European Patent Attorneys • Chartered Patent Attorneys • Trade Mark Attorneys

• Patent issues

Spring 2009

NEWS

Human embryonic stem cells: EPO PROVIDES GUIDANCE ON THE LINE BETWEEN PATENTABILITY AND IMMORALITY

Human embryonic stem cells (hESCs) are considered by medical practitioners and researchers to be of significant importance as they are 'pluripotent' - they are capable of differentiation into any of approximately 200 unique cell types. As such, they are potentially useful in regenerative medicine, cell therapies, tissue replacement or as cell development research tools. hESCs are derived from early stage human embryos; they are isolated from the inner cell mass of the embryo at less than 14 days from conception.

Rule 28(c) EPC prohibits grant of a European patent in respect of *biotechnological inventions which concern, in particular, uses of human embryos for industrial or commercial purposes,* thereby implementing Article 6(2)(c) of the EU Biotechnology Directive. On 25th November 2008 the Enlarged Board of Appeal at the European Patent Office gave it's ruling in the case of the Wisconsin Alumni Research Foundation (WARF) application concerning the extent to which Rule 28(c) EPC applies to

Continued overleaf

IS SAGA OF SOFTWARE PATENTABILITY IN EUROPE COMING TO A CONCLUSION?

The President of the European Patent Office has referred four questions to the EPO Enlarged Board of Appeal relating to the patentability of computer programs (see box on page 9). It is hoped that this referral will introduce greater certainty and harmony to the way this issue is handled throughout Europe. But is this a realistic hope?

The patenting of computer programs has long been a controversial issue. Part of the controversy has arisen because at the time the European Patent Convention was drafted, in the late 1960s and early 1970s, computer programs were seen to be predominantly abstract mathematical methods and to that extent were excluded from patentability. However, this exclusion was limited to computer programs 'as such', which has in general been interpreted in both the UK and the EPO to allow an invention involving a computer program to escape the exclusion if the invention provides a technical contribution.

Continued on page 8

EPO DETERMINED TO STAMP OUT "Abuse"

The European Patent Office appears convinced that applicants are filing divisional patent applications in circumstances the office considers "abusive" and that the only way to address the perceived problem is by a change of the Implementing Regulations. According to submissions by the President to the Administrative Council, there is a trend for divisional applications to be used to "duplicate" proceedings by filing an identical divisional application the day

Continued on page 7

IN THIS ISSUE

NEWS

Human Embryonic Stem Cells: EPO Provides Guidance on the Line Between Patentability and Immorality — 1

Is Saga of software Patentability in Europe Coming to a Conclusion? — 1

EPO Determined to Stamp out "Abuse" — 1

Patent Prosecution Highway Great at the USPTO. Early days for the EPO — 3

UK

Pay Attention to Detail in Drafting Patent Applications — 4

GERMANY

Protecting Inventions in Times of Budgetary Constraints — 6

EPO

Questions Referred to the Enlarged Board of Appeal by the President of the European Patent Office — 9

PPH before the EPO Highway to Heaven or Hiding to Nowhere? — 9

Triway Pilot Program – A White Elephant? — 11

No Dividing of Euro-PCT without Paying Fees for the Parent — 11

ABOUT OUR FIRM

Out and About — 12

NANOTECH SPECIAL EDITION INSERT

claims directed to stem cell products.

WARF filed a patent application in 1996 with claims directed to a purified preparation of primate ESCs and a method of isolating primate ESCs. Rule 29(2) EPC states that an element isolated from the human body may constitute a patentable invention. hESCs are isolated from the human body, and are therefore potentially patentable. However, at the time of filing, the WARF application only described a method that included the destruction of human embryos.

During examination, claims to a cell culture of primate (including human) embryonic stem cells were refused on the grounds that a hESC product necessarily involved a 'use' of human embryos for industrial or commercial purposes, and this was a contravention of Rule 28(c) EPC. When WARF appealed the decision, the EPO referred a question to the Enlarged Board of Appeal (EBA), asking whether Rule 28(c) EPC forbids the patenting of *claims directed to products that are prepared exclusively with a method that necessarily involves the destruction of human embryos, if the method is not a part of the claim.*

Rule 28 EPC gives examples of inventions that are not patentable under Article 53(a) EPC because they are deemed contrary to morality. WARF argued as there is no European consensus concerning the moral issues surrounding hESCs, they should not be excluded from patentability. WARF accepted that human embryos themselves are excluded from patentability under Rule 28(c) EPC, but argued that hESC cultures are not themselves embryos and therefore should be patentable.

The EBA asked the President of the EPO to comment. The President accepted that hESC cultures were not themselves embryos. Nevertheless, she argued that WARF's technical contribution to the art involved the use of human embryos for industrial and commercial purposes, and that an invention includes not only the claimed subject matter but also the methods used by the Applicant to produce the invention.

In the end, the EBA ruled (in Decision G2/06) that claims to inventions, which at the time of filing the application required the destruction of human embryos, are not allowable. Even where the method steps resulting in the destruction of human embryos are not included in the claim, the EBA stated that "*A claimed new and inventive product must first be made before it can be used*" and that the manufacture of the product was therefore relevant. As the only described manufacture of the WARF hESC culture necessarily involved the destruction of human embryos as an integral part, even though the claims are directed to the resultant product, the invention fell within the prohibition of Rule 28(c) EPC.

Our comment

The impact of this decision on patentability of human stem cells per se may not be particularly broad, which is good news for applicants. The question put to the EBA was somewhat narrow, and the decision merely states that Rule 28(c) EPC *'...forbids the patenting of products which at the filing date could be prepared exclusively by a method* ***necessarily involving the destruction of human embryos*** *from which said products are derived...'* (emphasis added). This is a very case-specific decision. It does not, for example, clearly address the broader question of use of human embryos. There will be numerous cases to which the G 2/06 will simply not be relevant.

