patentee will

be warned that the amendments in the requests already on file do not address the issue, and it will be given a final opportunity to present a final request – breaking the golden rule that a patentee should be given one opportunity only to amend each ground. The situation is worsened in a multi-opponent setting.

## **DILEMMA**

With the division threatening to allow only one final opportunity to amend the case, and expressing serious doubts that the requests already on file would fail to do the trick, should the patentee try to convince the division that its preliminary view on the standing requests on file is wrong? Or should it play it safe and opt for a fresh but much narrower request that would still be commercially apt and have a better chance of making it past the hurdles of novelty and grounds that remain to be discussed (ie, inventive step)? Such dilemma puts the squeeze on the patentee.

However, with the revised Boards of Appeal Rules of Procedure it can get much worse. If the patentee wants to have the final request admitted, it must withdraw all standing requests yet to be discussed. Which, according to the division's preliminary opinion, would not solve the issue. Otherwise, if the patentee maintained those standing requests, the division would have to initiate proper discussions with the parties about those requests, which would allow for the opportunity of a narrower but more defensible auxiliary request pass. Choosing this path, the patentee may be left with nothing if it fails to convince the division otherwise. If the patentee chooses to go with a fresh, ultimate request, chances for an opportunity to discuss any of the requests which have had to be withdrawn in favour of the final request in appeal will be slim. Whichever path is chosen will have consequences on the defence in first and second instance.

According to the new Article 12(4) of the Rules of Procedure (October 2018 draft), any amendments that were not a part of the division's decision will be admitted at the board's discretion in view of the complexity and suitability of the amendment, as well as the need for procedural economy. Article 12(6) of the rules is also relevant. The board will not admit requests which

should have been submitted or which were no longer maintained in the opposition proceedings. Hence, the moment the patentee plays safe in opposition, it can forget about re-introducing these other requests in appeal, even if the patentee feels that that division showed poor judgement. Either way, the patentee loses an opportunity to defend its patent because of poor time management triggered by others.

## **RESTORING FAIR BALANCE**

So how can fair balance be restored, giving the patentee a reasonable opportunity to defend its patent against each objection or ground? One way would be to have the board use its discretion wisely, taking into account the limits of opposition proceedings. However, it is advisable for a patentee not to rely on the board's discretion, considering that the board must base that discretion on the minutes and decision from the division only. Given the fact that appeal proceedings are supposed to form a review of decisions taken in first-instance proceedings, it makes sense to seek relief in the opposition proceedings instead.

The solution could be simple: the division could issue two-day hearings to give parties, including the patentee, ample opportunity to make their case. Shotgun approaches would simply not have the effect of cornering the patentee in a situation where time can be used against them. This does not mean that all proceedings must be extended, but such situations as above should be avoided. From a practical perspective, this goes against EPO policy to make opposition proceedings as fast and lean as possible, and it is not cost effective for the parties either.

It is better to seek a solution through oral proceedings before the Opposition Division, as originally intended (ie, to conclude the proceedings). The script of the oral proceedings should be more fixed than before. What are the benefits of a written proceeding if all parties are not held to it, and are allowed to start again? Is a party's right to be heard according to Article 113 of the European Patent Convention violated if it had no opportunity to reiterate all that was said in the notice (or in reply)? It would require a disciplined division where all three members are well prepared, the result being a preliminary opinion that is not a mere invitation to

discuss and which tells the parties where the potential issues are. It would also require an assertive chair who not only warns the parties not to begin again, but actually leads the discussion and keep it aligned to the points that the division has identified as key. Over the years, the boards of appeal have shown that such approach is feasible. The EPO must do more in terms of training than merely organising units of examiners that conduct oppositions than others (ie, to build experience). However, patentees cannot afford to wait. Perhaps there is more to be gained by limiting the representatives' time to plea, a common phenomenon in national court proceedings. Parties would think twice before letting valuable time be

wasted on a shotgun approach. Undoubtedly clients are open to the potential of more cost-efficient oral proceedings, and it is certainly food for thought for practitioners. The EPO's drift for streamlining proceedings should not be at the patentee's expense.

Meanwhile, the patentee is strongly advised to seek advice with representatives that are experienced in this field of oppositions, there is just too much at stake to expect a fair fight and a listening ear at the EPO. At NLO, we would like you to benefit from our experience by optimizing your defense, whilst minimizing and predicting costs.

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## ABOUT THE AUTHOR



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René van Duijvenbode is a Dutch and European patent attorney and managing partner at NLO. He specialises in freedom-to-operate work, oppositions and appeal. Over the past 10 years René has been involved in more than 150 hearings at the European Patent Office (EPO) and he thoroughly enjoys defending the opponent's or patentee's case in hearings before the Opposition Division and the Boards of Appeal at the EPO.

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