



CLIENT INFORMATION | NOVEMBER 2023

INTERESTING EPO CASE LAW ON PRIORITY CLAIMS AND PRACTICE-RELEVANT DECISIONS ON EMPLOYEES' INVENTION LAW

ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA TO THE HAGUE APOSTILLE CONVENTION: NO MORE TIME-CONSUMING LEGALIZATION OF PRIVATE AND PUBLIC DOCUMENTS NECESSARY

ATTORNEY-AT-LAW THOMAS FRITZ HAS BEEN JOINING THE PRINZ & PARTNER LEGAL TEAM SINCE FEBRUARY 2023

by Thomas Heydenreich, Thomas Kitzhofer and Thomas Fritz

EPO facilitates effectively claiming priority

Life will be easier for applicants wishing to claim priority from an earlier application with other or different applicants in proceedings before the European Patent Office (EPO): In ruling cases G1/22 and G2/22, the Enlarged Board of Appeal of the EPO has clarified that it is initially (rebuttably) presumed that the applicant of a European patent application has the right to claim priority. This applies even if the applicants of the priority application and the European subsequent application differ from each other.

Background to the decision

According to Art. 87(1) EPC, an applicant of an earlier application or his successor in title enjoys a right of priority within 12 months of the filing date of the earlier application. In this way, it is possible to prevent the subject matter described in the earlier application and prior art which has become relevant in the meantime from preventing the patentability of subject matter claimed in a subsequent application.

In many cases, it is therefore crucial for the legal validity of a patent that the priority is effectively claimed. However, this seemingly formal requirement has caused problems in the past, particularly when the applicants of the priority application and the subsequent application differed from each other, for example as not all applicants of the priority application were also applicants of the subsequent application.

In the previous case law of the Boards of Appeal of the EPO, the view had prevailed that a transfer of the priority right to a legal successor had already taken place before the filing date of the European patent application and that, in case of doubt, this transfer must also be proven by the applicant, for example by submitting corresponding contracts. This case law has often been used in opposition proceedings to successfully challenge the entitlement to claim priority and thus obtain revocation of the patent on the basis of prior art that has now become relevant.

More details on the decision and the reasons for the decision

The Enlarged Board of Appeal of the EPO has now put a stop to this practice.

Contrary to previous case law, it must firstly be assumed that an applicant for a subsequent application has the right to claim priority. This assumption is justified in particular as an applicant can generally only meet the formal requirements for claiming priority pursuant to Art. 88(1) EPC if the application documents of the priority application are available to him at a time prior to its publication.

Notwithstanding this, however, it must be possible to challenge the entitlement to claim priority if there are reasonable doubts. However, the burden of proof that such a case exists must be borne in such cases by the party who raises such an objection, i.e. usually an opponent.

This assumption also applies in cases in which the EP application is based on a PCT or a priority application whose applicant is not identical to the applicant of the EP application.

Furthermore, it can be assumed that in the case of a PCT application filed by several applicants A and B for different designation states and which is based on a priority application filed by A alone, an agreement will have been reached between A and B according to which B may also claim priority.

Expected effects of the decision

The principles established by the Enlarged Board of Appeal are to be welcomed overall.

In future, there should only be a few special cases in which proof of entitlement must be submitted. This protects applicants from losing their patent simply because of formal requirements.

From the opponent's point of view, however, a very effective line of attack will be lost.

Fortunately, the Enlarged Board of Appeal also emphasized that there are no formal requirements for the transfer of priority rights and that, for example, an oral or implicit transfer can also take place, as is already known from German law.

Nevertheless, it is still advisable as "best practice" to record corresponding agreements on the transfer of the priority right in writing in order to improve verifiability and prevent rare constellations in which proof must be provided.



QUESTIONS?

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Recent case law on employee invention law

In the past two years there have been some interesting decisions on employee invention law which could be important for you.

1. Changed Graduation Limits

In several settlement proposals since 2021, the Arbitration Board for Employees' Inventions has changed the graduation table, which (in my own words) grants the employer a volume discount for larger turnovers by gradually reducing the license values when certain turnover limits (graduation limits) are reached. These turnover limits had been constant since 1983 and were still expressed in German Mark (DM). The Arbitration Board argues that the consumer price index has increased by a factor of 1.85 since then, which is why the turnover limits should be adjusted. Since the legislator is not taking action, the Arbitration Board takes it upon itself to make an adjustment.