Since the WARF application was filed, new methods have been developed for the production of stem cell lines that do not require the use of human embryos. These include 'reprogramming' techniques in which differentiated cells (such as skin cells) are induced to revert back to the pluripotent state, resulting in 'induced pluripotent stem cells'. In this regard, it is noted that G 2/06 specifically states that ***'...this decision is not concerned with the patentability in general of human stem cells or human stem cell cultures.'*** Accordingly, G 2/06 does not prevent the patenting of stem cell inventions that do not involve the use of human embryos.

By focusing the decision on the destruction of embryos, the EBA has provided no direction as to whether hESCs prepared using methods in which the embryos remain viable would be allowable. Recently, techniques have been reported which purport to generate hESCs from human embryos without embryo destruction (Young Chung et al., 2008, Cell Stem Cell, Volume 2, Issue 2, 113-117). A patent application (WO/07/130664) filed in 2007 by Robert Lanza, the inventor of this method, includes a claim to ***'A human ES cell line derived from a human embryo but without destroying the human embryo produced by (a method)'.*** It will be interesting to see how the EPO will handle such a claim.

G2/06 does not prohibit patentability of human stem cells

Following the WARF decision, it is clear that the EPO will not grant claims to inventions that necessarily involve the destruction of human embryos. It is worth noting, however, that in 2003 the UK Intellectual Property Office issued a Practice Notice indicating that in principle it will grant claims directed to human embryonic pluripotent stem cells, although it will not grant claims directed to human tutipotent cells or methods of obtaining stem cells from human embryos. This Practice Notice has not yet been rescinded, leaving open the possibility that claims may still be obtained directed to human embryonic pluripotent stem cells in the UK.

Our advice for applicants in the light of this decision is:

- Where possible, applications should include a sufficient disclosure of at least one method by which the stem cells involved in the application can be produced without using human embryos.
- If the invention necessarily involves the use of human embryos, where possible applicants should provide a disclosure of a method of production that does not involve the destruction of those human embryos.
- For inventions involving the use of human embryos, Applicants should consider filing in the UK as well as at the EPO; The limitations of this decision has not been adopted in the UK.

PATENT PROSECUTION HIGHWAY

Great at the USPTO Early days for the EPO

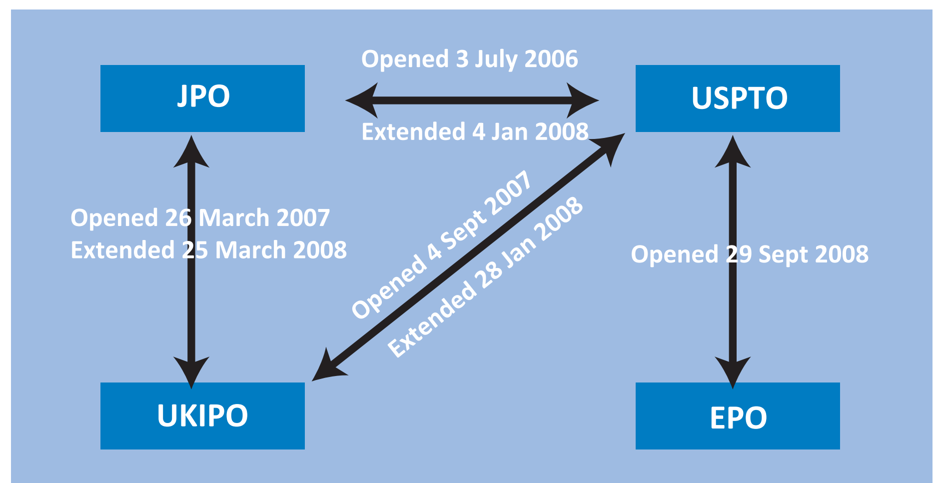
On 29 September 2008 the EPO launched its *"Patent Prosecution Highway"* pilot program to facilitate accelerated examination of European patent applications by making use of results of examination in the US Patent and Trademark Office. The pilot will run for one year and will explore the extent to which the two offices are duplicating each other's work. Similar bilateral arrangements are in place between the Japanese, US and UK patent offices which have all extended their pilot programs to encompass ex-PCT applications.

WHAT IT MEANS – JUMPING THE QUEUE

The PPH is a mechanism for accelerated examination where a patent application is first filed in one office (the office of first filing or OFF) and is later filed in another office with a priority claim (the office of second filing or OSF). If examination has not yet begun before the OSF, and a corresponding patent has issued (or is about to issue) through the OFF, the applicant may amend the claims of the application in the OSF to conform to claims allowed in the OFF. By doing this and requesting that the application before the OSF be treated in the PPH pilot, it will be moved to the top of the examination queue and examined out of turn.

That is all. There can be no expectation that the application will be treated more favourably by the OSF just because the claims are allowed by the OFF.

It may in practice be treated more favourably, depending on how thoroughly the OSF believes the OFF has conducted its examination. Indeed, feedback so far shows very positive results in the USPTO as OSF. The overall allowance rate is almost double that of regular cases without PPH request.



Our experience before the UKIPO is that requesting examination within the PPH will bring the application to the top of the queue, and examination will be prompt, but the UKIPO is quite ready to conduct its own search and raise new objections, even in spite of allowance by the JPO, an office that is usually considered as setting a high standard.

