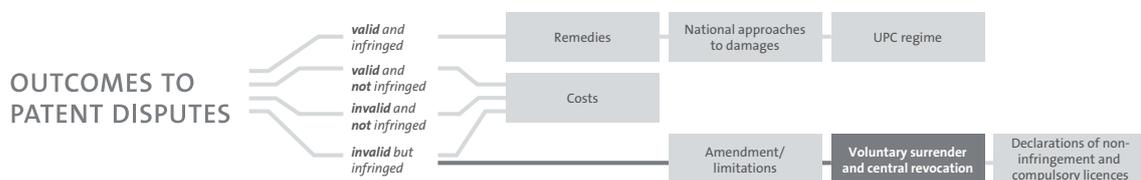


Voluntary surrender of patents and central revocation at the EPO

Essentials



Introduction

Prior to 2007, when the European Patent Convention 2000 (EPC 2000) came into force, the only way in which the proprietor of a European patent could voluntarily cancel his patent was to do so at national level, where possible, under the relevant national rules. The provisions of the EPC 2000 introduced a mechanism by which a patent proprietor may request that his European patent be revoked anywhere in the EPC countries where it exists, by a single action (Article 105a EPC).

The existence of this revocation procedure under Article 105a EPC does not, however, preclude patent proprietors from following national procedures for surrender, nor does it prevent a proprietor from choosing to let his patent lapse through the non-payment of renewal fees, both of which remain viable options, especially if the patentee is seeking cancellation of his patent in certain contracting states only. However, the effect of patent revocation using these methods is very different. If a patent is allowed to lapse due to non-payment of renewal fees, or if it is surrendered in national proceedings (at least in the UK), its revocation does not have a retrospective effect (*ex nunc*). In contrast, if a patent is revoked by the central revocation procedure at the EPO, the revocation takes effect across Europe *ex tunc*. In other words, it is deemed to have never existed (Article 68 EPC). In certain circumstances, for example where fees have been paid to the proprietor under a licence agreement, this may be a commercially important distinction, then depending on the terms of the agreement.

Central revocation at the EPO – an overview

Because some European countries did not provide for the voluntary surrender of a patent, EPC 2000 introduced **Article 105a**, providing centralised limitation and revocation procedures at the level of the EPO, which allows the patent proprietor either to have the claims of his granted patent limited or to have the whole patent revoked for all its designated states. According to the *travaux préparatoires* (preparatory work), the purpose behind the implementation of the new procedures was to facilitate legal certainty and access to the relevant technology by competitors.

Central revocation at the EPO is an *ex parte* administrative procedure before the examining division. The procedure is available for all European patents, whether granted before or after the date on which EPC 2000 came into force (13 December 2007). The proprietor will not have to explain why revocation is sought, as this is not a discretionary remedy. Indeed, Rule 90 of the Implementing Regulations to the Convention on the Grant of European Patents expressly states that the purpose underlying the request is of no relevance to its allowability.

As indicated above, the effect of the central revocation of a European patent under Article 105a EPC is that the patent in question is deemed never to have existed, i.e. it is revoked *ex tunc* (Article 68 EPC). Further, the EPO revocation procedure is an “all or nothing” regime. It does not allow proprietors to request revocation in selected contracting states. It does, however, enable them to partly revoke their European patents by seeking limitation thereof.

In most cases, simply not paying the renewal fees would be a patent proprietor’s preferred approach (“lapse”). However, voluntarily revoking your own patent may be attractive if, for example, you wish to avoid the patent being challenged by third parties, or if there is a perceived antitrust risk associated with maintaining the patent (or corresponding supplementary protection certificates) or some other reason why cancellation of the patent is deemed desirable. In such circumstances a proprietor may request revocation via the central procedure, rather than allowing the patent to lapse, in order to achieve commercial certainty faster. It would take 19 months after the last renewal date of the patent for it to lapse with no chance of restoration.

There are no provisions for the surrender of a patent at the EPO. If a proprietor unambiguously declares to the EPO that he wants to abandon his patent, this is interpreted as being equivalent to a request that the patent be revoked under Article 105(a) EPC (see T 237/86 and EPO Guidelines for Examination D-VIII, 1.2.5).

Article 105(a) EPC

Request for limitation or revocation

(1) At the request of the proprietor, the European patent may be revoked or be limited by an amendment of the claims. The request shall be filed with the European Patent Office in accordance with the Implementing Regulations. It shall not be deemed to have been filed until the limitation or revocation fee has been paid.

(2) The request may not be filed while opposition proceedings in respect of the European patent are pending.

