

**COMMENTS MADE BY MEMBERS AND OBSERVERS OF THE SCP
ON DOCUMENT SCP/14/5 (OPPOSITION SYSTEMS)**

**I. 15th session of the SCP, October 11-15, 2010
[Excerpts from the Report (document SCP/15/6)]**

1. Discussions were based on document SCP/14/5.
2. The Delegation of India, referring to the preliminary study on opposition systems, observed that although the document provided IP-opposition related provisions for various countries, it failed to provide information and examine the usefulness of the opposition systems, particularly the pre-grant opposition. The Delegation stated that according to their experience, a post-grant opposition system was not only cumbersome, but also very expensive particularly for the developing countries to fight against the misappropriation and piracy of their intellectual property. Therefore, in its view, the preliminary study should highlight the advantages of pre-grant opposition systems wherever they existed. Noting that the document misleadingly suggested that opposition systems provided rejection of the patent application on the ground of patentability alone, the Delegation referred to other grounds when the Indian opposition system could be invoked, namely, wrongful obtaining of the invention, prior use, prior publication, prior public knowledge, inventions which were excluded from patentability, non-disclosure or wrongful disclosure of source or origin of biological material used for the invention, failure to provide information of corresponding application, and others. The Delegation further noted that it would submit corrections in writing with respect to minor inaccuracies found in paragraphs 45 and 50 of the document. In conclusion, the Delegation suggested that the preliminary study be revised on the basis of comments and suggestions to reflect the changes in the relevant provisions of national laws.
3. The Delegation of Mexico stated that some amendments had been made to its legislation relating to the opposition system, in particular, to opposition procedures and third parties observations related to patent applications. The Delegation observed that those provisions were intended to ensure the inventive step of patented inventions and the high quality of patents. The Delegation promised to submit the referred amendments to the Secretariat in writing for further incorporation in the document.
4. The Delegation of Belgium, speaking on behalf of the European Union and its 27 Member States, noted that the opposition procedure was one way of ensuring patent quality and might constitute a rapid, easy and economical mechanism for third parties to challenge the grant of a patent. It observed that the study offered a general overview of the various opposition systems that were included in the patent granting procedures. The general overview was completed with references to regulations and practices, both national and regional, providing countries' concrete examples of opposition procedures. Finally, the document included procedures which were not exactly the opposition procedures, but enabled the intervention of third parties in the patent processing, thus, contributing to the improvement of the quality of granted patents. The Delegation welcomed more details on such procedures, including whether the applicant was entitled to comment on the third party observations. In that connection, the Delegation noted that, at the third session of the PCT Working Group held in June 2010, the European Union and its 27 Member States recommended the development of a third party observation mechanism in the PCT system. The European Union and its 27 Member States recognized the role that the opposition procedure had to play in increasing the credibility of granted patents. The Delegation pointed out that in spite of the lack of an international treaty specifically dealing with the regulation of opposition procedures, with a view to general provisions in the TRIPS Agreement and the Patent Law Treaty, the Member States should attempt to make all procedures fair and equitable in order to avoid any excessively complicated procedures or procedures causing unjustified delays as regards to the grant of patents. In conclusion, the Delegation wished to recall and preserve the freedom of Member States to include or not to include opposition mechanism in their national legislation.
5. The Delegation of Brazil, speaking on behalf of the DAG, stated that the preliminary study on opposition systems contained in document SCP/14/15 provided a basis for commencing discussions

