

Enlarged Board of Appeals
European Patent Office
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Enlarged Board of Appeal referral G 1/22

Amicus brief by EFPIA

*The **European Federation of Pharmaceutical Industries and Associations (EFPIA)** represents the biopharmaceutical industry operating in Europe. Through its direct membership of 36 national associations, 39 leading pharmaceutical companies and a growing number of small and medium-sized enterprises (SMEs), EFPIA's mission is to create a collaborative environment that enables our members to innovate, discover, develop and deliver new therapies and vaccines for people across Europe, as well as contribute to the European economy. A list of EFPIA member companies and organisations can be found here: <https://efpia.eu/about-us/membership/>*

For EFPIA it is crucial that Europe has a balanced patent system to safeguard the very considerable investment that its members make in pharmaceutical research, both in terms of providing strong patent protection for innovations and effective mechanisms for challenging invalid patents. EFPIA recognises and welcomes the central role that the EPO plays in this system, and offers the following comments to explain the views of its members on this referral to the Enlarged Board.



1 Summary

1.1 EFPIA considers that there are good arguments that the legislative intention behind the EPC is for the EPO not to have jurisdiction over the consideration of “formal priority”, i.e. the ownership and transfer of rights to claim priority. Nevertheless, the EPO has a long history of taking decisions in this area and has developed a considerable body of case law on the topic. If the Enlarged Board concludes that the EPO should continue to have this jurisdiction, then EFPIA considers that the EPO should deny that a valid transfer of priority rights has taken place only in simple, clear-cut cases. The benefit of the doubt should be given to the applicant/proprietor, and only in situations where it has been established beyond all reasonable doubt that the party claiming priority was not entitled to do so should priority be denied.

1.2 The “Joint Applicants” scenario set out in question 2 is a good example of a situation where the benefit of the doubt should be given to the party claiming priority. This scenario leads to a strong presumption that the party was indeed entitled to claim priority. Only if the EPO is presented with evidence that establishes beyond all reasonable doubt that there was no such entitlement, e.g. because of contested ownership between the parties at the filing date, should priority be denied.

2 Question 1 – Jurisdiction/extent of consideration of formal priority

2.1 EFPIA has sympathy for the arguments put forward by others that the legislative intention behind the EPC is for the EPO not to have jurisdiction over the consideration of formal priority. In EFPIA’s view, this position is consistent with the *Travaux Préparatoires* and by analogy with Articles 60 and 61 EPC: disputes falling within the sphere of property law are a matter to be dealt with by national civil courts and not by the EPO. These arguments are explored in the documents listed in reason 26 of the referring board’s decision and will not be repeated here¹. From a policy perspective, this legislative intention is understandable because property law, and the associated contract laws that govern exchanges of property, are complex areas that vary considerably between EPC member states. The EPC contains no attempt to harmonise the laws around the ownership of patents or inventions, and the EPO was given no power to decide on these matters. **EFPIA considers that this lack of jurisdiction should extend to the ownership of *priority rights* as well**, although the referring board was reluctant to accept this argument because of the EPO’s long-standing practice in this area (reason 24).

¹ Although we note that the referring board seemed to miss a further decision that supports the view that priority rights should be dealt with in the same way as other property rights, and therefore by the national civil courts. This is the French decision in TGI Valence 16/2/1962, Ann., 1963, p. 313-327: “[...] *the priority right is not an independent right that can be assigned on its own; it can only be assigned at the same time as the right for the assignee to file a patent application in another country of the Union*” (in translation).



2.2 The referring board is correct that the EPO has historically taken decisions in this area, but the Enlarged Board will appreciate that just because a practice has become established does not mean that it is necessarily correct. Moreover, as the EPO's case law has developed (particularly over the last decade or so²), the types of issues that have been raised have become increasingly complicated, and resolving them now takes a disproportionate amount of time and financial resources for both the EPO and the parties involved. The high profile T 844/18 case is a very clear example of this problem, involving extensive expert evidence on matters of property law in various different jurisdictions: matters that are well outside the normal practice of the EPO.

