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EPO makes correct diagnosis but prescribes the wrong medication with the Proposed Amendments to the Rules of Procedure of the Boards of Appeal

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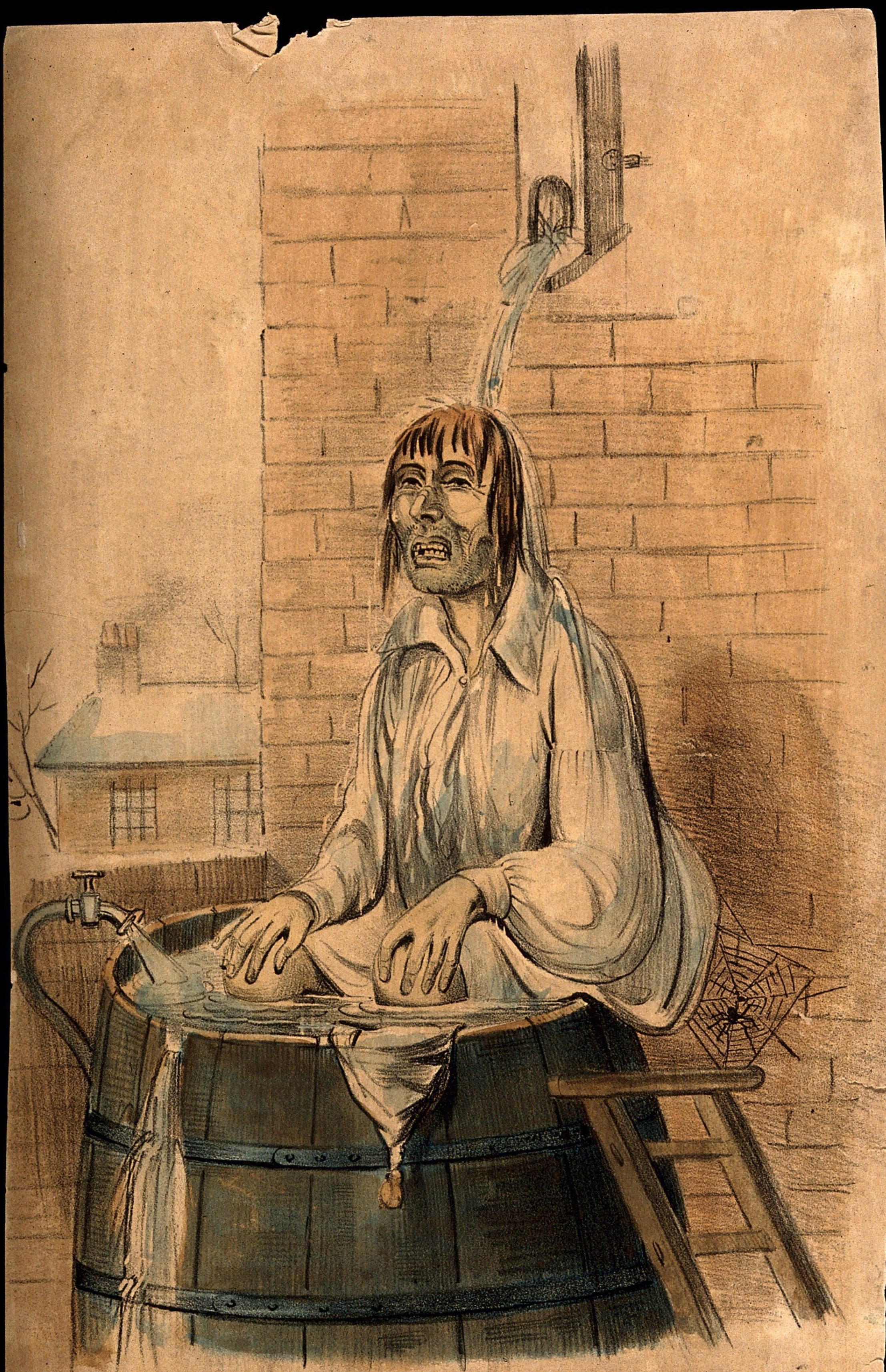
The EPO has proposed new amendments to the Rules of Procedure of the Boards of Appeal (RPBA) to support more ambitious timeliness objectives. In our view, they are unlikely to shorten appeal proceedings, will reduce the quality of decisions, and are unfair on Respondents so should not be adopted in full.

Background

As can be taken from Annual Report of the Boards of Appeal 2022, some progress has been made towards reducing the backlog before the EPO Boards of Appeal (BoA). Yet the objective of settling 90% of cases within 30 months is unlikely to be met anytime soon. Amendments to the RPBA have now been proposed to improve timeliness.

