



Munich, February 2010

RAISING THE BAR

Will the EPC really become more unfriendly for applicants on 01.04.2010 – or only for the applicant with the wrong application strategy?

On 01.04.2010 the “raising the bar“ initiative will result in amendments, some of them radical, for European applicants. An application already has to be brought into conformity with the requirements of the European Patent Convention (EPC) at a very early stage of the grant procedure – and now the possibility of the divisional application will be severely limited. The new regulations will also affect already pending applications. It is therefore imperative that applicants get to grips with these amendments in good time. DTS offers suggestions for how to deal with the new provisions.

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AMENDMENTS TO THE EPC ON 01.04.2010

The most important amendments at a glance:

1. Stricter regulations will apply to European divisional applications as of 01.04.2010

As of 01.04.2010 a divisional application will, as a rule, be possible only before the expiry of a period of 24 months from the delivery of the first office action by the Examining Division. Pending applications are also covered by this new regulation, which means that in an individual case a divisional application is already no longer possible as of **01.10.2010 (!)**. *(page 2)*

2. The European Search Division will acquire additional examining powers

As of 01.04.2010 the search examiner will already check prior to the search whether there is justification for more than one independent claim in a category (product, method, device, use). If such justification is absent and is not convincingly demonstrated by the applicant, the search will be limited to one (if in doubt the first) independent claim of the category in dispute. If a search cannot be carried out owing to deficient claims, the Search Division is now also authorized to ask the applicant to correct the deficiencies. *(page 5)*

3. The extended European search report increasingly assumes the character of the official communication (office action)

As of 01.04.2010 the applicant is obliged to reply to the opinion accompanying the extended European search report and correct deficiencies – as would be the case with an office action. This obligation applies only if deficiencies have been noted in the opinion. If there is no reply, the application is deemed to be withdrawn. *(page 8)*

4. Increased official fees at the European Patent Office will apply as of 01.04.2010

The official fees are increased by roughly 5 % on average. Examples of amendments: the search fee is increased from EUR 1050 to EUR 1150, the examination fee from EUR 1405 to EUR 1480, the grant fee from EUR 790 to EUR 830 and the opposition fee from EUR 670 to EUR 705. The new fees can be found in the decision amending [Art. 2 of the Fees Rules](#).

TIPS ON DEALING WITH THE AMENDMENTS OF 01.04.2010

On the following pages, DTS has compiled **details**, **background information** and **recommendations** relating to points 1–3 for you. If you have further questions concerning the details of the reform of the law, or if you are uncertain whether and how you should react to the amendments in your particular situation, please do not hesitate to contact us. We shall be able to give you well-informed answers to your questions as quickly as possible.

1. The EPO is severely restricting the possibility of a divisional application

The situation at present

Like other legal systems, the EPC provides for the possibility of filing a divisional application to a pending patent application. This enjoys the priority right and application date of the already pending application. Further divisional applications can be divided from a divisional application. Up until now, a divisional application was possible while the grant procedure lasted.

The situation as of 01.04.2010

There is now a time limit on this division possibility. Starting from the first office action or the notification of an objection due to a lack of unity, one of two possible 24-month periods begins, following the expiry of which a divisional application is no longer possible. This is by far the most significant amendment. A distinction is drawn between two cases and associated periods:

Case 1: The voluntary divisional application, Rule 36 (1) a¹

The period for a voluntary divisional application begins to run as soon as a first office action or a first grant decision is delivered for the parent application or for an earlier divisional application. These are communications according to Art. 94 (3) and Rule 71 (1) and (2) or where appropriate Rule 71 (3). The applicant has a further 24 months from then to file divisional applications.

Case 2: The mandatory divisional application, Rule 36 (1) b

The period for a mandatory divisional application begins to run when a lack of unity (Art. 82) is first noted in an office action of the Examining Division for an earlier application, i.e. when the application realizes more than one single general inventive idea. The earlier application is the application on which the division is to be based.

This amendment also already applies **retrospectively to all pending European patent applications**. The transitional regulation does however permit a divisional application in every case until **01.10.2010** – even if the periods calculated according to Rule 36 (1) a and b would be shorter or had already expired (see Fig. 1).

