

## Part II

### General Points

Resignation of Mr Tester - due to Mr Abacus' hasty comments, Tester might consider "stealing" information.

Tester had standard employment contract, ceding all inventions to his employer. Employment contracts are not a matter covered by the EPC but are subject to national law. Entitlement to inventions is therefore a matter for national law. Any problems would have to be resolved in the UK as place of original employment of Tester.

Potential problems - entitlement to any inventions filed by Titanic and breach of confidence or breach of contract by Tester.

Tester's contract clearly ran until the moment of his resignation (at earliest), i.e. 06.04.92. Up until this time he was under employ of Abacus.

Taking each section in turn:

#### A.

microchip of extreme commercial value contained special feature A. Even if patentability of microchip per se could be questioned, the feature A appears to have patentability in that it embraces a particular arrangement of pins - i.e. has a technical effect. Feature A, and therefore a micro-chip containing such feature, are not excluded from patentability under Art. 52 EPC.

GB-K, filed 03.06.91. Presumably this application is still alive - and has not been abandoned. It will therefore publish at 18 months from priority under UK law, i.e. in December 1994 - and this will then be a disclosure of feature A which would render later filed patent applications on feature A not novel.

EP-L validly claims priority from GB-K and GB-M and was filed within 12 months of GB-M (under Art. 87(1)). Multiple priorities can be claimed, under Art. 88(2).

EP-L made no disclosure of Feature A and thus the published version of EP-L will also not disclose Feature A. EP-L will not therefore be a novelty or inventiveness destroying disclosure for feature A.

The file of EP-L at the EPO becomes public on publication of the application under Art. 127. The priority documents including GB-K are part of the file and thus are also open to public inspection. However EPO Decision T 301/87 states that disclosure of the

contents of a priority document will not destroy novelty of the same subject matter in a later application - and therefore the public availability of GB-K from the EP-L file may not be detrimental - cf. below.

Even though EP-L claims priority from GB-K, it is not permissible to add features from the priority document to the later application. Case law has specifically stated this. We cannot therefore incorporate feature A into EP-L.

Therefore, either:

- i) file a new EP application claiming priority from GB-K before expiry of 12 months from GB-K, i.e. by 03.06.92. This priority claim is valid because GB-K is the first disclosure of feature A. The fact that GB-K has served as a priority document for EP-L is not relevant to this new application.

Under T 301/87, public availability of the p. docs GB-K in file of EP-L will not destroy novelty of this new application;

OR

- ii) let Tester file an application to feature A and contest the entitlement. The entitlement would be tested in the UK and during entitlement proceedings, Abacus could suspend proceedings of Tester's EP application under R. 13(1) EPC.

If Abacus wins the entitlement proceedings and proves that he is entitled to Tester's patent application - Abacus would have a number of options under Art. 61(1) EPC, i.e. he could file a new application for feature A or take over Abacus' application.

The first option would be less stressful for Abacus and would be preferable remembering the impending launch of the new computer, presumably containing the micro-chip.

B.

Errors in documents filed with the EPO are correctable under R. 88.

Correction of designation of States is only allowable under certain strict conditions. This is a practice which has been developed as a result of Board of Appeal decisions (e.g. J 4/80 and J 8/80) and the practice in that the designation of states can only be corrected if it can be proved that there was an error made (and not that a State is to be added e.g. because of commercial reasons) such that the wrong state was designated or one was omitted, and if the correction is made sufficiently early before publication to enable the public to be warned - or so that the public is not disadvantaged by the correction.

EP-L

This is published and clearly designates Sweden. Switzerland is not included.

An application for correction can be made with evidence submitted that the mistake has only just been noticed and that there clearly was an error. The fact that company policy is to designate the same four States on every application is advantageous, and may be persuasive. However, it is unlikely that the EPO will allow the correction because publication has already taken place and because people in Switzerland will think they are free to work the invention. They would be disadvantaged if they were then told that they could not do so.

#### EP-N

As a divisional application, this must designate only the States designated in the patent, under Art. 76(2). The application will therefore be invalid for the Sweden designation.

Taking the considerations mentioned above into account, and because EP-N is not yet published, it is likely that the EPO will allow Switzerland to replace Sweden on EP-N.

On a general note, it may be advisable to change the abbreviations used - "SW" can obviously represent either Sweden or Switzerland - and a clerk cannot be expected to guess which is intended. The standard abbreviations should be used. SE for Sweden and CH for Switzerland to avoid confusion in the future.

#### C.

Computer includes inventions of EP-L, GB-K and EP-N and inventions disclosed in 2 competitor patent applications.

#### C1.

Examiner entitled to reject the application particularly if several communications have issued and no apparent progress has been made.

Rejection decision dated 04.11.91 and deemed received on 14.11.91 (10 day rule under R. 78(3)).

Notice of appeal under Art. 108, due 2 months from decision, i.e. by 14.01.92. This was filed in time on 05.12.91 and the fee paid.

Grounds for appeal under Art. 108, due 4 months from decision, i.e. by 14.03.92 (Saturday and therefore extended under R. 85(1) to Monday, i.e. 16.03.92). A letter was received at EPO on 16.03.92.