In our view, the EPO has correctly diagnosed itself as suffering from overly long appeal proceedings. But the proposed treatment will not treat this chronic disorder, and if anything will lead to significant side effects by reducing the quality of decisions and making the proceedings unfair. Below, we comment on the proposed Amendments which in our view should not be implemented.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Sit in the water but and let the spout
run on your head till you feel better.

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Proposed amendment to Article 12(1)(c) RPBA: Default period for response to Grounds of Appeal reduced from four to two months

Article 12
Basis of appeal proceedings
(1) Appeal proceedings shall be based on
(…)
(c) in cases where there is more than one party, any written reply of the other party or parties, which shall ~~to~~ be filed within ~~four~~ ***two*** *months of notification of the grounds of appeal* ***unless the Board specifies a longer period, which shall not be more than four months****;*

At present, Respondents have at least four months to reply to the Grounds of Appeal. This is a challenging and time-consuming task, and the time is generally required to prepare a comprehensive response. The proposed amendment would reduce the default time for response to just two months. While the BoA can set a longer period of up to four months, which can also be extended up to six months on request and at the discretion of the BoA, it is unclear when extra time will be available. Under the amendment, Respondents can expect to have significantly less time to respond to the Grounds of Appeal.

In our view, this proposed amendment:

1) will have no meaningful impact on the timeliness of EPO appeal proceedings in the foreseeable future,
2) will reduce the quality of decisions, and
3) is unfair on Respondents.

As such, it introduces significant disadvantages without bringing any advantages.

Concerning 1), the proposed amendment would only have an impact on timeliness if the BoA dealt with files as soon as they are transferred to them such that the response to the Grounds of Appeal is the rate determining step. This is very unlikely to be the case this decade. The main delay is caused by the issuance of the preliminary opinion under Article 15(1) RPBA and any oral proceedings, which typically take place well over a year after the Response to the Grounds of Appeal has been filed.

As made clear by the EPO's own Annual Report of the Boards of Appeal 2022 page 8 figure 4 shown below, the BoA are still falling far short of their objective of settling 90% of cases within 30 months, with all technical fields still above 50 months. Based on the current trend, the objective is unlikely to be achieved this decade. Even once this target is hit, the BoA will still be far from dealing with cases immediately – they would need pendency closer to just 14 months for the Response to the Grounds of Appeal to be the rate determining step (based on the Grounds of Appeal (four months under Article 108 EPC), Response to the Grounds of Appeal (four months under Article 12(1)(c) RPBA), time until summons (two months under Article 15(1) RPBA), and time set by summons (four months under Article 15(1) RPBA)). The proposed amendment is thus unlikely to improve timeliness anytime soon.

The futility of this amendment for improving timeliness seems to be tacitly acknowledged in the "Explanatory remarks", which do not even claim that the amendment will increase the timeliness in itself, but only that it may "support the pursuit of more ambitious timeliness objectives". But the value in setting "more ambitious timeliness objectives" is limited when the present objectives have no realistic prospect of being met in the foreseeable future!

For 2), the proposed amendment halves Respondents' time to reply to the Grounds of Appeal, reducing their ability to bring relevant issues to the attention of the BoA. It will clearly reduce the level of debate before the BoA and the quality of their decisions

Again, this is hard to square with the EPO's avowed aims on quality. The "Annual Report of the Boards of Appeal 2022" starts with the President of the Boards of Appeal (PBoA) explaining that *"Access to justice and rendering decisions of the highest quality is what we strive for every day – I look forward to continuing on this path!"*. It also reports that the quality working group he commissioned highlighted the *"completeness of the examination of relevant factual and legal issues"* as a key factor determining the quality of decisions of the BoA. Why then implement an amendment to the RPBA which will clearly reduce decision quality while having no meaningful impact on timeliness anytime this decade?

Concerning 3), Appellants already have an advantage over Respondents as they can start to prepare their Grounds of Appeal after announcement of the decision in oral proceedings, typically months before the four-month Appeal period begins. The proposed amendment further tips the balance in favour of Appellants, by giving Respondents just two months to respond by default. Appellants still have four months to submit the Grounds of Appeal.

This is not only unfair but is also difficult to reconcile with several aspects of EPO law and practice.

• According to Article 23 of the RPBA, they should *"not lead to a situation which would be incompatible with the spirit and purpose of the [EPC]"*. The EPC stipulates that Appellants have two months just to file the **formal** Notice of Appeal, and **four months** to prepare their **substantive** Grounds of Appeal. The time and effort required to prepare an appeal submission is expressly recognized by and hence within the spirit of the EPC, which is incompatible with the default two-month period for responding to the Grounds of Appeal.

