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Does Switzerland need a new patent system with a fully examined patent, utility models and opposition proceedings?

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On 14 October 2020, the Swiss Federal Council published a preliminary draft of a revised version of the Swiss Patent Act (R-PatA; see current PatA). Further official documents in German/Italian/French can be found here: Explanatory Notes. The Swiss Institute of Intellectual Property (IPI) published additional information in English here and here. Stakeholders are invited to comment on the draft bill by 1 February 2021.

The most important changes envisaged in the proposed draft can be summarized as follows:

- Introduction of full-fledged patent examination proceedings including examination of novelty and inventive step;
- Introduction of a new utility model (unexamined on the merits and with a term of 10 years);
- Post-grant opposition proceedings for all patents that also include the alleged lack of novelty and inventive step;
- Administrative cancellation proceedings against utility models, which can be initiated at any time, even after nine months from the grant;
- Possibility of appeal proceedings before the Federal Administrative Court in examination proceedings; judges with technical expertise may be appointed.

As mentioned above, the most important proposed innovation is the introduction of a national patent based on a *full-fledged patent examination* by the Intellectual Property Institute (**IPI**). Under current law, the IPI carries out only a limited examination of national patent applications dealing only with the technical character of the claimed invention, sufficiency of disclosure, clarity, uniformity of the inventive concept, amended subject-matter and formal requirements (for the IPI's examination guidelines in German click here). If the new law becomes effective, the IPI would also examine the two crucial requirements of novelty and inventive step. The R-PatA extends the IPI's examination powers and brings its competence on a par with that of the European Patent Office (EPO), which examines also the merits of patent applications (EPC Patent Guide, p. 47 et seqq.). While novelty and inventive step have always been a condition for a legally valid Swiss patent, the two requirements have never been examined in the context of examination proceedings in Switzerland. Third parties who wanted to invalidate a Swiss patent because of alleged lack of novelty or inventive step have to initiate revocation action proceedings before the Swiss Federal Patent Court under the current law.

The second major revision is the planned introduction of a *utility model* as a further protective right for technical inventions. This so-called “small patent” is intended by the legislature to replace the *current* national Swiss patent but it would only have a validity term of 10 years. In addition, a utility model cannot protect inventions in the field of biotechnology, pharmaceuticals and chemical substances and processes. Most importantly, the utility model is only subject to a limited examination procedure, which is simpler and much more time and cost effective but at the same time competent enough to exclude obviously abusive applications. Novelty and inventive step will not be examined during examination proceedings concerning utility models. The utility model should therefore meet the needs of Swiss applicants who are looking for an uncomplicated and affordable protection of their inventions. The utility model is a possibility to ensure prompt protection while a patent application is still pending. It also qualifies for the so-called patent box under Swiss tax law.

This proposed dual system with fully examined patents on the one hand and utility models on the other hand offers companies and inventors more choices for the protection of their inventions. It is one of the goals of the new system to enhance the attractiveness of Switzerland as a location for innovation.

Thirdly, the new proposal plans to introduce additional opposition grounds for third parties who want to invalidate Swiss patents in post-grant opposition proceedings. Opposition proceedings have to be initiated within nine months after the date of grant. Until now, Swiss opposition proceedings have generally been limited to the question of whether the IPI handled the exclusions in the field of biotechnology properly. The new opposition proceedings provide for all grounds of opposition including alleged lack of novelty and inventive step. In addition, the proposed amendments enable third parties to not only oppose the whole patent but also single patent claims. Moreover, the IPI would have the competence to proceed with the opposition *ex officio*, even if the opposing party withdraws its opposition.

In addition, the draft bill provides for a new administrative cancellation procedure against utility models, which can be initiated at any time, even after nine months from the grant.

Patentee and opponents may file an appeal against decisions of the IPI with the Swiss Federal Administrative Court. In principle, it is already possible today for an unsuccessful party to lodge an appeal against a decision issued by the IPI with the Federal Administrative Court. Because the scope of the current opposition procedure is very limited, this does not occur in practice.

Because it will be necessary for the IPI as well as the Federal Administrative Court to deal with the prior art of patents and the questions of novelty and inventive step if the current proposal becomes effective, it must also be ensured that the technical competence is available among the examiners and judges. It will be interesting to see how the IPI and the Federal Administrative Court will make sure that they can provide the necessary technical experience and skills. The present draft and the explanatory notes do not explain in detail how this important problem would be solved.

As a further procedural change, English, the reference language of science and research, can be used in application proceedings and opposition proceedings.

For the sake of procedural efficiency, the IPI will have the opportunity to cooperate and exchange information with other national and international patent offices.

Overall, the new draft would bring Switzerland a full-fledged patent system. This patent system

would be independent of any developments at the European level. As is well known, Switzerland is not a member of the planned unitary EU patent system comprising a European patent with unitary effect and the Unified Patent Court and, therefore, a revision of the Swiss patent system could make sense against the background of these developments.

However, the proposed changes would also require significant investments, especially in finding qualified personnel at the IPI and the Federal Administrative Court and the implementation of the new processes.

The Swiss Federal Patent Court has already created a large pool of specialized judges who can be called upon for civil court patent cases. If it is not possible to create certain synergies in this respect, it seems difficult to find the necessary resources and skills. The current laws do not allow this and the proposed bill does not give a sufficient answer to this issue.

Finally, it is not clear whether the new national patent system will actually meet a need of the Swiss economy as long as the patent protection via the European Patent Office functions as it does today. The number of national patents and utility models expected according to the explanatory notes seems very optimistic and many practitioners doubt that such a number of national patent applications and utility models would actually be filed under the new system. A rather large system seems to be proposed for relatively few cases.

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