Article 105(b) EPC

Limitation or revocation of the European patent

(1) The European Patent Office shall examine whether the requirements laid down in the Implementing Regulations for limiting or revoking the European patent have been met.

(2) If the European Patent Office considers that the request for limitation or revocation of the European patent meets these requirements, it shall decide to limit or revoke the European patent in accordance with the Implementing Regulations. Otherwise, it shall reject the request.

(3) The decision to limit or revoke the European patent shall apply to the European patent in all the Contracting States in respect of which it has been granted. It shall take effect on the date on which the mention of the decision is published in the European Patent Bulletin.

Requests for limitation or surrender are governed by **Article 105b EPC** and Rules 90-96 of the Implementing Regulations to the Convention on the Grant of European Patents. Further guidance on the procedure is set out in the Guidelines, D-X.

Central revocation at the EPO – timing and procedure

Requests for surrender can be filed at any time after grant, after opposition proceedings, or even after the patent has expired. A request for surrender can be made even when national proceedings are afoot, in which case such national proceedings may or may not be stayed (depending on national practice) pending the outcome of the proprietor's request for surrender.

In contrast, requests for surrender cannot be filed if the patent is already subject to pending EPO opposition proceedings. In such circumstances, the request for surrender is deemed not to have been filed (Article 105(a) (2) EPC) and the fee returned. However, if a surrender request is made and subsequently opposition proceedings are initiated, the surrender proceedings will continue (in contrast to limitation proceedings), and the patent may be revoked and the opposition terminated. In such circumstances the opposition would only continue if the formalities of the request for surrender were not satisfied and the request rejected or withdrawn.

In order for a proprietor to request surrender of a European patent at the EPO, the patentee must file a formal request and pay a fee (currently EUR 520: Article 2(10) Rules Relating to Fees (RFees)). The request is not deemed filed until the fee has been paid. Nationals, residents or persons having their principal place of business in a contracting state who file in an official language of that state other than English, French or German benefit from a 20% reduction in fees (Article 14(1) RFees). If the request is made in a language other than English, French or German, it must be translated into one of those languages within a month of filing of the request, otherwise the request is deemed not to have been made (Rule 6(2) EPC).

The request will be checked by a formalities officer to ensure it complies with the requirements set out in Rule 92 EPC. These include providing the name, address and nationality, and state of residence or principal place of business of the person requesting the surrender. As well as the patent number, the request must indicate in which contracting states the patent has taken effect, even if in the meantime it has lapsed in one or more of those states (Rule 92(2)(b)). It must identify the contracting states for which the requester is the proprietor of the patent, and if the requester is not the proprietor in all the contracting states in which the patent

takes effect, the names and addresses of all proprietors must be provided together with evidence that the requester can act on their behalf. Due to the retroactive effect of surrender (Article 68 EPC), such evidence is also required in cases where the patent has lapsed in one or more of the contracting states. When the requester acts through a representative, the representative's details must also be provided.

Deficiencies in the request can be rectified within a prescribed time period (Rule 94 EPC) and decisions rejecting a request for surrender as inadmissible or not allowable are open to appeal. If, on the other hand, a request for surrender is admissible, the examining division will go ahead and revoke the patent. The decision takes effect on the date on which it is published in the Bulletin, and in all the patent's designated contracting states (Article 105b(3) EPC).

National proceedings: voluntary surrender

By way of contrast and to give an indication of the alternatives available under national law and procedure, the following information concerns the availability of and procedure for surrendering a patent nationally in the UK, Germany and the Netherlands.

UK

The effect of surrendering a patent in the UK is that the patent is deemed to cease to exist as of the date when notice of the Comptroller's acceptance of the surrender is published in the Official Journal. Surrender is therefore appropriate when the proprietor no longer wishes to maintain a patent but equally does not accept that the patent is invalid and ought to be revoked. Surrendering a patent, rather than consenting to surrender in court proceedings, would be attractive to a proprietor when licence payments or royalty payments have previously been made – if the patent was revoked, it would mean that the patent would be deemed to have never existed, and any payments made under that patent could be put at risk. Nevertheless, the procedure is not commonly used and only 14 applications to surrender were made in 2014 in the UK.

In the UK, the surrender of patents is governed by **Section 29** of the Patents Act 1977, and the procedure governed by **Rule 42 of the Patents Rules**.

Although patentees must notify the Comptroller of Patents in writing if they wish to surrender their patent, there is no need for them to state the motivation for the surrender and no fee is required.

