

**MR/10/00**

Orig.: English

Munich, 20.11.2000

SUBJECT: Basic proposal for the revision of the European Patent Convention  
DRAWN UP BY: Swedish delegation  
ADDRESSEES: Revision Conference (for consideration)

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SUMMARY

This document contains observations and proposals submitted by the Swedish delegation

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REGERINGSKANSLIET

Memorandum

15 November 2000

Ministry of Justice  
Stockholm, Sweden

**The Basic proposal for the Revision of the European  
Patent Convention (EPC) - opinion of the Swedish  
delegation**

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**Introduction**

The Swedish delegation would first of all like to thank the European Patent Organisation (EPO) for the impressive amount of work that has been put into preparing the Revision Conference and especially into producing the Basic proposal.

The Basic proposal contains important amendments to the EPC. For many of these suggested amendments it is desirable that they can come into force as soon as possible. This applies especially to all Articles, which are to be amended in order to make it possible for the EPO to modernise and render more effective the handling of patent applications.

For some of the suggested amendments the situation is, however, somewhat different. The Basic proposal contains some proposals regarding legal matters of a more complex nature. Examples of such issues are the proposals regarding equivalence, prosecution history estoppel, limitation procedure and petition for review. The Swedish delegation is of the opinion that it is desirable that all of these issues are regulated in the EPC. It is however equally desirable that we secure that high-quality solutions can be found. Due to the complexity of the nature of these suggestion, we do not think that the time we all have had at our disposal to study and discuss these issues has been sufficient. It should be noted that all the issues mentioned are of such a nature that they will affect the community patent, if such a patent is created along the lines of the proposal from the European commission.

On one subject, the Swedish delegation is forced to express even stronger doubts. This is regarding the suggested amendment to Articles 33 and 35. For both political and constitutional reasons, the Swedish delegation is very hesitant about whether Sweden can accept these amendments. Even if the Swedish Government should decide to accept the draft Revision Act in these aspects, it is very much doubtful whether the Swedish Parliament would accept it during the ratification procedure. The Swedish delegation finds it hard to believe that Sweden would be the only Contracting State, which

foresees these kinds of problems. It would be very unfortunate if this part of the Revision Act should cause a delay in the realisation of the parts of the Basic proposal that are uncontroversial.

After this introduction, the Swedish delegation would like to give a more detailed description of the Swedish view on the Articles that we find difficult to accept as they stand.

#### **Articles 33(1)(b) and 35(3)**

Our principal doubts have already been expressed above. The main problem is, of course, the transfer of legislative powers from national parliaments to the Administrative Council of the EPO. This is something, which the Swedish Government finds hard to accept from a principal point of view. We may also have constitutional problems with the proposal; this is still looked into by our experts on the Swedish constitution. From a political point of view, we believe that the recent debate on patents on biotechnological inventions might have the effect that many members of parliament will feel very reluctant towards this idea.

There is, of course, also a practical side to this issue. The Swedish delegation acknowledges that there could be a need for a mechanism in the EPC that creates an easier way to amend the EPC in order to bring it into line with EC legislation relating to patents. (Other international treaties regarding patents could not really be compared to EC legislation, since none of the Contracting States to the EPC would be obliged to implement such treaties into their national legislation unless they ratify the treaty in question.) Due to the construction of the voting rule in Article 35(3), we are, however, not convinced that the now suggested amendments would really lead to the result aimed for in this respect. We have not yet been able to come up with a proposal, which takes care of this problem, but we are convinced that we all should try to find a solution to it. Our suggestion is therefore that this matter is postponed to the continued Revision Conference intended to take place next year ("second basket"). This would also be logical, since the second basket will primarily deal with issues related to the Community patent and the planned accession of the European Community to the EPC. Articles 33(1)(b) and 35(3) should hence be lifted out of the Revision Act.

If the Conference would not accept a postponement, the following amendment of the Basic proposal as regards Articles 33(1)(b) is proposed.

#### **Basic proposal (art. 33[1][b])**

Parts II to VIII and Part X of the Convention, to bring them into line with an international treaty or European community legislation relating to patents;

#### **Swedish proposal (art. 33[1][b])**

Parts II to VIII and Part X of the Convention, to bring them into line with [...] European community legislation relating to patents;

### **The Protocol on the Interpretation of Article 69 EPC**

The Swedish delegation welcomes that the Protocol on the interpretation of Article 69 and the issues of equivalents and prior statements have been included as topics for the Revision. In view of the necessity that claims are uniformly interpreted under the EPLP – as well as within a future Community patent system – it is important that harmonization on these issues is achieved within the EPC. Even more important is that we continue to search for a global solution to this problem.

However, equivalence is a particularly complex and easily confused issue. The proposal to include this issue was presented as late as in June 2000. Due to this there is still an obvious need for further analysis as regards the reasons for the chosen wording as well as the consequences for respective national regime in Europe. (This is not mitigated by the fact that the wording is based on previous global discussions within the framework of PLT.)

Thus, the Swedish delegation would like to propose the wording of the Protocol on the interpretation of Article 69 in the Basic Proposal to be thoroughly reconsidered. In view of the time and other restraints on the discussions at the November Conference, we suggest this issue to be revisited at the continued Conference next year.

If a postponement would not be accepted by the Conference, we are of the opinion that there is a need for a reconsideration of the proposed text of the Protocol on the Interpretation of Article 69 EPC during the November Conference.

