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Subject : Towards an Enhanced Partnership between Patent Offices under the Community Patent

Delegations will find in Annex a Presidency working document for discussion at the meeting of the Intellectual Property (Patents) Working Party on 17 February 2009.

Towards an Enhanced Partnership between Patent Offices in Europe
under the Community Patent

Introduction

1. The present working document provides reflection on possible cooperation arrangements for the proper functioning of the future Community patent system. After outlining the current situation for European patents, it recalls some of the collaborative projects between patent offices that have taken place since the adoption of the Common Political Approach of 2003¹. It strives to establish the objectives to be achieved by future cooperation under the Community Patent and to explore possible ideas of meeting these aims. These suggestions are put forward with the intention of stimulating further deliberations between Member States in this area in order to achieve an effective system that provides timely delivery and high quality patents for European businesses.

2. The Common Political Approach of 2003 mentioned the role for both the European Patent Office (EPO) and National Patent Offices (NPOs). After reasserting the central role of the EPO in the examination and grant of Community patents, it elaborated on the important contribution that NPOs would make in various ways prior to this stage. This included conducting novelty searches by NPOs in Member States having an official language other than the three official languages of the EPO, advising SMEs and disseminating patent information. It also emphasised the partnership between the EPO and NPOs in performing search work under the Community patent, assuring compliance with objective common quality standards.

3. The work-sharing arrangements agreed for the Community patent in the Common Political Approach were decided amidst the background of a rising demand for European patent applications and concerns that the introduction of a Community patent would add further strain on examination resources at the EPO. Even without a Community patent, applications for patents at the EPO have risen sharply in recent years. Worldwide, backlogs of unexamined applications have grown to

¹ Doc. 7159/03.

alarming levels, resulting in what has been referred to "global warming" of the patent system. The increase in patenting in rapidly-growing economies such as China and Korea also poses new challenges. Innovative solutions are needed to improve accessibility to the state-of-the-art published in these languages in order to achieve quality decisions on the novelty and obviousness of new patent applications in Europe.

4. Meanwhile, the capacity of NPOs in providing innovation support facilities, in particular to SMEs, in Member States under the Community patent needs to be safeguarded. There is concern whether NPOs can maintain sufficient technical capacity to perform these functions if the balance between national patent applications and European/Community patent applications is shifted towards the latter.

5. Following the failure of the Council to reach an agreement on the basis of the Common Political Approach of 2003, a strategy debate on cooperation between the European Patent Office and national patent offices of Contracting States of the European Patent Organisation took place from 2004 to 2006, with emphasis on work under the Patent Cooperation Treaty (PCT). This has led to the creation of the European Patent Network (EPN)². One of the four pillars of this network concerns utilisation by the EPO of work done by NPOs. This has been set up as the Utilisation Pilot Project (UPP)³, where further phased roll-out was endorsed by the Administrative Council of the EPO in December 2008. Another element of the EPN is "User support activities" under which reclassification tasks and special searches are produced by NPOs. A wider element within this network is the implementation of a European Quality System for participating NPOs to achieve convergence and continuous improvement in the quality of their products and services, and enable them to participate in any utilisation of their search results by the EPO.

6. In light of these developments, in particular the new collaborative networks between patent offices within the European Patent Organisation aiming at reducing duplication of work and maximising the potential of existing resources, Member States are invited to explore possible avenues that could be pursued for cooperative arrangements under the Community patent.

² EPO document CA/120/06.

³ EPO document CA/121/06.

Objectives for a future patent system in Europe

7. A useful starting point for this exercise is to have in mind the objectives that should be fulfilled by the future patent system with a Community patent. Patenting costs need to be affordable for businesses in Europe, especially SMEs. The system should also result in the delivery of high-quality rights providing legal certainty without undue delays.
8. Cooperation between patent offices in pursuit of this goal should therefore be based on the following criteria:
- a) The quality of the patent system should maintain its current high levels compared to patent systems in other major economies and should even further improve in the future, as the "Raising the bar" initiative underway at the EPO strives to achieve. It is crucial to avoid any deterioration from the current high standards of patents granted by the EPO. With its critical mass of around 3500 examiners who are fluent in several different languages and possess a very high degree of skill and knowledge in their field of specialisation, the EPO is regarded as a world leader in patent examination.
 - b) The EPO plays a central role in the grant of high quality European patents, and will be pivotal to the success of the Community patent. Given the strength and depth of technical expertise at the EPO, it is undisputed that the Community patent should be entrusted to the EPO. The EPO must remain responsible for the examination and the grant of the Community patent.
 - c) The EPO should continue to meet its operational costs in order to guarantee the long-term financial security of the Office under a Community patent system and retain a high quality workforce.
 - d) Backlogs of unexamined patent applications need to be reduced without a detrimental effect to the quality of rights granted. A possible increase in backlogs due to the introduction of the Community patent should be avoided. Delays cause uncertainty to companies, which particularly impacts on innovative SMEs in bringing their ideas to the marketplace. In fields where the progress of technology is rapid and product cycles are short, and in areas of strategic importance, a situation with long pendency times for patent applications is highly undesirable.

