

Thoughts and feedback since original publication of the “poisonous divisionals” concept

Editorial Preface

Although it is the normal editorial policy that this *Journal* does not republish articles previously printed in journals which readers may well have already seen, I have consulted the Editorial Panel who have unanimously agreed that the points raised in this paper are of importance for strategy and claim drafting for European applications as well as overall IP risk management and should be given careful consideration. The current article further develops the previously proposed legal concept with references to additional case law, views and commentary. Nevertheless, it is appreciated that the views expressed may be seen by some as unproven, and that the views on strategy are not intended by the authors to be complete. It is therefore hoped that readers will feel it worthwhile to express their thoughts to me in letters or articles which can then be considered for future publication herein.



Avidity IP has identified and researched a highly significant anticipation threat to patent portfolios posed by the widely used strategy of filing EPC divisionals. Our proposition, based on a fusion of two legal principles not previously put together, points to a common, significant omission in strategic planning of divisional filings which may be responsible for mutual anticipation within an EPC family comprising a parent and all its divisionals.



By **Malcolm Lawrence**
(top) and **Marc Wilkinson**
(Fellows), Avidity IP

Introduction

1.1 Early in 2011, we published to a restricted audience a paper¹ postulating the novel, and somewhat provocative, proposition that an EPC² application and its divisional(s) may be mutually anticipatory where the subject-matter disclosed is materially the same (as is almost always so in practice). Our proposition, refined and fleshed out from arguments presented in an EPO appeal on behalf of an Avidity IP client³, was based on a confluence of two legal principles:

- the familiar principle that two applications come into anticipatory conflict when matter claimed in one is disclosed in the other with the benefit of an earlier priority date, but without prior publication (i.e. “whole contents” anticipation); and
- the far from familiar proposition that, under the EPC, the two applications may be any two applications within an *EPC family comprising a parent and all its divisionals*.

1.2 The “poisonous division” proposition was published in amplified form in the autumn of 2011 in *EPI Information* 2/11⁴ and has been the subject of a number of formal presentations to patent attorney groups, mainly in Europe.

1.3 We received quite a lot of feedback from various direct sources, some of it leading to follow-on debate. Our proposition was also

picked up by a number of blog commentators. Feedback from the UK audience was mostly, but by no means entirely, in opposition, and that from elsewhere was more positive. Several major multinationals have, however, modified their IP policies to take account of the proposition as a previously unidentified anticipation threat to patent portfolios (for example, by revisions to their standard due diligence methodologies).

Priority

2.1 Priority date assessment is a crucial component of the proposition, and the two earlier papers were only possible with a clear understanding of **G2/98**⁵, especially as far as concerns the issue of split priority, perhaps the toughest of all priority issues.

2.2 It is Reason 6.7 of G2/98 that suggests tools for applying the bottom line finding of the Enlarged Board of Appeal (EBA) in a way which recognises that a claim can notionally be divided into separate domains, of which some only may be entitled to priority. Here, the Enlarged Board stated (emphasis added):

As regards the “OR”-claim (point 6.5(ii) supra), it is held in the memorandum that where a first priority document discloses a feature A, and a second priority document discloses a feature B for use as an alternative to feature A, then a claim directed to A or B can enjoy the first priority for part A of the

claim and the second priority for part B of the claim. It is further suggested that these two priorities may also be claimed for a claim directed to C, if the feature C, either in the form of a generic term or formula, or otherwise, encompasses feature A as well as feature B. *The use of a generic term or formula in a claim for which multiple priorities are claimed in accordance with Article 88(2), second sentence, EPC is perfectly acceptable under Articles 87(1) and 88(3) EPC, provided that it gives rise to the claiming of a limited number of clearly defined alternative subject-matters.*

2.3 Although this can mean *some* outcomes where relevant matter in one of a parent and divisional does not anticipate such domain – because both the *missile* and the *target* have the same priority date – it is wishful thinking, of which some are guilty, to see this as providing enough safe havens; it doesn't. Some UK feedback from blog exposure contained the remarkably unsound suggestion that the *missile* and the *target* will always be date-matched so that a division could never be *poisonous*, underlining in our view a difficulty in understanding and applying **G2/98** even now, a decade after it was published.

