

SUBJECT: Revision of the EPC: Article 87(5) EPC  
DRAWN UP BY: President of the European Patent Office  
ADDRESSEES: Committee on Patent Law (for opinion)

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SUMMARY

The present document reintroduces the proposal amending Art. 87(5) EPC to provide a safety valve allowing the EPO to achieve mutual recognition of priority rights with third countries which are not members of the Paris Union or the World Trade Organization.

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## I. INTRODUCTION

1. The intended function of Art. 87(5) EPC is to act as a safety valve by providing a mechanism enabling the Administrative Council to achieve mutual recognition of priority rights in cases where a third country does not fall within the purview of Art. 87(1) EPC, *ie* is neither a country belonging to the Paris Union, nor a member state of the WTO.
2. However, in effect, the mechanism of Art. 87(5) EPC is completely impractical and as a result, has never been applied. In order for the EPO to recognise priority rights for first filings in such a third country, the following requirements must be met:
  - (1) The other country must recognise priority rights equivalent to those granted under the Paris Convention for first filings at the EPO and
  - (2) Any first filing made in or for any Contracting State;
  - (3) This must be done on the basis of bilateral or multilateral agreements;
  - (4) A "notification" to this effect must be published by the Administrative Council.

In order to render Art. 87(5) EPC capable of fulfilling its primary function, it is necessary to simplify considerably its operation.

3. In approaching this issue, it must be borne in mind to whom the mutual recognition of priority rights under Art. 87(5) EPC benefits, *ie* applicants from Europe opting for first filings at the EPO. In practice, once a first filing has been made at the EPO, the applicant addresses the issue of the strategy of subsequent filings towards the end of the 12-month priority period. Should no priority rights be available in a third country, by that point, it may be entirely impossible for European applicants to obtain patent protection due to disclosure in the priority interval.
4. In 1997,<sup>(1)</sup> there were almost 6350 Euro-direct first filings at the EPO in 1997, of which approximately 5260 were of European origin. In contrast, in the same year, in Saudi Arabia - which is neither a Paris Union country nor a member of the WTO - 57 applications were first filed at the national office. Thus, taking this country as an example, the inability to activate the clause of Art. 87(5) EPC in this case potentially damages the economic interests of 5260 first applicants of European origin in that year, against those of 57 foreign applicants unable to claim priority at the EPO, a ratio of over 92 to 1. This demonstrates that if failure to achieve mutual recognition of priority rights with third countries occurs, *the economic interests which are being held hostage are overwhelmingly those of European industry, not those of the third*

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<sup>(1)</sup> The last year for which WIPO statistics on so-called "third countries" are available. Consulted on the WIPO internet website: <http://www.wipo.org>.

*country in question*. Thus, it follows that it should be made as easy as possible for the EPC Contracting States to effect the recognition of priority rights on a reciprocal basis, *both at the EPO and nationally*.

5. This is not to say that third countries would not be interested in achieving mutual recognition of priority rights with the EPO. A non-exhaustive list of current potential candidates would include: Andorra, Anguilla, Bermuda, Bhutan, Cape Verde, the Cayman Islands, Ethiopia, the Falkland Islands, Gibraltar, Guernsey, Jersey, Kiribati, Nepal, Saudi Arabia, the Seychelles, Tonga, the Turks and Caicos Islands, Tuvalu, Vanuatu, Samoa and Yemen.
6. The current trend is that membership in multilateral international agreements is increasing. However, in revising the EPC, it must be ensured that the European Patent Organisation be in a position to safeguard the interests of European industry even if this trend were to reverse, or if accidents of political geography were to require it. This latter possibility is probably the situation in which the swift application of Art. 87(5) EPC would be the most important and necessary.

By way of illustration within the realm of the possible, if Quebec seceded unilaterally, were Canada to block its accession to international trade agreements, under current Art. 87(5) EPC, mutual recognition of priority rights would in all likelihood be a political impossibility. The result would be a highly industrialised gaping hole in the lucrative North American market.

