

SUBJECT: Revision of the EPC: Article 87(1) and (5) EPC

DRAWN UP BY: European Patent Office

ADDRESSEES: Committee on Patent Law (for opinion)

SUMMARY

This document contains proposals to amend Art. 87(1) and (5) EPC in order to:

1. Align these paragraphs with the requirements of the WTO/TRIPs Agreement, to the effect that priority rights must be extended to first filings in all WTO member states;
2. Up-date Art. 87(1) by removing the reference to inventor's certificates;
3. Eliminate the discrepancy between the English and the other official versions of the text of Art. 87(5);
4. Simplify the mechanism of Art. 87(5) and increase its flexibility.

I. INTRODUCTION

1. The main impetus for putting Art. 87(1) and (5) on the list of points to be considered for a revision of the EPC is that it would be desirable to bring it into conformity with the TRIPs Agreement. However, there are several other aspects of Art. 87 which are in need of rectification, improvement or adaptation.

A. ALIGN ART. 87(1) AND (5) WITH THE TRIPs AGREEMENT

2. Pursuant to Art. 2 of the TRIPs Agreement, which is an integral part of the Agreement Establishing the World Trade Organization, all member states of the WTO must comply with Arts. 1-12 and 19 of the Paris Convention. Therefore, by virtue of Art. 4 of the Paris Convention, *mutatis mutandis*, member states must recognise priority rights based on first filings in any of the member states of the WTO. However, the TRIPs Agreement does not require its member states to join the Paris Union. The international obligations imposed under TRIPs Art. 2 may be fulfilled by adopting appropriate national legislation. Therefore, some countries may be members of the WTO, without being members of the Paris Union.
3. At present, under Art. 87(1) EPC, priority rights are extended only on the basis of first filings effected in countries which are members of the Paris Union. Art. 87(5) provides a reciprocity mechanism for the mutual recognition of priority rights for non Paris-Union countries, depending on the given state affording priority rights having an equivalent effect based on first filings at the EPO and in any of the EPC contracting states. However, the recognition of priority rights through this reciprocity mechanism is not entirely in line with TRIPs, insofar as it does not comply with the Most-Favoured-Nation clause contained in TRIPs Art. 4.
4. The European Patent Organisation is not a member of the WTO. However, all its contracting states, with the exception of Monaco, are WTO member states. Therefore, where a regional, centralised organisation for the granting of national patents is set up by these member states, under general principles of public international law, the latter have an implied obligation to ensure the compatibility of this regional procedure with the principles of the TRIPs Agreement. This argument is reinforced by Art. 66 EPC which expressly states that a European application is equivalent to a regular national application in each designated contracting state. Thus, for example, the refusal by the EPO to recognise priority rights based on a first

filing in Thailand (a non Paris-Union WTO member state) can be assimilated to the refusal by all designated states to recognise a priority right for Thai first filings when the respective national patents are applied for through the European route.

5. Therefore, it is proposed that Art. 87(1) EPC, which provides for the automatic recognition of priority rights based on first filings in countries of the Paris Union, be amended in order to extend such recognition to first filings in any WTO member state. Art. 87(5) would have to be amended accordingly.

B. DELETE THE REFERENCE TO INVENTOR'S CERTIFICATES

6. When the EPC was drafted, many states with a centrally-planned economy provided an alternative patent system based on the inventor's certificate. Since then, almost all these states have passed new patent legislation, so that the institution of the inventor's certificate is obsolete.¹
7. Hence, it is proposed that the wording of Art. 87(1) be modernised by removing the reference to inventor's certificates.

C. ELIMINATE THE DISCREPANCY BETWEEN THE ENGLISH AND THE OTHER TWO OFFICIAL VERSIONS OF ART. 87(5)

8. Whereas the German text of Art. 87(5) provides that priority rights may be extended to first filings in a non Paris-Union state according to a "Bekanntmachung" and the French text refers to a "communication publique", the English text mentions a "notification" published by the Administrative Council.
9. Accordingly, it is proposed that the word "notification" in the English version be replaced by "communication". This would be a self-explanatory, linguistic amendment falling within the purview of the "housekeeping" exercise proposed under point V.A of document CA/16/98, aimed at eliminating inconsistencies between the 3 official language versions of the EPC. The German and French versions of Art. 87(5) would not be altered in this respect.

¹ One exception is Cuba, which still has a dual patent certificate/inventor's certificate system. However, these inventor's certificates are not in conformity with the requirements of TRIPs Art. 27(1). Since Cuba has joined the WTO, it will be forced to amend its legislation on this point, thereby making inventor's certificates entirely a thing of the past.

