

## Entitlement to Priority in the European Patent Office

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### I. Introduction

The recent decision of the Enlarged Board of Appeal offers in cases G1/22 and G2/22 relief to many, primarily US patentees, that may have previously faced a loss of patent rights due to the strict EU requirement for an explicit transfer of the “right to claim priority” from all of the initial inventors and applicants or an earlier patent application to all subsequent applicants claiming priority to the earlier patent application. The US does not recognize a separate “right to claim priority” and does not require such an explicit transfer. As a result, many US entities may not properly transfer the right to claim priority when filing a PCT application that claims priority to a US patent application. This has led to a number of high-profile cases, such as the revocation of a key patent relating to the CRISPR-Cas genome editing technology (T 0844/18).

### II. The Background of the Decision

The Enlarged Board of Appeal recent decision concerns the revocation of Alexion Pharmaceutical’s European patent No. EP 1 755 674 when the EPO found Alexion’s priority entitlement deficient, allowing intervening prior art to anticipate their claims. Alexion appealed, triggering review by the Enlarged Board of Appeal at the EPO, which has now established new law governing the right to claim priority. The ruling may have spared the applicant’s European claims, pending future proceedings in accordance with this change in law.

The patent claims at issue concern pharmaceutical technology developed by three university-based inventors. Alexion secured rights to develop the technology and to patent it outside the United States. The mishap arose because only one of the inventors executed the proper agreement with the university to support Alexion’s priority claim, apparently unbeknownst to Alexion.

The underlying priority application in the United States was filed in the name of R.P. Rother, H. Wang and Z. Zhong, the inventors. The PCT application names R.P. Rother, H. Wang and Z. Zhong as inventors and as applicants with designation for the United States of America only. It also names as applicants Alexion Pharmaceuticals, Inc. and the University of Western Ontario as applicants for all designated States except the US. Alexion conceded that there had been no transfer of the right to claim priority from the inventors Wang and Zhong.

After the claims issued through the EPO as Patent No. EP 1 755 674, Novartis filed an opposition and contested the priority chain. The opposition division found the priority claim invalid because only the priority right of the inventor Rother had been assigned to Alexion prior to the filing of the PCT application. An assignment of the priority rights of the inventors Wang and Zhong to the appellant or the University of Western Ontario had not taken place prior to the filing of the PCT application. Because of this faulty chain of priority, and in view of intervening prior art, the opposition division ruled that Alexion’s patent was invalid.

The opposition division rejected the attempt by Alexion to file corrected papers by adding Wang and Zhong as additional applicants to the PCT application, *nunc pro tunc*. The opposition division noted that at the filing date of the PCT application it was believed that the appellant and the University of Western Ontario were the correct applicants, and the application was deliberately filed in this manner. Allowing the request for correction would introduce something different than what had been originally intended and thus did not fall within the scope of Rule 139 EPC, and so was disallowed.

The EPO’s Technical Board of Appeal referred the case to the Enlarged Board of Appeal to answer questions about the underlying authority of the EPO to rule on this property right.

### III. The Decision in G 1/22 and G 2/22

The Enlarged Board first confronted the jurisdiction of the EPO to adjudicate priority claims. Legal title to patent claims is squarely a matter of national law, outside the scope of the EPO’s jurisdiction. However, the Enlarged Board drew a distinction between the right of title to a patent, on the one hand, and the right to claim priority to an earlier-filed application, on the other. The Enlarged Board established that the right to claim priority is a matter within the competence of the EPO.

The Enlarged Board confirmed that precedent had not yet established how to resolve the question of adjudicating priority rights when there is a gap in the formal assignment agreements, such that the original inventors had not all assigned to a downstream entity the right to claim priority back to the original application.

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The Enlarged Board noted that this problem is particularly pertinent to originally-filed applications in the United States, and more particularly those applications filed prior to the enactment of the America Invents Act (AIA). Pre-AIA, such applications had to be filed in the name of the inventors, which created the possibility of an insufficient transfer of rights to the inventors' employing institutions.

The Enlarged Board sided with Alexion, establishing an accommodating rule that the right to claim priority should be presumed to flow to downstream entities that acquire title to the invention. The Enlarged Board noted the policy consideration that it would be rare for inventors who transfer their rights to not wish that the right to claim priority would additionally transfer to downstream right-holders. Thus, the Enlarged Board ruled that there is "a rebuttable presumption under the autonomous law of the EPC that the applicant claiming priority in accordance with Art. 88(1) EPC and the corresponding Implementing Regulations is entitled to claim priority."

The Enlarged Board further clarified that this rebuttable presumption continues to apply when the original and downstream applicants are not identical. The Enlarged Board ruled: "In a situation where a PCT application is jointly filed by parties A and B, (i) designating party A for one or more designated States and party B for one or more other designated States, and (ii) claiming priority from an earlier patent application designating party A as the applicant, the joint filing implies an agreement between parties A and B allowing party B to rely on the priority, unless there are substantial factual indications to the contrary."

The presumption could be rebutted in certain uncommon situations. For example, there might be bad faith in the alleged transfer of rights, allowing a finding that the priority claim was not properly transferred. However, the burden of rebutting this presumption would be on the challenger, who would be required to show more than mere supposition that the transfer of priority rights was faulty.

#### IV. Conclusions

This ruling is of particular benefit to patent applicants in the United States, and particularly those applicants in a university setting. As in the present case, generalized agreements between researchers and their universities often do not explicitly include the transfer of priority to downstream developers. Even outside of the university setting, patent applicants may not include a present assignment of the right to claim priority in their employment agreements, or may receive full assignments of patent applications only after filing a PCT application that purports to claim priority. In such scenarios, the presumption established by the Enlarged Board gives some latitude to imply an agreement that the right to claim priority has been transferred.

The best practice, of course, is to obtain explicit assignment of a patent application as soon as possible and at least prior to filing of any subsequent applications that claim priority from the patent application, and the assignment should include not only the title to the invention, but also the right to claim priority to the application. The opinion of the Enlarged Board provides a useful framework to sustain the chain of priority even when these best practices might not have been met.