

# Harmonization of Patent Litigation and Substantive Patent Law

Dietmar Harhoff

Ludwig Maximilians University Munich (LMU)

**6th EPIP Conference**

Santiago de Compostela – Oct. 7/8, 2005

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# Overview

- National Patent Systems in a Globalized World
- Economic Issues
  - Wasteful Duplication
  - Systems Competition
- European Litigation Systems
- Harmonization of Substantive Patent Law
- Introduction of Speakers

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# National Patent Systems in a Globalized Economy

- patents are national rights, subject to national laws
- differences in patent law, procedures (e.g. assessing inventive step/non-obviousness, ...) and institutions (cost allocation in courts, funding of patent offices, ...) cause differences in allowable subject matter, scope of granted patents, patent quality, selection for trial/litigation, ...
- Patents paradox – while patent systems led globalization processes in the 19th century (Paris Convention), are they now becoming the laggards in globalization?

# National Patent Systems in a Globalized Economy

EPA/Europa	<ul style="list-style-type: none"> <li>• state of the art searched mainly by EPA personnel</li> <li>• problem and solution approach</li> </ul>	<ul style="list-style-type: none"> <li>• examiners with university degrees, many Ph.D.s</li> <li>• duration: about 4.2 years</li> <li>• p=67%</li> </ul>	<ul style="list-style-type: none"> <li>• opposition and appeal</li> <li>• p=7,9%</li> <li>• one third revoked, one third amended</li> </ul>	<ul style="list-style-type: none"> <li>• national fragmentation</li> <li>• average costs per country up to €300.000</li> <li>• p=0,9% (Germany)</li> </ul>
USPTO/USA	<p><b>search</b></p>	<p><b>examination</b></p>	<p><b>control instances</b></p>	<p><b>court system</b></p>
	<ul style="list-style-type: none"> <li>• state of the art provided by applicant</li> </ul>	<ul style="list-style-type: none"> <li>• most examiners with polytechnic degree</li> <li>• duration: about 2.5 years</li> <li>• p&gt;90%</li> </ul>	<ul style="list-style-type: none"> <li>• re-examination</li> <li>• p&lt;0.5%</li> </ul>	<ul style="list-style-type: none"> <li>• average costs \$4 million</li> <li>• p=1.1 – 3.2%</li> <li>• in tendency in favor of patent holders</li> </ul>

# Economic Issues

## ■ Wasteful Duplication

- ❑ search, examination, control and conflict resolution are being duplicated
- ❑ should we have one WPO (World Patent Office) backed up by harmonized patent law and harmonized court systems?
- ❑ how much harmonization of the general legal systems would be necessary for that purpose?

## ■ Systems Competition/Forum Shopping

- ❑ having different systems in parallel can generate important signal regarding quality and efficiency
- ❑ example 1: PCT applications vs. EP-direct
- ❑ example 2: International Search Authorities

# European Litigation Systems

- patent litigation is rare, but important – the tail that wags the dog
- currently harmonization of search, examination and control instances
- fragmented national litigation system
- high costs of patent enforcement, heterogeneous outcomes (e.g., *Epilady* case)
- two major proposals on the table
  - EPLA (European Patent Litigation Agreement)
  - EPC (European Patent Court, in conjunction with Community Patent)

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# European Litigation Systems

- What are relevant design issues?
  - ❑ litigation vs. validity (separate or joint treatment)
  - ❑ costs and cost allocation
  - ❑ speed
  - ❑ technical expertise
  - ❑ inclusion of national courts
  - ❑ choice of judges (experience or politics)
  - ❑ allowed languages

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# Harmonization of Substantive Patent Law

- patent granting procedures (search, examination, post-grant reviews) are similar across countries
- (subtle?) differences in SPL require duplication
- harmonization would allow further consolidation of patent systems and reduction of costs now wastefully spent on duplication



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# Harmonization of Substantive Patent Law

- June 2000 – adoption of the Patent Law Treaty (PLT), harmonization of formal procedures
- Standing Committee on the Law of Patents (SCP) at WIPO to develop plans for harmonization of substantive patent law
- November 2000 (4th session) – decision to focus on issues of **definition of prior art, novelty, inventive step/non-obviousness, industrial applicability/utility, the drafting and interpretation of claims and the requirement of sufficient disclosure of the invention** – decision to postpone discussion of first-to-file versus first-to-invent systems, 18-month publication of applications and a post-grant opposition system

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# Harmonization of Substantive Patent Law

- May 2001 – consideration of a first draft of the SPLT (Substantive Patent Law Treaty)
- May 2004 - proposal submitted to SCP at its 10th meeting by USA, Japan and EPO to focus initially on definition of prior art, grace period, novelty and inventive step
- Sept./Oct. 2004 – above proposal submitted to WIPO General Assemblies by USA and Japan
- June 2005 – proposal to fasttrack certain issues was considered – no consensus reached

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# Harmonization of Substantive Patent Law

- issues to be addressed
  - prior art
  - grace period
  - novelty
  - inventive step
  - sufficiency of disclosure
  - genetic resources

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# Introduction of Speakers

- Dieter Stauder
- Panagiotis Prigopoulos