Section 29 UK Patents Act 1977 Surrender of patents

- (1) The proprietor of a patent may at any time by notice given to the comptroller offer to surrender his patent.
- (2) A person may give notice to the comptroller of his opposition to the surrender of a patent under this section, and if he does so the comptroller shall notify the proprietor of the patent and determine the question.
- (3) If the comptroller is satisfied that the patent may properly be surrendered, he may accept the offer and, as from the date when notice of his acceptance is published in the journal, the patent shall cease to have effect, but no action for infringement shall lie in respect of any act done before that date and no right to compensation shall accrue for any use of the patented invention before that date for the services of the Crown.

Patents Rule 42 Surrender

The notice of an offer by a proprietor to surrender a patent must be in writing and include:

- (a) a declaration that no action is pending before the court for infringement or revocation of the patent; or
- (b) where such an action is pending, the particulars of the action.

Any offer to surrender a patent must be published in the Patents Journal and can be opposed by any third party for a four-week period after publication (Patents Rules 76(2)(b)). The practice on opposition is governed by Part 7 of the Patents Rules 2007. An opponent would most likely be a licensee of the patent who wanted to protect his business from competitors, or a party who would benefit from the patent being revoked *ab initio* rather than from the date of surrender (for example a past payer of licence fees or royalties – see above).

Although the procedure is not very common, there have been a few recent cases before the UK Comptroller of Patents which illustrate the nuances and differences between a patent being revoked (*ex tunc*) and surrendered (*ex nunc*). If an action to revoke the patent is on-going before the UK courts,¹⁹ the Comptroller must decide whether to stay the surrender request until those proceedings are concluded (or at least until the Court is notified and has considered the implications of a surrender).

In BL O/360/14 (*Genentech Inc's Patent*) and BL O/475/02 (*Dyson*), the hearing officer found that in certain circumstances it may be appropriate to accept an offer to surrender while a surrender action is in progress, although it was acknowledged that staying the offer to surrender pending resolution of the national proceedings was the more usual course of action. The hearing officer gave the following reasons for allowing surrender notwithstanding parallel surrender proceedings in *Genentech Inc's Patent*:

- (i) The claimant and the court were both aware of the offer to surrender made by the patent-holder.
- (ii) No-one, including the claimant, had opposed the surrender.
- (iii) The court was aware of the offer to surrender and had expressed the view that it should/would continue.
- (iv) Accepting the offer to surrender in relation to one of the three patents in the revocation proceedings would not adversely affect the action and would actually simplify matters.
- (v) The claimant and the court, although they did not state it expressly, had proceeded on the assumption that the offer of surrender would be accepted.

Germany

The *Patentgesetz* (German Patent Act) (PatG) provides for two different mechanisms that allow a patentee to unilaterally remove a patent: waiver and revocation. While a waiver has effect *ex nunc*, revocation will be effective *ex tunc*.

¹⁹ The EPC and the UK Patents Act 1977 (as amended) apply equally to all parts of the United Kingdom. Jurisdictionally, however, the United Kingdom is divided into three parts: England and Wales, Scotland, and Northern Ireland. Proceedings in the Scottish courts differ markedly from those in the other jurisdictions.

Waiver (Section 20 PatG)

According to Section 20 PatG, a patent may lapse either following a “waiver” by the patentee or because of unpaid renewal fees (“lapse”).

For a waiver, the patentee has to file a written declaration with the *Deutsches Patent- und Markenamt* (DPMA) (German Patent and Trademark Office). In order to be entitled to declare a waiver, he must be registered in the patent register as the owner of the patent.

However, the declaration of waiver does not have to be expressly referred to as a declaration of waiver. It is sufficient if the declaration’s intent is clear.

A waiver may be declared for the patent in total or for independent parts thereof, such as a single claim (BGH, GRUR (1962), 294, 295/296 – “*Hafendrehkran*”). In this respect, it is worth mentioning that the waiver declared for a main claim does not automatically comprise a waiver for dependent sub-claims. Thus, all claims that should be waived have to be specifically mentioned.

The waiver is effective *ex nunc*. As a consequence, claims for injunctive relief and/or destruction cease to be available after the effective date of waiver. However, damage claims for the time before the effective date of waiver remain available. Concurrently, the validity of the patent may still be attacked in nullity proceedings in order to obtain a declaratory judgment on invalidity for the time before the effective date of waiver.

A waiver is possible even if nullity or opposition proceedings are pending against the patent. The continuation of such pending proceedings depends on whether the plaintiff can establish a sufficient legal interest in such proceedings despite the waiver. Such legal interest may be based on exposure to damage or indemnification claims for the time period before the waiver became effective.

