

## Review of toxic priority

The poisonous divisions concept (*et al*) following EPO appeal decisions T1496/11 and T1222/11 and *Nestec v Dualit*<sup>1</sup>



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“Going back 20 years, few believed that Article 123(2) and 123(3) of the European Patent Convention could react together to deliver the explosive so-called Article 123(2)/(3) inescapable trap. But they could and they did. Today, few believe that daughter divisionals could be fatal to their own mothers in Europe (or mothers their own daughters). But they can...”<sup>2</sup>

It is not as bad as might be thought from the welter of commentary from many sources, particularly (but not only) when taking account of the promising developments represented by **T1222/11**. Nevertheless, both the “Poisonous Division” and “Poisonous Priority Document” concepts currently stand as proven IP risks with the capacity to cause damage

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### 1. Introduction and overview

1.1 The writer proposed in 2010<sup>3</sup> the proposition that an EPC application and its divisional(s) may in certain circumstances be mutually anticipatory under Article 54(3) EPC (“*whole contents*” anticipation). The so-called *Poisonous Divisions* proposition, filled out in further (co-authored) papers in 2011 and 2012<sup>4</sup>, has a parallel in *whole contents* conflict between the generationally separated members in a priority group (for which the term *Poisonous Priority Documents* has been coined).

1.2 The *Poisonous Division* threat remained legal theory, and subject to scepticism<sup>5</sup>, pending a decision from a tribunal lending it judicial authority. However, in late 2012, EPO Appeal Board Decision **T1496/11** (September 2012) was published<sup>6</sup>, holding claim 1 of a parent anticipated by its divisional. Additionally, the April 2013 judgment of the UK Patents Court in the *Nestec* case<sup>7</sup> is important both in supporting

the *Poisonous Priority Document* proposition<sup>8</sup> and, it is submitted, the implied support it gives for the *Poisonous Divisions* proposition as a result of the parallels between the two.

1.3 In addition to **T1496/11**, there has been another development. **T1222/11** (December 2012) challenges the sometimes onerous requirements for claim splitting under **Article 88(2)(3)** set down by **T1127/00** (December 2003), and supporting EPO case law developed over the period from late 2001<sup>9</sup> to late 2012<sup>10</sup>. The broadly softer approach which **T1222/11** proposes to this concept, which is outcome-determining in both *Poisonous Division* and *Poisonous Priority Document* contexts, should make it much easier to detoxify both IP risks if adopted by all appeal tribunals. However, **T1222/11** has not changed the law – as opposed to creating with its different opinion the prospect of a superior ruling if the conflict with **T1127/00 et al** is referred to an Enlarged Board of Appeal.

1.4 There has been much debate about *Toxic Priority*<sup>11</sup>, and some misunderstanding of both problem and solution. This paper aims to help the debate and has a number of key themes<sup>12</sup> as follows:

- Toxic Priority seen as an IP risk<sup>13</sup>
- A reflection on the concept of multiple priorities
- Solutions<sup>14</sup>

### 2. Business context – looking in and looking out

2.1 Any *Poisonous Division* involves a potential IP risk having a relatively severe consequence dimension – which is what

mostly gives it its relevance – and a probability dimension high enough to place it on the risk management agenda.

2.2 The risk is probably not going to be commonly encountered, although its incidence may not be rare<sup>15</sup>. On a qualitative note, an *ad hoc* review of cases where a *Poisonous Divisions* issue may exist suggests that distribution may well quite commonly correspond to commercial significance, although this has not been established by thorough analysis applied to a sufficiently large constituency of cases.

2.3 Issues arising from *Poisonous Priority Documents* also seem unlikely to be common but, again, it seems unsafe to suggest they will be rare. This IP risk inspired significant 2010/11 correspondence amongst the EPO Legal Division and interested parties in large industrial IP departments whose filing strategies across large enterprises were impacted by this principle<sup>16</sup>.

2.4 In terms of outcomes, neither *Poisonous Divisions* nor *Poisonous Priority Documents* is the universally fatal *legal Black Death* apparently driving some commentators, even without the possibility that the **T1222/11** approach to multiple priorities will in due course become the approved approach. But they cannot be ignored.