- e) Timely delivery of patent rights in the future patent system should be improved by more efficient use of technical expertise. Unnecessary duplication of work must therefore be avoided.
- f) Enhanced partnership between patent offices should respect the preferences of users, take account of any special needs, and safeguard the principle of applicant choice.
- g) The system should make optimal use of all resources, such as IT tools. Full use and further improvement of communications technologies should take place to enable synergies to be created within the system.
- h) The patent system should provide support for the benefit of users in all EU Member States. User support for public research organisations and SMEs should be accessible, providing appropriate advice on patents and other intellectual property to facilitate knowledge transfer activities.
- i) NPOs will play an important role in the future system under the Community patent. Where services are provided to users, they will need to be up-to-date, and may require modernisation to attain high levels of efficiency.
- j) The system should have the capacity to respond to present and future European and global concerns, such as climate change and the economic crisis.

Collaboration towards an enhanced partnership under the Community patent

9. The EPO and NPOs should complement one another in meeting these objectives. Collaboration must add value to the work of the EPO as the main granting authority for patents in Europe. At the same time, NPOs wishing to participate in collaboration with the EPO in particular areas should be encouraged to do so. This should both make use of their existing expertise and strengthen their capacity to enhance the patent system in the future.

10. Future partnership under the Community patent should take advantage of recent experience gained from the European Patent Network (EPN). In particular, the Utilisation Pilot Project (UPP) could provide a useful basis for collaboration under the Community patent. This exercise aims to achieve a quality gain by the EPO examiner from utilisation of work carried out during the priority year from a first filing at an NPO, achieving at the same with a time resource savings as well as a quality gain by the EPO. Utilisation of previous work should be expanded further in a manner which maintains the freedom for patent examiners to exercise discretion on a case-by-case basis.

11. Collaboration must bring about improvements in the quality of patent rights. It is crucial to avoid any downward spiralling in patent quality compromising on the high levels currently achieved by the EPO. The European Quality System developed in the European Patent Network could provide a foundation for such collaboration to allow upward convergence in quality so NPOs can offer customers high quality products and services. This should also make full use of feedback mechanisms between the EPO and NPOs. This exercise should be conducted in a manner that permits the goals highlighted by the ongoing "Raising the bar" process at the EPO to be reached.

12. A common ground should be explored, so that all NPOs who wish to do so are able to participate in collaborations with the EPO under the Community patent. This could add to the effectiveness of the system administering the new unitary Community right. The Commission could therefore be invited to explore possibilities of Community funding for improving the expertise and infrastructure of NPOs within such cooperation.

Further improvements and value added to European Patent Network, in particular to the Utilisation Pilot Project

13. With respect to the objectives previously presented, in particular those linked to quality standards, specific targeted measures could be considered to address any particular needs to make collaboration under the Community patent regime a possibility. For further roll-out of the UPP, actions will need to be taken to enhance the infrastructure of NPOs so as to satisfy certain pre-requisites for efficient cooperation with the EPO under the Community patent.

14. Participating NPOs will need **enhanced IT systems** that meet minimum levels. Internal software applications should be compatible with those at the EPO along with improvements in remote access to IT systems of the EPO or NPOs with specific skill in that domain. Examiners in NPOs should have at their disposal the same databases for searching on the EPOQUE platform as EPO examiners. This will require remote access networks offering fully secure connections. Efforts should also be made in modernisation of document receipt and file management systems at NPOs to aim for full electronic document management systems that can be integrated with those used at the EPO.

15. There will also be a need for examiners to receive further **training for efficient collaboration** with the EPO. There are a number of possibilities to facilitate the adaptation of patent examiners in NPOs to perform collaborative work under the Community patent. Best practices can be spread through exchange programmes between the EPO and NPOs. Another possibility that could be explored is a programme of temporary secondment of EPO examining staff to NPOs who could provide training on the job. The European Patent Academy already has a unit dedicated to addressing staff training needs in NPOs and this experience could be a basis to provide tailored training to these NPOs.

16. NPOs might choose to focus expertise on particular subject matter where they can attain levels of excellence in quality. Collaboration involving NPOs could build on their diverse strengths and take advantage of any technological specialisation.

17. Initiatives to address **language issues** for NPOs that do not work in an official language of the EPO could also be taken. Some of those NPOs are in any event expected to produce search reports in one of the EPO languages. For others this may at least initially be a less attractive option. Under the Community patent, the current idea is to facilitate access to patent documents by providing machine translations of patent specifications for information purposes. Efficient use of the machine translation programme and its extension to further language pairs could overcome possible language obstacles. By building on work in this area at the EPO, machine translation tools could help in producing and using search reports and preliminary opinions on patentability.

Next steps

18. The present document provides some avenues to explore in designing a European patent system under the Community patent that stimulates innovation and the dispersion of knowledge and new technologies. Member States are invited to reflect on these ideas and put forward any complementary features for cooperation under the Community Patent. If sufficient support is given to explore these avenues further, the Presidency is willing to develop them further, in collaboration with the Commission services, to propose more concrete lines of action that could implement the above ideas and achieve broad consensus from Member States on future system under the Community patent.
