

THIRD PARTY OBSERVATIONS : A WEAPON TO INTEGRATE IN YOUR IP STRATEGY ?

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As rare as it is old, having been established in the French Intellectual Property Code in 1968, the third-party observation system is currently experiencing a revival, thanks, in part, to a push by various IP offices to try and regenerate interest in the system.

Even the statistics show this, with the number of third party observations in European procedures doubling in one year from 2011 to 2012.

Obvious advantages to our French and European systems include: low costs, anonymity and efficiency, for example in relation to documents proving lack of novelty. In addition, third party observations can be filed on any on-going proceedings before the EPO, including post-grant procedures. In addition to these advantages, the ease of access had been recently improved through new provisions including the introduction of on-line procedures and by widening the geographical coverage.



Indeed, we can trace this trend back to 2011 and the press release relating to the **10 May 2011** decision by the President of the EPO, within the framework of the “Raising the Bar” project.

The intention is clear *“The EPO has decided to facilitate and promote the filing of well-structured and concise third party observations...”*

This revival relies firstly, on a strong incentive for examiners to consider them: *“All observations meeting the above formal requirements will be considered by the examining or opposition division, which will then comment on the relevance of the observations in the next substantive communication...”*, and secondly, through the use of a special on-line form, designed to encourage concise and well-reasoned observations, and thus, avoid third party observations that would previously have been inadmissible.

The 2012 guidelines replicate these provisions in full.

The above cited press release and decision also confirm the jurisprudential principal that third party observations can be filed anonymously and that no signature is required.

We remind you that, according to the Internal Regulations of the CNCPI, Article 13.3:
“In cases where the presentation of an authorisation is not required, the Patent Attorney must clearly state the name of their instructing party, in particular their dealings with the intellectual property authorities and organisations.”

The INPI, therefore, does not accept anonymous third party observations from a French Patent Attorney without the revelation of the name of the instructing party.

Then comes the July 2012 introduction of third party observations during the international (PCT) procedure.

These observations can be submitted for publication up to 28 months from the priority and the applicant has up to 30 months from the priority to respond. They are public and can be anonymous. The content is limited to ten documents, and the grounds are limited to novelty and inventive step.

NB : An international application may not be subjected to more than 10 third party observations.

(Administrative instructions - sections 801 - 805: http://www.wipo.int/PCT_ai and user guide: <http://wipo.int/ePCT>).

In December 2011, confusion arises following the introduction of these new systems, due to two contradictory decisions by two different EPO Appeal Boards. It must be remembered, that they are not bound by the decisions of the EPO president.

In the T146/07 decision, the Appeal Board, after pointing out that Rule 114(1) EPC requires that third party observations are submitted “in writing”, argues that “*This requirement implies that the observations have to be signed (see Rules 50(3) and 86 EPC)...*” They consider, therefore, that anonymous third party observations submitted by an **opponent** are inadmissible. *This is to prevent any late submissions of observations and/or documents, and thus avoid any negative procedural consequences.*

The Board confirms, however, that a party to the proceedings, or even the competent organ of the EPO, may adopt these observations for themselves. On the other hand, in the absence of any such additional action, anonymous observations will be discarded.

In the T1336/09 decision, the Appeal Board reached the opposite conclusion during *ex-parte* proceedings. Firstly, and specifically because it was an ex-parte procedure and that in these proceedings “*...the appellant is the sole party and it can at any time raise new issues or submit new prior art.*” Secondly, the Appeal Board contests some of the motives behind the T146/07 decision.

In particular, the Board recalls that the EPO Appeal Boards are bound only by the EPC, but that the provisions of the May 2011 Press Release and the EPO President's decision are aligned with previous Appeal Board decisions that have acknowledged such observations for both ex parte and inter partes procedures, without showing any apparent reservations as to their anonymous nature (see T0258/05 and T0735/04).

In addition, according to the Board, Rules 50(3) and 86 EPC are aimed at the parties to the procedure and, therefore, cannot justify the signature requirement for third party observations.

Finally, as of 16 September 2012, the AIA has set up a third party observation system in the United States, which is attached to the "Protest" procedure.

Any party, other than the applicant or a party bound by the "Duty of Disclosure", can submit third party observations against any pending or abandoned application that was filed before, on, or after the 16th September 2012, including any continuation, divisional or corresponding "Continuation-in-part" application, published or not.

They must be signed by an identified third party, though not necessarily by the directly concerned party ("real party in interest"). To these ends, the observations must include a declaration from the third party that they are not subject to the Duty of Disclosure.