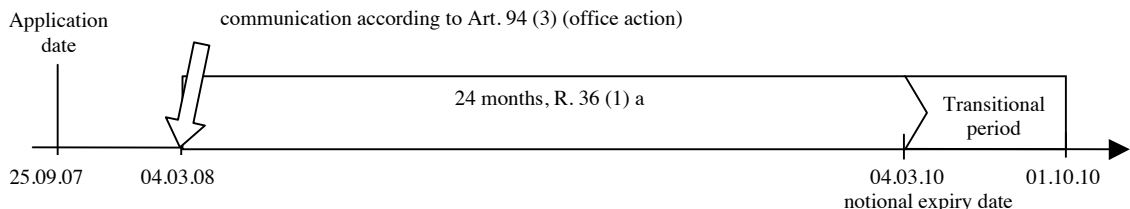


Figure 1: Transitional regulation – one possible example. The bar shows until when a divisional application may be filed.

Nota bene

The EPO has also drawn up amended Guidelines for Examination for the amendments to the EPC. Inter alia, an example² illustrating the amended Rule 36 has been included in the Guidelines for Examination. Paradoxically, this example raises questions of how the wording in Rule 36 is to be interpreted. If the example given in the guidelines is taken into account, a period triggered under Rule 36 (1) a would have effect only for those divisional applications situated in that branch of directly related divisional applications in which the (divisional) application is situated for which an office action triggering the period has been issued. If, however, the wording of Rule 36 (1) a is taken as the only basis, a period triggered according to Rule 36 (1) a would be assumed to be valid for the whole EP patent family and not just for applications in a branch of directly related divisional applications – the wording of Rule 36 (1) a therefore suggests a more restrictive interpretation. It is not yet clear which of these two interpretations the EPO will use.

¹ Unless otherwise indicated, the EPC is referred to

² Draft of the new Guidelines for Examination, Part A IV.6, 1.1.1.4 Example 2



The EPO has issued an additional clarification regarding the amended Rule 36 (1) b³. An objection according to Art. 2 which triggers a period according to Rule 36 (1) b is generally already raised together with a first office action by the Examining Division. This is why the periods according to Rule 36 (1) a and b have the same reference date – as a rule. An office action in this sense also includes a summons to oral proceedings, minutes of oral proceedings or a report of a telephone or face-to-face conversation. The start of the period is in each case the date of the delivery, or where there is someone present in person, the handing over of the corresponding communication. These new periods according to Rule 36 (1) a and b are excluded from further processing (Rule 135 (2)).

Background

Under the previous regulation it was possible for example to still file a divisional application in the 18th year after the application date and have it granted. With such a patent, it was possible to proceed against competitors' products that had already been introduced years ago. In most cases this was also the purpose of the divisional application, and the reason why the claims of the divisional application were formulated in a targeted manner according to the competitors' products.

A late divisional application has decisive advantages for the applicant. He can wait for the competition situation to develop and observe it, then prosecute the technical aspects in a targeted manner in divisional applications which give him a freedom in respect of the competing products which he may not have already considered relevant in the same way on the application date. However, at the same time the parent application remains part of the proceedings for the prosecution of the previous aims. Another advantage comes to light in the case where delimitations relative to the state of the art that in the end resulted in the claims no longer covering an economic product had taken place in the examination procedure. In this case the examination procedure could, so to speak, be repeated through a divisional application identical to the parent application – with new claims. The possibility of a divisional application at any time during the grant procedure thus gave the applicant great flexibility.

However, this flexibility runs counter to the need for information and need for legal certainty of the public interested in the patent application. Thus it is possible, through a late divisional application, for the applicant to again shift the real focus of the patent request into different directions. The public cannot then foresee what products the application and a patent resulting from it will now protect in order to take this as a basis for action and stop possible acts of infringement.

This legal uncertainty is now reduced by the time limit introduced on 01.04.2010 for the possibility of a divisional application.

³ EPO communication dated 20.08.2009 I. b

**DTS recommends:**

In order to be able to react to these amendments in a suitable manner, DTS recommends as a first step a comprehensive **inventory** of your own patent portfolio or pending applications at the EPO, as it is principally **pending applications that are acutely affected by this regulation**:

1. For which pending patent applications does the new time limit for division expire on 01.10.2010? (the more restrictive interpretation (see Nota bene) of Rule 36 (1) a should be used)
2. Which pending patent applications contain inventions which should be divided?

You should then begin at once to **prepare possible divisional applications**, in order that the inventions potentially contained in the applications are not lost.

Should the time horizon for these measures be insufficient, DTS proposes as a solution that you **consider steps by which the periods running for the division of the application can be suspended**. This gives an applicant additional time to plan and carry out a divisional application. However, the best solution can only ever be found by considering the case in question. Please contact us for more detailed information concerning such strategies and their specific requirements.

