Patenting of Plants in Europe
Position Paper
by The Chartered Institute of Patent Attorneys (CIPA)

The Chartered Institute of Patent Attorneys (CIPA) is the professional and examining body for patent attorneys (also known as patent agents) in the United Kingdom. The Institute was founded in 1882 and was incorporated by Royal Charter in 1891. It represents virtually all of the 2,340 registered patent attorneys in the United Kingdom, whether they practice in industry or private practice. The total membership is approximately 4,000 and includes trainee patent attorneys and other professionals with an interest in intellectual property matters. CIPA maintains the Register of Patent Attorneys under statutory authority on behalf of the UK Department of Trade and Industry and reports to the Comptroller-General of Patents, Trade Marks and Designs at the UK Intellectual Property Office. Nearly all registered patent attorneys in the UK are also professional representatives before the EPO (i.e. they are also European patent attorneys).

This paper represents CIPA's position on the lawfulness of a number of options for addressing the conflict between decisions of the EPO Boards of Appeal (i.e. G2/12, G2/13 and T1063/18) and Rule 28(2) EPC.

Executive Summary

On 25 March 2015, the Enlarged Board of Appeal (EBA) of the European Patent Office (EPO) decided that Article 53(b) of the European Patent Convention (EPC):
- excluded from patentability essentially biological ***processes*** for the production of plants or animals; but
- did not exclude from patentability the ***products*** of such processes.

Subsequent to this decision:
- the EU Commission issued an interpretative Notice on a corresponding provision of EU law (Article 4(1)(b) of the Biotech Directive[1]); and
- based upon that Notice, the Administrative Council (AC) of the EPO decided to introduce new Rule 28(2) EPC, which entered into force on 1 July 2017 and which was designed to effectively reverse the EBA's decision; but
- on 5 December 2018, a Board of Appeal of the EPO (sitting in enlarged composition) decided that new Rule 28(2) EPC was unenforceable, on the grounds that the EC Notice had no legal authority and so did not empower the AC to override the EBA's interpretation of Article 53(b) EPC.

In response to the ruling finding Rule 28(2) EPC unenforceable, the President of the EPO issued a communication (CA/26/19, dated 7 March 2019) indicating an intention to analyse the following as "*potential options for next steps*":
(A) a referral to the Enlarged Board of Appeal by the President of the EPO;
(B) an amendment of Article 53(b) EPC by the AC based on Article 33(1)(b) EPC; and
(C) additional actions in pending appeal cases related to Rule 28(2) EPC.

In this paper, we present our position on the lawfulness of these options, as well as a number of alternative options for resolving the current conflict. In short, CIPA's position is that:
- there are no valid grounds upon which Option A or Option C could resolve the current conflict;
- at least Option B would be unlawful (under the EPC); and
- Options A to C should therefore not be pursued.

[1] Directive no. 98/44/EC; OJ EU 1998/L 213/13 (see also http://bit.ly/2vn8Qgc)

Also, for reasons that are discussed in more details below, CIPA's position is that, in contrast to Options A to C above, the following options are capable of resolving the conflict in a manner that is **lawful** and that **preserves legal certainty** (and, in particular, the legal certainty of rights holders):

(D) acceptance of the current interpretation of Article 53(b) of the European Patent Convention (EPC), and development of best practice and further case law that takes account of that interpretation;

(E) an amendment of EU law governing the patentability of plants, followed by an amendment of Article 53(b) EPC to bring it into line with (amended) EU law; and

(F) postponement of further action unless and until the Court of Justice of the EU (CJEU) issues a ruling on the interpretation of Article 4(1)(b) of the Biotech Directive (and then, if necessary, an amendment of the EPC to bring it into line with the CJEU's interpretation of the Biotech Directive).

Detailed Discussion

1. Background

Amongst other things, Article 53(b) EPC excludes from patentability "*essentially biological processes for the production of plants or animals*". On 25 March 2015, the Enlarged Board of Appeal (EBA) of the European Patent Office (EPO) decided, in cases G2/12 ("Broccoli II") and G2/13 ("Tomatoes II"), that:

> "*The exclusion of essentially biological processes for the production of plants in Article 53(b) EPC does not have a negative effect on the allowability of a product claim directed to plants or plant material such as a fruit*" (emphasis added).