Their format is very precise. As in an Information Disclosure Statement (IDS), the documents must be listed in a specific order and presented in a factual way in order to explain why they are relevant to the examination of the cited case. However, it is not possible to offer objections or raise arguments relating to an Official Letter or the observations of the Applicant.

The time limit for filing observations is the earlier of:

- The Notice of Allowance date
- The latter of 6 months after publication, or the date of an initial rejection.

The fee is \$ 180 per 10 cited publications, however no tax is required if less than three documents are submitted, and if the third party declares that it will be the first and only submission.

A compliant submission will be considered by the Examiner in the same way as an IDS document; the Applicant shall be provided with a copy indicating the documents taken into account by the examiner, this is often found in the Official Letter which follows. The documents considered by the Examiner will appear on the front page of the Patent.

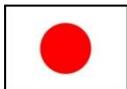
Non-compliant submissions are not made public, the taxes are not reimbursed and the Applicant is not informed. The only solution for the third party is to resubmit the observation, provided that the time limit has not expired.

The statistics show that these new provisions have been very successful:

Third party observations before the EPO have doubled within a year; the USPTO received 205 observations in two and a half months and the WIPO received 61 in six months.

As you will see from our international survey below, few countries have been left behind. Third party observation systems exist in almost all of the nine participating countries, but with differing criteria in terms of deadlines, anonymity and formal requirements compared to our European system.

It is obvious that third party observations have a place in our clients' armoury.



In Japan

There is a system similar to the European one called "Submission of Information by Third Parties" in Japan and the JPO explains about its outline, procedural requirements and management in English in their website.

Any member of the public may file a submission, optionally anonymously.

The Japanese system appears to be very flexible and successful.

The submission can take place at any time after filing including post-grant.

Furthermore, the subject matter is not limited to material relating to patentability. Double patenting, insufficient disclosure, defective claiming, and new matter may also be discussed.

Finally, The JPO website claims that 76% of submissions are used to issue an office action, without stating whether that this figure is for a particular year or for all submissions to date.

KYOWA PATENT AND LAW OFFICE
M. Matsui



In China

Any third party may, from the date of publication of a Chinese patent application till the date of announcing the grant of the patent right, submit to the SIPO his observations, with reasons therefor, on the application which is not in conformity with the provisions of the Chinese Patent Law.

There is no criteria except the deadline for the third party to submit to the SIPO his observations.

In China, the examiner will not respond to any submission of prior art by the third party, but may take it into consideration in the process of substantive examination.

It is not necessary to disclose identity of third parties, and a patent attorney may act anonymously.

It is unnecessary to demonstrate a certain legal interest to act in connection to the patent under scrutiny.

The third party can file the observations anonymously.

GE CHENG & CO, LTD
David W. Cheng.



In Russia

The Russian law does not have provisions regarding observations. However, if third parties are aware of a pending application number, they may submit e.g. relevant prior art or other arguments on patentability to the attention of an examiner.

The examiner will not respond to such communication, but may take it into consideration in the process of substantive examination. It is not necessary to disclose identity of third parties, and a patent attorney may act anonymously on behalf of them.

ARS-PATENT
Mikhael Khmara



In Argentina

Section 28 of the Argentine Patent Law (“APL”) states:

“...Any person shall be entitled to make grounded observations on the patent application and add documentary evidence within the term of SIXTY (60) days as from the publication under Section 26. The observations shall consist of the lack of compliance with the legal requirements for the grant of the patent applications”.

Having filed the observation does not confer the third party any right to further participate in the subsequent proceedings. Moreover, the role of the third party is limited to filing the observation, without any other intervention in the patent application procedure.

Third-party observations shall consist of the lack of compliance with the patentability legal requirements (e.g. lack of novelty, lack of inventive step, lack of industrial application, non-patentable matter, etc.) and shall be filed, together with the documentary evidence, if added, within 60 days as from the publication of the patent application.

Any person can file observations to a patent application. Therefore, it is not necessary to demonstrate a legal interest to act in connection with the patent application under scrutiny.

Third-party observations cannot be filed anonymously.

MARVAL O'FARRELL & MAIRAL
Julio Boned



In Korea

Any person may file third party observations in Korea (Korean Patent Act, Art. 63-bis) against pending patent applications.

No specific criteria need to be satisfied in order to be able to file third party observations.

It is not necessary to demonstrate a certain legal interest to act in connection to the patent under scrutiny.

A third party observation may be filed by a straw man to hide the identity of the party.

HANOL LAW IP
Min Son, Ph.D.



In Brazil

According to the Article 31 of Brazilian Industrial Property Law No. 9279/96, documents and information for supporting examination may be filed by interested parties between the publication of the application and the end of examination.