2.4 A particular difficulty emerges from the language, and the thinking it expresses, which makes it clear at the end of Reason 6.7 of **G2/98** that the EBA opinion is to be applied with care in only allowing a claim to be divided into a “*limited number of clearly defined alternative subject-matters*”.

2.5 In this respect, much of the feedback we have received on the issue of split priorities in the context of a defence against parent/divisional anticipation simply does not go far enough. For instance, a narrow implementation of Reason 6.7 can be clearly seen in e.g. EPO Appeal Board Decisions **T1127/00** and **T70/05**. A similar implementation in a parent/divisional context in the correct circumstances might not allow a generic claim to be shielded in this way.

2.6 Assuming in certain cases that a generic claim could not be split into a “*limited number of clearly defined alternative subject-matters*”, any anticipatory effect on the claim might nevertheless be mitigated by the use of a disclaimer. Since the *missile* would derive from another European patent application citable pursuant to **Article 54(3) EPC**, the Enlarged Board of Appeal Decisions **G1/03** and **G2/03** in principle should allow the use of a disclaimer to delimit the generic claim against the *missile*. A disclaimer of this type would, of course, need to be precisely coterminous with the *missile* in order to comply with the strict criteria set out in **G1/03** and **G2/03**⁶. Such a disclaimer would presumably also be consistent with a basic principle of the recent Enlarged Board of Appeal Decision **G2/10**, since the *missile* would, by definition, be a positively-disclosed subject-matter. However, in complex situations such a coterminous disclaimer probably would not fulfil at least the clarity requirements of **Article 84 EPC** and might thus not be allowable.

2.7 Under **G2/10** it may now also be possible to shield the generic claim from the *missile* by invoking a disclaimer which is not precisely coterminous with the *missile* but

which is of broader scope, i.e. going beyond the strict criteria set out at Headnote II.2 of **G1/03** and **G2/03**. It seems, however, that the use of such a broader disclaimer might only be possible if the subject-matter being disclaimed was itself clearly and unambiguously disclosed in the application as filed *and* that the subject-matter which remains in the generic claim following the disclaimer does not itself contravene **Article 123(2) EPC**. Quite how the EPO tribunals will assess the latter requirement remains to be seen.

2.8 Thus, the harsh fact of the matter is that, in many parent-divisional interactions, the circumstances may not support application of the Reasons 6.7 tools in a way which leads to acknowledgement of priority for a domain of subject-matter within the generic claim under attack, and the use of a disclaimer may not provide a fall-back remedy.

Emotional response

3.1 The facility for filing EPC divisionals has been widely used by applicants for many years, to put it mildly, both to deal with non-unity and for other purposes such as the ring-fencing of claimed subject-matter of special commercial importance. Learning of a common, significant potential flaw in the strategic planning of divisional filings is an uncomfortable experience for most practitioners that makes it tempting to adopt a state of denial but, of course, that does not change anything which the facts support on a properly considered view. By no means has everyone who has given us feedback been tempted irreconcilably in this way – far from it. However, as with all unconventional thinking, it is unsurprising that a good few have done so, and it is clear to us that this is a major obstacle to accepting the cold facts, and perhaps *the* major obstacle which our proposition has faced.

3.2 Picking up this emotional theme, the key principle of our proposition rejects the assumptive, and we suggest often unconscious, idea that divisionals are special and to be treated specially for the purposes of substantive law – and our experience in talking to practitioners is that letting go of that idea is far from easy. Easy or not, a parent and a divisional are separate applications with no special relationship which precludes our proposition (the converse is in fact true). They have an unusual relationship in one solitary sense and one only – insofar as there is compliance with **Article 76(1) EPC**, the divisional application validly claims, on its filing, the date of filing of the parent. Apart from this, the two have all the attributes of separate unlinked applications, and this separation means that they have the same capacity to come into conflict in a novelty sense under **Article 54(3) EPC** as two applications which were effectively never linked.