Subsequent to the EBA's ruling:

- the EU Commission issued an interpretative Notice[2] with regard to Article 4(1)(b) of the Biotech Directive (which, in common with Article 53(b) EPC, excludes from patentability "*essentially biological processes for the production of plants or animals*"); and
- based upon the EC Notice, the AC introduced new Rule 28(2) EPC, which entered into force on 1 July 2017 (together with a consequential amendment to Rule 27).

New Rule 28(2) EPC, which was intended to provide a statutory interpretation of Article 53(b) EPC for all patents and patent applications subject to pending proceedings before the EPO, reads as follows:

> "*Under Article 53(b), European patents shall not be granted in respect of plants or animals exclusively obtained by means of an essentially biological process*".

Because the intended effect of Rule 28(2) EPC is to essentially override the EBA's decision in G2/12 and G2/13, a case can be made[3] that the new rule conflicts with Article 53(b) EPC. Indeed, precisely that allegation was made in an appeal (T1063/18) against a decision to reject a patent application for non-compliance with Rule 28(2) EPC.

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[2] Notice C/2016/6997 from the EU Commission (OJ EU 2016/C 411/03) (http://bit.ly/2uFE6sR)

[3] Prior to entry into force of Rule 28(2), the conflict between Rule 28(2) and Article 53(b) EPC was discussed in a June 2017 submission by CIPA to the UK Intellectual Property Office and other AC members (which submission was published in *CIPA Journal*, Vol. 46, No. 7-8); see also Snodin, M. "Patentability of plants under the EPC: act in haste, repent at leisure?", *Bio-science Law Review*, Vol. 16, Issue 3 (October 2017), also published as Snodin, M. "Patentability of plants under the EPC", *CIPA Journal*, Vol. 46, No. 12 (December 2017) (https://bit.ly/2QgGxhC)

On 5 December 2018, Board of Appeal 3.3.04, sitting in enlarged composition[4], issued a decision concluding that Rule 28(2) EPC does not constitute a "clarification" of the scope of Article 53(b) EPC but instead *conflicts* with the meaning of that Article, as interpreted by the EBA. For this reason, the Board of Appeal found that Rule 28(2) EPC was unenforceable, as the AC did not have the necessary authority to amend the European Patent Convention (in the form of Article 53(b) EPC) by way of an amendment to the Implementing Regulations.

The Board of Appeal also held that:

- there is no way to resolve (by interpretative means) the conflict between Rule 28(2) and Article 53(b) EPC; and
- there are no reasons to deviate from the EBA's interpretation of Article 53(b) EPC in G 2/12 and G 2/13.

The Board of Appeal's written decision in T1063/18 was issued on 5 February 2019. After discussion of that decision at the 19 and 20 February 2019 of the EPO's Committee on Patent Law:

- the EPO issued a statement[5] indicating that ""*The Committee addressed different potential options for the way forward and particularly supported measures to obtain an opinion from the Enlarged Board of Appeal on the matter. The need for legal certainty in the interest of the users of the European patent system and the general public was strongly underlined in the debate Discussions will continue with the intention to find a solution in the short term*"; and
- the President of the EPO issued communication on 7 March 2019 (CA/26/19), indicating an intention to analyse Options A to C above as potential next steps.

In this paper, we set out and provide our position on the lawfulness of the "*potential options for next steps*" set out in CA/26/19 (i.e. Options A to C above), as well as the three alternatives of Options D to F above.

2. Analysis of the options

Option A: Obtain another opinion from the EBA

Our position is that there are presently are no valid grounds upon which the EBA could accept a referral the President under Article 112(1)(b) EPC with respect to the interpretation of Article 53(b) EPC. The EBA has already provided a binding interpretation of Article 53(b) EPC, meaning that there are no "different" (i.e. conflicting[6]) decisions of Boards of Appeal that might form the basis of a referral under Article 112(1)(b) EPC.

For the sake of completeness, our position is also that the imposition of an *ex officio* stay of proceedings (as discussed at paragraph 27 of document CA/26/19) would be unlawful[7]. This is on the grounds that the EBA's rulings in G2/12 and G2/13 mean that the law is already uniformly applied by the Boards of Appeal, and that there is no point of law of fundamental importance that has not already been resolved in connection with Article 53(b) EPC. Thus, an *ex officio* stay of proceedings imposed at this time would lack legal basis under the EPC.

