

European Patent Office Makes Major Changes in Priority Entitlement

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The Enlarged Board of Appeal of the European Patent Office (EPO) has issued a new dual decision – G1/22 and G2/22 – dealing with the assessment of priority rights at the EPO. The decision represents a significant break from the previous practice of the EPO and seems to adopt a much more ‘pro-applicant/patentee’ approach when assessing these rights and their effects on European patents and patent applications. In particular, the onus on the applicant to demonstrate their right to claim priority has been greatly reduced, with the threshold for opponents attacking this right in opposition proceedings now significantly higher.

The two key questions answered by the Enlarged Board of Appeal are:

1. Is the EPO competent to assess whether a party is entitled to claim priority under Article 87(1) of the European Patent Convention (EPC)?
2. If question 1 is answered in the affirmative, can party B validly rely on the priority right claimed in a Patent Cooperation Treaty (PCT) application for the purpose of claiming priority rights under Article 87(1) EPC in a case where:
 - A PCT application designates party A as applicant for the US only and party B as applicant for other designated states, including regional European patent protections.
 - The PCT application claims priority from an earlier patent application that designates party A as the applicant.
 - The priority claimed in the PCT application is in compliance with Article 4 of the Paris Convention.

In summary, the board’s answer to both questions is an emphatic **yes**.

In more detail, referring to the first question, the board drew a clear distinction between competency to ‘decide a dispute as to whether a particular applicant is legally entitled to apply for and be granted a European patent in respect of the subject-matter of a particular application’, where national courts are competent, and priority rights, where the board held that ‘no national laws are involved when a priority right is created or claimed for a subsequent application’. The board further reasoned that if the EPO was not competent to assess priority rights under its own law (i.e., not applying national law), then ‘situations could arise in which the EPO has evidence potentially affecting the patentability of an invention but cannot use such evidence in its decision on patentability’. This stems from the effect a valid priority right has on the assessment of prior art and is, evidently, a situation which is desirable to avoid. This scenario also is clearly distinct from entitlement proceedings, where the EPO is not competent, as the EPO’s assessment of patentability of the invention, and the prior art, should not be affected by the identity of the applicant (in part because the EPO does not provide *carte blanche* grace periods).

Accordingly, the board has decided that the EPO is competent to determine whether a priority right is validly claimed – i.e., whether a party is the successor in title required by the EPC – and that this assessment should be made using its own law and not the national law of the relevant member states. Furthermore, the board has decided that ‘the autonomous law of the EPC should not establish higher formal requirements than those established under national laws that may be relevant in the context of a European application’, and moreover that ‘the EPO should adapt itself to the lowest standards established under national laws and accept informal or tacit transfers of priority rights under almost any circumstances’. That the transfer of a priority right should not need to meet the same threshold as the EPO requires for the assignment of a European application (i.e., in writing and signed by both parties) is directly stated: ‘[T]he autonomous law of the EPC should not require that the assignment of priority rights has to be in writing and/or has to be signed by or on behalf of the parties to the transaction’.

Indeed, the board’s decision even implies another change from the practice, to date, that the transfer of priority rights must have occurred prior to the filing date of the European application, providing the rationale that ‘[i]f there are jurisdictions that allow an ex post (“nunc pro tunc”) transfer of priority rights ... the EPO should not

apply higher standards'. It is cautioned, however, that 'the allowability of a retroactive transfer of priority rights may have limited practical relevance if priority entitlement is presumed to exist on the date on which priority is claimed for the subsequent European application'. That said, it is possible to add a priority claim to a European patent application 16 months from the earliest priority date, so there is – theoretically – a situation where an ex post transfer could be applied, though we expect the first cases to do so to be brought under significant scrutiny by third parties, although their ability to do so has been curtailed.

In line with the board's new permissive approach to the transfer of priority rights, this 'rebuttable presumption' that the priority claim is valid 'involves the reversal of the burden of proof, i.e. the party challenging the subsequent applicant's entitlement to priority has to prove that this entitlement is missing'. This means that – for example, in opposition proceedings – an opponent cannot 'just raise speculative doubts but must demonstrate that specific facts support serious doubts about the subsequent applicant's entitlement to priority'. This higher burden on opponents, along with the more relaxed stance of the EPO, seems likely to reduce EPO proceedings – such as oppositions – where the validity of a priority claim on the basis of the patentee's entitlement to claim priority is put to issue. It is important to note, however, that national courts will still have jurisdiction over granted European patents and are not beholden to the EPO's approach or decisions. Thus, third parties are not necessarily prevented from raising this issue in national proceedings where a more stringent test might be applied.

Referring to the second question, it is perhaps unsurprising that the application of the answer to the first question has led to the board agreeing with the referring decision that 'the mutual filing demonstrates – absent indications to the contrary – the existence of an implicit agreement between party A and party B, conferring party B the right to benefit from the priority for the EPC territory'. In order for this implied agreement to be questioned, the board considered that 'evidence would be needed that an agreement on the use of the priority right has not been reached or is fundamentally flawed'. Situations such as those seen with pre-America Invents Act (AIA), US-originating PCT applications – where the US provisional priority filing is filed in the names of the inventors and the resulting PCT application designates the inventors as applicants for the US where, for example, their employer is the applicant elsewhere – appear to be officially resolved at the EPO for now.

Takeaway

Ultimately, the position adopted by the Enlarged Board of Appeal in response to the two questions at issue represents a significant softening of the EPO's historically strict position on the assessment of priority. Whether this change in attitudes will be reflected in the courts of the EPO's member states in the future – or whether applicants will potentially remain beholden to the EPO's previous approach if they wish to enforce patent rights nationally – remains to be seen.

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