3.3 Crucially, of course, the independent status of divisionals has *twice* been endorsed by the EBA (Decisions **G4/98** and **G1/05**) as well as, very plainly, in Appeal Decision **T441/92**.

3.4 Even with that said, we've been given all sorts of reasons why we are nevertheless wrong in our proposition, all skirting around the above appellate case law as if it is not

there. Assertions include that a history of non-citation of divisionals against parents leads to a reasonable expectation that this shouldn't happen now (we don't agree), that this is new law that can't apply retroactively (no, it isn't new law; it's just new thinking, and it can and will obviously apply retroactively), that it's unfair (no, it isn't) and that the legislators could not have intended this outcome (there's no evidence to support that).

3.5 Perceived unfairness (and lack of legislative intention, which we found tended to be conjoined with it) has been our most notable experience in terms of feedback received. However, application of a previously *unrealised* but *realisable* consequence of fusing two legal principles together is shocking but not generally regarded as unfair by legal arbiters. The best response to it is perhaps to recall that division is an alternative to filing two (or more) patent applications in the first place: an applicant filing two separate European applications at the outset would plainly be subject to the legal reality that they could conflict in a "whole contents" anticipation sense⁷, and that particular applicant's position cannot fairly become superior through deciding to file a single application and dividing it later⁸.

3.6 The issues in T680/08 help to inform thought processes when considering questions of fairness and fundamental sense and logic in the setting of our proposition – as well as the question of what the legislators might have intended. Division does not come into it causally in T680/08 but in terms of outcome and the fundamental mechanism which leads to it, T680/08 and our proposition are cousins: T680/08 poses the anticipation of patent claims in an EP application (EP2) caused by an earlier EP application (EP1) whose priority is claimed rather than by division:

- In T680/08, the patent claims concerned were asserted to be disentitled to the priority date of EP1 (and entitled only to the filing date of EP2) because of an amendment to the main claim.
- EP1 disclosed earlier embodiments falling within the scope of the claims of EP2. Accordingly, those embodiments anticipated the patent claims in question even though EP1 was not published until after the filing date of EP2 (i.e. anticipation was asserted in the "whole contents" sense).

3.7 In short, according to T680/08, a *later priority-claiming* application can be anticipated by an *earlier priority-conferring* application. That makes sense as a matter of logic and does not seem unfair; and there's no real doubt in our view that the legislators intended **Article 54(3) EPC** to have the effect conceded in T680/08⁹ (or one which subsumed it) – if the nexus between a priority parent and its progeny was intended to shield the latter from whole contents exposure to the priority parent, there could have been a legislative carve out and there wasn't. Of course, *poisonous division* is a much more uncomfortable and dangerous milieu (at least partly because, reciprocally, the parent in that milieu has whole contents exposure to divisionals) but that's really a

question of scale and changes absolutely nothing at all at the crucial level of principle. Equally, T680/08 cannot be regarded as a signpost pointing to the *poisonous division* milieu (at least, not without helpings of hindsight of sizeable proportions) – but, again, that doesn't change anything at the level of principle and that's the level that counts.

Other legal challenges

4.1 We considered the position *vis-à-vis* the Vienna Convention on the Law of Treaties (VCT). The VCT is not as familiar to people as perhaps it should be and so a challenge based on it is daunting at first. However, we're clear that it does not change anything; our reasons are set out in our previous papers.

4.2 It's very hard to give less weight to the line of case law to which we refer at paragraph 3.3 above than some blog commentators have given to the testimony of a legal expert witness submitted to an EPO first instance in EP0846450. This thoughtful testimony suggests a reasoned view which is contrary to our own view that parents and divisionals enjoy separate, independent status. The expert testimony in question does not explicitly challenge, or mention, the case law to which we have referred. This makes the arguments it supports unconvincing but they struggle in our view even without having the voice of the EBA to contend with.