on the subject of opposition systems in the Committee, which included, among others, pre-grant opposition, post-grant opposition and the grounds for opposition that Member States, particularly developing countries, could utilize in pursuit of development. The DAG attached great importance to the potential role the opposition system could play in fostering a strong and balanced mechanism of administrative review that prevents the grant of invalid patents as explained by the study. While the preliminary study suggested that patent opposition systems helped to enhance the quality of patent examination, the DAG believed that it should have also mentioned how patent opposition systems helped to advance public policy and public interest considerations in relations to patents, and thus be incentivized. Referring to Chapter II of the document, the Delegation noted that despite being an important tool, the number of patent applications or granted patents in respect of which oppositions had been filed was still very low. In addition, the Delegation stated that the preliminary study should provide an in-depth analysis of socio-economic impact of opposition systems, that the benefits of patent opposition systems were not sufficiently highlighted neither were the costs of failure to have an effective opposition system in place. In addition, the Delegation stated that it would have been useful if the preliminary study had also provided an analysis of the positive role played by opposition systems in many countries, notably in Japan. Referring to footnote 3 of the study, which stated “As an alternative, a patent Office which does not have resources to conduct substantive review may conclude cooperation agreement with other offices”, the Delegation sought clarification whether that was a suggestion advanced by the study or whether such cooperation mechanism existed between offices in relation to patents opposition. The Delegation continued that, if such cooperation existed, it was unclear how examiners in one office could be sufficiently qualified to conduct reviews of patents applied in another office because of substantive standards of patentability could differ considerably between jurisdictions. In its view, information and capacity constraints to conducting reviews should be addressed properly and using different proven models. In addition, cooperation agreements should not be used to harmonize patent procedures with regard to opposition. Further, the Delegation stated that the DAG believed that strong opposition systems could serve as a catalyst for preventing the grant of questionable patents, thereby avoiding any undue indigence on the public domain. For that reason, it viewed the opposition system as one of the important elements of the patent system which merited more attention by the Committee. Therefore, the Delegation suggested that the follow-up studies on opposition systems should focus on the following issues: the positive role of pre-grant and post-grant opposition system should be further developed; experiences of countries in using opposition systems should be shared; impediments faced in the effective use of the opposition system should be addressed; and the question as to how to strengthen the opposition system, especially with a view to addressing the information and capacity deficit in developing countries to use the opposition mechanism effectively, should be analyzed.

6. The Delegation of Switzerland stated that document SCP/14/5 contained a good overview of the various different opposition systems existing in different countries. The Delegation stressed that those systems played an important role in guaranteeing the quality and credibility of patents and, moreover, constituted a rapid, easy and cost-effective means for a third party to contest a patent. Further, the Delegation reiterated its support for the work on opposition systems, as those systems provided added value to the patent system by enabling the improvement of the quality and the validity of patents and also by ensuring legal security. Noting that the issue of the improvement of quality of patents was a subject that Switzerland supported in general, the Delegation requested that all mechanisms pointed out in the preliminary study to be examined in detail, particularly, the system of re-examination of patents should be further explored on the points such as how close that system was to the opposition system and to what extent it could also be beneficial for improving the quality of patents.

7. The Delegation of the Russian Federation expressed its interest in further discussion on the issue of opposition systems. The Delegation stated that the Civil Code of the Russian Federation provided rules on challenging the grant of a patent, which could be administrative or judicial. As provided by the Civil Code, a patent for an invention may be recognized, at any time during its period of validity, as invalid in full or in part in the following cases: failure of the invention to meet the criteria of patentability; the claims for the invention cited in the decision to grant the patent contained features that were missing on the filing date of the application; grant of a patent in case several applications for identical inventions existed having the same priority date in breach of the conditions provided for by

the Civil Code; grant of a patent with incorrect indication of the patent owner or inventor. A patent for an invention that was recognized as invalid in full or in part should be null and void as from the date of filing of the application for a patent. Licensing contracts concluded on the basis of the patent later recognized as invalid should maintain their effect to the extent that they were performed by the time of the decision on the invalidity of the patent. Recognition of a patent as invalid signified the reversal of the decision of the federal executive authority on the grant of a patent for the invention and annulations of the record in the corresponding official register. The Delegation further informed the Committee that as a result of Governmental Decree No. 1791 of December 1, 2008, the work of the Patent Office relating to the opposition system had been optimized. Due to the creation of a single technological structure and the deployment of an efficient management of human resources, the term for examination of opposition cases had been significantly shortened. In conclusion, the Delegation reiterated its interest in further analysis of the issue and expressed its hope for constructive debate in that area.