For **future patent applications**, DTS recommends that you consider measures which influence the delivery of the first office action. If the possibility of a divisional application is to be kept open for as long as possible, it is conceivable for example to not pay the **examination fee until the extended European search report has been received**, using up all of the period given for this (6 months from the publication of the European search report in the Patent Bulletin). In this way a period for dividing a divisional application is not yet triggered by the opinion of the European search report. If, on the other hand, the examination fee has already been paid (for example when filing the application) the opinion accompanying the extended search report already counts as a first office action which triggers the 24-month period for voluntary division. Moreover, an applicant should **consider possible divisional applications immediately after the first office action**. It is often possible already at this stage to foresee from the searched state of the art what additional benefit could actually still be obtained from the disclosure content with the help of a divisional application.

A measure which goes further, but costs more, for future patent applications is to prepare a parallel **European “submarine” application**, which remains “submerged” and thus safeguards the possibility of a divisional application without being tied to a deadline. DTS will be happy to check whether this variant is also to be recommended in your case.



2. More powers for the Search Division – the prefilter on the road to the European patent ensures even more order as of 01.04.2010

As of 01.04.2010 the powers of the Search Division will be increased in two cases:

I. An application contains several independent claims in one category.

The situation at present

An application with more than one independent claim in a category (product, method, device or use) does not as a rule meet the requirements of the EPC. Only if specific exceptional circumstances apply (Rule 43 (2)⁴, e.g. "plug – socket" as two independent claims in the device category) is such a set of claims allowed. If an application with several independent claims in one category lay before the Search Division, the search examiner was not authorized to check for the existence of exceptional circumstances. He had to draw up a search report for an application for all the independent claims and leave it to the Examining Division to check Rule 43 (2).

The situation as of 01.04.2010

For these applications, the search examiner can now, on the basis of the new Rule 62a (1) entering into force on 01.04.2010, already establish, **before** the European search, whether in the case in question the existence of several independent claims in one category is allowable by way of exception. If there are no exceptional circumstances, the search examiner asks the applicant to indicate the claims for which a search is to be carried out – the other claims remain unsearched. The applicant can also object, however, and attempt to convince the search examiner of the existence of exceptional circumstances⁵. If the applicant does not respond to the EPO's request, the search is limited in each case to the first independent claim in each category.

II. The deficiencies of an application are so great that only a partial, or no, search is possible

The situation at present

Even where applications were so deficient that only a partial, or no, search was possible e.g. because of a lack of support, concision or clarity, the search examiner had to draw up a search report at least for the searchable part of the claims (Rule 63) and was not able to clarify in advance the subject-matter to be searched.

The situation as of 01.04.2010

As of 01.04.2010 the applicant is now also given the opportunity analogously to Rule 62a to specify the subject-matter to be searched (Rule 63 (1)). If he does not make use of this opportunity, the EPO draws up a partial search report - in so far as is actually possible (Rule 63 (2)).

These amendments apply to European patent applications for which the European or the supplementary European search report is drawn up as of 01.04.2010. Fig. 2 gives an overview of these amendments.

Nota Bene Exceptional circumstances which justify the existence of several independent claims in one category are, as before:

1. several related products,
2. different uses of a product or device,
3. Alternative solutions to a specific problem which cannot conveniently be fitted into one claim.

Background The "BEST" (Bringing Examination and Search Together) project started in the Nineties became part of the Convention with the revision of the EPC adopted on 29.11.2000 ("EPC 2000"). This project should reduce or dispense with the separation - established for historical reasons but no longer necessary thanks to modern communications and search techniques - of search and examination in the geographical (The Hague – Munich – Berlin) and organizational sense. The aim of BEST is to raise quality and efficiency in the grant procedure.