In the final analysis...

5.1 Propositions as significant as the "poisonous division" concept must benefit from reflection and feedback, and in this case, with circumspection properly our watchword, it was right that this should take its time. We think that essential phase has now taken its course, and we are clear in our view: filing a divisional in contexts where there is the possibility that a claim may cover subject-matter having two or more effective dates (which can be the case if the parent makes even a single priority claim) involves risk whose management calls for the adoption of different thinking and different working practices¹⁰.

5.2 Creating solutions to the problem where it is found to exist, and risk analysis itself, are taxing to say the least. Some strategies are set out in our previous papers, and the thoughts in Paragraphs 2.5 to 2.8 above (not all of which we had articulated, or in some cases *could have* articulated, to ourselves at the stage of earlier writing) are likely to be central in many cases. Prophylactic measures certainly include incorporation of new thinking into original drafting strategies as well as, in some cases at least, relaxing in a targeted way the now established practice of filing divisionals with specifications having near enough all the content to the parent as filed.

5.3 Our proposition, of course, involves both threats and opportunities, depending on where you sit, of serious magnitude and difficulty. And where you sit changes according to the context you have before you. For a corporate IP operation of any size, one of the issues is deciding policy: is the poisonous division concept an

Poisonous division(al)s

opportunity coupled with lesser threats or is it the converse? Obviously, there are other issues such as IP valuation and risk management.

5.3 We're happy to have shared our thinking, and the whole issue could still benefit from further debate, and certainly from wider awareness. After all, filing a divisional which at least partially obliterates a parent whilst at the same time quite possibly suffering the same fate at the hands of the parent is an *IP Armageddon* to be avoided; it's also one we think can be planned for and managed, although not without unusual challenges.

Anyone who'd like a copy of either of the earlier papers should send an e-mail to jenny.montier@avidity-ip.com.

Notes

1. "Poisonous EPC Divisionals (*Just as you thought it was safe....*)", Inventive Steps – Ideas in *IP Management*, Avidity IP, **Malcolm Lawrence**, peer reviewed **Marc Wilkinson**
2. Our focus has been primarily on the EPC and associated case law; however, we recognise that the concept could also be applicable in a domestic law context, such as in the UK under **section 2(3) Patents Act 1977**
3. In that appeal, the arguments were not formally considered for the purposes of the written decision
4. "Poisonous EPC Divisionals – *Implications for Risk Management and Opportunistic Advantage*", *EPI Information* 2/11, European Patents Institute, **Malcolm Lawrence** and **Marc Wilkinson**
5. There is a considerable number of Technical Board of Appeal decisions which have implemented the EBA's decision in specific contexts
6. "*A disclaimer should not remove more than is necessary either to restore novelty or to disclaim subject-matter excluded from patentability for non-technical reasons.*" – see Headnote II.2 of **G1/03** and **G2/03**
7. The debate during pre-1977 consultation on the EPC as to whether **Article 54(3)EPC** should be invoked by self-collision or only by collision with a third party was closed with the former in favour and to be enacted, and is well recorded in the *Travaux Préparatoires* (see in particular document BR/177 e/72 nan/JF/prk pp6-10)
8. We feel the fact that a great deal, and probably most, division is *voluntary* reinforces this view
9. See also Koch & Weinzierl, *EPI Information* No 1/10 (March 2010), European Patents Institute and Decision **T1443/05** (published in June 2008 in German, not published in English and of somewhat low profile – our research shows that the case had by 1 January 2012 been cited only once in other appeal decisions)
10. Whether the legislature had a *specifically recognised and individualised* intention might well be doubted (and even more so as far as the *poisonous division* effects are concerned) but that's not the point; the point is whether the legislature had a broad intention which subsumed the outcome of *poisonous division* (or the outcome discussed in paragraph 3.7 in Appeal Decision **T680/08**)
11. Filing a divisional, or at least planning it, is certainly not routine