2.5 Remedies may be simple in some cases. A solution in a simple context is set out in *CIPA Journal*, March 2012<sup>17</sup>. However, it is not clear that this establishes anything more than the prospect that remedies may be *simple* in some *simple* cases<sup>18</sup>. In complex cases determined on the basis of the **T1127/00** approach to multiple priorities, addressing (for example) a *Poisonous Divisions* scenario will be a very difficult and costly exercise. Where there are plentiful claimed priority dates which are non-domestic, analysis of the situation and creation of a plan of action could be one of the most difficult professional tasks a practitioner will encounter and involve a large number of hours of senior professional input and associated costs. Avoidance of the risks will sometimes call for new levels of prescience, and sometimes that prescience will not be successful enough.

### 3. The basic proposition

3.1 The first two papers on *Poisonous Divisions*, *supra*, set out the proposition with reasoning and references to case law supporting it. Fundamentally, it was based on a simple fusion 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 under Article 54(3) EPC); and
- the less familiar proposition that, under EPC, the two applications may be any two applications within an EPC family comprising a parent and all its divisionals.

### Commercial Risk Content

**Probability:** Division may be poisonous if matter in one member of a parent-divisionals family contains material of subject-matter relevance and earlier priority date citable against another. This is more likely to occur when plural priority dates are claimed<sup>a</sup>. Limited research shows divided families are several times more likely to claim plural priority dates than an undivided families<sup>b</sup>. Parents and divisionals usually have high subject-matter correspondence – each member will commonly be a theoretically ideal citation against any other. Where the background to division is generationally distinct filings taking place to establish priority for narrower scope, *Poisonous Division* contexts which do not contain a self-cure<sup>c</sup> may be more likely. Much depends on how case law on split priorities develops over the coming year or two.

**Consequence:** Division is a likely signifier of value because it involves voluntary expenditure of substantial resource, usually at a point when the decision-maker has relatively good quality information on the commercial significance and the viability and usefulness of patent protection<sup>d</sup>. Additionally, divisional/parent families claiming plural priority dates suggest, as well as priority date assessment issues, on-going research/development activity – in turn suggesting significant background business contexts – or, at least, endeavour. A semi-structured overview of T decisions with significant priority issues indicated that more had multiple opponents (with presumed material business interest) than expected.

- Of course, two priority dates also arise where only one earlier date is claimed, as a result of subject-matter added at the time of priority filing.
- Random mid-year blocks of published EP applications in each of 2006, 2007, 2010 and 2011 were sampled. The numbers of divisionals and non-divisionals claiming plural priority dates were respectively noted. This showed that divisionals were about 3.7X more likely to claim multiple priority dates. The result is perhaps unsurprising.
- Depending on specification drafting, divisional subject-matter entitled to an early priority date by virtue of priority document content may not be citable if its target in another parent-divisionals family member benefits, by the same token, from the same priority date. But this promise of self-cure can't necessarily be relied on because of the way multiple priorities are assessed under Article 88(2)(3) EPC.
- There is, of course, a similar confluence of factors to be found in patent renewal behaviour, with late term renewal at relatively high cost (the final renewal for US patents, for example, is 5X the cost of the first renewal) suggesting IP value.

3.2 Key to the whole *Poisonous Divisions* proposition was a rejection of the idea that divisionals are to be treated specially for the purposes of substantive law. To the contrary, parents and divisionals are submitted in the above papers to be separate with no special relationship which precludes the proposition<sup>19</sup>.

## 4. Feedback

4.1 The *Poisonous Divisions* papers gave rise to considerable feedback. Most of it, but by no means all of it, was negative: some could not accept the proposition at all whilst, equally, some practitioners were open-minded. The first of these constituencies seemed to rely on a mix of perceived unfairness with suggested illogic and contended lack of legislative intention; the arguments as a whole were unconvincing.

4.2 It is difficult to see that the proposition lacks logic<sup>20</sup> and there has not been a case made out that it does. As to fairness, the legislation is clear in giving notice that *whole contents* applies generally as a novelty consideration. Arguments about legislative intention are always interesting but not always objective. It is a struggle to attack the proposition on this basis. If the supposed nexus between members of a divided family was intended to shield one member from *whole contents* exposure to the others, there would have been a legislative carve-out – but there was not<sup>21</sup>.