The Arbitration Board now simply sets the graduation values in the graduation table in Euros. This results in an increase in remuneration of up to 39%, depending on the total turnover.

It is not yet clear whether the courts will accept this new arbitration practice. However, employers must be prepared for the fact that the arbitration board's settlement proposals will become "more expensive" in future.

2. Tricks with use within Industrial Group use Backfire

In the settlement proposal Arb.Erf 63/18 of 10 Dec. 2022, the Arbitration Board had to assess a case in which the parent company generally took over all inventions made by its subsidiaries and filed them in the name of the parent company. The inventors of the subsidiaries received a lump sum of € 150 for this transfer.

The Arbitration Board considered this agreement to be invalid, as the parent company should have paid an appropriate purchase price to its subsidiary, from which the remuneration was then calculated.

In the settlement proposal Arb.Erf 30/19 dated 19 Aug. 2021, the issue was that an industrial group company wanted to give up an IP right that continued to be used throughout the group and offered it to the inventor in accordance with § 16 (3) ArbEG. With this offer, the group company had retained a simple right of use, which in turn led to a greatly reduced remuneration.

However, according to the Arbitration Board, this reduced remuneration cannot be claimed by the other group companies, but only by the employer.

3. Inequity Objection of the Employer - no uniform case law

Two cases with very similar facts: the employer forgets the proportional factor when calculating the remuneration. Years later, he demands an adjustment of the remuneration in accordance with § 23 ArbEG. This would reduce the remuneration by at least a factor of 5.

In the settlement proposal Arb.Erf 70/18 of 2 Sep. 2021, the Arbitration Board did not allow the employer's inequity objection, as § 23 ArbEG was there to ensure protection for the (weaker) employee.

The Higher Regional Court of Frankfurt took a completely different view in its judgment ref. 6 U 172/20 of 3 Feb. 2022, ruling that the original agreement was invalid because it was unfair to the disadvantage of the employer.

It is to be hoped that the Federal Court of Justice will soon have a case with these facts for a final decision.



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Accession of the People's Republic of China to The Hague Apostille Convention: no more need for legalization of private and public documents

Application procedures and legal disputes concerning intellectual property rights in the People's Republic of China are subject to a number of special formal requirements that one should be aware of in order to enforce rights effectively.

One of these formal requirements used to be that when submitting private or public documents – which includes not only powers of attorney and extracts from the commercial register but also, for example, letters of consent from third parties – an often time-consuming and expensive legalization by the Chinese diplomatic representation in Germany was required in addition to notarization (and possibly supplementary notarization).

With the accession of the People's Republic of China to the Hague Convention of 5 October 1961 Abolishing the Requirement of Legalization for Foreign Public Documents with effect from 7 November 2023, this now belongs to the past.

Instead of legalization, an apostille will in future suffice as proof of the authenticity of the signature and the capacity in which the person signing the document has acted and, where appropriate, the identity of the seal or stamp on the document. Depending on the type of document to be notarized, the apostille is issued by a designated German authority. This is usually the Federal Office for Foreign Affairs, the District / Regional Court or the German Patent and Trademark Office.

The previously obligatory and time-consuming personal visit to the embassy or the consulate of the People's Republic of China will therefore no longer be necessary in future, which should make the registration and enforcement of intellectual property rights in the People's Republic of China much easier.



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As of February 2023 attorney-at-law Thomas Fritz is part of Prinz & Partner's legal team

Thomas already specialized in intellectual property law during his studies at the University of Mannheim and was admitted to the bar in 2012 after a semester abroad at the Jönköping International Business School (JIBS) in Sweden and his legal clerkship stage with a law firm in Stuttgart.

After an initial focus on copyright law, Thomas has been working in particular in trademark, design and unfair competition law since 2016. In 2021, he was awarded the title "Certified IP Attorney" due to his theoretical knowledge and practical experience.

As of February 2023, Thomas is part of Prinz & Partner's legal team in the Munich office and advises on all matters of trademark, design, unfair competition and copyright law.



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