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SUBJECT: Revision of the EPC: Articles 33 and 35 EPC

DRAWN UP BY: President of the European Patent Office

ADDRESSEES: Committee on Patent Law (for opinion)

SUMMARY

This document proposes extending the competence of the Administrative Council of the European Patent Organisation to allow the EPC to be brought into line with patent-related international treaties, agreements and Community law when amendment of the EPC is required to ensure conformity with international and Community patent law and is approved by all the EPC contracting states.

I. INTRODUCTION

1. Recent trends and coming developments in international and Community patent law inevitably raise the issue of bringing the EPC into line with these new legal sources. Discussions in the Committee on Patent Law¹ have shown it may be difficult to adapt European patent law to these external legal sources, even though they are binding on most or all EPC contracting states. That is why several delegations wanted a study made on the possibility of creating a simplified mechanism for adapting the EPC to new sources of international and Community patent law.
2. This document first summarises the context of public international law into which any revision of the EPC must be placed, along with the problems, delays and risks inherent in any such classical revision mechanism for an international convention (point II below). It then highlights one of the most distinctive features of contemporary legislation on patents: law is increasingly made collectively by states in an international framework, within regional or world-wide organisations (EU, WIPO and WTO) (point III below).
3. In the light of these observations the document then reflects on how simpler and faster adaptation of the EPC to international and Community patent law could be achieved in the future. This leads to a proposal to revise Article 33 EPC with a view to making the Administrative Council competent to bring the EPC into line with patent-related international and Community treaties, agreements and legal instruments when amendment of the EPC is required to ensure conformity with these legal sources and is approved by all the EPC contracting states (points IV and VI below).

II. REVISING THE EPC

4. The classical mechanism for revising an international treaty essentially entails adopting a new treaty. The plenipotentiaries of the states which are party to the treaty have to meet to negotiate an amended text which, if adopted, must be ratified by the national parliaments, the revised text entering into force for a given state if it deposits its instrument of ratification. This mechanism is justified by the need to safeguard the interests of the states concerned and guarantee that national parliaments are fully cognisant of and agree to any transfer of national sovereignty.

¹ See CA/PL PV 9, p. 5, pt. 22.

5. However, this mechanism has a number of much-debated drawbacks:
 - preparing a revision conference and seeking broad consensus among the member states is a difficult task, made the more awkward the larger the number of participating states and the more divergent their interests;
 - a revision conference is often not the appropriate place for discussing amendments of a highly specialised or technical nature, particularly when an international organisation set up to perform special tasks needs to be able to respond quickly to new situations;
 - a revision conference always carries the risk that issues that have already been resolved will be addressed again, putting at stake all the achievements of international co-operation or leading to discussions far removed from the original objectives;
 - ratification proceedings in national parliaments are often long and unpredictable; and a state in which they fail remains bound by the old version of the treaty or has to cease being a party to the treaty.
6. The mechanism in place for revising the EPC has most of these features and drawbacks. Under Article 172 EPC, there must be a conference of the contracting states, at the end of which three-quarters of the contracting states represented and voting may adopt a revised text which enters into force if a specified number of states deposit their instruments of ratification before a specified date. According to Article 172(4) EPC, a state which has not ratified the new convention at that date ceases to be a party to the EPC.
7. It is generally recognised **that** this mechanism rules out the possibility of regular EPC revision and **that** enlargement of the Organisation in 2002 will make any future revision of the EPC even more difficult.
8. This situation seems very worrying for at least two reasons:
 - the EPC, regulating a highly specialised field with close links to technical and legal developments, must be open to regular adaptation;
 - the EPC has brought about a high level of harmonisation among the patent laws of the contracting states, which would be put at risk if the EPC cannot be rapidly brought into line with international and Community patent law which is very often binding on the EPC contracting states.

III. TRENDS IN INTERNATIONAL PATENT LAW

9. Over the last decade, the internationalisation which has long characterised patent law has accelerated, to a point where it can now be claimed that patent law is essentially made collectively at international and Community level. European states play an active part in this legislation: within the EU, WIPO and the WTO, their representatives negotiate texts which are then implemented in national law.
10. This trend exerts a profound influence on the national patent law of the contracting states. That is true of all of them: even if some contracting states are not members of the EU or the WTO - and are thus not formally bound by the Community texts or the TRIPs Agreement - the influence of Community and international patent law is clearly felt in these states as well².
11. These new legal sources must also have an impact on European patent law: there can be no doubt that the harmonious co-existence of patent systems demands guaranteed conformity in patent law at international, European and national level.
12. Thus the first revision of the EPC in 1991 was required to take account of the EU regulation concerning the creation of a supplementary protection certificate for medicinal products. This regulation, by extending the term of protection conferred on certain inventions, obliged the EPC contracting states to adapt Article 63 EPC accordingly.

