Registry of the Enlarged Board of Appeal
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GERMANY

For the attention of: Mr Nicolas Michaleczek (EBAamicuscuriae@epo.org).

27 April 2021

Dear Members of the Enlarged Board of Appeal

Amicus Curiae Brief – G 1/21 (European Patent Application 04758381.0)

The IP Federation submits this written statement, in accordance with Article 10 of the Rules of Procedure of the Enlarged Board of Appeal, for the assistance of the Enlarged Board in considering case G 1/21. In summary, the IP Federation's submission is that: in the conduct of oral proceedings at second instance, in-person attendance of the parties and panel members should be the default position, unless there is a lasting and generalised interruption to travel extenuated by exceptional circumstances, such as during the Covid-19 crisis; in going beyond this position, new Article 15a of the Rules of Procedure of the Boards of Appeal is fatally flawed, for failing to safeguard the delivery of natural justice and lacking any legal basis in the EPC.

Introduction

The IP Federation represents the views of UK industry in IP policy and practice matters in the UK, Europe and internationally. Its membership of influential IP intensive companies has wide experience of how IP works in practice to support the growth of technology-driven industry and generate economic benefit. Details of the IP Federation membership are given at the end of this letter.

The IP Federation membership invest heavily in IP and are very active users of the European Patent Office (EPO). This submission follows a detailed consideration in the IP Federation Council of the question referred in this case, and the views expressed are based on our members' considerable experience of prosecuting European patent applications and the opposition procedure for European patents, including proceedings before the Boards of Appeal. It also takes account of the way in which the courts of the UK and certain other jurisdictions have developed their procedures to enable remote hearings to take place, while ensuring that all issues that arise in the case are determined in accordance with immutable principles of natural justice.

The Question

In decision T 1807/15 (Oral proceedings in the form of a videoconference) of 12 March 2021, regarding European patent application number 04758381.0, the following question is referred to the Enlarged Board of Appeal for decision pursuant to Article 112(1)(a) EPC:

> Is the conduct of oral proceedings in the form of a videoconference compatible with the right to oral proceedings as enshrined in Article 116(1) EPC if not all of the parties to the proceedings have given their consent to the conduct of oral proceedings in the form of a videoconference?

The IP Federation respectfully submits the following observations as *amicus curiae*. These go not only to the question *per se*, but also to the composition of the panel of the Enlarged Board convened to decide it. As the latter is a preliminary matter, this submission deals with it first.

Composition of the Enlarged Board Panel in G 1/21

In order to maintain faith in the judicial procedure of the European Patent system, it is essential that the Boards of Appeal, including the Enlarged Board of Appeal, are seen to operate impartially. As has been noted by others, the President of the Boards of Appeal has publicly recommended the adoption of the new rule of procedure (Article 15a, cited in full to below)[1] which is at the centre of this case:

> "The President of the Boards of Appeal proposes that the Boards of Appeal Committee adopts the amendment to the Rules of Procedure of the Boards of Appeal set out in Part II of this document. The amendment involves inserting in the Rules of Procedure of the Boards of Appeal (RPBA 2020) new Article 15a, which clarifies that the Boards of Appeal may hold oral proceedings pursuant to Article 116 EPC by videoconference"

In addition, the announcement went further and suggested that the new article could be put into practice before its date of entry into force:

> "**It is suggested that proposed new Article 15a RPBA enters into force on 1 April 2021**, subject to its approval by the Administrative Council under Article 23(4), second sentence, EPC, **and applies to all oral proceedings scheduled to take place on or after that date**. As outlined above, proposed new Article 15a RPBA clarifies the practice of the Boards of Appeal since May 2020 of conducting oral proceedings by videoconference. Therefore, **the Boards of Appeal may adapt their practice before the date of entry into force**. The existing discretionary power of the Boards of Appeal to hold oral proceedings by videoconference remains unaffected. Accordingly, **Boards may summon parties to oral proceedings by videoconference for a date before 1 April 2021** and may convert oral proceedings scheduled to take place on the premises before that date to oral proceedings by video-conference, **even without requiring the parties' agreement to this format**"

Having not only encouraged its adoption but also gone on to recommend that Boards seek to implement the provision even before it comes into force, the appearance has been given that the President supports this new provision.

