EPO and IPQC reach impasse in patent quality discussion

Following the publication of their respective patent quality charters, representatives from both industry and the EPO have met to discuss their views for the first time. However, with each party's views differing in some respects, the EPO has not yet responded to the companies' specific suggestions for improvement.

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- European Patent Office
- IP courts in Europe

The EPO and the Industry Patent Quality Charter (IPQC) continue their debate on quality, with no clear end point. In the meantime, other companies such as TetraPak are swelling the IPQC's ranks. ©NDABCREATIVITY/ADOBE STOCK

In autumn 2022, various companies launched the Industry Patent Quality Charter (IPQC) at the initiative of Beat Weibel, chief IP counsel at Siemens. Almost simultaneously, the EPO published its own new quality policy, which is an important component of its Strategic Plan 2023. However, the respective views differ on what constitutes patent quality and how it is to be achieved.
Earlier this month, members of the IPQC initiative met with EPO management representatives and representatives of some EPO member states to discuss their views. Subsequently, the IPQC formulated specific proposals in a letter to the EPO regarding how to address what it sees as ongoing problems.

**IPQC makes suggestions**

1. **Complete searches**
   a. Provide a search prior art for ALL claims (acc. To Art. 92, R. 61 EPC) and a commented search report raising further patentability issues (R. 62). NOT raise patentability issues first, delete critical features and search prior art only for the remaining features.
   b. Make search criteria and strategy transparent.
   c. Provide examiners with a sufficient amount of hours to come up with a comprehensive search report.

2. **Complete examination**
   a. First office action should cover all patentability requirements, including clear language of all the claims; no piecemeal approach.
   b. Ensure that members of the examining division spend sufficient time together for every application to discuss the proposal of the entrusted examiner. Dto. in opposition.
   c. Allocate a sufficient time budget to make sure that 3 pairs of eyes principle of examining division is working properly again.
   d. Analyse decisions by boards of appeal and opposition divisions to identify potential shortcomings in search and examination and develop countermeasures where possible.

3. **User feedback**
   a. Introduction of an easy-to-use, anonymous user feedback system for each office action (NPS or smiley approach).

4. **Training**
   a. Continuous and trackable external training of examiners in latest state of the art, e.g. by research institutes, universities, or industries.
   b. Trackable training of examiners, e.g. every five years on importance of patents in industry.
   c. Make incentive system for examiners transparent.

As a next step, the IPQC proposes to form four working groups with the EPO’s backing, to deal intensively with the above-mentioned key points: search, examination, training and user feedback/incentive system.

So far, according to Beat Weibel, the EPO has not taken a position on these proposals. Even when asked by JUVE Patent, the office declined to comment on the measures proposed in the letter, as well as the question of how it evaluates the industry initiative and its possible impact on patent quality.
In the past, industry representatives have repeatedly criticised the EPO for not listening to their concerns about patent quality. The IPQC founders are particularly concerned about the patent office’s continuing efforts to increase the efficiency of its examination processes. As they see it, this is resulting in the EPO becoming an increasingly profit-driven organisation.

Round table addresses issues

Furthermore, the fact that some of the EPO’s 39 contracting states rely on the income generated by patent applications is somewhat reinforcing this idea. In particular, small member states often have a keen interest in the EPO granting more patents. On the other hand, users of the system criticise how the Boards of Appeal revocation rate is rising as the number of patent applications has increased.

According to data provided by the IPQC at the discussion with the EPO representatives, while the EPO grant rate has increased from 61.5% to more than 70% between 2015 and 2021, the revocation rate at the Boards of Appeal has risen from 41% to 46% in the same time. In the users’ view, this is an indication of the EPO granting a lower quality of patents.

One industry representative told JUVE Patent, “We file patents to protect innovations, not so that the contracting states can get high renewal fees.” They added that the EPO should not forget that industry applicants, and not the contracting states, are its primary customers.