In the current phase of EPC revision, the importance of international and Community legislation on patents is clearly reflected in the amendment proposals. For example, the proposed amendments to Articles 52 and 53(a) EPC relate to Article 27 of the TRIPs Agreement³, and the proposed amendment to Article 87(1) and (5) EPC reflects the importance of Article 2 of the TRIPs Agreement. Furthermore the proposals to amend Articles 80, 121 and 122 EPC are modelled on WIPO's draft Patent Law Treaty⁴.

² Switzerland, for example, in its national patent law has implemented Council Regulation (EC) No. 1768/92 of 18 June 1992 concerning the creation of a supplementary protection certificate for medicinal products (see Articles 140a-140m of the Swiss patent law).

³ See CA/PL 6/99 and 8/99.

⁴ See CA/PL 16/98, 19/99 and 2/00.

Thus a number of proposals for revising the EPC are designed to bring it into line with new legislation already adopted by most of the EPC contracting states within other international organisations and implemented in national law.

IV. ADAPTING THE EPC TO INTERNATIONAL AND COMMUNITY LAW

13. The inherent difficulty of EPC revision and the proliferation of patent-related international and Community legal sources are reason enough to look for a mechanism capable in future of simplifying the development of the EPC in line with these new legal sources.

International and Community legislation on patents seems set to continue playing a major role in the future. Thus bringing the EPC regularly and rapidly into line with new legislation is likely to be one of the chief problems the European Patent Organisation has to face once the current phase of EPC revision is over.

14. The likely scenario is hardly encouraging. Even if all that is involved is adapting the EPC to legislation which has already been adopted and has to be (or already has been) implemented by the contracting states, there will have to be a succession of revision proceedings, endlessly renewing the resultant problems, delays and risks.

This situation cannot be in the interests of any of the states involved in European co-operation on patents. Hence we need to examine closely whether there is a faster and simpler way of adapting the EPC for such purposes than the revision mechanism provided for in Article 172 EPC.

V. EXTENDING THE COMPETENCE OF THE ADMINISTRATIVE COUNCIL

15. To get around the problems of the classical revision mechanism and avoid paralysing international co-operation, public international law occasionally offers simplified treaty amendment procedures which may be worth considering here. The essential aim is to simplify the amendment of provisions of a technical nature by means of an agreement between the contracting parties (without resorting to a conference) or a decision by a competent body of the international organisation set up by the treaty. The provisions which are open to amendment in a simplified procedure must be clearly identified in advance and must not relate to questions of principle or policy.
16. In the context of European patent law, the question now is whether we can contemplate extending the competence of the Administrative Council by allowing the EPC to be adapted by means of a simplified mechanism of this nature. There is

already a suitable model in the EPC: Article 33(1)(a) EPC authorises the Council to amend EPC provisions relating to time limits.

A new sub-paragraph (c) could be inserted in Article 33(1) EPC, authorising the Administrative Council to amend "Articles [52 to 141 and 150 to 158] of this Convention when amendment is required to bring them into line with an international treaty or European Community legislation on patents".

17. Extending the Administrative Council's competence in this way would have two major advantages:
 - first, there would be no need to hold revision conferences simply to bring the EPC into line with international or Community patent law, since the consensus already achieved at EU, WIPO or WTO level could be directly echoed by the Administrative Council in European patent law. This would avoid all the problems of organising a conference requiring the participation of 25 or 30 states for the sole purpose of adapting the EPC to international or Community legislation already approved by most or all of the contracting states;
 - second, national ratification proceedings of uncertain duration and outcome, the failure of which means the end of a state's participation in the EPC, would no longer be indispensable to enable the amended wording of an EPC article to enter into force. In this way a non-negligible risk is eliminated and time savings of the order of several years can be achieved without any real loss of the power of scrutiny implied by ratification, since the contracting states will already have approved the new international or Community patent legislation.
18. Thus by extending the competence of the Administrative Council it may be possible to rationalise and speed up the EPC revision mechanism. That would be a bold solution which might greatly simplify the development of European patent law in line with international and Community patent law and thereby make a significant contribution to the maintenance of European patent law's role as a modern instrument at the service of research and industry.

VI. GUARANTEEING UNANIMITY ON THE ADMINISTRATIVE COUNCIL

19. The envisaged reform involves transferring to the Administrative Council some of the powers which Article 172 EPC confers on the representatives of the contracting states at a revision conference and on national parliaments in ratification proceedings. A reform of this nature will succeed only if the legitimate interest of the states in freely deciding on their international commitments is fully guaranteed.
20. It therefore seems necessary to specify that a decision to adapt the EPC using the simplified mechanism can be taken only with the unanimous approval of the contracting states represented and voting on the Administrative Council. The impact of the text of international or Community law on European patent law must be acknowledged by every EPC contracting state, and every state - whether bound or not by the international or Community text - must be able to decide, through the vote of its representative on the Administrative Council, whether amendment of the EPC is required to ensure conformity with international or Community patent law.
21. Thus Article 35 EPC relating to Administrative Council voting rules needs to be modified:

“(3) Unanimity of the Contracting States represented and voting shall be required for the decisions which the Administrative Council is empowered to take under Article 33, paragraph 1, sub-paragraph (c).”
22. Attaching the unanimity clause to the simplified adaptation mechanism constitutes a fundamental guarantee for the contracting states. It amounts to full recognition of each state's right to oppose a proposal to adapt the EPC using the simplified mechanism. If a state's representative on the Administrative Council considers, after due consultation with his national authorities, that a proposed amendment to the EPC cannot be approved, his vote on the Administrative Council will allow him to oppose it.