The President's central and directing involvement in the genesis, formulation, consultation and implementation of new Article 15a cannot now be airbrushed out. In light of this, it is suspected that the President may be partial, which is a ground for objection under Article 24(3) EPC, and this knowledge is brought to the attention of the Enlarged Board. It is requested that the Enlarged Board, in accordance with Article 4(1) of the Rules of Procedure of the Enlarged Board of Appeal (RPEBA), exercise the procedure under Article 24(4) EPC and consider whether or not the President should be permitted to sit on the panel for this case.

[1] See: BOAC/16/20 http://documents.epo.org/projects/babylon/eponet.nsf/0/ABB07FC3026814D7C125863F004CF531/$File/boac-16-20_en.pdf

It is further requested that the Enlarged Board should also examine the prior involvement in the development of Art 15a of the other proposed panel members, apart from the external members, to ensure that they also demonstrably satisfy the highest standards of impartiality on the question referred.

The Legal Background

The referral from T 1807/15 has arisen as a result of the (then) pending implementation of Article 15a of the Rules of Procedure of the Boards of Appeal (RPBA). Article 15a reads as follows:

> *(1) The Board may decide to hold oral proceedings pursuant to Article 116 EPC by videoconference if the Board considers it appropriate to do so, either upon request by a party or of its own motion.*
>
> *(2) Where oral proceedings are scheduled to be held on the premises of the European Patent Office, a party, representative or accompanying person may, upon request, be allowed to attend by videoconference.*
>
> *(3) The Chair in the particular appeal and, with the agreement of that Chair, any other member of the Board in the particular appeal may participate in the oral proceedings by videoconference.*

The new Article 15a(1) therefore grants the relevant Board of Appeal the discretion to hold oral proceedings by videoconference of its own accord and without recourse to the parties to the proceedings. This is a substantial deviation from the historical conduct of proceedings before the Boards of Appeal. The IP Federation is not aware of any guidance as to how the Boards of Appeal should exercise this entirely new discretion. Nor do there appear to be any checks or balances against the misuse of the discretion granted to the Boards by Article 15a.

The Boards of Appeal Committee adopted Article 15a on 11 December 2020 under the legal basis of Rule 12c(2) EPC. The Administrative Council of the EPO subsequently approved the amendment to the Rules of Procedure on 23 March 2021. The Administrative Council is required to approve the amendments to the RPBA pursuant to Article 23(4) EPC. Its own competence to amend the Rules of Procedure is provided for by Article 33(2)(e) EPC.

Pursuant to Article 116 of the European Patent Convention itself, parties to proceedings before the EPO have the right to an oral hearing. Article 116(1) EPC provides:

> *Oral proceedings shall take place either at the instance of the European Patent Office if it considers this to be expedient or at the request of any party to the proceedings. However, the European Patent Office may reject a request for further oral proceedings before the same department where the parties and the subject of the proceedings are the same.*

The EPO may instigate oral proceedings if it considers that such proceedings are expedient, but notably its discretion is superseded by the fundamental right of the parties to oral proceedings on their own request.

The Value of Videoconferencing in Appropriate Circumstances

The IP Federation supports any measures that improve the effectiveness and efficiency of the Boards of Appeal, provided that quality, fairness and justice are not compromised. We believe that, where a party consents, the ability to attend oral proceedings by videoconference is a valuable option.

The IP Federation also appreciates the efforts of the EPO to continue progressing examination and opposition proceedings in the face of the unprecedented constraints and exigencies imposed by the Covid-19 pandemic. In exceptional circumstances where there is a lasting interruption to travel, the IP Federation can see the value in permitting, temporarily, special measures to be adopted to allow for the continued progression of cases. In light of the travel restrictions imposed by national governments as a result of the Covid-19 pandemic, the IP Federation recognises that such measures might reasonably include the temporary ability to require oral proceedings to take place *via* videoconference.

