Kluwer Patent Blog

The EPO's Vision (IV) – Efficiency

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Among other things, the EPO's official vision also includes to set world-wide standards in efficiency, so let us look into this goal a bit more closely. To begin with, what is efficiency? Wikipedia defines it as follows:

> Efficiency is the extent to which time or effort is well used for the intended task or purpose.

Thus, we need to talk about (a) the intended task or purpose and (b) the extent to which time or effort is well used, when a patent is searched and examined by the European Patent Office

1. Intended Task or Purpose of Examination

The task or purpose of search and examination is to find out whether a given European Patent Application meets the requirements of the European Patent Convention, so that a patent can be granted. If this is not the case, the application must be refused.

Therefore, it is clear from the outset that the number of granted patents per year is NOT an indicator of efficiency per se. If the quality of the examination is insufficient, then the efficiency of the examination process is likewise insufficient, because the process does not serve the intended task or purpose.

There is obviously a very easy way to make the patent granting process super-efficient: One could think of simply registering a patent on any application filed, just like it is done in many countries (such as France) where there is (substantially) no substantive examination. Perhaps President Battistelli comes from this background. If the goal just is to register as many patents as possible per time unit, then one can indeed achieve massive gains in efficiency – and at the same time get rid of all these inconvenient examiners who write nasty letters to the Administrative Council complaining about a drop in quality.

Such a registration philosophy could indeed be considered, as matter of principle. It seems to work at least for France, the Netherlands and many other countries. And a German Utility Model is also registered without examination on the merits. One could certainly just register a patent as "efficiently" as possible and leave the examination of their patentability to the courts, if needed.

However, the European Patent Convention is obviously based on an entirely different philosophy, and it is probably not accidental that most applicants prefer filing their applications at the EPO rather than at the national patent (registration) offices. The EPC philosophy is based on the idea that patents are monopolies granted to applicants in exchange for the (sufficient) disclosure of a (technical) invention that is novel, involves an inventive step and is industrially applicable. Applicants are not supposed to have the right to simply monopolize whatever they want. The EPO's job is to find out whether applicants' inventions meet the standards of the EPC or not. Only a properly examined right is a good right that deserves a patent.

These principles of the European Patent Convention can only be changed by a diplomatic conference of its member states. The EPO management and the Administrative Council should firmly bear that in mind. Of course, it is possible to change the system completely and save a lot of money for the examination, but I doubt that applicants will be happy to continue paying the present high official fees if they do not get value in return, i.e. a properly examined monopoly right or at least a fair and well-grounded decision of refusal. But a thorough examination requires time and care, and both should not be shortened by simply unreasonable management goal such as "we want to see 20% more products per examiner in 2018". You think 20% must be extreme and no sensible person on the planet would ever think of demanding that? I am afraid you are wrong. At least I took this figure from an open letter by the EPO's Central Staff Committee (CSC) to President Battistelli and Vice President Casado:

> …the CSC has observed with astonishment that, while the final PAX Reference Examiner Data is still missing, an enormous unexplained increase of another 20% of the overall production objectives has been cascaded down to the directorates, teams and examiners. Your strategic directions published on 31 January 2018 confirm that this is a new operational goal.

2. Extent to which time or effort is well used

What is "good use" of time or effort? This goes back to my earlier series of blogs about the EPO's Problem with the Right Speed (I), (II), (III) and (IV), and I will try not to repeat here what I wrote there. Just two add-ons:

a) Deferred Examination

As I pointed out earlier, there are quite a number of applicants who do not actually want or need a super-speedy examination of their applications. This is particularly true, but not limited to, inventions in the field of Life Sciences. The EPO has therefore recently started a discussion of whether deferred examination should be offered to applicants. They call it "User-Driven Early Certainty" or UDEC.