### **Articles 105a - c, 21, 68 and 69(2)**

The Swedish delegation welcomes the idea of a limitation procedure within the framework of the EPC. This is, however, one of the proposals where we believe that it could be very useful to have some further time for consideration. The aim here is to introduce a totally new element in the EPC. In our opinion such matters must be handled very carefully. The appropriate time to consider this amendment would be the continued Revision Conference next year, especially since the suggestion in the Basic proposal regarding the limitation procedure differs from what has been suggested regarding limitation of the future community patent in the proposal for a Regulation on the Community patent.

The Swedish delegation is forced to add that also on this point Sweden might have some constitutional problems. Our constitutional experts are still considering whether this part of the Basic proposal involves a new transfer of judicial-administrative powers. If they find that this is the case, it would mean that the Revision Act could only be ratified by the Swedish Parliament if it is approved by three quarters of the voting Members of Parliament. This would of course make the ratification procedure politically difficult for Sweden.

Due to the reasons now given, we propose that the November Conference does not deal with the rules regarding the limitation procedures, but postpones the discussion on these amendments to the second basket. This would mean that Articles 105a – c would not be contained in the Revision Act and that Articles 21, 68 and 69(2) of the Revision Act should be amended accordingly.

If the Conference decides not to postpone the discussion regarding the introduction of a limitation procedure, the Swedish delegation would propose an amendment to Article 105b(1), with the aim to make clear in the Convention itself that there will be no examination of patentability during the limitation procedure.

**Basic proposal (art. 105b[1])**

(1) The European Patent Office shall examine whether the requirements laid down in the Implementing Regulations for limiting or revoking the European Patent have been met.

**Swedish proposal (art. 105b[1])**

(1) The European Patent Office shall examine whether the **requested amendment of the claims limits the patent, whether the requirements of Article 84 are met and whether the further** requirements laid down in the Implementing Regulations for limiting or revoking the European Patent have been met. **The European Patent Office shall not examine whether the subject-matter of the limited patent is patentable under Articles 52 – 57.**

We also have some concerns regarding the retroactive effect of the patent as limited. We share the opinion that Article 68 must apply in the suggested way. This would mean that the part of the patent that ceases to exist when the patent is limited will be deemed not have had, as from the outset, any effect. Our concern regards the retroactive effect of the patent in the limited form that seems to be the result of Article 69(2) as amended. We are not convinced that the proposal presented achieves the correct balance between the interests of the patent holder and the interests of third parties in this respect. The situation we are afraid of is the following. If the original claim was too broad, third parties might have realised this and started a production based on the knowledge that the patent holder could never protect that claim in validity proceedings. During limitation proceedings it may be possible for the patent holder to limit the scope of the claim in a way that was impossible for third parties to foresee, without this necessarily leading to the conclusion that the original protection thereby has been extended. If the patent holder is given retroactive protection for the limited claim, third parties who have relied on the correct judgement that the original claim was not valid, would be deemed to have infringed the patent. We are not convinced that this is appropriate. We have also had strong signals that Swedish industry finds this part of the proposal not acceptable. It is of course a totally different situation if the limitation consists of the mere crossing out of a claim that is too broad.

Another circumstance that should be regarded is that it would be desirable to give patent holders an incentive to limit the patent as soon as they realise that the patent is probably not valid in the granted form. If no retroactive protection is given in the above mentioned situations, this would be a strong incentive to act that way. For the given reasons, the same should apply to limitations, which are a result of revocation proceedings. It is not an easy task to construe a legal text, which takes care of this concern. The following text is merely an attempt to present in another way what we have now tried to describe. As has already been mentioned, we are of the opinion that we need more time to consider the best solution on this matter.

#### **Basic proposal (art. 69[2])**

For the period up to grant of the European patent, the extent of the protection conferred by the European patent application shall be determined by the claims contained in the application as published. However, the European patent as granted or as amended in opposition, limitation or revocation proceedings shall determine retroactively the protection conferred by the European patent application, in so far as such protection is not thereby extended.

#### **Swedish proposal (art. 69[2])**

For the period up to grant of the European patent, the extent of the protection conferred by the European patent application shall be determined by the claims contained in the application as published. However, the European patent as granted or as amended in opposition, limitation or revocation proceedings shall determine retroactively the protection conferred by the European patent application [...]. **This should not apply in so far as such protection is thereby extended. Neither should it apply when, during limitation or revocation proceedings, the patent as granted has been limited by the creation of a new claim, which was not expressly part of the patent claims as granted. The protection conferred by a new claim of this kind shall have effect from the date when the decision to limit the patent took effect.**

#### **Articles 112a and 22**

Also on this point, the Swedish delegation is of the opinion that there are good reasons for the proposed reform. The same considerations apply, however, as regarding the limitation procedure. We thus think that it would be most useful if we gave ourselves some more time to consider what might be the best solutions. Here, again the proposal for a Community regulation on the Community patent should be taken into account. Sweden may also have the same constitutional problem with the ratification of a Revision Act

containing Articles of this kind. We would therefore strongly request that the matter is postponed to the second basket.

If not, we have the following comments regarding the proposal put forward.

- (a) We oppose the idea of stating in the Implementing Regulations a detailed list of the procedural defects that could be taken into account. This should be left to case law.
- (b) Instead, we suggest that also in these cases, it should be a prerequisite that the procedural defect may have had an impact on the decision.
- (c) We do not agree with the suggestion that detailed rules regarding the establishment of the criminal act should be laid down in the Implementing Regulations. Neither do we agree that there should always be a demand for a conviction of the person concerned by a final decision of a competent court (why rule out the possibility of accepting that someone has confessed to the crime?). We believe that these details, as well, are a matter for case law.

#### **Articles 121 and 122**

On these Articles, the Swedish delegation has remarks of a more editorial nature. These remarks are described in a separate document, which will be presented.