PAY ATTENTION TO DETAIL in Drafting Patent Applications

Zipher and Markem have been in a long-running dispute over tape drive systems used in industrial thermal transfer printers for printing 'best before' dates or batch codes. Certain employees of Markem left to set up Zipher and then filed a number of patent applications. As a result of an earlier court case, it was held that Markem was entitled to some of the broader claims of the resultant patents, but certain narrower claims belonged to Zipher. Zipher subsequently sued Markem for infringement of those narrower claims.

The main interest from the latest round in *Zipher v. Markem* ([2009] FSR 1) is Markem's defense of insufficiency of disclosure, and in particular:

(a) whether several independent minor defects in a disclosure might in combination present the skilled reader with an undue burden;

(b) whether a brief mention of an alternative embodiment might detract from the sufficiency of a disclosure.

The case also addresses an important point of procedure (see box), *viz*. whether the Court has discretion to refuse to enter an amendment to a patent.

The patents concerned the regulation of tension in the thermal transfer ribbon used in the printers. The tension was regulated by measuring the currents that were supplied to two motors driving two spools on which the ribbon was mounted, and then controlling the motors to keep the tension within limits. If the motors were DC motors, it might have been a simple matter to measure the torque by measuring the current. But they were stepper motors driven by pulse width modulation drivers, so the question arose as to whether there was adequate description of how to separate the work-related element of the current from the total current to the motors.

The description taught little more than that the current to the motor should be sampled, filtered and averaged to measure the current and hence the torque.

A combination of defects

There was a description of the sampling. Zipher's expert, a Senior Lecturer of Electrical Engineering from Cambridge University, gave evidence that the description of sampling was quite adequate, but in his evidence he used a sampling rate far in excess of that described in the patents. Markem's expert, an electrical engineer with no experience in thermal transfer printers, concluded that the description would typically give just seven samples, and that this would not be enough. Zipher's expert said it was the DC element of the current that was of interest, obtained by the step of averaging. Markem's expert said it must be some ***undescribed*** AC component that is of interest, obtained by the step of filtering.

On balance, the judge (Mr. Justice Floyd) preferred the evidence of Markem and held that the patents did not give an adequate description of how to measure the components of the currents which were related to the tension in the ribbon. This defect alone was held to invalidate the patents, but the question was also considered as to whether various other grounds of insufficiency should be considered ***in turn*** or whether a ***combination of defects*** in the description might together have prevented a skilled team from performing the invention.

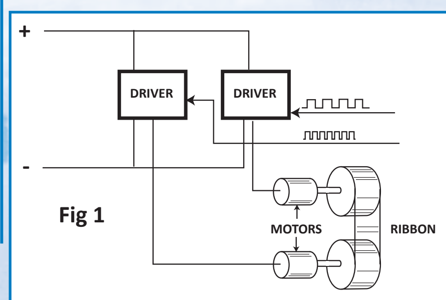


Fig 1

Among the problems considered in turn were: 1) an error in the tension measuring formula that failed to take account of the changing spool diameter as the ribbon unwinds; 2) an admission that temperature variations would play a part, but little or no description of how to account for them; and 3) a suggestion to measure current direct to the motors rather than current to the motor drivers, but no additional details. The judge held that the first and second problems would introduce errors that, taken alone would not impose an undue burden on the skilled reader to arrive at a workable prototype, but that the patent "presents the reader with such a combination of defects that it does not serve as a clear or complete description of how to perform the invention".

It would take a research project to fill the gaps

Markem's expert witness explained why in his opinion the combination of defects would lead to difficulty in practice:

> My son came to me and just said, 'I have just changed the spark plug in the lawnmower.' The next time I go and try and start the lawnmower and it does not start, I would . . . look at the spark plug and the connection to it. If instead my son came to me and said, 'Actually, dad, I have just taken the entire lawnmower into pieces . . . and put it back together again' and I then start it and it does not start, I don't have a clue what he has done wrong, and that is with a machine that you actually knew worked yesterday.

Floyd J accepted that Markem's proposition applied with particular force in this case. It would take something approaching invention, or at least a research project, to fill the gaps left by the patents' teaching.

The alternative embodiment caused "much puzzlement"

On the third point of insufficiency, the judge went further. Counsel for Zipher submitted that if the preferred method was adequately described, it did not matter if the alternative method would not work. The judge considered this true only if the skilled person would see without undue research, enquiry or experiment that the suggestion was not one to be pursued. The evidence in this case was that the patent suggested the alternative approach would yield useful results but that it caused Markem's expert "much puzzlement over a substantial period of time". This was deemed unacceptable, and on this ground the patent was also considered invalid.

Comment

This ruling emphasizes the importance of careful and thorough patent drafting. Infringers will be looking for defects in the teaching of patent specifications, however minor, with a view to running the argument that in combination they render the specification insufficient.

Take the example of temperature compensation – a factor engineers frequently have to consider, and often one for the lower-level technician to address, for example by running tests and making appropriate compensations. In this case, the patent itself admitted that there would be a temperature-related function, but indicated that this could largely be ignored provided the motors were at approximately the same temperature. Would it have been better for the patent specification to have remained silent on the subject? Surely a teaching that it will work in limited circumstances (when the temperatures are equal) is sufficient?

Or were Floyd J.'s comments merely *obiter?* After all, one of the insufficiencies alone was fatal, so of course the cumulative effect of them all was fatal.

One can envisage insufficiency defenses becoming prolonged, detailed and expensive if defendants nit-pick every possible defect to run a combination-of-defects defense.

Worse is the notion that throw-away comments that alternative arrangements can also work might give grounds for "classical" insufficiency. These embellishments are often added by inventors and patent attorneys at the last minute, in part to support broad claims that might be susceptible to attack on grounds of *Biogen* insufficiency[1]. But Floyd J's ruling was not that the claims were too broad (he did indeed separately consider no less than seven individual allegations of *Biogen* insufficiency). Now we have the spectre that such an embellishment can be fatal to the entire case if it is shown not to be workable and the skilled person would not readily see that the suggestion was not one to be pursued.