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[4] Comprising the 5 members specified in Article 21(3)(b) EPC instead of the more usual 3 members

[5] EPO news update from 20 February 2019 (see https://bit.ly/2Xb9dZf)

[6] In the sense required by Article 112(1)(b) EPC, as interpreted by the EBA in G3/08.

[7] A stay of proceedings might also give rise to claims (in accordance with Article 9(2) EPC) against the EPO for non-contractual liability, as discussed in 14 January 2017 (https://bit.ly/2TOcQC6) and 11 February 2019 (https://bit.ly/2tiPtVL) blog posts by Christopher Rennie-Smith (see also Snodin, M. "Patentability of plants under the EPC - back to square one?", *CIPA Journal*, Vol. 48, No. 3 (March 2019) (https://bit.ly/2TXmp5K).

Option B: Amend Article 53(b) EPC

Article 33(1)(b) EPC provides the AC with the authority to amend certain provisions of the EPC (including Article 53(b) EPC) under certain circumstances. Those circumstances are where the amendment to the EPC is made to bring it "*into line with an international treaty relating to patents or European Community legislation relating to patents*".

However, there is currently no "*international treaty*" that contains a clear, unambiguous and binding legal provision that conflicts with the EBA's current interpretation of Article 53(b) EPC. Thus, as confirmed by the Board of Appeal in T1063/18, Article 33(1)(b) EPC does not currently provide the AC with legal basis to amend Article 53(b) EPC.

Article 172 EPC provides an alternative possibility for amendment of Article 53(b) EPC, namely at a Conference of the Contracting States to the EPC. However, our position is that amendment under Article 172 EPC would be impermissible under EU law. This is on the grounds that, at this time, amendment of Article 53(b) EPC would:

(i) breach the right[8] of patentees or patent applicants to secure a preliminary reference to the CJEU on the interpretation of Article 4(1)(b) of the Biotech Directive; and

(ii) breach the EU law obligations of EU member states to oppose (at a Conference of the Contracting States to the EPC) any amendments to the EPC that would result in contraventions of EU law as described in point (i) above.

With regard to point (ii) above, we note that settled EU case law[9] has established the principle that EU Member States cannot *voluntarily* consent to adoption of measures under an international treaty that are contrary to EU law:

> "*It should, in any event, be remembered that, when an international agreement* ***allows, but does not require****, a Member State to adopt a measure which appears to be contrary to Community law,* ***the Member State must refrain from adopting such a measure***" (emphasis added).

We also note that:

- it is possible that the CJEU could interpret Article 4(1)(b) of the Biotech Directive in a manner that is consistent with the EBA's interpretation of Article 53(b) EPC in G2/12 and G2/13; and
- in that event, any amendment of Article 53(b) EPC made prior to the CJEU's ruling (and to exclude from patentability the products of essentially biological processes) would need to be reversed in order to ensure that the EPC is aligned with the Biotech Directive.

Option C: Take action in pending appeal cases related to Rule 28(2) EPC

Paragraphs 34 to 36 of document CA/26/19 discuss the possibility of submission of comments (under Article 18 of the Rules of Procedure of the Boards of Appeal) by the President of the EPO on a question of general interest which arises in the course of pending appeal proceedings. Such comments would be apparently be submitted in the hope that a Board of Appeal might (independently) find merit in the idea of seeking another opinion from the EBA on the interpretation of Article 53(b) EPC.

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[8] Under Article 267 TFEU, as interpreted, for example, by C-283/81 (*Cilfit*; http://bit.ly/2h2Awnz)

[9] See, for example, paragraph 60 of the CJEU's judgement in C-124/95 (*Centro-Com*; http://bit.ly/2v88Eo2)

With regard to this option, we firstly note that, whilst the President is entitled to *request permission* to submit comments in connection with a pending appeal, he may only submit such comments if he is invited to do so by the Board.

Moreover, our position is that, with respect to the interpretation of Article 53(b) EPC, there are presently no valid grounds upon which a referral to the EBA under Article 112(1)(a) EPC could be based. This is because, in our view, there are no valid grounds for disputing the Board of Appeal's conclusion that the above-mentioned EC Notice (i.e. the Notice upon which Rule 28(2) EPC was based) has no legal authority under the EPC. Indeed, the Notice itself includes a statement clarifying that the interpretation outlined therein is non-binding (on both the Commission and the CJEU):

> "*The Notice is intended to assist in the application of the Directive, and* ***does not prejudge any future position of the Commission*** *on the matter.* ***Only the Court of Justice of the European Union is competent to interpret Union law***" (emphasis added).

