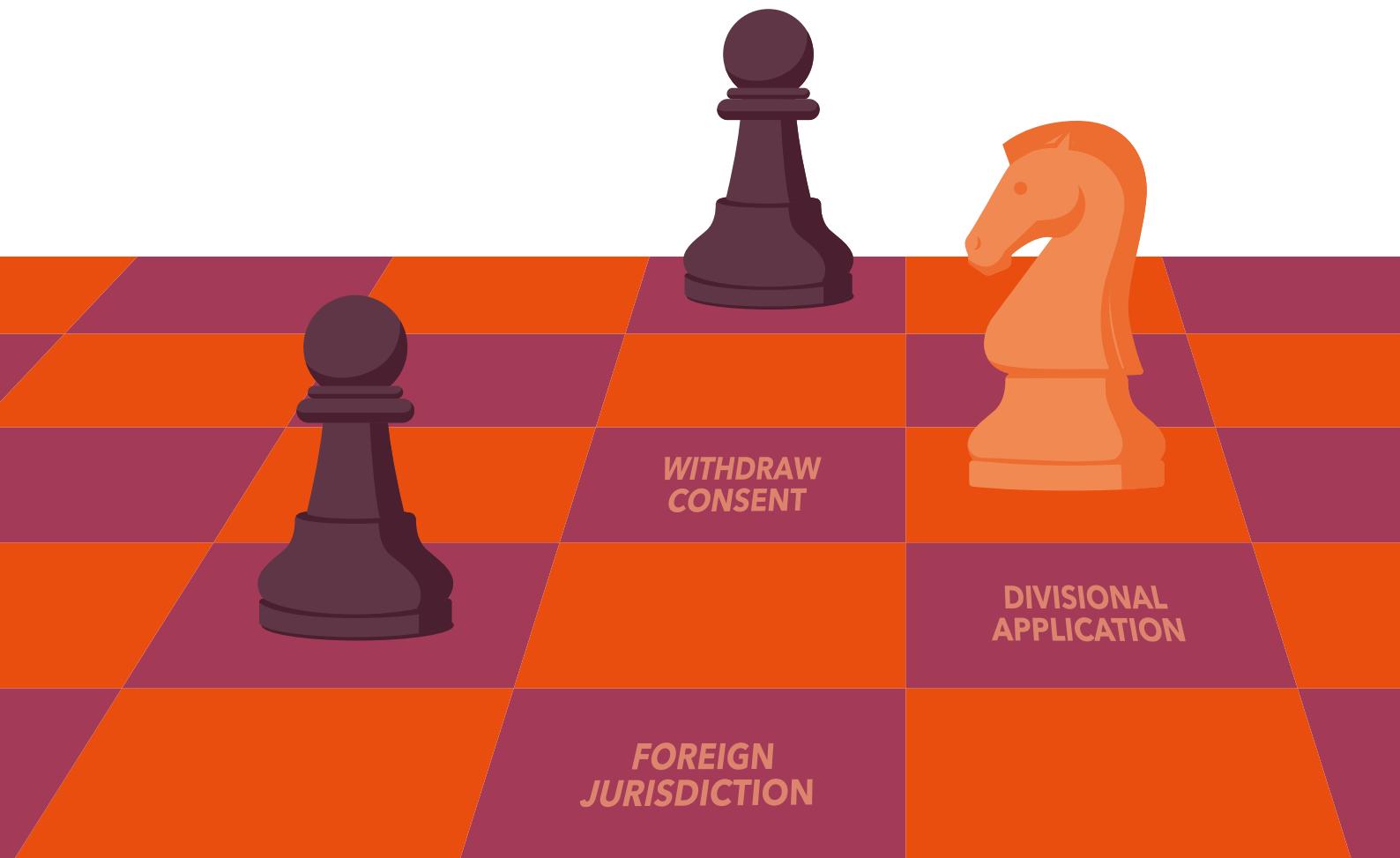


The art of surrendering

Why do patentees withdraw their consent to the text intended for grant?