Heretofore, classical sufficiency has merely required that there is something that is adequately described that falls within the scope of the claims, and *Biogen* insufficiency has required that the claims are not so broad as to encompass something that owes nothing to the teaching of the patent. Conceivably we now have a third attack, *viz*. that there is also ***something that falls within the scope of the claims that is inadequately described.*** This is what is set out in headnote 39 to [2009] FSR 1. But this is surely too literal a reading of Floyd J.'s judgement? Had the description not had one significant defect in itself fatal, and several other defects which in combination were fatal, it would surely not have mattered that there was a pointer down a blind alley? Zipher have not appealed these aspects of the judgement, so we will be stuck with these questions for some time.

In the meantime, we do not recommend slimming down a description to avoid mention of known but unresolved problems or to avoid throw-away alternative embodiments. Better to anticipate implementation problems and suggest possible solutions or explain why they are not considered significant.

Better still, of course, to flesh out the possible solutions to the problems and to flesh out the alternative embodiments.

COURT HAS LIMITED SCOPE TO REFUSE AMENDMENT OF PATENT

When the EPC 2000 came into force, it introduced the possibility of central amendment of a European patent, without the need to request the EPO to exercise its discretion to allow the amendment. The only procedural restriction is that opposition proceedings are concluded. Accordingly, it would be inconsistent for the UK court to refuse discretion to allow an amendment in circumstances where the amendment can be made centrally.

In *Zipher v. Markem* , Floyd J. ruled that the UK Court no longer has wide discretion to refuse to enter amendments (whereas formerly discretion could be refused on grounds such as delay or lack of full disclosure or other inequitable conduct).

The only applicable factors now are (i) appropriateness of the amendments to the proceedings, (ii) their necessity and (iii) procedural fairness.

It remains the case that where there are pending opposition proceedings before the EPO, there is no unfettered right to have the patent limited. Refusal of an amendment during a pending opposition is justified if it would have no effect on the opposition and could be made later if the patent survives. Nor would it be procedurally unfair to refuse to enter an amendment with the consequence that the patent is revoked in opposition before it is amended in Court. If it were not so, a patentee could derail the Court proceedings by claiming the right to amend at the last moment.

[1] See the Summer 2008 edition of this newsletter for a discussion of Biogen insufficiency. That article is also available at http://www.jenkins.eu/pi-summer-2008/hurrah-for-product-claims.asp.

PROTECTING INVENTIONS
in Times of Budgetary Constraints

Despite having recently been overtaken by China as the world's third biggest economy, Germany still boasts the biggest European market (see our handy "EPC States At-a-Glance" guide.) Protection in Germany alone may sometimes be sufficient to keep competing products out of Europe altogether, or to make their exploitation across Europe extremely difficult.

GERMANY PROVIDES WAYS TO OBTAIN PROTECTION AT REDUCED OR DEFERRED COSTS.

In times of budgetary constraint, filing for protection in Germany only may be a canny option.

1. PAY LESS – UTILITY MODELS

Utility models are "petty patents" which provide the same protection as "ordinary" patents. The vast majority of utility models are filed by German companies, which suggests that they are not widely known abroad.

In contrast to a patent, the subject matter of a utility model application is not examined as to novelty and inventiveness before registration. Registration thus can take place shortly after filing, normally within three to six months. Consequently, utility model protection can be obtained more quickly and at lower costs than patent protection.

Another useful feature of utility models is the "splitting off" procedure. That is, a utility model application can be "split off" from a pending patent application with effect in Germany (i.e. a German national or European/PCT applications designating Germany). The utility model retains the priority date of the earlier patent application. Thus, if costly examination of a pending patent application is to be avoided, it is possible to drop the patent application in favour of a utility model.

There are additional benefits; for example, there is a "grace period" in respect of self-disclosures within six months before the priority date of the utility model – a feature which is not available to patents. On the downside, utility model protection is not available for method inventions, and the maximum term of protection is limited to 10 years.

2. PAY LATER – DEFERRING EXAMINATION OF PATENT APPLICATIONS

Requesting examination of German national patent applications can be deferred up to seven years from the filing date. Furthermore, even if examination has already been requested (and perhaps an examination report issued), it is still possible to ask the responsible Examiner to put aside the application for a substantial period, i.e. year or more. Thus the costs of examination proceedings – which are sometimes higher than the costs for drafting and filing the application – can be deferred until budgetary pressures have eased.

ENQUIRIES TO OUR MUNICH OFFICE

If you would like a cost estimate for translation of a patent specification and filing of a German utility model or German national patent application, please enquire with our Munich office by email to:

munich@jenkins.eu

EPO Determined to Stamp out "Abuse"... continued from page one.

before oral proceedings, and pursuing the divisional application instead of the more proper course of appealing a subsequent negative decision. The President has, after consultation, proposed rule changes to the Council.

THE EPO'S PROBLEM

The President's submissions (dated 10 October 2008) set out that she perceives two problems with the present freedom to file divisional applications right up to the day of a hearing. First, the work of the office is duplicated if the divisional is identical to the parent, and second, the applicant's freedom creates legal uncertainty for third parties. The Enlarged Board of Appeal (in decisions G1/05 and G1/06) has described the situation as "unsatisfactory" and has said that if administrative measures (speeding up examination of divisionals) are not adequate, a rule change might be necessary. Much has already been written by CIPA and others about why the problem is more anecdotal than actual and why administrative measures alone should suffice, but that battle may be lost, so let us instead look ahead.