As in Brazil the presentation of documents and information by third parties is accepted for the purpose of supporting the examination, it must be filed before the end of examination.

Accordingly, the end of examination is configured by the publication of an allowance decision, rejection or definitive shelving of the application. It is to be further noted that, according to sole paragraph of Article 31 of Law No. 9279/96, the examination will not be initiated prior to 60 (sixty) days from publication of the application. Therefore, the period of 60 days counted as of the publication of the application would be the best occasion to present a support petition to the examination, since, as examination will not be initiated, the documents and information to be presented would be fully considered by the Examiner.

Although the Brazilian Patent Office does not effectively require the presentation of evidences of legitimate interest, the Brazilian Industrial Property Law presumes a legal interest to companies belonging to the same area of the applicant of said application.

The presentation of support to examination cannot be filed anonymously. Upon filing documents and/or arguments intending to support examination, it is necessary to file a petition with information concerning the third party, such as name and address thereof.

It is important to mention that the presentation of support to examination is not published in the Brazilian Official Journal for purpose of knowledge and/or manifestation of the application. Nevertheless, it is attached to the process and available for third party's inspection. After the presentation of the support to examination, in case the Examiner in charge of the application considers the filed documents and/or information relevant, said material will be considered and mentioned in a technical report to be published in the future.

In order to challenge the validity of a patent, an administrative nullity procedure is considered the post-grant procedures. According to Articles 51, 52, 53 and 54 of Law No. 9279/96, the nullity procedure may be instituted ex officio or upon request of any person having legitimate interest within 6 (six) months counted from the granting of the patent. After having the nullity of a patent requested, the patentee will be notified to respond within a period of 60 (sixty) days. Then, independently of a reply having been filed, once the period of 60 days expires, the Brazilian Patent Office will publish an opinion, notifying the patentee and the applicant of the nullity request to reply within a common period of 60 (sixty) days. Finally, once the period for reply expires, even if no replies have been presented, the case will be decided by the BPO's President, finishing the administrative instance.

A third party who is not mentioned in the request is not allowed to present observations as during the ordinary examination procedure.

DI BLASI PARENTE ET ASSOCIADOS
M. De Souza and Di Blasi





In the USA

The AIA provides two mechanisms by which third parties can file observations: a Preissuance Submission (or “Third Party Submission”) under 37 CFR 1.290 or a Protest under 37 CFR 1.291.

A Preissuance Submission must be limited to publications. A Preissuance Submission must include a “concise description of relevance” for each submitted document; this is meant to exclude complete invalidity arguments. The Preissuance Submission must be filed (a) before the notice of allowance and (b) before the later of 6 months of publication or mailing of the first Office Action.

A Protest can present any grounds for unpatentability. A Protest can provide detailed invalidity arguments. A Protest must be filed before the earliest of publication or the notice of allowance for the application; if the Applicant consents, the Protest can be filed any time before allowance.

No legal interest is necessary to act in connection to the patent under scrutiny, in order to be able to file third party observations.

There is no requirement to identify the “real party in interest” for a Preissuance Submission or a Protest.

Preissuance Submissions and Protests are limited to pending applications. They cannot be filed during Post Grant Review (PGR), Ex Parte Review and Inter Partes Review.

Post Grant Review (PGR) can involve essentially any basis for invalidity, including Sections 101 (patent eligibility), 102/103 (prior art), and 112 (sufficiency of disclosure). PGR must be filed no later than 9 months after the target patent issues. PGR cannot be anonymous; the opponent must identify the “real party in interest”.

Ex Parte Review is initiated by a third party that does not participate in the Review proceedings once initiated. Inter Parte Review is initiated by a third party that actively participates during the Review proceedings. Ex Parte Review and Inter Partes Review are limited to arguments based on invalidity over prior art. Ex Parte Review and Inter Partes Review cannot be anonymous; the opponent must identify the “real party in interest”.

<p>FOLEY & LARDNER LLP (USA) <i>Rouget F. (Ric) Henschel</i></p>





In Australia

Third party observations are allowable under the Australian Patents Act (section 27 of the Australian Patents Act 1990 for a standard patent & section 28 for an innovation patent) and are known as a “section 27 notice”. These notices are allowable during the Examination process and can be submitted any time after the patent becomes available for public inspection. The Commissioner of Patents must inform the Patent Applicant in writing of any notifications that have been submitted and send the Applicant a copy of any document accompanying the notice.

The grounds on which observations can be filed is that the invention is not patentable because it is not novel or does not involve an inventive step.

