Developing a patent strategy in Europe – some considerations

Introduction

The population of the European Union now exceeds that of the United States of America. The size of the European market place makes exploitation of technology an attractive proposition. However, apart from a centralized granting procedure administered by the European Patent Office on behalf of the member states, the patent system in Europe is still very dependent on national jurisdiction. Even though steps have been taken to harmonise national law, national jurisdiction still has an effect on the strategy which needs to be implemented to ensure a favourable return on investment in IP.

Discussion

In its most fundamental form, an IP right confers on its holder a territorial monopoly for a period of time which excludes others from utilising the right without the holder's consent.

Upon grant, a European patent becomes a bundle of national patents. To have effect in a member state, the European patent must be validated in that state. Validation requires the payment of a fee and, often, translation of the patent. For expensive products which cannot easily be modified for different markets, such as vehicles, it may be sufficient to validate a European patent in just a handful of states which constitute the main markets for the product. On the other hand, for products which can be easily copied and easily transported, such as pharmaceuticals, it may be wise to validate a European patent in virtually all states. Irrespective of the number of states in which the patent will be validated, the European patent system offers the flexibility of allowing the application to provisionally cover all states until it is granted. This means that the applicant has several years during which to determine in which states he wishes to validate his patent, at the same time that competitors remain uncertain as to where the patent will eventually have effect.

The filing of a patent application presupposes that an idea has been hatched. What constitutes an invention is not defined in the European Patent Convention (EPC). Nevertheless, the case law that has developed over the thirty years that the EPC has been in force dictates that an invention must be a technical solution to a problem. The technical solution must be either a physical entity or a method involving a technical activity.

To be patentable, an invention does not have to be revolutionary. It is sufficient if it is novel and involves an inventive step, i.e. it must not have been known in the public domain before the filing date of the patent application and it must not be obvious to a skilled person.

In Europe, the rights to a patent belong to the applicant who is first to file a patent application. This implies that the applicant is under pressure to file his application as quickly as possible. However, it is improbable that the commercial significance of every aspect of an invention is able to be immediately appreciated. The application also needs to take into account that the term of a patent is twenty years. Since no new matter may be added to an application after filing, the application must nevertheless be as complete as possible.

A properly drafted patent application can create openings for exploiting the market which otherwise

would not be available to its owner. What constitutes a properly drafted application is dependent on many factors, though a few fundamental requirements exist.

Thus, an initial idea is frequently a specific construction to address a particular problem. A hastily drafted patent application directed to the specific construction may well protect that construction, but it could allow (and may even act as a catalyst for) competitors to conceive alternative solutions to the same problem which lie outside of the scope of protection afforded by the application.

In Europe, a patent application can legitimately be drafted to cover the general principle which the specific construction utilises to solve the problem. For example, a hook-and-loop fastening system offers advantages over an adhesive fastening system not simply due to the fact that it is a hook-and-loop system, but rather because it utilises mechanical inter-engagement of components. Very often, the invention can be claimed in functional terms, e.g. by claiming "means for providing a mechanical inter-engagement". This presupposes that the description of the invention describes at least one, and preferably, several conceivable ways of providing the function.

The general principle will impart the specific construction with unique selling points. It is these unique selling points which should be protected since it is these which will attract consumers and, consequently, competitors. The inventor him/herself is rarely the most suitable person to identify the unique selling points. Instead, this requires visionary skills capable of predicting potential market demands and changes over the forthcoming twenty years. During the course of the granting procedure, divisional applications can be filed which are directed to the commercially most significant unique selling points.

Finally, the patent application should be drafted in a manner which will prevent competitors from filing subsequent applications directed to commercially significant fields of use of the idea, otherwise the competitors will prevent the applicant from exploiting his idea in those fields. Accordingly the application should not only describe the technical features of the invention, but also all conceivable fields of use.

With a properly drafted patent application, its owner is in a stronger position to exploit his technology, be it by licensing, in-house manufacturing or joint-venture. Irrespective of what strategy is adopted, it must be borne in mind that obtaining a patent does not confer on its owner any right to commercialise the invention. Earlier IP rights of others must be taken into account. Nevertheless, due to the national validation requirement, it often arises that a potentially conflicting right is in force in a limited territory, with the market remaining open in other states.

Similarly, infringement of a European patent is dealt with on a national level. The proprietor-friendliness of the courts in each jurisdiction should therefore be taken into account before deciding in which country a law suit is to be initiated.

If handled correctly, therefore, the harmonised, though nevertheless fragmented, patent system in Europe provides applicants with unique possibilities to exploit their technology.

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