THE PROPOSED RULE CHANGE

The President proposes that a sunset period must be set after which no further divisional applications can be filed. The proposed period is ***24 months* from the Examining Division's *first* communication** in respect of the earliest application for which a communication has issued (i.e. from the first communication in the parent application unless exceptional circumstances mean that a divisional is examined first).

A 2 year sunset period

The proposed rule is a compromise. Neither does the sunset coincide with the date of response to the first communication from the Examining Division (as set out in the original Implementing Regulations over thirty years ago), nor is discretion required (as was also the case, with all the associated disputes over fair exercise of discretion). Instead, a 2-year clock begins. It is a reasonable compromise, and there is to be an exception. The exception is where the Examining Division raises a lack of unity objection for the first time (in the parent or any of the divisionals).

In such a case, the clock re-starts from the date of the communication in which the non-unity objection is first raised. (UK practitioners will be familiar with such a regime from earlier but harsher provisions of the UK Patent Rules.)

DON'T COUNT ON RESTARTING THE CLOCK

Applicants should not rely on re-starting the clock after the initial 2 years have run. Rather, it will be wise to consider all possible new and inventive subject matter, and file one or more divisional applications with all the envisaged claims within the 2-year period.

File all divisonals within 2 years of first office action

Careful planning of cascading dependent claims (in the parent and again in the first divisional) may allow an applicant to make full use of the exception to restart the clock. If dependent claims are written to give meaningful fall-back positions, the Examining Division can be provoked into raising a non-unity objection, even if 2 years have passed since commencement of examination, thereby opening the possibility of filing a late divisional. (Note that a non-unity objection cannot be provoked merely by adding new claims, because Rule 137(4) prohibits amendment to unsearched subject matter that does not share unity of invention with the already searched claims.)

But this raises a question. If the search examiner has done a thorough job, he or she will have raised *a posteriori* objections to the dependent claims (i.e. objections that, with the benefit of the search results, the features of the independent claims are shown to lack novelty or inventiveness). Does such an objection start the 2-year clock? An applicant can quite properly reply that the independent claims (or the unifying dependent claims) are indeed new and inventive, but any reply, even a rebuttal, starts the clock. Recently we have noticed very long gaps between communications that would eat up the 2-year period. The concern is raised that one might make such a reply and be forced to file the divisional application before knowing whether the argument is persuasive.

Enough speculation. Let us await the Administrative Council's decision.

Other proposed rule changes

In the pipeline are the following other proposed changes:

- **Provisions to advance the examination of so-called "complex applications", i.e. applications considered to be lacking support, clarity or conciseness to such an extent that no meaningful search is possible.**
- **Obligatory response to the Search Opinion.**
- **Obligatory response to an International Preliminary Examining Report drawn up by the EPO against a PCT application.**
- **Detailed identification of basis for amendments (no change here for Jenkins – we routinely indicate to examiners where support for amendments can be found).**

Is Saga of Software Patentabilty ... continued from page one.

Both in the UK and the EPO, the way of determining whether a computer-implemented invention provides a technical contribution has developed over the years. In particular, practice in the UK has changed to take account of decisions by the Patents Court and the Court of Appeal, whereas practice in the EPO has followed decisions by the Technical Boards of Appeal. This has resulted in the approach employed in the UK Patent Office (now called the UK Intellectual Property Office or UKIPO) and the EPO varying to differing degrees at different times.

At present, the approach adopted by the UKIPO to determine if a claim is excluded from patentability follows a four stage test:

- properly construe the claim
- identify the actual contribution
- ask whether it falls solely within any of the subject matter exclusions
- check whether the actual or alleged contribution is actually technical in nature

It will be appreciated that determining the actual contribution must have some overlap with the analysis performed when assessing inventive step. But in the UK the test for patentable subject matter is quite distinct from that for inventive step. This is at least in part because the UK Courts take the view that the exclusion was introduced to exclude some inventions from patentability, and therefore it is important to determine as a question of law whether an invention was excluded, whereas assessing whether an invention involves an inventive step concerns a question of fact (i.e. "would it be obvious to a person of ordinary skill in the art?").

In contrast, the EPO has progressively merged the examination of patentable subject matter and inventive step. This has culminated in recent Appeal Board decisions which state that the computer program exclusion may be avoided by simply claiming the computer program running on a computer or stored on a storage medium (see particularly T 0424/03 *MICROSOFT/clipboard formats I*), but also state that inventive step must be assessed on purely the technical features of the claim (see for example T 0154/04 *DUNS LICENSING ASSOCIATES/estimating sales activity*). This could be viewed as saying the test for patentable subject matter is a formal test relating to the manner in which an invention is claimed, whereas the test for inventiveness is a substantive test.

In the recent *Symbian* decision by the UK Court of Appeal (8th October 2008), the current EPO approach was rejected because any computer program could avoid the exclusion simply by being claimed on a carrier. This reflects the view by the UK Courts that the exclusion was intended to be a substantial hurdle, not a formal one.

Turning to the questions referred by the President of the EPO to the Enlarged Board of Appeal, in our view they do not call into question the fundamental point that a computer program involving a technical contribution may be patentable. Rather, the questions address the relevance of the form of the claim (questions 1 and 2(A)) and how to determine whether a computer program provides a technical contribution (questions 2(B), 3 and 4). It is hoped that the answers to the referred questions will clarify:

1. The type of technical contribution which results in a computer program having patentable subject matter.
2. The extent to which patentability of subject matter should be treated separately from inventive step.

Ideally, what is wanted is an approach to assessing whether a computer program involves patentable subject matter which is reasonably straightforward to apply and which the Courts throughout Europe are prepared to adopt. In practice, this is going to be difficult to achieve unless the Enlarged Board is prepared to address the concerns of the Courts of the national jurisdictions.