⁴ Unless otherwise indicated, the EPC is referred to

⁵ EPO communication dated 15.10.2009 2.2

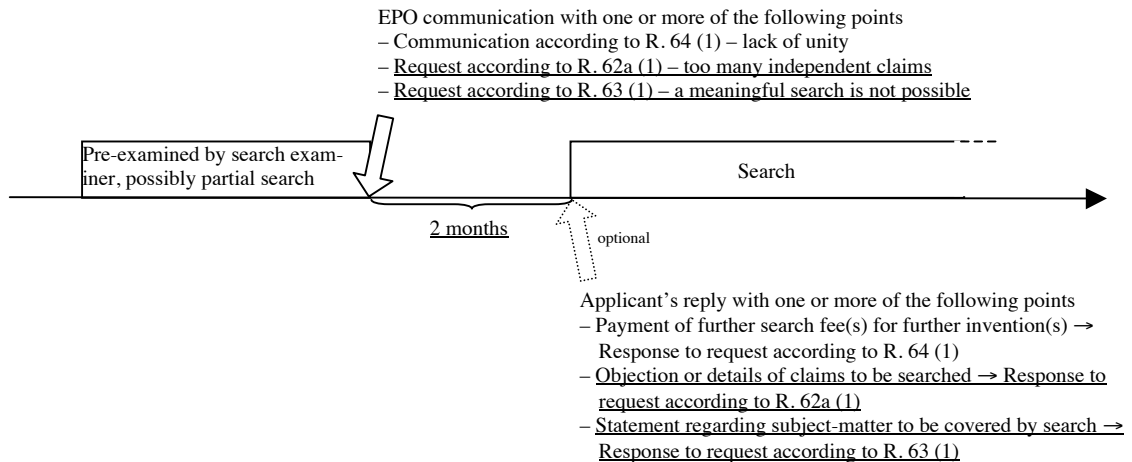


Figure 2: Increased powers of the Examining Division. New provisions are underlined.

Under the BEST procedure, a search examiner carries out the search and is accordingly also part of the Examining Division. This office practice introduced with the EPC 2000 was further expanded with the introduction of the Extended European Search Report (EESR) in July 2005. This search report already contains a first, office-action-like opinion as to the patentability of the searched subject-matter. The new Rule 62a and the revision of Rule 63 therefore, through the transfer of powers of the Examining Division into the Search Division which they involve, represent a logical continuation of this development. The search examiner can now already arrange for a clarification by the applicant before the search and is no longer obliged to search all the claims present, but just those which would be grantable without taking the state of the art into account. The EPO expects large increases in efficiency from this.

A further motivation for this change in the law is probably the practice, which many applicants have been pleased to use up until now, of jointly prosecuting in one patent application several inventions which, though technically related, are nevertheless different. This leads, firstly, to substantive-law advantages for the applicant, as the inclusion of different inventions claiming the respective priorities means that they do not form an obstacle to one other as regards the novelty needed for a patent and can be claimed in combination in the further examination procedure – this would not be possible if separate applications had been filed from the outset, as these could no longer be merged as the grant procedure proceeded. Secondly, however, there are also cost savings, as many fees – thus also the search fee of EUR 1050, actually EUR 1150 for applications filed as of 01.04.2010 – have to be paid just once, although more than one invention is in fact searched. But this disputed practice is now to be stopped by the new regulations. Although the Search Division was also authorized, on the basis of the legal position before 01.04.2010, to limit the search to the first-named invention or group of inventions (Rule 64) where there was no unity (Art. 82), the amendment on 01.04.2010 gives the EPO further possibilities of clarifying the subject-matter of the search beforehand or limiting the search where appropriate.



DTS recommends:

DTS recommends that applicants act well in advance to better **match application strategies in the long term** to the EPO's specifications. It is increasingly difficult to bundle inventions together in a single application, which are then to be further processed for a long time in the grant procedure in one application. The aim of the amendments is to force applicants as soon as possible to prosecute only a single group of inventions in the grant procedure. This is also clear from the setting of a time limit for divisional applications.

An applicant should also **consider at a very early stage** (i.e. even before the search) **what is to be covered by the search**, as in the end – as ensured hitherto by Rule 137 (4) – a patent will also not be granted in the future for claims that have not been searched.



3. The Extended European Search Report has been “extended” yet again – failure to comply means the threat of loss of rights!

The situation at present

As part of the European search, the Search Division has drawn up an office-action-like opinion as to patentability (so-called “search opinion”) since July 2005 and appended it to the search report or – in the case of a Euro-PCT application from non-EP states – to the supplementary European search report. A response by the applicant to this opinion was previously optional.

The situation as of 01.04.2010

According to the newly introduced Rule 70a⁶ there is now provision for a **binding** response by the applicant to the opinion of the EPO concerning the result of the search. The obligation applies when reference is made in the opinion to deficiencies which oppose a grant of patent. In this response, the applicant is to correct the deficiencies noted in the opinion of the EPO. This must happen within a period of six months from the mention of publication of the search report, otherwise the application is deemed to be withdrawn (Rule 70a (3)).