8. The Delegation of El Salvador, noting the legislation of its country on the opposition system, requested the Secretariat to include information focused on developing countries' experience on the issue.

9. The Delegation of Spain expressed its support for the statement made by the Delegation of Belgium on behalf of the European Union and its 27 Member States. The Delegation underlined the importance of opposition procedures and other similar procedures, such as including comments by third parties, to enhance the quality of the patents granted. In its view, it was one of the most effective systems for improving the patent grant procedures, by including the participation of interested third parties in such procedures, even though there would always be the need to achieve a balance between the quality and speed of granting. The Delegation explained that Spain had implemented a pre-grant opposition procedure with prior examination and a system for the submission of comments by third parties during the general grant procedure, with the possibility in the latter case for the applicant himself to comment on such comments.

10. The Representative of the EPO supported the statement made by the Delegation of Belgium on behalf of the European Union and its 27 Member States, and also the statement made by the Delegation of Switzerland.

11. The Representative of ALIFAR stated that, although document SCP/14/5 was clear and highly useful, a more detailed analysis of opposition procedures in each country, covering both a pre-grant opposition system and a post grant opposition system, would be of great interest. In her view, that would enable some countries to review their legislation and practices and to adopt the most effective system. Without prejudice to the system adopted by each country, the Representative underlined the importance of providing mechanisms that allowed third parties the opportunity to submit elements that affected the patentability requirements. She observed that such mechanisms prevented the waste of resources in offices and costs for litigation to invalidate patents.

12. The Representative of TWN recalled his statement made by TWN at the previous session of the SCP, as well as the statement made by the Representative of ALIFAR, and stated that there were certain bottlenecks which prevented the effective use of the opposition systems in developing countries. He stated that, therefore, the SCP's work should lead to eventually adjust those bottlenecks to various programs.

II. 14th session of the SCP, January 25-29, 2010 [Excerpts from the Report (document SCP/14/10)]

13. Discussions were based on document SCP/14/5.

14. The Delegation of Spain, speaking on behalf of the European Union and its 27 Member States, noted that opposition procedures ensured patent quality and constituted a rapid, easy and economical

mechanism, by which third parties might challenge the grant of a patent. It further noted that the preliminary study offered a general overview of the various opposition systems which were included in current patent granting procedures, and were provided, although not specifically referred to, in the international applicable legislation. This general overview was complemented with references to regulations and practices, both national and regional, providing concrete examples of opposition procedures. Finally, the Delegation pointed out the inclusion of issues related to other procedures in the document, which were not exactly opposition procedures, but enabled the intervention of third parties in the patent processing, thus contributing to improve the quality of granted patents. The Delegation welcomed more details on such procedures, including whether the applicant was entitled to comment on third party observations. The European Union and its 27 Member States recognized the role that the opposition procedure had to play when it came to increase the credibility of granted patents. In spite of the lack of an international treaty specifically dealing with the regulation of opposition procedures, considering what had been set forth on procedural matters in general in the TRIPS Agreement and the Patent Law Treaty (PLT), the Delegation pointed out that Member States, in the regulation of their procedures for granting patents, should attempt to design all procedures in a fair and equitable manner in order to avoid any excessively complicated procedures or procedures causing unjustified delays as regards the grant of patents. Moreover, the European Union and its 27 Member States highlighted that the PCT Working Group at its second session held in May 2009, had explored the possibility of introducing third party observations in the Patent Cooperation Treaty (PCT) system. The Delegation expressed its willingness to preserve the freedom of Member States whether or not to include an opposition mechanism in their national legislation. The Delegation expressed its commitment to participating actively and constructively in the debate in order to contribute towards fulfilling the Committee's objectives.