However, the provisions of new Article 15a go beyond this: their application is not limited to extenuating circumstances and, absent such circumstances, it imposes conditions which take insufficient account of a number of important factors including affording all parties the opportunity to select the most appropriate means to be heard. The result in a significant number of cases will be procedural unfairness to such a degree that just outcomes will be jeopardised.

In-Person Should be the Default

The IP Federation's view is that, under normal circumstances, conducting oral proceedings by videoconferencing is acceptable where the parties agree, but in-person should be the default. Where at least one party desires, is willing and is able to appear in-person, that party should not normally be compelled to attend by videoconference. Further, the appearance of one party by videoconference should not normally compel the appearance of all parties by videoconference[2].

Only in the context of a lasting and generalised interruption to travel extenuated by exceptional circumstances, such as those presented by the Covid-19 pandemic, where at least one of the parties is prevented from travelling to attend proceedings in person should the Board be permitted to require that the oral proceedings take place with all parties attending *via* videoconference, with the alternative being postponement.

In-Person Presence of Board of Appeal Panel Members

New Article 15a(3) indicates that the members of the Board of Appeal may participate in proceedings by videoconference. However, if one party wishes to exercise its right to oral proceedings and attends in person, the IP Federation believes that the Board of Appeal should also be required to attend in person and this provision should be limited accordingly. To allow the Board to participate remotely when one or more of the parties is attending in person would defeat the purpose of their attendance and, for the same reasons that compelling that party to use videoconferencing would, deprive that party of its right to a fair and proper hearing.

Indeed, the Enlarged Board in G 2/19 has itself expressly stated that "users of the European Patent Organization can trust that the organs of the European Patent Office do not carry out their actions in arbitrary third places" (machine translation of "Die Nutzer des Angebots der Europäischen Patentorganisation werden zwar darauf vertrauen dürfen, dass die Organe des Europäischen Patentamts ihre Handlungen nicht an beliebigen dritten Orten vornehmen"; paragraph bridging pages 36 and 37 of G 2/19). New Article 15a(3) is at odds with this principle.

[2]The IP Federation recognises that the reverse may also apply; the attendance of one party in person should not normally force the other party to attend in person should they wish to attend via videoconference.

The Distinctive Nature of Second Instance Proceedings

While the focus in this submission is on appeal proceedings, the IP Federation acknowledges that oral proceedings *via* video conference work well before the EPO examining division and the opposition division in light of the administrative nature of these proceedings. We welcome video conferencing being available for these proceedings by a consenting party.

In contrast, appeal proceedings are an unquestionably judicial process. Therefore, it is at the appeal stage in particular that a party's right to natural justice and a fair and proper hearing are most strongly engaged. Further, at the appeal stage patentees are in the position of potentially losing valuable IP rights, which in some cases can be worth many millions, with no further recourse and cases which are pursued on appeal are likely to be those considered commercially valuable to at least one party involved. As a result, the IP Federation believes that it is particularly important at the appeal stage for parties to be permitted the opportunity to present their case in the most effective way possible. While there may be an increased cost to in-person representation, this is justified in light of the value of the rights to the parties.

It has been suggested in some quarters that because trade marks proceedings can routinely be conducted successfully by videoconference, the same must be true of patents. This analogy is a manifest and misleading oversimplification. Patents will often disclose scientific concepts at the cutting edge of the relevant field and hearings debating the validity of such patents will frequently require in-depth discussions of the technical background and in some cases analysis of experimental data. In light of this, the IP Federation believes that requiring a hearing to take place by videoconference could deprive a party the opportunity to present their case in the most effective way.