Comment

It may appear that the odds are stacked against the Enlarged Board decision harmonising the approach to the computer program exclusion throughout Europe. Nevertheless, the fact that the EPO and the UK Courts both consider that the key question is whether the computer program provides a technical contribution does offer some hope that an approach may be found which allows harmony at least between the UK and the EPO. Further, even if the approaches to assessing validity remain different, there is some hope that patents relating to computer programs granted by the EPO will be upheld by the UK Courts.

QUESTIONS REFERRED TO THE ENLARGED BOARD OF APPEAL BY THE PRESIDENT OF THE EUROPEAN PATENT OFFICE

QUESTION 1

Can a computer program only be excluded as a computer program as such if it is explicitly claimed as a computer program?

QUESTION 2

(A) Can a claim in the area of computer programs avoid exclusion under Art. 52(2)(C) and (3) merely by explicitly mentioning the use of a computer or a computer-readable data storage medium?

(B) If question 2(A) is answered in the negative, is a further technical effect necessary to avoid exclusion, said effect going beyond those effects inherent in the use of a computer or data storage medium to respectively execute or store a computer program?

QUESTION 3

(A) Must a claimed feature cause a technical effect on a physical entity in the real world in order to contribute to the technical character of the claim?

(B) If question 3(A) is answered in the positive, is it sufficient that the physical entity be an unspecified computer?

(C) If question 3(A) is answered in the negative, can features contribute to the technical character of the claim if the only effects to which they contribute are independent of any particular hardware that may be used?

QUESTION 4

(A) Does the activity of programming a computer necessarily involve technical considerations?

(B) If question 4(A) is answered in the positive, do all features resulting from programming thus contribute to the technical character of a claim?

(C) If question 4(A) is answered in the negative, can features resulting from programming contribute to the technical character of a claim only when they contribute to a further technical effect when the program is executed?

PPH BEFORE THE EPO

Highway to Heaven or Hiding to Nowhere?

We have mentioned that the EPO has launched its "Patent Prosecution Highway" pilot program in conjunction with the US Patent and Trademark Office (USPTO). The President of the EPO says the two offices are "washing each other's dirty laundry". This sounds like an unnecessary duplication of work, but might it mean that neither office is satisfied with the quality of the laundry coming out of the other office? In other words, are we entering a brave new world in which the EPO will "rubber stamp" the US claims for grant in Europe, or would the EPO be content to see the pilot fail so as to justify separate examination in the different offices?

LIMITED ELIGIBILITY

So far, the EPO pilot is not open to ex-PCT applications that have entered the European regional phase. This significantly cuts down the corpus of applications that are eligible. We

Continued overleaf

HOW PPH WORKS AT THE EPO

To take advantage of PPH, all the claims in the EP application must "sufficiently correspond or be amended to sufficiently correspond" to the patentable/allowable claims in the USPTO application(s). Claims will be considered to "sufficiently correspond" where, accounting for differences due to claim format requirements, the claims are of the same or similar scope.

A claims correspondence table must be filed indicating how all the claims in the EP application correspond to the allowable claims in the USPTO application(s).

The applicant must submit:

(i) a copy of all the Office actions (which are relevant to patentability) for each of the USPTO application(s) containing the allowable claims that are the basis for the request; and

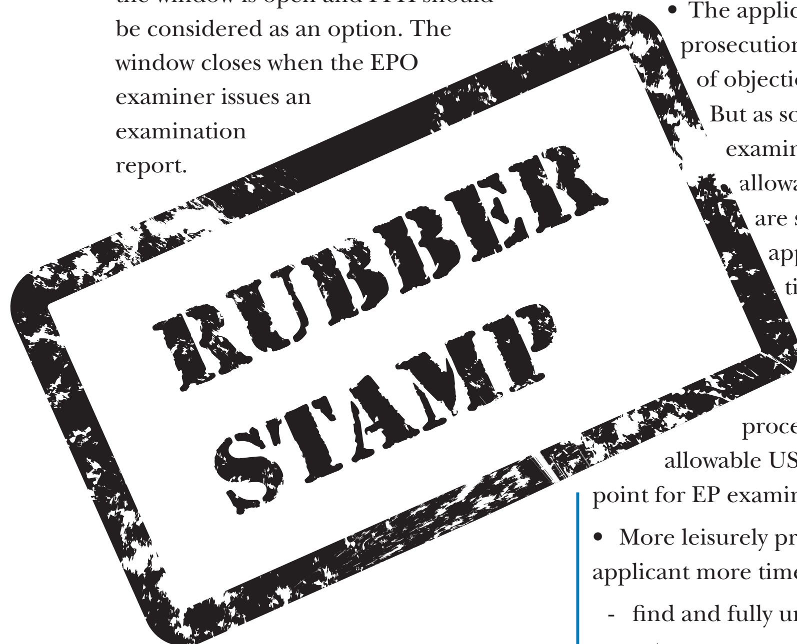
(ii) copies of all the documents cited in the USPTO Office action (and translations in one of the EPO official languages) except for EP patents or published EP patent applications.

Where the request for participation in the PPH pilot programme is granted, the EP application will be advanced out of turn for examination and will be processed in an accelerated manner under PACE.

anticipate it will be extended in the near future, just as other bilateral PPHs between other offices have been extended.

A NARROW WINDOW

For a given application, the window of opportunity to enter PPH may be quite narrow. The application must not be so recent that the US prosecution has not reached a successful conclusion nor so old that examination in the EPO has begun. Our recommendation to clients is that when they receive a Notice of Allowance from the USPTO, they should check the status of prosecution of the EP patent application (this can be checked online, or we can check this). If examination has not yet commenced in the EPO, the window is open and PPH should be considered as an option. The window closes when the EPO examiner issues an examination report.



