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Changes in Germany – The Patent Law Modernization Act

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Introduction

On October 1, 2009 the Patent Law Modernization Act (Patentrechtmodernisierungsgesetz) came into force. The Act aims at strengthening the German patent system by simplifying and streamlining the nullity proceedings before the Federal Court of Justice (Bundesgerichtshof). It further contains changes to the Act on Employee Inventions (Arbeitnehmererfindungsgesetz, ArbEG), and the Patent Fees Act (Patentkostengesetz).

1. Patent Nullity Proceedings

Nullity proceedings in Germany, in contrast to most other European countries, are strictly separate from infringement proceedings. Nullity proceedings under the old law terminated on average after less than two years in the first instance. Court experts were usually not involved since the majority of judges have a technical background. Appeals on the decisions of the first instance are handled by the Federal Court of Justice. Only in patent nullity cases did the Federal Court of Justice review the first instance judgement de novo both on the facts and on the law. The Court was not even limited to prior art documents submitted in the first instance, and generally took an independent look at each case. The downside of this was that

a second instance decision usually took more than four years (and sometimes up to seven years), totalling more than six years until the nullity proceedings were finally over.

As a first measure for accelerating nullity proceedings, as of January 1, 2009, an additional senate at the Federal Court of Justice dealing with patent matters was installed (Auxiliary Senate Xa). The new Patent Law Modernization Act tries to further streamline and thus speed up patent nullity proceedings.

In nullity proceedings under the new Patent Act, the Federal Patent Court (first instance) must indicate to the parties at an early stage the facts which will be of particular importance or which it considers important for the decision. The Court may ask the parties to state their positions with respect to issues considered particularly important, and to complete their pleadings in this respect within a given term. Submissions or requests filed after this term may be rejected as being late-filed. The amendments to the proceedings before the Federal Patent Court are intended to lead to an early concentration on relevant questions and thus to a more efficient procedure.

The role of the Federal Court of Justice has been revised to a large extent. It is the intention that court experts are now called upon in the first instance, and that the second instance decides solely on legal matters and only exceptionally on facts.

Because the appellant is now urged to present his complete case upon filing his grounds for appeal, the respective term has been extended from one month to three months.

It can be expected that the proceedings at the Federal Court of Justice will be accelerated considerably. This, however, will partially be compensated for by the proceedings in the first instance at the Federal Patent Court, which will presumably be slowed down.

2. Act on Employee Inventions

The following amendments to the Act on employee inventions apply to all employee inventions which have been brought to the attention of the employer on or after October 1, 2009. For employee inventions reported before this date, the previous regulations apply.

Laying claim is deemed to be automatically declared if the employer does not release the invention to the employee within 4 months of receipt of the report. Thus, silence now constitutes acceptance. Heretofore it was the other way around: after the four months period had lapsed without written acceptance by the employer, the invention was released.

The employer can choose between laying claim and releasing the invention. The previous option to lay limited claim is no longer applicable.

Both the invention report and the report on the release of the invention must now be drafted in text form only, according to § 126 b BGB (Civil Code). Text form according to § 126 b BGB means that the invention report needs to be drafted in writing but no longer has to be signed personally. It is sufficient if the invention

report contains the name of the inventor and, at the end of the report, a reproduction of the signature corresponding to the typed name. The invention report may thus now be submitted via facsimile or e-mail.

3. Patent Fees Act

The new Patent Fees Act substantially relates to the amendment of the filing fees for both electronically submitted patent applications and applications in paper form. The basic filing fee for electronically submitted applications has been slightly reduced. For patent applications with more than ten claims, the further fee for each additional claim is raised both for electronic applications and for applications in paper form.

The amended fees are due for applications filed on or after October 1, 2009. For international applications nationalized at the German Patent and Trademark Office (GPTO), the filing date of the PCT application at the receiving office is applicable. The additional fee for patent claims is not only due upon filing of patent applications at the GPTO, but also when the original application is amended yielding a higher number of patent claims (more than ten). If, for example, during patent examination the number of patent claims is increased compared to the claims originally filed (or filed at a later stage), a fee for the difference will be due.

It is to be noted that the difference becomes due with receipt of the additional patent claims at the German Patent and Trademark Office. The term for filing the difference is three months from the due date. If the fee is not paid or not completely paid, the act shall be considered as not having occurred. Thus, in the case of German patent applications filed with the GPTO on or after October 1, 2009 where the excess fees for more than ten patent claims have not been paid, these applications shall be deemed to be withdrawn. If claim amendments which require the payment of additional claim fees are carried out during examination,

and these additional claim fees are not paid, none of the amendments shall be considered. If the number of claims is reduced during the examination, a refund of overpaid claims shall not be granted.

For divisional applications filed with respect to a parent application which itself was filed on or after October 1, 2009, the filing fee (including excess claim fees) of the parent application is due. The same applies to a nationalized PCT application when the PCT application was filed on or after October 1, 2009. If the international application contains more than ten claims,

irrespective of amendments carried out to the nationalized PCT application, the original number of claims shall be taken into account for the calculation of the filing fee.

Since it appears absurd that an applicant is to pay fees for claims he does not want to have examined (as in the case of amended nationalized PCT applications or for divisionals with split-off claims), amendments to the revised Patent Fees Act are presently being considered by the Federal Ministry of Justice.