D. SIMPLIFY THE MECHANISM FOR RECIPROCAL RECOGNITION OF PRIORITY RIGHTS UNDER ART. 87(5)

10. At present, one of the main candidates to which the mechanism for reciprocal recognition of priority rights under Art. 87(5) might be applied is Taiwan. European business interests are in urgent need of increased protection in that market, and at the 6th and 7th meetings of the Patent Law Committee, repeated calls were made for the mutual recognition of priority rights with Taiwan. This has brought to light the difficulties inherent in the mechanism of Art. 87(5). In this respect, it is significant that the Art. 87(5) clause has never been activated.
- a) **Broaden the provision to cover countries the international personality of which is disputed**
11. Taiwan is neither a Paris Union nor a WTO member. Furthermore, it does not enjoy international recognition as a sovereign State according to general principles of public international law. Therefore, it may be queried whether Art. 87(5) would be applicable in the case of Taiwan, since it is not properly speaking a "State".
12. Consequently, it is proposed to broaden the eligibility for mutual recognition of priority rights under Art. 87(5) to include "independently administered territories". This could be interpreted not to require that the other country enjoy undisputed recognition as a sovereign state possessing international personality.² Even if the situation of Taiwan were to change, it would be desirable to render the Convention more flexible in this respect to prevent possible future problems of this nature.
- b) **Remove the clause requiring the conclusion of bilateral or multilateral agreements**
13. The terms for recognising a priority right are well laid down in the Paris Convention. Although the European Patent Organisation is not a member of the Paris Union, the EPC expressly refers to the Paris Convention on this point. Therefore, there is no particular need for setting up a comprehensive substantive framework for the reciprocal recognition of priority rights. Therefore, a communication noting the *de facto* mutual recognition of priority rights by the parties involved would suffice to

² Recent New Zealand legislation has dealt with this problem by providing that agreements governing priority rights can be concluded with other "entities", rather than with other "States".

attain the objective of Art. 87(5). This considerably simplifies the mechanism. In the case of Taiwan, it avoids the legal and political difficulties involved in the conclusion of undertakings at an international level, with a "country" which does not enjoy international recognition as a State.

14. It is thus proposed that the requirement of the conclusion of bilateral or multilateral agreements be removed.

c) Remove the requirement that priority rights be recognised in all contracting states

15. Under the present features of Art. 87(5), the other country must grant priority rights having equivalent effect to those laid down in the Paris Convention to first filings made at the EPO as well as in or for any EPC contracting state, before the Administrative Council can decide to publish an Art. 87(5) communication. This signifies that in order to safeguard European business interests in this respect, all the contracting states, which currently number 19 (but in all likelihood will soon stand closer to 30), must conclude agreements or - if the foregoing proposal were accepted - arrange for similar declarations of reciprocity with the country in question.³ In practice, therefore, Art. 87(5) as presently configured constitutes a completely unworkable procedure, which would take years to implement even if all the contracting states shared the political will to activate the mechanism.
16. Therefore, it is proposed that the requirement that the other country recognise a priority right for first filings in any contracting state should be eliminated.

This would not affect the capacity of contracting states to establish mutual recognition of priority rights independently. Nor would it curtail the discretion of the Administrative Council to refuse to publish an Art. 87(5) communication, if it deemed that political pressure should be exerted on the other country in question for it to agree to recognise priority rights for first filings in a particular contracting state.

Moreover, such an amendment would remove the possibility of political tensions existing between a single contracting state and the other country in question, from blocking the entire Art. 87(5) procedure, thus putting all European first applicants at a disadvantage.

³ This is assuming that this latter practice would be a constitutional possibility in all contracting states, and provided for in their respective national legislation.

II. PROPOSED AMENDMENTS

Article 87 Priority right

(1) A person who has duly filed in or for any State party to the Paris Convention for the Protection of Industrial Property, an application for a patent or for the registration of a utility model or for a utility certificate or for an inventor's certificate, or his successors in title, shall enjoy, for the purpose of filing a European patent application in respect of the same invention, a right of priority during a period of twelve months from the date of filing of the first application.

(2) - (4)

(5) If the first filing has been made in a State which is not a party to the Paris Convention for the Protection of Industrial Property, paragraphs 1 to 4 shall apply only insofar as that State, according to a notification published by the Administrative Council, and by virtue of bilateral or multilateral agreements, grants on the basis of a first filing made at the European Patent Office as well as on the basis of a first filing made in or for any Contracting State and subject to conditions equivalent to those laid down in the Paris Convention, a right of priority having equivalent effect.

Article 87 Priority right

(1) A person who has duly filed in or for any State party to the Paris Convention for the Protection of Industrial Property **or the Agreement Establishing the World Trade Organization**, an application for a patent or for the registration of a utility model or for a utility certificate [...], or his successors in title, shall enjoy, for the purpose of filing a European patent application in respect of the same invention, a right of priority during a period of twelve months from the date of filing of the first application.

unchanged

(5) If the first filing has been made in a State **or in an independently administered territory** which is not a party to the Paris Convention for the Protection of Industrial Property **or to the Agreement Establishing the World Trade Organization**, paragraphs 1 to 4 shall apply only insofar as that State **or territory**, according to a **communication** of the Administrative Council, [...] grants on the basis of a first filing made at the European Patent Office [...] and **under** conditions equivalent to those laid down in the Paris Convention, a right of priority having equivalent effect.