Members also expressed this concern several times during an IPQC-organised round table discussion in early December. In addition to the-then 20 members of the initiative, and another 30 or so interested parties from industry, Heike Vogelsang-Wenke, vice president of the Institute of Professional Representatives before the European Patent Office (EPI), took part. Representatives of various national patent offices were also present. According to the IPQC, it invited representatives of the EPO, but they did not attend.

EPO a gold standard

A former EPO examiner and current in-house IP counsel who was at the discussion said, “We observe that the EPO is setting itself up financially more and more like a profit-oriented company.” Their impression is that the office sees itself as competing economically with other patent offices.

In fact, the EPO compares favourably with other international patent offices. An IP chief of a US company said, “From our point of view, the EPO is the gold standard in search and documentation.”

Other participants in the discussion, however, see many of the measures as a matter of course. In the round table discussion, the head of the IP department of a large electronics manufacturer said, “Operational excellence should be a given for an organisation like the EPO, which is very well funded.”

More training on the job
Critics of the current system particularly emphasise the need for more and continuous training of the examiners. This is especially true in sectors that evolve particularly fast, such as information and communication technologies (ICT). A former EPO examiner said at the round table, “Unless examiners are properly trained, the risk is that they will stick to formalities in the examination process.” They added that rejection rates are already particularly high in new technologies.

An IP chief counsel agreed, “Further prior art research is very important. Often we get incomplete searches, which are not helpful.” The industry expects all the claims in an application to be searched.

The head of IP at a life sciences company proposed in-house training of examiners in IP departments of industry bodies, saying “Examiners need to know what the effect of their decision is outside of the EPO”. The practice of training examiners in-house used to be the case in the past, noted one IPQC member: “That way they understand the business aspect of a patent, how it is used and how it can be enforced.”

Beat Weibel

IPQC measures garner interest

It is clear that invalidated patents cost the industry a great deal of money. That is why, in the IPQC’s view, the primary goal should not be for the EPO to grant as many patents as possible.

Beat Weibel rejects the EPO management’s accusation that the IPQC’s proposals are not specific enough and that criticism of the EPO’s own quality measures is based on hearsay. He says, “The suggestions are based on our practical experience with searches, examinations and on communication with examiners, as well as former and acting directors of the EPO. They confirmed that the internal quality checks are not properly working anymore due to the focus on productivity.”
Lively discussion on LinkedIn also confirm this, with many patent experts welcoming the measures proposed by the IPQC. Singapore-based patent attorney Martin Schweiger calls the suggestions of the industry initiative pragmatic and practical. He adds, “It would already be a great progress if only half of them were put into practice.”

Fritz Flemming is a former patent examiner at the US Patent and Trademark Office. He considers the suggestion about the transparency of searches especially a real progress, saying, “With access to the actual search record, one can make informed decisions about the quality of search.”

**Raising the bar all over**

Others, however, do not see the EPO alone as responsible for implementing the measures. Patent attorney Manuel Pescher comments that the requirement for an external skill-up of examiners should also apply to patent attorneys. He asks, “How many patent attorneys really take the time and effort to understand the client’s business model and how it links to the full innovation cycle, including soft IP?”

Christoph Laub is chief examiner and lead of the ‘Legal Validity of European Patents’ project at the EPO. He criticises the IPQC’s demands for a complete examination giving the impression that patent examiners use ‘piecemeal tactics’ when examining applications. He says, “From my point of view, the shoe is on the other foot. In my reality, it is the patent representatives who often make claim amendments by confidently exploiting Art 82 EPC, which one has often hardly been able to anticipate.” The examiners must then look at these, step by step.

Retired US patent examiner Fritz Flemming also appeals for understanding for his EPO colleagues. He writes, “The job of a patent examiner is not an easy one.” According to him, the examiners have a fixed but short amount of time to pick the best references from what could be an infinite number of possibilities.

**Gathering parties**

Following the discussion in early February, the ball is now in the EPO’s court to respond to the industry initiative’s proposals. Meanwhile, other companies are joining the IPQC, most recently Tetra Pak. The discussion over quality is clearly not losing momentum among the interested industry parties.