

**EPO TRIES TO DISCOURAGE TALL STORIES AND  
EXCESSIVE CLAIMING – APPLICANTS SHOULD  
PREPARE NOW, IF THEY WANT TO ENJOY A FOOLPROOF  
APRIL 1<sup>ST</sup> IN 2008 AND 2009**

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**Two separate Decisions of the Administrative Council of the EPO were issued on 14<sup>th</sup> December, 2007: CA/D 15/07 and CA/D 16/07. These two Decisions will bring in a series of changes to EPO Rules Relating to Fees that will increase the costs of European patent applications, and could leave unwary applicants failing to see the funny side of “April Fool’s Day” in 2008 and 2009.**

*by Roy Marsh and Alistair Russell*

## CA/D 16/07

The first series of changes will enter into force on 1st April, 2008, under Decision of the Administrative Council CA/D 16/07. The new fees will be binding on payments made on or after that date. Whilst the majority of the fee increases are relatively minor, adding a few Euros to the existing fees, others of the proposed changes represent a marked increase:

- Renewal Fees for the 4th and subsequent years where the application is pending see large increases:

	Current Fee (Euros)	Fee (Euros) from 01.04.2008	Percentage Increase
For the 3 <sup>rd</sup> Year	400	400	-
For the 4 <sup>th</sup> Year	425	500	18
For the 5 <sup>th</sup> Year	450	700	56
For the 6 <sup>th</sup> Year	745	900	20
For the 7 <sup>th</sup> Year	770	1000	30
For the 8 <sup>th</sup> Year	800	1100	38
For the 9 <sup>th</sup> Year	1010	1200	19
For the 10 <sup>th</sup> and Subsequent Years	1065	1350	27

- This is coupled with an increase in the additional fee payable for belated payment of a renewal fee, from 10% of the belated renewal fee to 50% of the fee late-paid.

Applicants waiting years for a first EPO examination report may feel a little aggrieved at having to pay annual maintenance fees throughout that time, just to keep their application pending. The fact is, though, that fast-track examination under the EPO "PACE" scheme (which is cost-free and is effective) is requested in less than 5% of cases.

The fee increases will prompt applicants to seek the swiftest route through prosecution (for example, by responding to objections raised in the EESR<sup>1</sup> prior to Examination, and by replying

promptly to Examination Reports with responses that move the application towards grant), and will discourage the "tactical" filing of divisional applications merely to keep "something pending" before the EPO long after a parent application is issued as a patent. Annual maintenance fees on divisionals accumulate from the filing date of the parent application, and fall due at the time of filing the divisional application<sup>2</sup>. Filing a divisional application from an elderly parent always was expensive, but now will be even more so<sup>3</sup>.

Whatever the fees due, the surcharge for late payment will hurt more now.

- The Claims fee for the 16th and each subsequent claim rises to EUR 200 per claim, replacing the former Claims fee regime of EUR 45 for the 11th and each subsequent claim.

This represents a clear signal from the EPO to applicants to identify the claims of importance when submitting the application for substantive examination. A typical European claims set, with 20 claims, would presently attract EUR 450 in Claims fees (10 x EUR 45), but as from 1st April, 2008 will incur EUR 1000 in Claims fees (5 x EUR 200). Soon, an application with 50 claims, which is by no means uncommon, will attract Claims fees of EUR 7000.

Whilst there will be possibilities for reducing the number of claims present in the application, without loss of any of their original disclosure (such as by re-formulating dependent claims as alternatives in a single dependent claim, or by re-writing certain claims into the description), fee-sensitive applicants should identify the specific claims of importance, and notify their European representative accordingly, so that appropriate Claims fee-mitigating action can be taken, either ahead of the European filing date or swiftly (within about one month<sup>4</sup>) upon entry into the European regional phase out of the PCT international phase. The imminent increase in the Claims fees will shift the balance between official fees and attorney time

<sup>1</sup> EESR - the Extended European Search Report - incorporates the European Search Report and also the European Search Opinion, which Opinion sets out the preliminary view of the Examining Division as to the patentability of the claims at the time of issuing the Search Report.

<sup>2</sup> Rule 51(3) EPC 2000 (formerly Rule 37(3) EPC 1973).

<sup>3</sup> The cumulative renewal fees due on filing a divisional application in the 9th year after filing the parent application rise to EUR 7150 from EUR 5665, a 26% increase.

<sup>4</sup> Rules 161 and 162 EPC 2000 (formerly Rules 109 and 110 EPC 1973).

fees in favour of the applicant getting their attorney to revise the claims when entering the European regional phase.