This amendment applies to European patent applications for which the European or the supplementary European search report is drawn up as of 01.04.2010.

Nota bene The principle of the mandatory correction of deficiencies is also introduced as of 01.04.2010 for Euro-PCT applications where the EPO has drawn up an international (supplementary) search report or a provisional examination report. This amendment is in **Rule 161**, valid as of 01.04.2010. To illustrate the different cases (Euro-direct application, Euro-PCT application from a non-EP state and Euro-PCT application from an EP state), DTS has produced overviews at the end of this newsletter (**Figs. 3–5**).

Background As mentioned above in the background to 2., the aim of the introduction of the BEST procedure and of the Extended European Search Report is to improve efficiency in the grant procedure. The binding response, introduced on 01.04.2010, to a negative opinion following the search is also to be included in this development. A binding response speeds up the examination procedure, as there must now already be a first “office action response” by the applicant after a negative opinion on the search. Overall, the reforms introduced on 01.04.2010 therefore mean that the search procedure and the examination procedure mesh together better. However, it must be borne in mind that a positive opinion on the search does not conversely mean that the next step of the grant procedure is inevitably the grant of a patent. The Examining Division comprises three technically trained members, whereas in most cases there is provision for only one technically trained search examiner in the Search Division. A wrongly issued assessment in the opinion of the search can be discovered later in the proceedings and corrected.

DTS recommends: DTS recommends that in every case you **respond to the opinion accompanying the European search report**, as otherwise a loss of rights is already possible at this stage of the grant procedure. The EPO leaves the applicant no choice here. Such a response should in every case show that the applicant is endeavouring to correct the deficiencies noted in the opinion. However, it is not yet clear to what extent it must be shown to be substantiated. However, it is expected that the same criteria will apply here as are also used when replying to an office action.

⁶ Unless otherwise indicated, the EPC is referred to

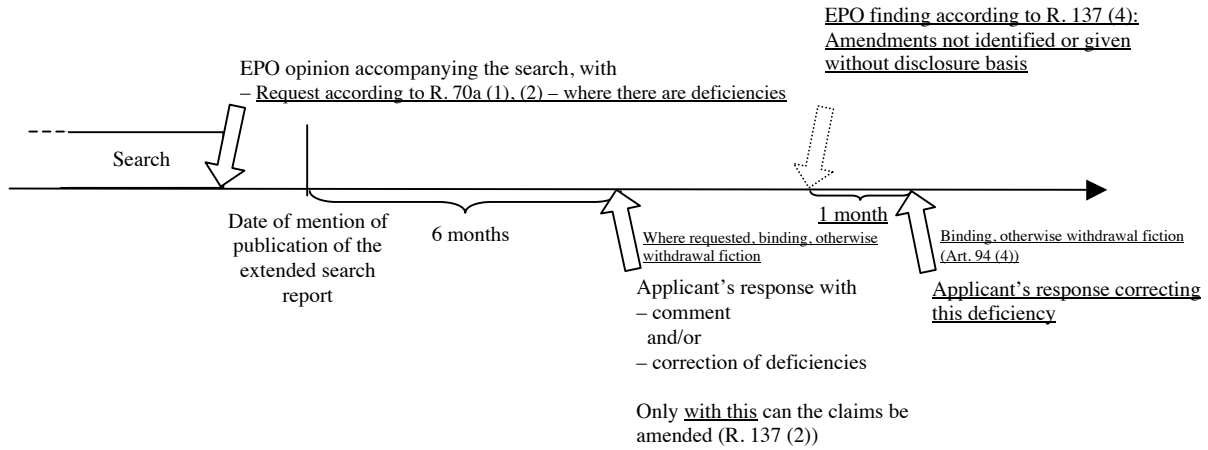


Figure 3: Binding response of the applicant according to the new **Rule 70a** to the EPO opinion accompanying the search in the case of a **Euro-direct application**. The new provisions are underlined.