Legal Basis: the Overriding Requirement for Natural Justice

It is a fundamental principle of natural justice that no proceedings should be conducted in a manner which unfairly prejudices the right of one or more of those parties to a fair and proper hearing. Even considering the advances in videoconferencing software in recent years, it cannot rightly be said that the experience of communicating with a person by videoconferencing software is equivalent or even comparable to communicating with that person face-to-face. The purpose of oral proceedings is to enable the parties to communicate their arguments effectively to the court or tribunal tasked with determining the outcome of a dispute. Further, Article 113(1) EPC provides that decisions of the EPO may only be based on grounds or evidence on which the parties concerned have had an opportunity to present their comments. The principles protected by the right to oral proceedings are more complex than purely the right to speak, a fact implicitly acknowledged by the EPO, which could otherwise have transitioned to hearing proceedings by teleconference many years ago. Oral proceedings inherently require that the speaker be able to face his or her interlocutors.

A videoconference is not a good facsimile of a face-to-face interaction. With videoconferencing it is possible only to see a small image of the speaking person, often out of sync with the words they are speaking, particularly where there are multiple parties connecting, with a voice modulated by microphones and speakers, but it is not possible for that speaker to convey the force of their arguments to the listener, or to interact with interlocutors in a full and proper fashion. For example, facial expression is a basic mode of nonverbal communication, which is why "emoticons" are used in text communication to ensure an intended meaning is conveyed. Depriving the speaker of the opportunity to take account of and respond

to these nuances and subtleties of communication is depriving the party they represent of the right to properly put forward the arguments supporting its position. As such, if a party is unable to take full account of nonverbal communication over videoconferencing that would be obvious if the party were instead before the court in person, a party's opportunity to present its comments in response to nonverbal communications is lost and so its right to be heard under Article 113(1) EPC may be potentially infringed.

This is without taking into account the more profound technical issues which plague a significant number of interactions conducted by videoconferencing software; for example, it remains the case that in a significant proportion of the Contracting States there is limited access to high-speed internet access with sufficient bandwidth to upload and download live-streamed video so as to enable a party in those Contracting States to communicate meaningfully by videoconferencing. Those issues are exacerbated in situations which involve multiple parties speaking and being present on video, circumstances which are common in EPO proceedings which may feature multiple opponents or appellants. In the event that an internet connection cuts out for even a short moment, the import of an argument may be lost - possibly unknowingly to the listener - and as a consequence patent claims may be incorrectly allowed, or incorrectly refused.

As set out above, the IP Federation agrees that in certain circumstances the use of videoconferencing software may be necessary or appropriate. However, the IP Federation cannot agree that it is correct that the power to determine whether an oral hearing should be conducted by videoconferencing is placed exclusively in the hands of the Boards of Appeal by an instrument of secondary legislation. This is particularly the case given that the EPC envisions that the parties to proceedings before the EPO have the express right to request an oral hearing irrespective of whether the relevant department of the EPO considers such a hearing to be necessary. The only fetter in Article 116 EPC on the right of a party to request oral proceedings is in circumstances where the proposed oral proceedings are before a department which has already heard the same parties on the same subject.

The coronavirus emergency has required the world take expedient measures, and to deviate from best practice in various fields to ensure the safety of individuals and the continued functioning of society. It does not follow, however, that the coronavirus emergency has rendered historical best practice to no longer be the standard to which we should hold ourselves following the conclusion of that emergency. Videoconferencing software has been available for a number of years, and has never seriously been considered as the future direction of EPO oral hearings due to its inherent limitations and incompatibility with the proper operation of procedural justice throughout the Contracting States. The IP Federation acknowledges that videoconferencing has formed a useful and necessary tool in the past year. However, simply because videoconferencing has become the tool of expedience during the coronavirus emergency does not mean it should become the *de facto* state of operation going forward.

Admittedly, there is nothing in Article 116 EPC or its *travaux préparatoires* which indicates the form in which oral proceedings are to be conducted. Nonetheless and in light of the above considerations, the IP Federation submits that at the time of the conclusion of the EPC the Contracting States envisioned that the right to oral proceedings would be fulfilled by in-person hearings. Whether or not the Contracting States were capable of envisioning the advances in technology leading to contemporary videoconferencing software is not material. As the referring decision of the Technical Board of Appeal acknowledges, this question "*affects the fundamental procedural rights*" of parties before the EPO (T 1807/15, 3.7). It is

not for the Boards of Appeal Committee and the Administrative Council to limit the scope of parties' access to a right set out in the EPC based upon the introduction of an amendment to the RBPA. Such a fundamental change in the right to in-person oral hearings can only properly be made by an amendment to the EPC following a diplomatic conference pursuant to Article 172 EPC, or a unanimous vote of the Administrative Council pursuant to Article 33(1)(b) EPC.