In order to surrender a granted patent *ex tunc* with immediate effect, a patentee can withdraw their consent to the text intended for grant. By doing so, the patent ceases to exist *ex tunc*.

This practice can be applied any time after grant and is frequently used during opposition or opposition appeal proceedings up until the end of oral proceedings before the board of appeal to cause immediate termination of these proceedings without issuance of a decision. This practice is the only procedural way of surrendering a patent with immediate effect during pending opposition proceedings or opposition appeal proceedings.



Pursuant to Article 113(2) EPC the European Patent Office (EPO) will examine, and decide upon, a European patent only in the text submitted to it, or agreed, by the patentee. There is no such agreement if the patentee expressly withdraws the consent to the text of the patent in the form as granted and withdraws all of the requests on file. In these circumstances, the patent is to be revoked **without any further assessment of issues relating to patentability** (see, for example, T 73/84 (OJ EPO 1985, 241), T 186/84 (OJ EPO 1986, 79) and T 1995/21).

Although the procedure for limitation/revocation pursuant to Articles 105a-105c EPC is not available during opposition and opposition appeal proceedings, a patent may still be revoked during such proceedings under the circumstances discussed above. This is because Article 105a(2) EPC does not prevent the proprietor from filing a request for revocation during opposition proceedings, nor does it prevent the opposition division from dealing with such requests (see T 2177/12).

While there is no data available from the EPO regarding the frequency of this practice, it appears to have been increasingly applied in recent years by patentees, opening the door for new defense strategies.

It appears that the EPO generally embraces this strategy. We experience appeal boards explicitly asking patentees at the end of oral proceedings with a negative outcome for the patentee whether they wish to withdraw their consent to the text intended for grant (which would result in the appeal board not having to write and issue a decision). Thus, this practice also has consequences for the development of EPO case law, or lack thereof.

Several reasons can be envisaged for patentees to apply this practice:

- In most cases, a patentee retroactively withdraws their consent to the text intended for grant for a patent undergoing opposition proceedings or opposition appeal proceedings to avoid a negative decision, which could be used against corresponding patents/patent applications in other jurisdictions, or if there is/are still one or more divisional application(s) pending. In the latter case, by retroactively withdrawing the consent to the text intended for grant for the most procedurally advanced patent, a patentee gains the advantage of starting fresh with the divisional application(s) and the possibility to fix any avoidable issues to be in a better starting point for a new round of oppositions in the divisional application(s).
- Another reason for surrendering a patent during opposition proceedings or opposition appeal proceedings in cases where revocation is likely and one or more divisional application(s) are pending may be the postponement of a potentially negative decision until a later point in time to maintain uncertainty regarding patent validity for competitors, which are then confronted with a prolonged term of potential patent infringement.

Oftentimes, the different reasons for surrendering a patent overlap.

Relevant time points at which patentees withdraw their consent to the text intended for grant

One relevant time point for surrendering a patent is before issuance of a preliminary opinion in opposition proceedings. Patentees may choose this time point to avoid any statement from the EPO regarding validity of the patent.

Another time point is after issuance of a negative preliminary opinion by the board of appeal. This time point for surrendering is likely chosen in cases where maintenance is highly unlikely to avoid issuance of a negative decision which may set a precedent for subsequent divisional applications and/or simply to save cost and efforts required for oral proceedings in a case that will likely eventually be lost.



Further, surrender of a patent frequently occurs at the end of oral proceedings before the board of appeal right before the decision to revoke the patent would be announced. In these cases, patentees might act again in order to avoid issuance of a negative decision in writing because such a decision may set a precedent for subsequent divisional applications and/or may not be required by the patentee - to simply save the appeal board from having to write a decision.

The divisional game

An example case where multiple patents were seemingly strategically withdrawn during pending opposition appeal proceedings is Teva's Copaxone patent strategy. Copaxone is a drug frequently used for the treatment of multiple sclerosis and its active ingredient is glatiramer acetate. Teva was fined EUR 462.6 million by the European Commission for abusing its dominant position in the market regarding Copaxone *inter alia* by misusing the EPO's divisional system¹.