NO RUBBER STAMP

Do not be surprised if the outcome of the pilot program is somewhere between the extremes of "rubber stamping" the US grant and complete failure of the pilot. We expect the EPO to conclude that the granted US claims are a better starting point for examination than the originally pending claims, so that part of the examination process can be leap-frogged, but that a granted US patent is not an indicator of likelihood of success before the EPO.

IS IT WORTH IT?

One might say "gee whizz". All those preconditions just to get accelerated examination, which one can request anyway under the EPOs PACE program, and for which there is no fee.

The PACE program is not heavily utilized. It is there to permit users to jump the queue, but many users are content to let examination proceed at a leisurely pace. There are a number of reasons for not hurrying. For example:

- The applicant can delay the cost of grant (although this is much less expensive now that the London Agreement reduces the translation requirement in many of the more important states).
- The applicant can delay prosecution pending resolution of objections in other offices. But as soon as the US examiner has identified allowable claims that are satisfactory to the applicant, that is a good time to request PACE, as contemplated by the PPH, which additionally proposes proceeding direct to the allowable US claims as the starting point for EP examination.
- More leisurely prosecution gives the applicant more time to:
  - find and fully understand the prior art;
  - bring product to market (and evaluate whether the patent claims re useful in protecting the final product); and
  - monitor competitor activity and ensure if possible that the patent claims cover it.

IS THERE A DOWNSIDE?

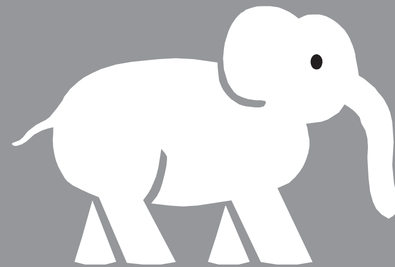
We will mention two possible downsides.

1. PERHAPS BROADER CLAIMS ARE AVAILABLE IN EUROPE

Objections raised by the US examiner that have caused the applicant to amend before the USPTO may not be applicable in the EPO. One example is objections based on prior art under 35 USC 102(e) which is not prior art under the EPC. Another example is an obviousness objections based on combinations of US patent references. The law that governs permissible combining of references is different in the two offices.

2. FILE HISTORY

If the EPO examiner comments negatively on the granted US claims, might this damage the credibility of the US patent? The EPO file history is readily available online, and licensees, potential licensees and litigants may be emboldend to flaunt the claims of the US patent if the European examiner rejects them. Applicants may prefer to deal with objections from the EPO examiner from the starting point of the claims of the application. If the US granted claims are the starting point, then any further comment or amendment is in addition to what is available through the USPTO file history.



TRIWAY PILOT PROGRAM – A White Elephant?

The Triway Pilot Program (TPP) is a project proposed by the Trilateral Offices (EPO, JPO and USPTO) with the aim of i) eliminating duplication of work for search and examination and ii) reducing the time period for examination. It commenced on 28 July 2008 and will end on July 28, 2009 or upon the acceptance of 100 requests submitted to the USPTO as the office of first filing.

HOW IT WORKS

- An applicant files an application at the USPTO (with a request for participating in the program) and, within 4 months, a corresponding application at the EPO and JPO claiming priority from the first application.
- The USPTO produces a search report within 6 months from the filing date, sends it to the applicant for forwarding to the EPO and in a similar manner it cascades through the EPO and into the JPO, building up cited references at each step.
- The JPO provides the first action to the applicant who forwards a copy to the EPO and the USPTO.
- Finally, the EPO and the USPTO carry out their examination using the information provided by the other two offices.

Comment

The Trilateral Offices are making efforts towards cost-effective examination by sharing resources. This particular scheme is unattractive. The biggest problem is stage 1. The applicant has only 4 months to file the applications in the second and third offices. He/she can ***neither*** use the full 12 months available under the Paris Convention **nor** expect any search report before committing to filing at the second and third offices.

These days, the second point is perhaps not a loss. The USPTO rarely provides a first office action before the time comes for deciding on EPO and JPO filing (not so in the EPO and UKIPO, where the search report is generally quicker). But that is why the PCT route is so popular. It gives another 18 or 19 months and almost guarantees a search report in that time. It would be a confident applicant who knows at the outset that no matter what the offices may throw back, he or she will be proceeding in the EPO and JPO. (Not to mention the drawbacks of bringing all the filing and translation costs forward to the first four months, and the loss of eight months at the end of the patent term.)

The advantages of the Paris Convention and/or the PCT seem to outweigh those of the Triway program. The USPTO will be lucky to get 100 Triway requests in the set year. This particular scheme may not get far, but we look forward to other initiatives to share examination results and improve efficiency of patent examination and grant.

NO DIVIDING OF EURO-PCT WITHOUT PAYING FEES FOR THE PARENT

Under the EPC 2000, unsearched subject-matter in a PCT application, for which the EPO is the International Searching Authority, is lost from the Euro-PCT application. An applicant must file one or more divisional applications in the European regional phase to recover the subject-matter (see Autumn 2007 edition of this newsletter at *http://www.jenkins.eu/pi-autumn-2007/early-effects-of-epc-2000.asp*).

What if the applicant has lost interest in the claims that have been searched and wants to proceed in the European phase with claims that have not been searched? This has become an important question.

Regrettably, the answer is that a Euro-PCT application cannot be divided until the PCT application has *entered the European phase,* and this requires payment of the national fee, and (subject to certain exceptions) the designation fees and the examination fee. If the fees for the parent are not paid, it is deemed withdrawn at the same moment as it enters the European phase. Requesting early entry without paying the fees has no effect.