Similarly, implementing such a change to the RPBA, restricting as it does the rights presently enjoyed under the EPC, is a break from the hierarchy of norms. The EPC as presently constituted does not provide discretion for the Boards of Appeal to restrict the rights of appearance of the parties before it. Rather it does the opposite – it provides for the right of appearance for parties even in circumstances where the Board does not consider it to be necessary. Article 15a of the RPBA, a secondary legislative instrument, serves to remove rights from parties which are enshrined in the primary legislation of the EPC. This is not compatible with the established legal principle of the hierarchy of norms.

The Administrative Council is also acting outside of its authority by implementing Article 15a in conflict with Article 125 EPC.

Article 125 EPC requires that:

> "[i]*n the absence of procedural provisions in this Convention, the European Patent Office shall take into account the principles of procedural law generally recognised in the Contracting States*."

Notwithstanding the above described issues of procedural justice for the parties and the conflict with Article 116 EPC, the implementation of Article 15a RPBA also fails to take into account the principles of procedural law generally recognised in the Contracting States.

Serious judiciable issues are as a matter of course heard in person in the United Kingdom. For disputes relating to patents, paragraph 15(1) of the Patents Court Guide indicates that only applications with a duration of 20 minutes or less are suitable for telephone hearings. Although the UK courts are presently hearing cases remotely in response to the coronavirus emergency, the right to do so comes under a statutory instrument titled the Coronavirus Act 2020 which has a limited term of only 2 years, to account for the expected duration of the emergency. From July 2021, as the UK lifts its lockdown restrictions, it is anticipated that the Patents Court will again begin to take in-person hearings where it has the physical capacity to do so.

Despite the coronavirus emergency, in Germany parties to patent disputes may *always* attend a hearing in person, and the court may not refuse their right to do so. The court itself must also physically preside over the hearing from the court room.

In Italy, the courts have continued to allow in-person hearings during the coronavirus emergency for complex patent disputes and particularly where it is necessary to discuss issues of technical expertise.

Similarly in France physical hearings are the norm in intellectual property matters, with only a brief interlude during the first lockdown in March to May 2020.

As can be seen, many of the Contracting States have continued to respect the right of parties to an in-person hearing even during the coronavirus emergency. Importantly, none of the above described judicial systems have indicated an intention to permanently deprive parties of a right to an in-person hearing without recourse following the conclusion of the coronavirus emergency. The IP Federation

considers that the implementation of Article 15a is not compatible with a proper accounting of the principles of procedural law in the Contracting States, as required by Article 125 EPC.

It is therefore clear that in order for the Boards of Appeal to be given the power to determine as a matter of course whether or not parties are entitled to an in-person hearing, it will be necessary to fundamentally deviate from the letter and the spirit of the EPC as currently constituted. In making such a profound and far-reaching change by way of revision of the RPBA, the Administrative Council is circumventing the proper statutory procedures for amending the EPC, namely a diplomatic conference pursuant to Article 172 EPC, or a unanimous vote of the Administrative Council pursuant to Article 33(1)(b) EPC. It is the position of the IP Federation that the proposed new Article 15a is not only impermissible as a matter of procedural justice, in approving it the Administrative Council has exceeded the legal authority granted to it by the EPC.

The Limitations of the Technology Provided

The availability of videoconferencing is not a recent phenomenon; ISDN videoconferencing facilities, which are capable of providing high quality, stable connections, have been available for over 20 years. Yet, prior to the introduction of new Article 15a, the Boards have not sought to replace in-person hearings with the use of such facilities. There are inherent limitations to proceedings conducted by video conference as compared to in-person hearings. When communicating face-to-face, oral submissions can naturally be supported and supplemented by facial expressions and gestures which allow points to be conveyed with greater force, clarity and to better effect than is possible over video-link. IP Federation members have reported a noticeable difference at certain hearings in the ability of their representatives to engage with the panel when participating remotely as compared to being in-person, for example a camera that provides a wide-angle view of the panel as a whole is too far away for the viewer to discern facial expressions etc. In addition, in-person hearings provide significantly greater scope to allow parties to support their submissions with the use of drawings and/or models. The ability to do so can be of particular importance in cases where the patent covers technically complex subject matter.