7. Consequently, it is in the European interest to ensure that the mechanism of Art. 87(5) EPC be rendered as simple and rapid as possible rather than remain a battlefield for issues of a political nature. As matters stand, a single Contracting State could thwart the will of all the other Contracting States to assist their own nationals in this respect. The contents of Art. 87(5) EPC should be taken out of the political arena and the provision reframed in such a manner that the mutual recognition of priority rights be dealt with at a technical, working level.

## **II. PROPOSED AMENDMENTS**

### **A. HOUSEKEEPING AMENDMENTS**

8. At the outset, a housekeeping amendment is proposed to eliminate the discrepancy between the English and the other two official versions of Art. 87(5) EPC by replacing the term "notification" in the English text, by that of "communication", which is closer to the French text of "communication publique" and the German text of "Bekanntmachung" (see CA/PL 16/98). Otherwise, it is proposed to simplify the mechanism in the following manner.

**B. REMOVE THE CLAUSE REQUIRING THE CONCLUSION OF BILATERAL OR MULTILATERAL AGREEMENTS**

9. Removing the clause requiring the conclusion of bilateral or multilateral agreements would enable *de facto* mutual recognition of priority rights by the parties involved to suffice for Art. 87(5) EPC to be applied. Since Art. 87 EPC expressly refers to the Paris Convention, which defines the conditions and effects of the priority right, no detailed substantive framework defining such rights is necessary.

**C. REMOVE THE REQUIREMENT THAT PRIORITY RIGHTS BE RECOGNISED BY AND FOR ALL CONTRACTING STATES**

10. Removing the requirement that priority rights be recognised by and for all the Contracting States is the only manner to ensure that Art. 87(5) EPC be functional. Presently, the 19 Contracting States and in the future even 28 or more states would have to agree to such recognition, a procedure which would take years, and might fail to produce the desired result in the end.
11. The consequence of the removal of this requirement is that under Art. 66 EPC, the national courts of a contracting state would have to accept a priority claim made in respect of a European application which might not have been recognised by that Contracting State if the applicant had chosen the national route. On the other hand, the nationals of that Contracting State would also be able to enjoy priority rights for a subsequent filing in that third country if they chose to file first at the EPO.

**D. TAKE THE MUTUAL RECOGNITION OF PRIORITY RIGHTS OUT OF THE POLITICAL ARENA**

**(a) First option**

12. By referring to an industrial property authority and empowering the President of the EPO to issue the communication once it has been verified that the third country in question indeed grants priority rights in complete compliance with the Paris Convention as to such rights' conditions and effects, the issue of such recognition would be brought down to a technical, working level, where it arguably belongs. After all, at stake is the technical issue of whether an applicant can enjoy the benefit of an earlier filing elsewhere for the purpose of the examination of the patentability of his invention as contained in a subsequent application.

**(b) Second option**

13. In the alternative, the provision would still refer to first filings with an industrial property authority, but it could be foreseen that the Administrative Council would be empowered to issue the communication with the qualified majority specified under Art. 35(2) EPC.

### III. PROPOSED AMENDMENTS

#### Present wording

##### **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 in so far 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.

#### Proposed wording

##### **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.

*Note: As per the changes already endorsed by the Committee on Patent Law, see CA/PL 16/98.*

(2) - (4) *Unchanged*

(5) If the first filing has been made **at an industrial property authority [...]** which is not **[...] subject to the provisions of** the Paris Convention for the Protection of Industrial Property **or the Agreement Establishing the World Trade Organization**, paragraphs 1 to 4 shall apply only in so far as that **authority**, according to a **communication issued by the President of the European Patent Office [Administrative Council]** [...] grants on the basis of a first filing made at the European Patent Office [...] a right of priority **under** conditions **and with effects** equivalent to those laid down in the Paris Convention [...].