## CA/D 15/07

The second series of changes will enter into force on 1st April, 2009, under Decision of the Administrative Council CA/D 15/07. The new fees will apply to any European patent applications filed on or after that date, as well as to international applications entering the EPO regional phase on or after that date. Given the 31 month period from priority for entering the EPO regional phase out of the PCT international phase<sup>5</sup>, existing international applications will certainly already be pending, some over a year old, that will be subject to the new fees under this Decision. Fee-sensitive applicants presently drafting applications that will enter the EPO (directly or via PCT) in a little over a year's time should take into account these new fees when writing their specifications:

- Additional filing fees for a European patent application comprising more than 35 pages will be charged at EUR 12 per page for the 36th and subsequent pages.

The EPO hopes that per page fees due on filing (a specification 100 pages long will cost an additional EUR 780 to file at the EPO) will drive applicants to disclose their inventions in a shorter, more concise form. The intention would appear to be in line with the EPO's ongoing campaign to try to limit applicants to including only a single invention in each patent application.

The extra filing fee replaces the previous fee, due at grant, of EUR 11 for the 36th and each subsequent page. The requirement to pay per page fees up front, as part of the filing fee, will stimulate applicants into adopting a "less is more" approach to drafting applications intended for EPO entry. Cost-conscious applicants utilising the PCT route will wish to take this into consideration when fil-

ing the international application, as this will determine the text for entry into the EPO regional phase, except in the unlikely event of a Demand being filed under Chapter II PCT and the application being amended at that stage.

- The present Designation fee of EUR 80 per State designated (considered to designate all States if 7 or more times the fee is paid) will be replaced by a flat Designation fee of EUR 500 for however many Contracting States are designated.

This represents something of a two-edged sword, since applicants who normally designate only a few States are effectively penalised (for three states, EUR 500 instead of EUR 240 at present, rising to EUR 255 on April 1st, 2008), whilst applicants who normally elect to designate "7 or more" (i.e., all) Contracting States receive a reduction from the present EUR 560 (rising to EUR 595 on April 1st, 2008).

It seems unlikely that this will have any immediate impact on applicants' decisions at grant as to which Contracting States they will still cover. However, once further cost-reducing measures come into force, such as the London Agreement<sup>6</sup>, the one-for-all flat fee may promote the effect of wider country coverage by patent owners in Europe.

- The excess Claims fees of EUR 200 for the 16th and each subsequent claim, to come into force under CA/D 16/07 on April 1st, 2008, will apply after 1st April 2009 only to the 16th to 50th claims; for the 51st and each subsequent claim, the Claims fee will be EUR 500!

Some applicants (notably in chemistry) will find the EPO's preferred target, of 15 or fewer claims per patent application, to be somewhat restrictive when formulating a series of effective fall-back positions. But Europe has multiple-dependent claims. Seldom will it be necessary for satisfactory protection for their invention for applicants to have more than 50 claims. Any applicant that notices the costs of patents will want to restrict

<sup>5</sup> Rule 159(1) EPC 2000 (formerly Rule 107(1) EPC 1973).

<sup>6</sup> The London Agreement, expected to come into force in the course of 2008, will remove the requirement for translation of the granted patent specification into the national language of each Contracting State when the patent is validated; only translation of the claims into the national languages will be required, and Contracting States must instead accept the description in one of the EPO Official Languages (English, German or French).

their European claims set to something around 50, and preferably fewer, claims.

With these changes to the EPO Rules relating to Fees, the EPO is appealing to the commercial acuity of applicants for European patents in order to promote the same goals it has been trying to achieve, in one way or another, for the last several years. First among these goals is to improve the legal certainty for third parties seeking to understand what will be the eventual scope of a European patent granted from a European patent application. The EPO sees it as paramount to achieving this objective that the invention which is to be protected be clearly identifiable from the text and claims of the application, and sees the clarity as being improved:

- i) the sooner the application is granted, along with any related divisional applications, at which point the scope of protection is fixed;
- ii) the fewer inventions there are in each application, and to that end the fewer different claims; and
- iii) the shorter and more concise the disclosure is, from which one is to extract the relevant technical teaching.

It remains to be seen whether bringing in these new EPO fees, and similar limitations on applicants in other jurisdictions, will result in a detectable trend towards shorter applications, with fewer claims. ■



## HOFFMANN · EITLE

MÜNCHEN LONDON

MÜNCHEN	LONDON
Arabellastrasse 4 · D-81925 München	Sardinia House · 52 Lincoln's Inn Fields
pm@hoffmanneitle.com	London WC2A 3LZ
Telefon +49 (0)89-92 409-0	Phone +44 (0)207-404 01 16
Telefax +49 (0)89-91 83 56	Fax +44 (0)207-404 02 18

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