Observations can be lodged any time from the date of publication of the patent application, up to 3 months after the date on which a Notice of Acceptance on the application is published in the Official Journal.

The Patents Act 1990 requires that the Commissioner must consider and deal with a notice filed prior to acceptance. If a notice is filed after acceptance, it may instead form the basis of a pre-grant re-examination. A patent examiner is not required to raise an objection based on the information provided in a section 27 notice.

Once the third party observations have been lodged, the party lodging the observations has no further involvement in any consideration of the observations. Accordingly, examination will continue as normal between the Commissioner of Patents and the Patent Applicant, and with no involvement whatsoever from the third party observer.

Old Law:

For standard patent applications with an examination request filed before 15 April 2013, innovation patents with an examination request filed before 15 April 2013, and innovation patents where the Commissioner decided before 15 April 2013 to examine the patent the observations must be based on documentary evidence only, i.e. discussion of use will be disregarded, while evidence of the date and place of publication of each document must be provided. Of course where the observations are based on patent documents, the Patent Office will establish its own publication date.

Declarations by persons allegedly having seen or used the invention, or alleged actual samples of the invention, or statements where the invention may be inspected or publicly seen, are not to be considered. Examiners are also not authorized to consider any allegations that the invention was obtained from a person other than the applicant.

New Law:

For standard patent applications with an examination request filed on or after 15 April 2013, innovation patents with an examination request filed on or after 15 April 2013, and

innovation patents where the Commissioner had not decided before 15 April 2013 to examine the patent, examiners may consider matter published in documents including books, patent specifications, periodicals and similar publications. Unlike the old law, matter made publicly available through prior use or by oral communication may also be taken into account. This includes declarations by persons allegedly having seen or used the invention, or alleged actual samples of the invention, or statements where the invention may be inspected or publicly seen.

Notices may be sent to the Commissioner either by mail or filed electronically. The notice must contain:

- a full identification of the application to which the notice relates;
- reasons why the validity of any patent issued on the application would be affected under sec 18(1)(b) (i.e. novelty and inventive step); and
- a copy of any document referred to in the reasons, or a reference or URL link to the document.

If the published document is not a patent, the notice must in addition be accompanied by evidence establishing where and when that document was published (if this is not apparent from the document itself).

If a document is not in English (whether patent or non-patent), a verified translation must be provided. Any documents accompanying the notice are open for public inspection.

A third party does not require standing to submit observations and as such, the third party can do so through an Agent, such as their Patent Attorney, thereby remaining anonymous.

After an application has been examined and accepted, acceptance is advertised and a 3-month period is provided during which a Notice of Opposition may be filed.

Because third party observations can be filed up to 3 months after the date on which a Notice of Acceptance is published in the Official Journal (the same deadline for filing a Notice of Opposition), it is not possible to file third party observations during an opposition. For strategic reasons, Notices of Opposition are usually filed on the final deadline, so unless the Notice of Opposition is filed before the final date of the 3 month period (in the absence of any extensions of time to file such a Notice) the observations would be filed before the Notice of Opposition is filed, therefore before the Opposition commences.

Apart from Revocation of a granted patent sought by issuing proceedings in the Federal Court of Australia, re-examination is possible.

An interested person may request that the Australian Commissioner of Patents re-examine a granted patent. The grounds available for consideration under re-examination are limited to novelty and inventive step. The request for re-examination must identify the

prior art documents on which the re-examination and state the relevance of each document.

Importantly, re-examination is an *ex parte* procedure (the person requesting re-examination has no involvement in the procedure beyond making the request).

Following re-examination, an examination report will issue which outlines the examiner's findings. In the case of an adverse report, the patentee will be given the opportunity to respond with its own written submissions. The Commissioner will typically set the matter for a hearing prior to revoking the patent either wholly or in so far as it relates to a particular claim.

While the patentee has the chance to be heard at the hearing, because the process is *ex parte* the person requesting re-examination cannot appear at the hearing.

The patentee may appeal to a Court against a decision to revoke the patent after re-examination, but the person requesting re-examination cannot appeal a decision by the Commissioner not to revoke the patent. However, seeking re-examination does not preclude later seeking revocation if the Commissioner decides not to revoke the patent following re-examination.

A request for re-examination must identify the documents on which the re-examination is to be based and state the relevance of each document. If a document is not available in the Office, then a copy of that document must accompany the request, and so the basis of the request sets out material, but otherwise, because the process is *ex parte*, it is not possible to file further observations. However, it would be possible to file a further request for re-examination should further information be identified. The interested party may remain anonymous.”