Teva's base patent EP 0 762 888 covering glatiramer acetate and its medical use expired in 2015. In 2005 and 2010, Teva filed additional patent applications directed to the manufacturing process for glatiramer acetate (EP 1 799 703, »process patent«) and a new dosing regimen (EP 2 405 749 »dosing patent«). Divisional applications relating to similar subject matter were filed for the process patent and the dosing patent between 2010 and 2018, despite the fact that, according to the European Commission's decision, Teva employees were questioning the validity of the process patent and dosing patent. By doing so, competitors aiming at entering the market were required to challenge the process patent and the dosing patent as well as to subsequently challenge the divisional patents. According to the European Commission's decision, Teva strategically and repeatedly withdrew patents shortly before decisions were issued by the EPO and continued with a divisional relating to similar subject matter that was procedurally less advanced, thereby preventing the EPO from issuing any reasoning that might also have been applicable to the subsequent divisional patents.

¹ AT.40588 - TEVA COPAXONE, available at https://ec.europa.eu/competition/antitrust/cases1/202515/AT_40588_6339.pdf



According to the European Commission, »Teva's abusive conduct consisted in filing multiple, staggered divisional patents with overlapping content and then strategically withdrawing challenged patents before a reasoned decision on their validity could be issued. This recurrent conduct, by avoiding the precedents that such reasoned decisions would establish, artificially prolonged legal uncertainty about the validity of Teva's exclusive rights flowing from its remaining divisional patents. In turn, this conduct enabled Teva to assert its remaining divisional patents against its competitors [...]. This conduct cannot be considered as competition on the merits and is capable of hindering and/or delaying the market entry and expansion of competing GAs [glatiramer acetate] on the relevant markets, thereby eliminating price competition« (see paragraph 1012 of decision AT.40588 - TEVA COPAXONE).

Importantly, the European Commission did not consider the staggered filing of divisional applications as abusive, but the practice of withdrawing challenged patents before a decision by the EPO could be issued and nonetheless asserting these patents against competitors.

Conclusion and potential strategies

The practice of surrendering patents in opposition proceedings and opposition appeal proceedings is a matter of debate. Yet, its appraisal depends on the particular circumstances of each case.

The Teva case discussed above refers to a rather rare situation where multiple divisional applications were filed and subsequently granted patents were withdrawn to avoid their invalidation through competitors. In the authors' view, this cannot be equated with a situation where individual patents are surrendered in opposition proceeding or opposition appeal proceedings before the EPO in order to give proceedings a fresh start and to fix avoidable issues such as objections raised under Article 123(3) EPC for claim amendments presented during opposition proceedings.

Accordingly, surrendering a patent in opposition or opposition appeal proceedings may be used as a strategic measure, and it may help to simplify proceedings by relying on a divisional patent with claims focusing on the most relevant issues and/or to pursue an entirely new strategy. However, in view of the European Commission's ruling on the Teva case, patentees should be aware of the consequences of systematically evading an EPO decision on validity of a particular patent family.

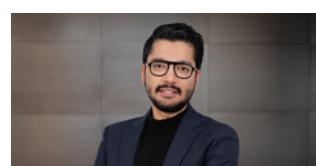
Another consequence of this practice is that no case law becomes available on the validity of patents that are surrendered in opposition or opposition appeal proceedings. Thus, this practice may delay the further development of existing case law. For example, parties may cite older decisions and debate on the interpretation of these cases in a way that suits their case. Even if the board sides with the opponent in their preliminary opinion or during the oral proceedings, further developing the already existing case law may be hindered by the patentee withdrawing consent to the text intended for grant leading to revocation. In such a case, the EPO issues only a standard decision indicating that there is no agreement on the text of the patent based on which the EPO can decide on issues relating to patentability, without discussing any substantive aspects at all.

As a consequence, opposition divisions and appeal boards as well as parties arguing parallel cases might more and more have to rely on preliminary opinions issued in preparation for oral proceedings and/or on positions expressed by the EPO during oral proceedings as actual, recent case law from the boards of appeal is not available.



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