I have to say that I very much welcome this change of direction from the EPO's previous "speed über alles" policy towards a more applicant-friendly flexibility (which must obviously also take third parties' interests into account). I am puzzled that the representatives of epi and Business Europe and BusinessEurope do not seem to like it and have raised all sorts of concerns, some of which I find quite strange. However, I accept that opinions on this matter may differ. Personally, I see no downside in slowing examination down, if (a) the applicant requests it and (b) no third party expresses an interest in having this application examined at accelerated speed, which could simply

be accomplished by submitting observations pursuant to Art. 115 EPC. In my view, introducing a formal procedure for “deferred examination” is unnecessary. The EPO has introduced a quite successful PACE program without such a change of the EPO or its implementing rules. Why not simply enable an “anti-PACE request” on the same basis? It is a simple fact that many inventions, particularly in the field of Life Sciences, need to undergo extensive testing before their practical utility can be established (not to speak of marketing approval). Most of them fail during this testing period, resulting in that the application covering it is normally abandoned. Why bother the EPO with examining these inventions? If the examiners were allowed or even requested to handle a number of applications more slowly, they could prioritize their work better and make better use of their time and efforts (hence increasing efficiency by definition) by examining those applications faster where the applicant has an interest in “early certainty”.

b) Speed of Boards of Appeal

I have repeatedly complained about the snail pace of appeal proceedings, which in my view is mainly caused by the serious understaffing of the Boards of Appeal by the present EPO management. Finally, finally (and much too late!) there seems to be some light at the end of the tunnel. Even though I was not able to find any official communication to this effect, I was told by several reliable sources that the AC has finally appointed a considerable number of new technical members of the Boards of Appeal so as to fill the numerous open positions in the Boards’ Business Distribution Scheme.

If this is true (and I think it is), great and my compliments to the EPO management and the Administrative Council!

I do not know whether my somewhat sarcastic November blog played any role in this change of policy, but whatever the motives were, this is clearly a step in the right direction. But it is imperative that this first step be followed by a second and third step, at least in my opinion. The positions that will be reoccupied in 2018 may possibly prevent that the BoA’s backlog will increase even more, but they will clearly not suffice to considerably reduce the backlog. For that to happen, new boards must be opened and staffed appropriately and a consequential and long-term policy must be followed in the years to come that allows many more new board members to be appointed and appropriately trained in their jobs. And it goes without saying that ridiculous measures that just undermine the moral of BoA members, who are willing to do their job and do it very well, should be stopped and never ever considered again. There is a relatively simple recipe for EPO management to achieve optimum efficiency from the Boards of Appeal: (i) staff them appropriately, (ii) respect their independence, (iii) leave them alone and (iv) let them do their job.

If all of this is taken to heart, I am optimistic that the present backlog of cases will slowly melt down and that we will come back to “normal” durations of 1-2 years on appeal over the next couple of years.

And the icing on the cake would be a transparent communication policy by the Administrative Council that goes beyond the usual, completely meaningless boilerplate statement in its Communiqués:

> the Council decided on a number of appointments and re-appointments as technically qualified members of the Boards of Appeal and as external legally qualified

> members of the Enlarged Board

I think the public has a right to be informed better than that. I would be the first to congratulate the AC if they showed us how many new technical BoA members they appointed, thus demonstrating their commitment to fight the only real problem with speed that the EPO currently has, i.e. the speed of appeal proceedings.

And *ceterum censeo*, I caution that the Rules of Procedure of the Boards of Appeal, on which a user consultation is currently conducted, should not be abused as a vehicle to further shorten the appeal proceedings at the expense of the parties' right to be heard and, in particular, it should not unduly limit the patentee's right to file appropriate requests to defend his patent. One should firmly bear in mind that BoA proceedings are asymmetric to the detriment of the patentee: if the patent is revoked, then such a decision is (at least currently) final and the patent is gone for all EPC member states. Conversely, if the patent is maintained, it can still be challenged before the national courts. In my view, this asymmetry compels that a patent should only be revoked if its subject-matter really does not comply with the requirements of the EPC, and not because the patentee failed to submit the "right" auxiliary request in the first instance proceedings or with his grounds of appeal, except in absolutely clear cases of procedural abuse. Anything else would throw out the baby with the bath water.

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