For the same reason, in the unlikely event that a Board of Appeal were persuaded to refer questions to the EBA under Article 112(1)(a) EPC, our position is that there are no valid grounds upon which the EBA could be persuaded (by the Commission Notice) to arrive at an interpretation of Article 53(b) EPC that differs from that set out in G2/12 and G2/13.

Option D: Accept the Current Interpretation of Article 53(b) EPC

There would be no legal obstacles to the EPO simply accepting, and working with, the interpretation of Article 53(b) EPC set out in G2/12 and G2/13. In the interests of legal certainty, this option would ideally also include deletion of Rule 28(2) EPC (and reversal of the 1 July 2017 amendment to Rule 27 EPC).

We note that this option would enable:

- the first instance departments of the EPO to devote more time and attention to establishing best practice with regard to the assessment of patentability (under other provisions of the EPC) for plants and animals produced by essentially biological processes; and
- the Boards of Appeal to continue to develop relevant case law in connection with the patentability of such plants and animals.

Option E: Amend EU law and then the EPC

If the EU law governing the patentability of plants were amended (e.g. to exclude from patentability the products of "essentially biological processes"), then this would permit an amendment to be made to Article 53(b) EPC, in order to bring it into line with EU law relating to patents.

Amendment of the EPC under this option could, if desired, be effected under Article 33(1)(b) EPC.

In any event, our position is that the principle of protection of legitimate expectations[10] would prevent retroactive application of amended Article 53(b) EPC to patents and applications filed before the date that the amendment entered into force.

Option F: Await the issuance of a ruling of the CJEU

[10] As set out in J25/95 (http://bit.ly/2w3KCqR); see also the discussion at III.A.5 of *Case Law of the Boards of Appeal of the EPO* (http://bit.ly/2v34MUA)

We have no reason to doubt the EBA's conclusions in G2/12 and G2/13 regarding the interpretation of Article 53(b) EPC. Nevertheless, if a question regarding the interpretation of Article 4(1)(b) of the Biotech Directive were to be referred (by a national court) to the CJEU, we cannot completely exclude the possibility that the CJEU might issue a ruling that aligns with the interpretation set out in the above-mentioned EU Commission Notice.

If this were to happen, it might permit either:
- amendment of Article 53(b) EPC to bring it into line with EU law relating to patents; or.
- a further opinion to be sought from the EBA on the interpretation of Article 53(b) EPC.

However, as for Option E above, our position is that the principle of protection of legitimate expectations should prevent any amended (or reinterpreted) Article 53(b) EPC from being applied retroactively.

3. Conclusion

CIPA's position is that the above-mentioned conflict (between judicial interpretations of the EPC and Rule 28(2) EPC) should be solved in a lawful manner.

Whilst CIPA has no wish to prescribe any one particular solution to that conflict, we cannot support any actions that:
- are unlawful (either under the European Patent Convention or under EU law); or
- undermine legal certainty, in particular legal certainty relating to the legitimate expectations of rights holders.

For the reasons discussed above, our position is that, at this time:
- there are no valid grounds upon which a further EBA opinion can be obtained under either Article 112(1)(b) EPC (**Option A**) or Article 112(1)(a) EPC (**Option C**);
- there are also no valid grounds upon which the EBA could be persuaded (by the Commission Notice) to arrive at an interpretation of Article 53(b) EPC that differs from that set out in G2/12 and G2/13; and
- amendment of Article 53(b) EPC under **Option B** would be **unlawful**, regardless of whether that amendment were made under Article 33(1)(b) EPC (which would be unlawful under the EPC) or under Article 172 EPC (which would be unlawful under EU law, and which might also misalign the EPC with a future ruling of the CJEU)

Our position is therefore that the only viable options at this time are as follows.
- Accept the current interpretation of Article 53(b) EPC (**Option D**).
- Amend EU law and then the EPC (**Option E**).
- Await the issuance of a ruling of the CJEU (**Option F**).

CIPA
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