The increasing use of videoconferencing over the last year has also highlighted the limitations in the technical framework currently used for videoconferencing. In contrast to ISDN videoconferencing, the broadband internet based software commonly used is not entirely reliable. Users of such software have at one time or another experienced connectivity and/or audio quality issues. The inevitable consequence of conducting oral proceedings by videoconference using such systems would be that on occasion one party would be unable to clearly communicate with the Board.

In T 1807/15 at 4.1.1, the Board suggested that in videoconference proceedings a party can alert the Board when technical difficulties are being experienced, and the Board can allow time for the party to resolve the issue. However, technical issues may not always be capable of resolution and may not even be detected by a speaker in proceedings if there is a short lapse in connectivity. In addition, a system which was sufficiently lenient so as to minimise the disadvantage to any party experiencing technical difficulties, would be open to abuse by any party wishing to delay proceedings.

In light of this recognised imperfection, IP Federation believes that, absent any extenuating circumstances, forcing parties to accept oral proceedings by videoconference impinges on their right to a fair and impartial hearing. This is particularly the case when balanced against the potentially significant value of the IP rights in question to the parties.

The Mode of Hearing can Change the Outcome

There has been no research as to the implications of videoconference oral proceedings *vis-à-vis* in-person oral proceedings in respect of, for example, the impact on outcome and the impact on adherence to preliminary opinions. Appropriate data should be gathered and analysed before any final decisions are taken about how to deploy videoconferencing in Board of Appeal proceedings post-Covid.

However, studies conducted on the use of video proceedings in other judicial contexts have suggested that in certain circumstances it leads to significant differences in outcome and puts litigants at a disadvantage. For example a study by Bannon et al.[3] on the use of video technology in US Federal Court proceedings reports several such examples, including:

a) in criminal bail hearings defendants whose hearings were conducted over video conference had substantially higher bond amounts (ranging from 54 to 90 percent higher) set than those who attended in person; and

b) in immigration courts, individuals were more likely to be deported when heard over video conference.

The same paper also cites several examples where the judge's opinion of a person's credibility was altered when assessed via video conference as compared to when assessed in person.

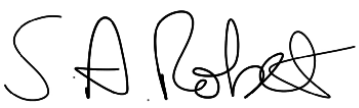
There is no reason to suspect that proceedings before the EPO would not be similarly affected by the switch to videoconferencing and this change could have a material impact on the outcome of proceedings.

In addition, anecdotal reports from IP Federation members of videoconference proceedings at the EPO suggest that such proceedings have been slower in pace than in-person hearings. This has led to greater pressure towards the end of the day, with the consequence that it has been felt that the Board of Appeal has not in some cases considered the issues before it as fully and in as much detail as it would have done had the proceedings been held in-person.

Answering the Question

For the reasons given in this statement, the IP Federation believes that, in order to ensure natural justice and protect parties' rights to a fair hearing, the short answer to the question referred to the Enlarged Board of Appeal should be no: the conduct of oral proceedings in the form of a videoconference is not compatible with the right to oral proceedings as enshrined in Article 116(1) EPC if not all of the parties to the proceedings have given their consent to the conduct of oral proceedings in the form of a videoconference.

Yours sincerely



Scott Roberts
President, IP Federation

[3] Bannon and Adelstein, The Impact of Video Proceedings on Fairness and Access to Justice in Court, Brennan Centre for Justice (September 2020).

IP Federation members 2021

The IP Federation membership comprises the companies listed below. The UK Confederation of British Industry (CBI), although not a member, is represented on the IP Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. The IP Federation is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

AGCO Ltd
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