15. The Delegation of France stated that there was no opposition system for patents in France. While a third party observation system had been implemented in its country, the Delegation observed that it had not yet been widely used. Given the interest in opposition systems and in improving the validity of patents, the Delegation appreciated the inclusion of statistics in different Member States as well as a better understanding of the efficiency of the third party observation systems in order to incorporate them into the PCT Guidelines.

16. The Delegation of Japan noted that, since there was some inaccuracy in the description concerning its domestic system, including the year when the pre-grant opposition system was replaced by the post-grant opposition system, it would submit suggestions for modifications in writing to the Secretariat.

17. The Delegation of Brazil noted that, as regards paragraph 39, the decision of the President of the National Institute of Industrial Property of Brazil could be challenged in court, although it was final at the administration level.

18. The Delegation of the United Kingdom associated itself with the statement made by the Delegation of Spain on behalf of the European Union and its 27 Member States. The Delegation explained that the United Kingdom had no opposition system, but it was possible for anyone to apply for revocation of a patent. Quasi-judicial *inter partes* proceedings, which were conducted by a senior official, were very similar to post-grant opposition proceedings, but without any time limit on when the proceedings might start. Those proceedings had all the advantages that were listed in paragraph 19 of document SCP/14/5: they were relatively quick, cheap, open to any party, and utilized the technical knowledge and experience of examiners. According to the experience of the Delegation, a revocation system was the route more commonly used when a party wished to make a pre-emptive strike against a patent before it was used against him. Thus, it observed that revocation in the United Kingdom courts occurred more often when a party had been sued for infringement and argued, as a defense, that the patent was invalid.

19. The Delegation of El Salvador sought clarification as to the mechanisms of opposition systems and opposition procedures in civil law countries, and sought any suggestion by the Secretariat as to how the experiences of Member States could best contribute to moving the issue forward.

20. The Delegation of Guatemala noted that the patent system had to be agile and reliable. The Delegation stated that observations or opposition systems allowed third parties to offer their opinions and would allow for improvements in finding relevant prior art, which benefited the process by reducing delays and allowing a higher validity of granted patents, although the number of cases were relatively small in many countries. The Delegation was of the view that the third party observation system could be further discussed in the SCP, and wondered whether the third party observation system could be incorporated in the search projects mentioned in document SCP/14/3.

21. In response to the question raised by the Delegation of El Salvador as to whether delegations could send comments about their own legislation, the Chair noted that, given that the document would probably be modified, the revised document could also include submissions from other Member States. The Chair suggested that the document be kept open so that any delegation wishing to submit their comments could do so within a reasonable period of time. The Chair expressed the interest of having comparative information.

22. The Representative of the EPO associated herself with the statement made by the Delegation of Spain on behalf of the European Union and its 27 Member States. The EPO was of the opinion that the opposition procedure played an important role as an additional layer of review to further ensure the quality of patents. Furthermore, with regard to the related mechanism aiming at taking into account the wider knowledge of the general public, the Representative encouraged the submission of observations by third parties during the examination phase. As provided for in Article 115 of the EPC and as outlined in paragraph 112 of document SCP/14/5, in her view, such additional information would certainly provide assistance to further enhancing the quality of granted patents. Concerning the framework of related mechanisms of opposition procedure, the Representative referred to the central limitation and revocation procedure introduced in Article 105a of the EPC 2000, which enabled the proprietor of a granted European patent to request the limitation or revocation of the European patent in a centralized procedure before the EPO. The Representative explained that such a central limitation and revocation procedure had been introduced in the EPC with a view to achieving further regional harmonization in the patent field.