PHILIPS ORMONDE FITZPATRICK <i>Mark Wickham</i>
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In Canada

The Canadian *Patent Act* and *Rules* provide two mechanisms by which third parties can file observations in a pending Canadian patent application: filing of prior art with explanations and filing what is commonly called a “protest”.

Filing of prior art and explanations: Pursuant to section 34.1 of the *Patent Act*, any person may file prior art consisting of patents, published applications and printed publications that the person believes has a bearing on the patentability of any claim in a pending application. The person filing prior art must also explain the pertinence of the prior art.

Protest: Pursuant to section 10 of the *Patent Rules*, any written communication addressed to the Commissioner of patents with the stated or apparent intention of protesting against the granting of a patent is acknowledged by the Commissioner. A protest may extend beyond the submission of prior art and can include submissions questioning patentability on a variety of grounds.

In both cases, the intervening third party will be notified that the prior art or the protest has been received, but the third party will not be informed regarding the corresponding action, if any, taken by the Examiner. The third party can nevertheless obtain a copy of the file history of the application in an attempt to deduce whether any action was taken by the Examiner. The prior art material or the protest is made part of the public file history of the patent application and the applicant is notified that submission of prior art or a protest has been filed.

There are relatively few criteria to satisfy in order for a third party to file prior art or protest. The prior art or protest must be filed in writing; in the case of prior art, the submission must be accompanied by an explanation of the pertinence of the prior art; and the submission should be made prior to grant of the patent. There is no official fee associated with such filings and “any person” can file prior art or a protest against a pending patent application. It should also be noted that any submission of prior art or protest requesting confidentiality will be returned to the intervening party as the third party filing becomes part of the file history of the published application.

The third party does not need to demonstrate any interest to act in connection to the patent application under scrutiny to file prior art or to protest the application.

Both the submission of prior art and protest can be filed anonymously.

Although Canada does not have a post-grant opposition procedure similar to the one available at the European Patent Office, sections 48.1 to 48.5 of the *Patent Act* do allow any person (including the patentee) to request re-examination at any time during the lifetime of the patent. In Canada, while a third party can request re-examination, the re-examination procedure itself is ex parte involving a dialogue between the patentee and the re-examination board. There are two phases of re-examination that involve different parties in communication with the Patent Office, in the event of a third party requesting re-examination rather than the patentee.

In the first phase, the third party requester files a written request accompanied by the prescribed fee to re-examine the content and/or the scope of any claim, but only on the basis of prior art documents consisting of patents, published patent applications or any other printed publications. The requester bears the burden of proof to show that a new and important question is raised with regards to patentability by explaining the pertinence of the prior art documents and the manner of applying them to the claim(s) for which re-examination is requested.

Pursuant to section 48.2 of the *Patent Act*, a re-examination board is established and undertakes a review of the prior art documents in order to determine whether a substantial new question of patentability has been raised. If the board decides that no

substantial new question has been raised, it will notify the requester and the decision is final for all purposes and is not subject to appeal or to review by any court. If the request is denied, the second phase of re-examination is not undertaken.

The second phase of re-examination is initiated if the board determines that a substantial new question of patentability has been raised. Unlike the first phase, the requester is not a party to the second phase of re-examination. Thus, while it may be possible for a third party to file supplementary submissions during that phase, the position of the Patent Office is that such supplementary submissions are not taken into account by the re-examination board. The re-examination board and the patentee are the only parties involved in the second phase. Only the patentee is notified regarding the board's decisions to which the patentee may respond within three months of notification. The patentee may modify or cancel claims and may also submit new claims so long as the scope of the claims is not broadened. The re-examination board will then review the case and issue a certificate regarding the decision on the patentability of the claims. If the certificate cancels one or more claims, the patent is deemed to have been issued from its date of grant, but in its corrected form. If all of the claims are cancelled, the patent is deemed never to have been issued. If new claims are incorporated or amended, these claims are effective from the date of the certificate to the unexpired term of the patent.

Only the patentee is given the right to appeal the decision of the re-examination board before the Federal Court within three months of the certificate. If the patentee appeals the decision of the re-examination board, the requester is not entitled to be added as a respondent in the appeal.

The third party requester of re-examination can file the request anonymously.

Any third party may attack the validity of a patent by requesting re-examination as explained above. Otherwise, the patent must be challenged in the courts by way of an impeachment action.

There are also a number of post-grant procedures at the Patent Office by which the patentee may correct or modify the patent, including re-issue and disclaimer procedures.

<p>ROBIC LLP <i>Jeremy Lawson and Karina Laflamme</i></p>
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