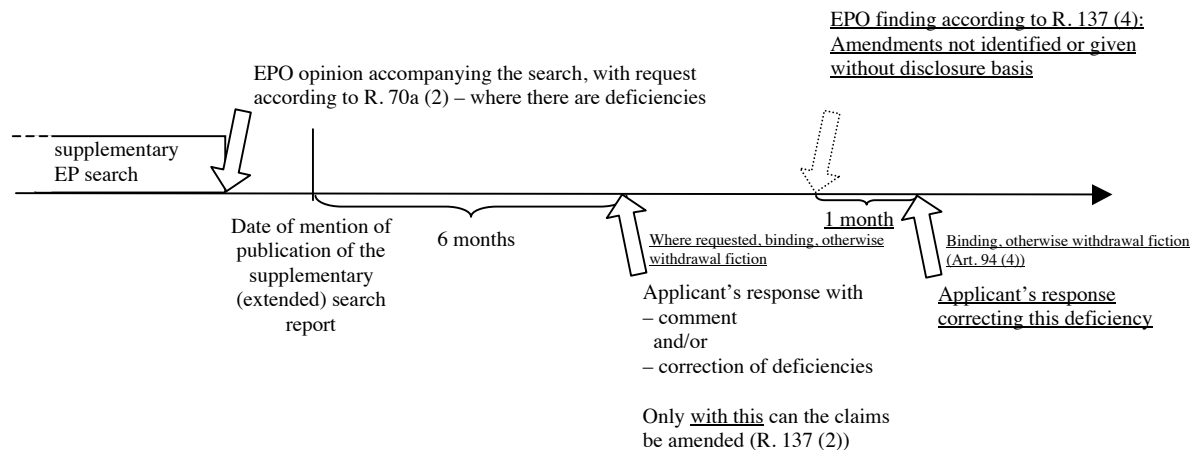


Figure 4: Binding response of the applicant according to the new **Rule 70a** to the EPO opinion accompanying the search in the case of a **Euro-PCT application from a non-EP state (e.g. USA, Japan, Canada)**. The new provisions are underlined.

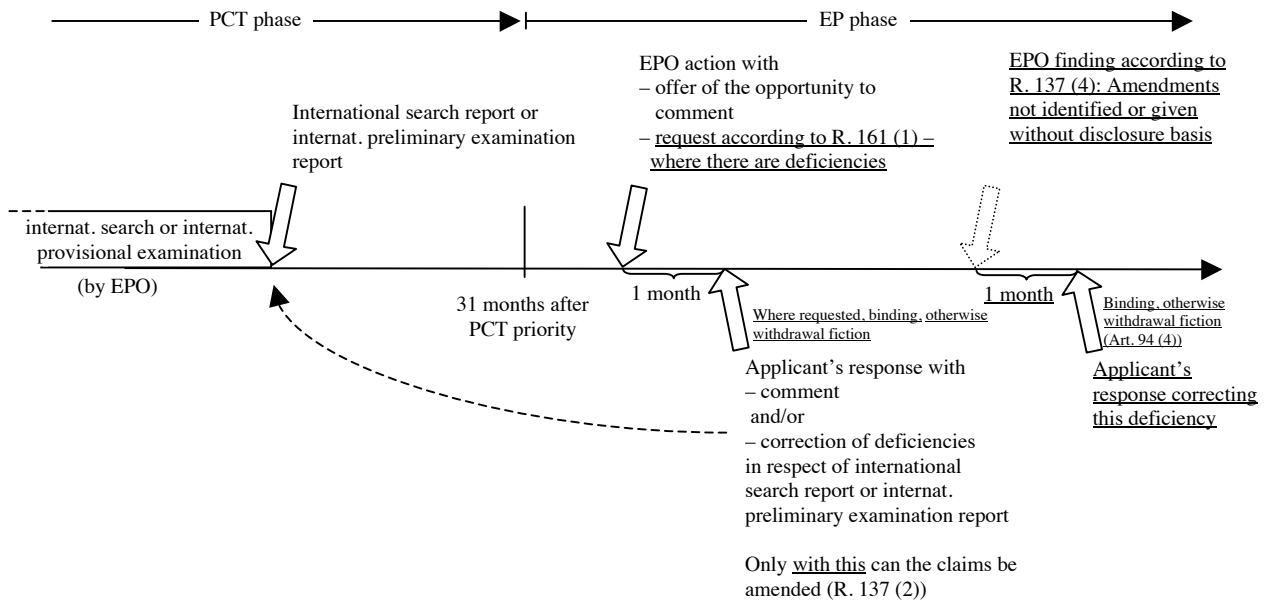


Figure 5 Binding response of the applicant according to the new **Rule 161** to the EPO opinion accompanying the search in the case of a **Euro-PCT application from an EP state**. The new provisions are underlined. **Rule 161** also applies in the case of a supplementary international search by the EPO. In this case the EPO request is made at the beginning of the European phase in respect of the supplementary international search report.