23. The Delegation of India stated that, in relation to paragraph 20 of the document, the grounds for pre-grant opposition under the Indian law included insufficient disclosure of the invention in the patent document and insufficient disclosure of the source and origin of biological material where the invention was related to such biological material. Further, the Delegation requested corrections, which it would submit in writing, in paragraph 45 concerning the grounds for opposition under the Indian law and in paragraph 50 concerning the possibility of appeal to the Appellate Board. As regards the latter, the Delegation explained that only post-grant opposition could be appealed to the Appellate Board, while the appeal of pre-grant opposition fell under another jurisdiction.

24. The Representative of KEI stated that the SCP should conduct studies on the costs of resolving disputes over patent validity, both through litigation before a court, or through pre- or post-grant opposition proceedings. In his view, the cost of resolving disputes over patent validity was an often overlooked issue, and the SCP would benefit from a much deeper understanding of what those costs were, and how they differed from country to country. The Representative further noted that the SCP should also examine new ways to share information obtained in various proceedings that examined the validity of patent, such as a database of judicial and non-judicial opposition proceedings in the area of patents.

25. The Representative of FSF-Europe observed that those jurisdictions which allowed the patenting of software frequently received patent applications relating to technology in which substantial prior art already existed. He noted that too often patents were granted on such inventions, for example, in November 2009, the United States Patent and Trademark Office had granted a patent on a procedure to temporarily grant normal computer users administrative rights. In his view, such technology had been in the UNIX system since 1980, and it formed an integral part of Linux and the Mac OS X operating system. Another such example was a patent on one-click ordering which had

been granted to the online bookseller Amazon in 1999. Illustrating the fundamental difficulties of granting patents in such a complex and dynamic field as software, the Representative pointed out that such incidents had negatively affected all concerned, as a monopoly right had been granted where it should not have been, and as a consequence, the patent holder, licensees and third parties would have less faith in the quality and reliability of patents in the future. The Representative felt that, most importantly, numerous parties who had based their business around those technologies would be negatively affected. He therefore stated that it was crucial that third parties were given an easy means to stay informed about recent patent applications and that there was a well-defined low-cost process for third parties to submit information which might affect the grant of a patent. The Representative considered that, to be effective, such process should be available also to groups with few financial or legal resources. He considered it highly beneficial for WIPO to develop or update guidelines on the participation of third parties in the patent granting process, and suggested that such guidance could form part of the Organization's technical assistance efforts which were key to raising patent quality around the world.

26. The Representative of ALIFAR stressed the importance of introducing a mechanism in the legislation that allowed third parties to submit information to revoke patents when they should not have been granted. She observed that such patents affected the public domain, unjustifiably curtailed competition and undermined innovative processes. The Representative noted that the above mechanism would prevent resources of industrial property offices being wasted and avoid legal costs of revoking patents that should not have been granted.

27. The Representative of TWN noted that the opposition system was an important flexibility available in the patent system. He stated that patents effectively operated at a monopoly rate and therefore utmost care should be taken before granting any monopoly which might create particular public policy concerns. In his view, from an operational angle, patent opposition systems provided a chance for public scrutiny of patent applications and complemented the scrutiny of patent offices which often suffered from financial and/or human resource constraints. The experience of India during the last five years showed that many life-saving drugs had been able to be introduced in the market through pre-grant opposition. The Representative observed that the preliminary study should provide clear and exhaustive information regarding how many WIPO Member States' patent laws provided pre-grant opposition and how many provided post-grant opposition or sometimes both. Similar information with regard to regional patent offices should also be provided. The Representative criticized the descriptions in paragraphs 16, 22, 23 etc. which, in his view, were subjective and without empirical data. He also noted that the preliminary study did not provide clear data, such as the number of accepted and rejected oppositions in various patent offices (although it provided the percentage of oppositions instead of the number of oppositions), break-up of oppositions found in various technology areas, such as in the pharmaceutical, electrical, mechanical, software-related and biotechnological fields. He further noted that the preliminary study also needed to provide an analysis of the positive role played by opposition systems in many countries, including Japan.

[End of document]