The patent may lapse not only following a waiver of the patentee but also due to failure to pay the renewal fees (Section 20(1), second sentence, PatG). The effects of a waiver apply in the same way in such a situation.

Surrender and voluntary limitation of claims (Section 64 PatG)

According to Section 64(1) PatG, patentees may request the revocation of their patents.

According to Section 64 PatG, the patentee may be able to initiate a change of the claims of the granted patent, but not of the description. The difference between this and a waiver under Section 20 PatG is that “revocation” or limitation operates *ex tunc*.

In particular where the patent is being revoked in part, i.e. where its claims are being limited, the patentee must provide the reasons for the limitation, e.g. a notice of relevant new prior art. The DPMA will review the request in order to exclude undue claim broadening.

Section 20 PatG

Lapse of the patent

(1) A patent shall lapse if

1. the patentee waives it by written declaration to the Patent Office;
2. the annual fee or the difference are not paid in due time (Section 7(1), Section 3(3) or Section 14(2) and (5) *Patentkostengesetz* (Patent Cost Act), Section 23(7), sentence 4, of this Act).

(2) The decision whether the payments have been made in due time shall rest solely with the Patent Office; Sections 73 and 100 shall remain unaffected.

Section 64 PatG

(1) A patent may be revoked at the request of the patentee or limited with retroactive effect by amending the patent claims.

The Netherlands

The surrender of a patent under Netherlands law is governed by **Article 63 *Nederlandse Octrooiwet*** (Netherlands Patents Act). In principle, the surrender will have retroactive effect, in line with the provisions in **Articles 75(5) to (7)** on revocation.

The *ex tunc* effect of surrender lies in the fiction that the proprietor will be presumed never to have had a right to enforce the patent or collect reasonable compensation in the interval between the filing of the application and the grant of the patent.

However, the retroactive effect does not extend to court decisions based on the surrendered patent, or to agreements regarding the patent, such as licences. A licence to a surrendered patent does not lose its legal basis. Nevertheless, the circumstances of the case might call for a repayment of a portion of the license fees.

Surrender will only be effected after registration of a deed from the patent proprietor, raising the (partial) surrender of his patent. Article 63(2) further states that the *Octrooi Centrum Nederland* (Netherlands Patent Office) will not register such a deed without the consent of persons or entities that:

- (a) have registered rights or licences with regard to that patent; or
- (b) are a party to court proceedings regarding that patent.

Apart from licences, other registered rights affecting a patent include encumbrances such as pledges and attachments. In the Netherlands licences do not have to be registered in the patent register. Registration is, however, required for the licensee to be able to raise a patent action against third parties.

Whereas the rights under (a) are apparent from the patent register, the *Octrooi Centrum Nederland* (Netherlands Patent Office) does not have records of all pending patent proceedings under (b). The writ of summons initiating revocation proceedings before the Netherlands courts must be registered, but counterclaims raising the invalidity of a patent in suit are not necessarily registered. A party can register its counterclaim for invalidity with the Netherlands Patent Office in order to obtain protection against surrender of the patent in issue.

Article 63 *Nederlandse Octrooiwet* (Netherlands Patents Act)

1. A patent holder may surrender his patent in whole or in part. The surrender of the patent shall be effective retroactively in accordance with **Article 75(5) to (7)**.
2. The surrender shall be effected by registering a deed to that effect in the patent register. The Office shall not register the deed as long as there are persons who, by virtue of documents entered in the patent register, have registered rights in respect of the patent or have received licences or have commenced legal proceedings concerning the patent and such persons have not consented to the surrender.

Article 75 *Nederlandse Octrooiwet* (Netherlands Patents Act)

[...]

5. A patent shall be deemed from the outset not to have had any or some of the legal effects specified in Articles 53, 53a, 71, 72 and 73 to the extent that the patent has been wholly or partially invalidated.
6. The retroactive effect of the invalidation shall not extend to:
 - a. a decision, other than one granting injunctive relief, relating to acts that infringe the exclusive right of the patent holder referred to in Article 53 and 53a or relating to the acts referred to in Articles 71, 72 and 73 that have acquired the force of *res judicata* and have been enforced prior to the invalidation; or
 - b. any agreement concluded prior to the invalidation insofar as it has been performed prior to the invalidation; however, in the interest of equity the repayment of sums paid under the agreement may be claimed to the extent justified under the circumstances.
7. For the purposes of paragraph (6)(b), the conclusion of an agreement shall also be deemed to include a licence created in another manner provided for in Article 56(2), 59 or 60.