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Relocation of the Boards of Appeal to Hear is in Accord with the EPO

German Design Law Undergoes Further Harmonization

M I C H A L S K I



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The Enlarged Board of Appeal in Case G 2/19: An Appeals Against an Issued Patent Which Appears Inadmissible on Its Face Fails to Exert Any Suspensive Effect.

Relocation of the Boards of Appeal to Hear is in Accord with the EPO

On July 16th, 2019, oral hearings were already held at the Serenade in Munich to deal with questions that had been referred to the Enlarged Board of Appeal (EBA) as part a somewhat unusual appeal proceeding¹. Thus, the guiding principles of the eventual decision have already been set forth.

Decision T 831/17, which occasioned the referral questions, had been handed down in response to the attempt by a third party, presumably acting as a straw man, to lodge an appeal against the issuance of a patent based on clarity objections. The Board of Appeal adjudicating the matter had signalled that it regarded the appeal as neither admissible nor well-founded and had called for the proceedings to take place in Hear, whereupon the third party had applied for a transfer to Munich, on the grounds that Hear had not been designated in the EPO as a *'venue for legal acts or proceedings.'*

It was not until February 25th, 2019, i.e. less than five months before the scheduled hearings before the EBA, that the Board of Appeal referred the following questions to the EBA in the context of written interim decision:

1. *In an appeal proceeding, is the right to hold oral hearings pursuant to Article 116 EPO restricted if the appeal is inadmissible on its face?*²
2. *Assuming the answer to Question 1 is yes: If an appeal against a decision granting a patent is deemed inadmissible in this sense, having been lodged by a third party within the meaning von Article 115 EPO who has thereby credibly shown that the EPO provides no alternative legal remedy against a decision taken by the Examination Board, does it follow that his objections regarding an alleged violation of Article 84 EPO need not be considered?*
3. *Assuming the answer to the first two questions is no, can the Board conduct the oral hearings in Hear without violating Article 116 EPO if the appellant has objected to this venue as being non-compliant with the EPO and has petitioned for the proceedings to be transferred to Munich?*

As regards the first referral question, the Enlarged Board of Appeal had already determined in Decision G 1/97 that the right to oral hearings could not be exercised for applications that were *'...necessarily inadmissible because a non-existent legal remedy ... is being used.'*³ In this particular instance, the EBA determined that the referral was inadmissible insofar as the first referral question was involved.

¹ As we reported in MH-Newsletter 3/2019

² See the last paragraph of the Decision under Point 4.6 of the Reasoning.

³ For further detail, see Point 6, last paragraph of Decision G 1/97, as cited under Point 4.2 of the Reasoning in Decision T 831/17

In Our Own Affairs

We still have vacancies for our preparatory course for Part C and D of the European Qualifying Examination (EQE) on 12/13 December 2019. The course scheduled for 30 November /1 December 2019 is already full booked, however, so that interested persons will have to place their names on a waiting list. The course focuses on test-taking techniques and strategies that can help candidates avoid errors and maximise their chances of passing the C and D portions of the EQE. Our experience has shown that well-prepared text-taking materials can significantly raise the chances of success. Our intention is to impart the required methodology to the course participants. Inasmuch, the course should be regarded as a supplement to a thorough grounding in the legal principles of the European Patent Convention.

The course participants will learn how to apply their substantive knowledge of the EPC as broadly as possible in order to help them pass Parts C and D of the EQE. The courses are free of charge and will be held in Dusseldorf at our offices on Speditionstrasse 21. The course lecturers will be Dr Torstein Exert, Dipl.-Ingo. Andreas Urschel and Dr Alloys Hüttermann.

You may register via email at eqe@mhpatent.de. (Please include your full name, your employer, and your preferred date.)

The EBA clearly not leave the first referral question unanswered, however. As explained below, it actually used the second referral question to answer the first referral question as well. To this end, the this EBA deviated from the verbatim wording of the second referral question in the process of answering this question.

The second referral question itself was answered in a merely implied manner by the Enlarged Board of Appeal. Apparently, the EBA did not deem it necessary to expressly re-confirm the inadmissibility of the appeal, which was already patently obvious. Rather, using a simple confirmation, it ventured much farther afield – namely into legal territory which the referral question submitted had not even remotely dared to touch upon. Thus, the EBA held as follows: *'A appeal lodged in this manner does not exert any suspensive effect.'*

In so doing, the EBA is presumably signalling its clear disapproval of the approach used by the appellant. Recall that such suspensive effect is actually stipulated for every appeal in the second sentence of Article 106(1) EPO. Said suspensive effect serves to prevent the consequences of a decision against which an appeal has been lodged from taking effect immediately after the decision's issuance.⁴ The suspensive effect lapses once the appeal has been denied by virtue of a decision. From that point forward, the contested decision begins to exert its full effect in retroactive fashion.⁵ In Decision G 28/03, a Board of Appeal had previously clarified that even an appeal that was evidently inadmissible from the outset would still exert suspensive effect.⁶ At that time, the adjudicating Board had explained that it was reasonable to expect *'that an appeal against a decision on the issuance of a patent ... pursuant to Article 107 sentence 1 EPO would eventually be held inadmissible and that it should therefore not make it possible to file a partial application while the appeal proceeding is still pending.'* Such an (incorrect) line of interpretation would give rise to a safeguard against abusive appeals.⁷

