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INTER-GOVERNMENTAL CONFERENCE
FOR THE SETTING UP OF A EUROPEAN
SYSTEM FOR THE GRANT OF PATENTS

Brussels, 12th January 1971
BR/GT I/95/71

- Secretariat -

NOTE

The delegations to Working Party I will find attached notes by the Netherlands delegation on Articles 22 to 29 of the First Preliminary Draft of a Convention establishing a European System for the Grant of Patents, which it promised at the meeting held from 30 November to 2 December 1970.

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ANNEX

Notes on Articles 22 - 29 of the First Preliminary Draft of
a Convention establishing a European System for the Grant of
Patents

(The patent application as an object of property)

In BR/GT I/85/70 of 27 November 1970, the Netherlands delegation set out its views on Articles 22 to 29 of the First Preliminary Draft. The Netherlands delegation now wishes to give a brief summary of its notes and supplement some points. In this new document it will also make a proposal for Articles 22 to 29.

According to the First Preliminary Draft of a Convention establishing a European System for the Grant of Patents, the procedure culminates in the grant of a European patent, which does not however constitute a single right, but a number of national rights. It is made quite clear that these national rights are subject to the relevant national regulations (Article 2, paragraph 2).

Until the European system for the grant of patents reaches its conclusion there is only one European patent application. However, as has already been stated, the system for the grant of patents leads to the grant of a number of national rights. The result is that a national right subject to certain conditions is in existence during the grant procedure in each State for which the application is valid. Moreover, according to Article 19 the patent application confers protection in accordance with the national law in each State designated.

The first sentence of Article 22, paragraph 1, provides that the European patent application may be assigned or give rise to rights for one or several of the designated States. This provision presupposes that an individual national right results from the European patent application in each of the designated States. Otherwise assignment for one or several States would be pointless.

All this does not affect the patent application on the purely administrative plane. The second sentence of Article 22, paragraph 1, provides that an assignment shall not affect the unity of the application in proceedings before the European Patent Office. On the purely administrative plane there exists a unity that can never be broken or dissolved.

We now regard the patent application as an object of property. As already stated, we start from the fact that in this respect the patent application results in a separate national right in each designated State.

Consequently, in private law the patent application forms a series of a bundle of national rights. In this sense it is logical to apply the national law of the relevant State to these rights in each of the designated States. This corresponds to concepts in the field of private international law according to which patents for invention and patent applications are subject to the "lex rei sitae", i.e., to the law of the State in which the patents were granted or the applications filed, and for which they are therefore valid.

The Netherlands delegation would also point out that it also considers it necessary to make the right arising from the patent and the right arising from the patent application - both as objects of property - subject to the same provisions. This solution can only be achieved on the basis of not only the European patent but also the European patent application forming a bundle of national rights. A different approach could give rise to insuperable difficulties, as will be demonstrated in the second part of this note.

It may therefore be concluded that in each designated State the patent application as an object of property is subject to the national law, i.e. the national law governing patents for invention, of the State in question.

The question now arises as to how this concept is to be realised and elaborated in the Convention. The Netherlands delegation sees the following possibilities:

1. It may be considered that this principle is clearly implied in the system set out in the Convention and that it is therefore unnecessary to make an express provision in the Convention. This view is not practicable.
2. It may be clearly laid down in the Convention that the European patent application as an object of property is subject to the national law on patents for invention in each designated State.

3. An attempt could be made in the Convention to unify the national law applicable to the patent application as an object of property. In other words, an attempt could be made to draw up uniform provisions for assignment, mortgaging etc.. This solution would be preferable for systematic and legal reasons. However, it is very doubtful whether this is workable, because it involves extensive encroachments on the private law of the Contracting States. The assignment of the patent application can perhaps be regarded as an exception to this. The Netherlands delegation considers that practical problems would not necessarily prevent unified regulations being laid down to govern assignments.

The Netherlands delegation therefore advocates the solution set out under 2, and consequently puts forward the following proposal for Articles 22 to 28b:

The patent application as an object of property

Article 22

- (1) Unchanged
- (2) Paragraph 2 would be covered in Article 28b.

Article 22a

Law applicable

Unless otherwise specified in this Convention or in a special agreement under Article 8, the European patent application as an object of property shall, in each designated State and with effect for such State, to a patent application filed in accordance with the national law on patents for invention.

Article 23

Assignment of a European patent application

(1) A European patent application shall be assigned by means of a written declaration, which shall require the signature of the parties.

(2))
(3) } Unchanged
(4) }

Articles 24 - 27

Deleted

Article 28

Unchanged

Article 28a New

Unchanged

Article 28b

Special regulation for Contracting States party to a special agreement

In so far as any group of Contracting States has availed itself of the authorisation given in Article 8, this group may provide that a European patent application for which these Contracting States are designated may only be assigned, mortgaged and subjected to distraints in respect of all the Contracting States of the group and in accordance with the provisions of the special agreement.

In addition, the question remains as to whether Article 29 should be retained. This question involves private international law.

As has already been demonstrated in BR/GT I/85/70 of 27 November 1970, paragraph 2 of this Article was originally intended for a unitary right. If it is assumed that the patent application as an object of property forms a bundle of national rights, there are great difficulties in applying this paragraph. The Netherlands delegation has already made this point in the afore-mentioned document (pages 5 and 6).

In this connection the Netherlands delegation would emphasise the necessity for the European patent and the European patent application - both as objects of property - to be subject to the same law, i.e. the law of the respective designated State. Otherwise cases would be conceivable in which for example the patent application is mortgaged under the law of State A and the patent granted subsequently is subject to the law of State B. This is however possible according to the present wording of paragraph 2. This paragraph in fact states: "If private international law refers to the *lex rei sitae*, the relevant law shall be the law of the Contracting State on whose territory the applicant is ordinarily resident or has his registered place of business ...". It is possible that this *lex rei sitae* may not always coincide with the normal *lex rei sitae*. Quite often the applicant is not resident in the State where the legal transaction (mortgaging, usufruct, distraint) is to be carried out, and therefore not in the relevant designated State. Let us assume for example

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that the applicant is resident in State A and mortgages his application in respect of State B; the mortgaging is then subject to the law of State A under the provisions of paragraph 2 of the present Article 29. When the patent is subsequently granted, however, the right arising from this patent is subject to the law of State B. The Netherlands delegation wonders if this will not lead to insuperable difficulties.

The conclusion to be drawn from all this is that Article 29, paragraph 2 should be deleted.

The objections to Article 29, paragraph 1 are less weighty. If it is assumed that the European patent application as an object of property is subject to the law of the relevant State, the first paragraph is no more than a type of codification of general rules of private international law. This paragraph can nevertheless be deleted, as it adds nothing new and the rules codified in it are in any case valid. If the paragraph is to be retained, it should be examined whether the title should be changed in order to make it clear that this Article is only a codification of general rules of private international law.

In conclusion, the Netherlands delegation would point out that it is aware that Articles 22 to 29 relate to a question which falls to a large extent within the competence of the government legal experts. Nevertheless, the delegation considers that the Working Party should still discuss the relevant points. It considers it undesirable to publish the

Articles in question in their present form and then to submit them to the government legal experts, since at present the Articles still lack clarity and show deficiencies. In any case the Netherlands delegation believes that it would be useful if the Working Party were to state its opinion as to whether from the point of view of private law the European patent application is a unit or whether it consists of a bundle of national rights.