• A two-month period is normally only set by the EPO for issues which are *"merely formal or merely of a minor character; if simple acts only are requested"* (see Guidelines E-VIII, 1.2.)

• It is also contrary to the fundamental EPO principle outlined in G 9/91 that, in contentious proceedings, parties should be given *"equally fair treatment"*.

To balance timeliness, fairness, and quality, this amendment should not be implemented. Other options could be considered for improving timeliness, such as appointing more members of the BoA.

Finding another solution might actually also be in the EPO's interest, since parties can now choose the forum for pan-European invalidity proceedings between the UPC and the EPO. The UPC aims to process cases more rapidly than the EPO, but the rules still give Respondents **three months** to respond to the Grounds of Appeal (see Rules of Procedure of the UPC 235(1)). The proposed amendment makes the EPO proceedings less attractive than UPC proceedings, by combining lengthy proceedings with shorter timelines for response.

Proposed amendment to Article 15(1) RPBA: Earliest issuance of BoA preliminary opinion just one month after response to the Grounds of Appeal

Article 15
Oral proceedings and issuing decisions
(1) Without prejudice to Rule 115, paragraph 1, EPC, the Board shall, if oral proceedings are to take place, endeavour to give at least four months' notice of the summons. ~~In cases where there is more than one party, the Board shall endeavour to issue the summons no earlier than two months after receipt of the written reply or replies referred to in Article 12, paragraph 1(c).~~ A single date is fixed for the oral proceedings. In order to help concentration on essentials during the oral proceedings, the Board shall issue a communication drawing attention to matters that seem to be of particular significance for the decision to be taken. The Board may also provide a preliminary opinion. The Board shall endeavour to issue the communication at least four months in advance of the date of the oral proceedings. ***In cases where there is more than one party, the Board shall issue the communication no earlier than one month after receipt of the written reply or replies referred to in Article 12, paragraph 1(c).***

The preliminary opinion of the BoA brings in the very strict approach to admissibility under proposed amended Article 13(2) RPBA. The proposed amendment to Article 15(1) RPBA specifies the earliest date the BoA can issue the preliminary opinion as just one month after the response to the Grounds of Appeal. This places parties under significant pressure to respond to the response to the Grounds of Appeal immediately to avoid the risk that their submissions fall under the strict admissibility requirements of Article 13(2) RPBA.

Like the proposed amendment to Article 12(1)(c) RPBA discussed above, this introduces significant disadvantages without bringing any advantages. It will have no meaningful impact on the timeliness of EPO appeal proceedings anytime soon, and will only do so once the BoA start to deal with cases immediately. It places parties to the Appeal proceedings under unnecessary pressure to make complex submissions on a very short timescale. As such, we think it will have a negative impact on the debate before the BoA and the quality of decisions.

This is exacerbated by the fact that this period starts on receipt of the reply by the BoA. This may occur several days before the parties are notified. It seems to us to be very user- unfriendly to have a time period start to run from an unknown date of receipt of a document by the EPO rather than from its notification to the parties.

In our view then, this proposed amendment also should not be implemented at least until the BoA are able to deal with cases as soon as they are transferred to them.

Conclusion

While we applaud the EPO's desire to improve timeliness of appeal proceedings, it is unlikely that the proposed changes will deliver this goal. At the same time, they are unfair on Respondents and will decrease the quality of decisions. The EPO plans to introduce these changes on 1 January 2024, and it will be interesting to see if they change their position following the concerns raised in the User Consultation.

Based on our previous experiences of EPO User Consultations, we suspect that the patient may have some undiagnosed hearing difficulties on top of the chronic timeliness disorder. Thus, we would not be surprised to see the proposed amendments implemented despite being the wrong medicine and despite substantive criticism also by others. But we are not (yet) giving up hope.

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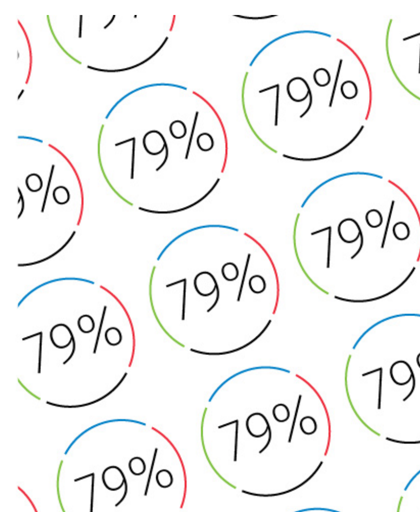

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