2.3 Nevertheless, if the Enlarged Board considers that the EPO does have jurisdiction in this area, then **EFPIA takes the view that the EPO should apply a high evidentiary standard for establishing that a party is not entitled to claim priority.** This approach is required to restore balance to the EPO's assessment of priority, which has become a sword for third parties to attack patents on non-technical and non-substantive grounds, rather than the intended shield for applicants/proprietors from disclosures during the priority year. Patents should not be at risk from trivial errors in record-keeping. This is particularly important to EFPIA's members, because much pharmaceutical development depends on the acquisition of candidate drugs and research from other parties, including SMEs. This pharmaceutical development simply will not happen if associated patents are too vulnerable to challenge because of lost assignment documents or other procedural slips. This approach also reflects the fact that priority can be challenged a second time in national revocation proceedings, before tribunals that regularly deal with issues of property law. In contrast, if an application/patent is refused at the EPO as a result of the applicant/proprietor being found to lack the right to claim priority, then there is no opportunity to have this issue tested a second time.

2.4 **Accordingly, EFPIA considers that only in situations where it has been established beyond all reasonable doubt that the party claiming priority was not entitled to do so should priority be denied.** The benefit of any doubt should be given to the applicant/proprietor³. Under this approach, the party claiming priority would typically discharge its burden simply by confirming that the applicant had the right to claim priority, e.g. as evidenced by the applicant completing the declaration of priority in the patent application form. This is because it is *prima facie* unlikely for a party to even know about an earlier application (and therefore have the relevant information of application number and filing date for completing the declaration) unless they are indeed entitled to claim priority.

² In our experience, attacks on formal priority started to become routine in EPO oppositions from about 2010 following national court decisions like *Edwards Lifesciences AG v Cook Biotech Incorporated* [2009] EWHC 1304 (Pat) and *KCI Licensing Inc and others v Smith and Nephew plc and others* [2010] EWHC 1487 (Pat). These were widely reported decisions that alerted many practitioners to the possibility of attacking priority on formal (rather than just substantive) grounds, and the popularity of this approach quickly spread at the EPO because it offered a simple way to invalidate patents whenever there was intervening prior art.

³ And logically this approach should be the case for prior art as well, e.g. under Article 54(3) EPC: if an earlier patent application is only prior art if it is entitled to its priority date, then the applicant of that earlier application should be assumed to have been entitled to claim priority, unless it is established beyond all reasonable doubt that this was not the case.



2.5 For the avoidance of any doubt, this approach does not follow the view expressed in a few Technical Board of Appeal decisions that the burden always remains on the party asserting the right to claim priority, and moreover that the right must be established “up to the hilt” when that party is in control of the relevant evidence of ownership (see, for example, T 1201/14). These are the decisions that we have in mind above when we say that the EPO’s current approach to the assessment of priority is unbalanced: they set an unreasonably high standard, potentially leading to the loss of patents because of trivial errors in record-keeping. These decisions also cause problems when applied to the assessment of priority in the prior art, e.g. under Article 54(3) EPC: if the burden always remains on the party asserting the right to claim priority, then in many cases it will be impossible for third parties to establish that an earlier patent application is prior art because the relevant evidence of ownership is not publicly unavailable. As discussed in footnote 3, EFPIA considers that the applicant of the earlier application should be assumed to have been entitled to claim priority in this situation, unless it is established beyond all reasonable doubt that this was not the case.

3 Question 2 – the Joint Applicants Approach

3.1 As explained above, EFPIA’s primary view is that the EPC does not give the EPO jurisdiction to consider issues of formal priority. If the Enlarged Board follows this view, then there is no need to answer the second question because the EPO would not need to consider the impact of the factual scenario outlined in this question (i.e. the “Joint Applicants” scenario) on the right to claim priority.

3.2 However, if the EPO does have jurisdiction in this area, then EFPIA considers the Joint Applicants scenario to be a good example of a situation where the benefit of the doubt should be given to the party claiming priority. This scenario leads to a strong presumption that the party is entitled to claim priority, e.g. on the grounds given by the referring board in reason 38: the mutual filing of the PCT application suggests (absent any indications to the contrary) an implicit agreement to transfer the priority rights for the territories in which each party is named. Only if the EPO is presented with evidence that establishes beyond all reasonable doubt that there was no such entitlement, e.g. because of a dispute between the parties at the relevant filing date, should priority be denied.

EFPIA, 29 July 2022

Yours faithfully,



Kristine Peers
General Counsel