Entering the European regional phase and paying the necessary fees is a waste of money if the application is to be abandoned after it has served to provide basis for a divisional application.

If, therefore, you receive an ***International Search Report from the EPO raising a lack of unity problem,*** carefully evaluate the relevant matters in the application ***before the chance for having them searched at the International phase is gone.***

The situation is different if the EPO is not the ISA (e.g. where the USPTO or JPO conducted the International Search). In such cases, the applicant still has a chance to have the subject-matter searched in the European phase by presenting it first in the claims on EP entry.

An expanded version of this article giving a more complete explanation can be found on our website version of this newsletter, **Patent** ***issues*** - Spring 2009.

ABOUT OUR FIRM

OBITUARY

It is with sadness that we inform you of the passing of our former partner, ***John Warden***. John had a colourful early life, having been born in Singapore in 1933 he fled with his mother and brother to India during the war. He later studied chemistry at Oxford and worked in Tanzania. He joined Jenkins in 1964 and was a partner with the firm for some 20 years. John worked for a wide range of British and overseas clients and enjoyed drafting and prosecuting applications for private inventors as well as corporate clients.

We extend our heartfelt condolences to his family and friends.

NEW JOINERS:

ALASTAIR LOWE

Associate

We welcome Alastair to our Bristol office Electronics practice. Alastair has a Masters Degree in electronic engineering and computing from Sheffield University. Before his studies Alastair worked for a large nuclear power generating company in a simulation programming role. After completion of his MEng, Alastair joined a large private practice where he worked in mainly electronics and computing fields drafting and prosecuting patent applications and providing infringement and validity opinions. His main technical areas of expertise include microprocessor architecture, computer systems architecture and wireless communication systems as well as all aspects of computer software.

WHO	WHERE	WHEN
David Musker Marianne Field	Nanotech Tokyo 2009 Tokyo, Japan UK Trade & Investment Pavilion	February 18 -20
Stephen James David Musker Tim Pendered Roger George Hazel Buckley Katie Cameron	INTA 2009 Annual Meeting Seattle WA, USA **Jenkins Hospitality Event:** We have booked our INTA 2009 hospitality venue at the Edgewater Hotel, located downtown Seattle. All INTA visitors are welcome to visit us anytime throughout the day over the 17 - 19 of May. Please contact us to request an invitation or set up a meeting with a member of our Trade Marks Group.	May 16 – 20
Reuben Jacob Sarah Taylor Kei Enomoto	BIO International Convention 2009 Atlanta GA, USA	May 18 - 21
Hugh Dunlop James Cross	AIPLA 2009 Annual Meeting Washington DC, USA	October 15 - 17
David Musker Reuben Jacob	APAA Council Meeting Hong Kong	November 18 -22
For event enquiries please contact Lauren Culley at lculley@jenkins.eu		

MARIANNE FIELD

Technical Assistant

We welcome Marianne to our Life Sciences practice. Marianne has a Masters degree in Chemistry and a PhD in Materials Chemistry from the University of Southampton. She studied inorganic chemistry in particular and enjoyed a six month research placement at the Ecole Nationale Superieure de Chemie in Montpellier, France. Marianne joins us from the in-house patent department of Johnson Matthey. She has worked in a wide range of technologies including catalysis, precious metals, pharmaceuticals and materials, and is involved in all aspects of patent prosecution work.

RETIREMENT

Ken Brown announced his retirement from the partnership with effect from January 2009. He has completed 29 years with Jenkins, over which time he has developed extensive relationships with firms of Japanese Patent Attorneys and with direct patent departments of Japanese manufacturing companies, primarily in the electrical, electronics and optics fields. Ken has also built a name for himself as a tenacious advocate before the UK and European patent offices, especially in the difficult field of computer-related inventions.

As Chairman of the firm's Finance Committee, Ken has led the firm through sustained steady growth from just over forty staff to nearly one hundred, with a doubling in the size of the partnership.

Ken will continue with the firm as a consultant on a part-time basis.

Please send me a copy of

❑ Patent Issues ❑ Design Features ❑ Make Your Mark

❑ *Please delete me from your mailing list*

Please either return a copy of this page to Lauren Culley at Jenkins.
Fax No. +44(0)20 7222 4660 or email: lculley@jenkins.eu

Name: Company:

Address:

The information contained within this Newsletter is not intended to provide an exhaustive or comprehensive statement of current law or practice. No reliance should be placed upon it as a basis for any legal action or commercial decision and for any individual case specialist professional advice should always be sought in order to determine the applicability of any relevant legislation.

™Jenkins, the Jenkins logo, R.G.C. Jenkins & Co., and **Patent** *issues* are trade marks.
© R.G.C. Jenkins & Co. 2009
Jenkins is the trading name of R.G.C. Jenkins & Co.

If we can offer you advice on the topics discussed in this Newsletter or any other intellectual property matter, please contact us at:

London
26 Caxton Street
London SW1H 0RJ
Tel: +44 (0) 20 7931 7141
Fax: +44 (0) 20 7222 4660
E-mail: info@jenkins.eu
Internet:www.jenkins.eu

Munich
Martiusstrasse 5
80802 Munich
Germany
Tel: +49 (0) 89 340 77 26 - 0
Fax: +49 (0) 89 340 77 26 -11
E-mail: munich@jenkins.eu

Alicante
Edificio Marina
Ave Maisonnave 41-6C
E-03003 Alicante
Spain

Bristol
Broad Quay House
Prince Street
Bristol
BS1 4DJ
Tel: +44 (0) 117 975 8642
Fax: +44 (0) 20 7222 4660