This condition is indispensable for two reasons:

- a contracting state not bound by the text of international or Community law to which the EPC must be adapted and not wishing the EPC to be amended is enabled to maintain its national sovereignty;
 - the contracting states are obliged to agree on the appropriateness of adapting the EPC and on the wording of the EPC article that is to be amended.
23. Thus unanimity forms the keystone that should allow the contracting states to support the proposal to extend the competence of the Administrative Council. Regardless of whether the text to which the EPC needs to be adapted comes from

international law or from Community law and is binding on all or only most of the contracting states, the simplified adaptation mechanism cannot be applied unless **all** the states represented on the Administrative Council vote in favour of the adaptation.

VII. ILLUSTRATION OF THE PROPOSED MECHANISM IN ACTION

24. The simplified adaptation mechanism envisaged here would operate as follows. When a text of international or Community law with an impact on European patent law has been adopted by the EU, WIPO or the WTO, the President of the EPO will have to propose to the Administrative Council that the EPC be adapted to bring European patent law into line with the new text. It will then be up to the Administrative Council, when it sees fit (before, during or even after the national proceedings ratifying or implementing the text of international or Community law), to decide if there is a case for amending one or more articles of the EPC, by means of a unanimous decision of the contracting states represented and voting on the Administrative Council. The date of the decision's entry into force will be set by the Council and may coincide with the date when the laws ratifying or implementing the text of international or Community law enter into force in the contracting states.

VIII. PROPOSED AMENDMENTS TO ARTICLES 33 AND 35 EPC

Current wording	Proposed wording
Article 33	Article 33
Competence of the Administrative Council in certain cases	Competence of the Administrative Council in certain cases
(1) The Administrative Council shall be competent to amend the following provisions of this Convention:	(1) The Administrative Council shall be competent to amend the following provisions of this Convention:
(a) the time limits laid down in this Convention; this shall apply to the time limit laid down in Article 94 only in the conditions laid down in Article 95;	(a) the time limits laid down in this Convention; this shall apply to the time limit laid down in Article 94 only in the conditions laid down in Article 95;
(b) the Implementing Regulations.	(b) the Implementing Regulations;
	(c) Articles [52 to 141 and 150 to 158] of this Convention when amendment is required to bring them into line with an international treaty or European Community legislation on patents.
(2) - (4)	(2) - (4) unamended

Current wording

Article 35

Voting rules

(1) The Administrative Council shall take its decisions other than those referred to in paragraph 2 by a simple majority of the Contracting States represented and voting.

(2) A majority of three-quarters of the votes of the Contracting States represented and voting shall be required for the decisions which the Administrative Council is empowered to take under Article 7, Article 11, paragraph 1, Article 33, Article 39, paragraph 1, Article 40, paragraphs 2 and 4, Article 46, Article 87, Article 95, Article 134, Article 151, paragraph 3, Article 154, paragraph 2, Article 155, paragraph 2, Article 156, Article 157, paragraphs 2 to 4, Article 160, paragraph 1, second sentence, Article 162, Article 163, Article 166, Article 167 and Article 172.

(3) Abstentions shall not be considered as votes.

Proposed wording

Article 35

Voting rules

(1) The Administrative Council shall take its decisions other than those referred to in paragraphs **2 and 3** by a simple majority of the Contracting States represented and voting.

(2) A majority of three-quarters of the votes of the Contracting States represented and voting shall be required for the decisions which the Administrative Council is empowered to take under Article 7, Article 11, paragraph 1, Article 33, **paragraph 1, sub-paragraphs (a) and (b), and paragraphs 2 to 4**, Article 39, paragraph 1, Article 40, paragraphs 2 and 4, Article 46, Article 87, Article 95, Article 134, Article 151, paragraph 3, Article 154, paragraph 2, Article 155, paragraph 2, Article 156, Article 157, paragraphs 2 to 4, Article 160, paragraph 1, second sentence, Article 162, Article 163, Article 166, Article 167 and Article 172.

(3) Unanimity of the Contracting States represented and voting shall be required for the decisions which the Administrative Council is empowered to take under Article 33, paragraph 1, sub-paragraph (c).

(4) [paragraph renumbered, wording unamended]