The question therefore, is whether the letter of 16.03.92 constitutes grounds for appeal or whether the later grounds of 01.04.92 must be considered.

Under R. 64(b), the grounds for appeal must state the decision which is to be impugned and the extent of amendment or cancellation of the decision requested.

European case law has determined that certain facts and legal points must be put forward in the grounds for appeal and that a mere statement that the decision is wrong is not sufficient. We

must therefore consider that the letter of 16.03.92 does not constitute valid grounds for appeal.

The reference to the impending grounds also does not suffice - the grounds must be self-contained. This is a sly way of trying to get an extension on a time limit which is not extensible. This cannot therefore be admitted and the reference to the impending grounds can not be said to give the impending grounds the date of the letter.

Therefore no grounds for appeal were filed in time and the appeal is inadmissible.

However, the appellant has the right to request restitution under Art. 122 because he has suffered a loss of rights. He would have to satisfy the stringent conditions of that Article, including proving that the deadline was missed in spite of all due care having been taken.

The fact that he filed a letter on 26.03.92 and mentioned that he would be filing grounds later suggests that he did not take all due care and that his application for restitution would not be successful.

I should point out that there is no provision in the EPC to enable the EPO to "excuse" a delay in filing of a document - and that this will not therefore occur.

If Titanic gets restitution of the appeal, it may be that the patent will then be granted. In each case, clearly, you cannot assume that no patent will result.

However, if Titanic's application for restitution is not successful, he has no other means of obtaining the patent and thus you could assume that there is no patent.

At this stage, therefore, assumptions are difficult, but it seems likely that the application for restitution will be refused, and that no patent will result.

The fact that you believe the patent should have been granted to Titanic has no bearing on the proceedings.

If Titanic get the patent and you have made preparations for use, they will be able to sue you for infringement. You may be able to sue Tester for a breach of confidence or contract for telling Titanic of your preparations, but this seems unlikely to be successful.

## C2.

Japanese competitors validly filed a PCT application at the JPO designating only a European patent. If this application was filed two years ago and claimed a priority date from 12 months earlier, we can assume that the priority date of the PCT is 36 months ago.

Due dates for certain procedures before the international and national offices are taken to run from the priority date (Art. 2(xi) PCT).

The Japanese applicants clearly elected Chapter II to delay the procedure (under Art. 39(1)(a) and Art. 31(1) PCT) within the 19 month time limit set - and would therefore enter the regional phase at the EPO 31 months after the priority date [PCT Art. 39(1)(a) states 30 months, but PCT Art. 39(1)(b) says that any elected State may fix a later time limit - and R. 104b(1) EPC states 31 months for such applications].

Entry into the regional phase involved:

- i) payment of fees as in R. 104b(1)(b), (c), (d) and (e),
- ii) filing of a translation of the application under R. 104b(1)(a) and Art. 158(2).

It appears that the Japanese applicant paid the necessary fees, but forgot to file the translation required.

The result of this omission is that the application would be deemed withdrawn. Clearly this is the situation - as evidenced by the communication of the EPO.

Because the time limit for filing the translation is set by the EPC, the Japanese applicants can only restore the application by filing a request for restitution under Art. 122 (as previously discussed).

The late filing of the translation cannot be excused - there are no provisions for such in the EPC - but, if the application for restitution is filed and is successful, the translation would be deemed to be filed on time.

The exam fee was due immediately on entry into the regional phase - under R. 104b(1)(d). However, the EPO should have sent a notification under R. 85b setting a one month period of grace for filing the exam request.

Presumably the applicants overran this deadline as well. However, unlike under the EPC, the period for requesting examination of a regional PCT is susceptible to restitution [Board of Appeal - J - decision], and thus, with a successful restitution application, the applicant could still have a valid application.

The fact that the applicant filed a written request explaining the delay - and completed the missing acts - may be considered to be an application for restitution, lacking only the fee. The EPO may inform the applicant that a fee should be paid if the application is to be successful.

As this was filed "within the last few days", it appears that it would be within the period for restitution as defined in Art. 122.

Provisional protection for the Japanese application would only start from when the application is published in an EPO language. You could only be sued for infringement, therefore, from that date.

The fact that you saw a German abstract is of some concern. The Japanese PCT would have been published in Japanese, under PCT R. 48.3(a). The abstract and Search Report would also have been published in English under R. 48.3(c).

The German abstract might indicate another conflicting application and should be investigated.

Clearly, if both of the competitors' applications for restitution are successful, and patents are eventually granted, you will infringe the two patents.

This is highly undesirable - and could only be avoided by the request of a licence under the patents.

On balance, however, there is a fair chance that both of the applications for restitution will be refused because of lack of sufficient care (or lack of fee in C2). If this is the case, there will be no patents and no infringement for you.

We should, therefore, keep a careful watch on both applications.

In summary therefore:

1. File an EP claiming priority from GB-K as soon as possible.
2. Contest Tester's entitlement to any application he should file on feature A (and, if successful, consider whether to keep Tester's application or your own).
3. Request correction of both EP-L and EP-N at the earliest possible moment.
4. Watch both Titanic's EP and the Japanese PCT to see whether restitutio applications are successful.