Against this backdrop, the current statement by the EBA should probably be seen as a clarification of the limits of the suspensive effect. It is entirely possible that the EBA sees this as a safeguard against abusive appeals. So it remains to be seen which explanations the EBA will provide on this point in its written decisions. But this is by no means the first decision in which the EBA has set limits on the suspensive effect of an inadmissible appeal. Thus, the conclusion that a suspensive effect will not necessarily be triggered in all cases can already be derived from Decision G 1/97. For in said decision the EBA held⁸ that the suspensive effect could only derive from ordinary legal remedies, *'in other words from ones that are not directed against decisions which are not yet conclusive and final.'*

As already mentioned earlier, the EBA also used the second referral question to take a position on the right to hold oral hearings. Here, it made clear that a third party who files an appeal against the issuance of a patent is entitled to oral hearings. This statement of position should at least partially bring to an end what the referring Board described as inconsistent practices on the part of the Boards of Appeal when it comes to the holding of oral hearings.⁹ Whether and to what extent oral hearings will be held in the future when an appeal is manifestly inadmissible will probably depend on the explanations which the EBA will provide in the reasoning for its decision. So also in this regard, it will be interested to see what the written decision has to say.

Finally, the EBA answered the third referral question with a clear 'yes': The holding of oral hearings before the Boards of Appeal in Hear is in accord with Articles 113(1) and 116(1) EPO. In so doing, the EBA has avoided an open disagreement with former EPA President Battistelli as well as its current President Campinos.

⁴ See the first sentence of the guiding principle of Decision J 28/03.

⁵ See Point 4.1 of the Reasoning for Decision J 4/11.

⁶ See Point 18 of the Reasoning.

⁷ See Point 11 of the Reasoning.

⁸ See Point 2a) of the Reasoning.

⁹ See Point 4.1 of the Reasoning.

In Our Own Affairs

Our law firm is currently seeking patent attorneys (male/female/other), particularly in the field of information technology, as well as candidates (male/female/other) in all other areas of specialty. If interested, please contact Ms. Judith Flessner at bewerbung@mhpatent.de

Our law firm Michalski · Hüttermann & Partner was awarded 'Europe's Leading Patent Law Firm 2019' by the Financial Times. We would like to thank our clients for their trust.

IAM recommends Guido Quiram as 'World's Leading IP Strategist' in the IAM Strategy 300 edition: 'World's Leading IP Strategist ... are leading the way in the development and implementation of strategies that maximise the value of IP portfolio'

German Design Law Undergoes Further Harmonization

With its decision in the *Sportbrille* (Sports Goggles) (I ZB 26/18) and *Sporthelm* (Sports Helmet) (I ZB 25/18) cases, the German Supreme Court (*Bundesgerichtshof*) has further harmonised the established legal precedent in Germany while adapting to the concepts elaborated by the 'CP10 Common Practice' Group, which is made up of the leading patent offices in the EU. In the proceedings giving rise to these decisions, German designs had been attacked with the argument that the registered designs pertained to differing products and were invalid because they did not represent 'a' product (i.e. one product) as stipulated under Section 1 number 1 of the Designgesetz (DesignG, Act on the Legal Protection of Designs). In point of fact, the designs in question depicted a skiing goggles and ski helmet in black & white photos, whereby the individual images showed alternating grey-shaded areas or even entirely different ornamental features. For example, one depiction showed the ski goggles with a dark upper edge and bright surface underneath, while another showed the ski goggles with a bright upper edge and a dark surface underneath. By using these depictions, the design owner wanted to show that he was not laying claim to a specific grayscale pattern or to specific ornamental features, but rather to a specific grayscale contrast level that was independent of the 'direction' of the grayscale pattern, which could be either bright-to-dark or dark-to-bright.

The Supreme Court reasoned according to the following premise, however: In principle, the design registrant could select from among differing visual means to depict his product, ones that would differ in terms of the scope of their protectability and legal validity. In the case of a purely black-white line drawing, for example only the contours of the product could be claimed, so that any combination of colours and ornamental features would be covered by the scope of protection. Colour photos, on the other hand, would serve to lay claim not only to the contours but also to the specific colour palette, thereby limiting the scope of protection accordingly. In the case of black & white photos the *'scope of protection [...] is however more narrow than when a line drawing visualization is used, given that black & white photos feature shades of grey of differing gradation. The object of protection for such registrations is a palette that corresponds to the grey shadings, rather than just any combination of colours.'* This said, the Court refused to allow the grayscale pattern to be reduced to the grey contrast level alone, given that a bright-to-dark combination and a dark-to-bright combination could most definitely lead to differing overall impression in the context of an infringement proceeding. Thus, the differing grayscale patterns and differing ornamental features constituted differing products and did not qualify as 'a' product, thereby contravening Section 1 number 1 of the Act on the Legal Protection of Designs (DesignG).

With this reasoning, the German Supreme Court expressly abandoned the legal precedent established by the decision taken in the *Sitz-Liegemöbel* (Chairs and Recliners) case (I ZR 333/98, GRUR 2001, 503), the application of which would have led to the conclusion that design protection was limited to those features that were recognizable without contradiction in the contrasting, perhaps even inconsistent depictions. In the past, a design holder who had provided an incorrect depiction of his product could at least expect to retain design protection for those shared features that were non-contradictory; now however, a design owner in such a situation must reckon with forfeiting his design completely. It follows that, in doubtful cases, one should protect slight variations of a product as separate products as part of a collective registration, rather than run the risk of forfeiting the design entirely by depicting slightly varied products in an excessively 'creative' compilation of images.



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