4.3 A recent blog post questioned whether it is reasonable that priority and divisional procedures should be able to combine with “*such lethal effect*”. The effect is *per contra* created by the *existence* of two entities. Those entities could have been created instead by filing separate applications to start with – and any self-collision would then attract no comment. If filing one case and then dividing it were to be treated more leniently than filing two cases at the outset, the applicant choosing the former route would be privileged with a superior position. There is no basis in the EPC for that double standard.

## 5. Analogy between *Poisonous Divisions* and *Poisonous Priority Documents*

5.1 The issues arising in **T0680/08** (April 2010) and **T1443/05** (July 2008)<sup>22</sup> provide valuable support for the *Toxic Priority* propositions.

5.2 In **T0680/08**, *whole contents* conflict arose between an EP priority document (P1), which had been published and thus qualified as an **Article 54(3) EPC** citation as of the priority date<sup>23</sup>, and an EP second filing (P2) claiming priority from it. The chemical process claims of the P2 filing had been narrowed by changing the recited range of values for a process condition (to 0.330 – 0.415 kWh/kg) relative to the P1 filing (which specified the broader range 0.325 – 0.415 kWh/kg). In the result, priority entitlement was lost and the requested claims suffered *whole contents* anticipation by the P1 filing (specifically, a set of preferred features in the priority document) under **Article 54(3) EPC**.<sup>24</sup>

5.3 **T1443/05** is similar to **T0680/08** in terms of the legal principles applied, and both are in the chemical field. In **T1443/05**, the priority document (a European patent application which had been published and was citable as a *whole contents* citation as of the priority date), embraced

the presence of a particular biocide in a biocide composition. The claims of the patent disclaimed the presence of this component. The patent and priority document were held in opposition proceedings relating to the former not to relate to the same invention and the claims in the patent were thus held disentitled to the claimed priority date. Examples in the priority document in which the relevant biocide was absent:

- (a) were not held to support the priority claim; and
- (b) were held to anticipate the patent as falling within its claims. An interesting paper analysing **T1443/05** appears in *EPI Information* 2/09<sup>25</sup>.

5.4 In terms of outcome and the fundamental mechanism leading to it, the *Poisonous Division* proposition and these decisions are conceptually analogous; all involve intra-family anticipatory conflict, the outcome of which depends on priority date assessment involving the rules on assessment of multiple priorities for one and the same claim<sup>26</sup>.

5.5 It cannot be said with safety that the context in either of **T0680/08** and **T1443/05** is rare. Another patent, **EP1370633**, was revoked by an Opposition Division on the same essential basis (there being no appeal decision as the appeal filed by the patentee was withdrawn).

5.6 A learned opinion was expressed privately at the time of the third *Poisonous Divisions* paper that a UK court would be unlikely to uphold the principle on which **T0680/08** was decided. However, the recent UK judgment in *Nestec*<sup>27</sup> has upheld it. In *Nestec*, the relevant claim was to an extraction system in the Nespresso coffee maker, the system being defined in terms encompassing arrangements in which a beverage capsule had an inclined or non-inclined attitude, whereas the priority document did not disclose arrangements in which the capsule had the former (Paragraphs 99 and 102). Relying on **G0002/98** (Paragraph 91),<sup>28</sup> the court held that claim 1 was not entitled to the claimed priority date (Paragraphs 103 and 104) but only to the filing date of the application on which the patent was granted. Having lost its claimed priority date, *inter alia* claim 1 was held anticipated by the published priority document under **Section 2(3)** of the UK Patents Act 1977 (corresponding to **Article 54(3) EPC**)<sup>29</sup>.

## 6. Judicial support for *Poisonous Division* as an IP risk (T1496/11)

6.1 The Decision in **T1496/11** says little about how the matter was argued. The oral proceedings Minutes are even less rewarding, and the written submissions introducing the issue are in German and have not been examined for preparation of this paper.

6.2 At one level, the laconic nature of the Decision and Minutes confers solidity to the decision in that it seems the

## Possible definition of Toxic Priority

Toxic priority is a potentially damaging context, arising between members of a divided family and between members of a priority group<sup>a</sup>, where (and only where):

- (A) (i) a body of subject-matter (the “missile”) disclosed in one published such member is entitled to the priority date referred to in (ii) below,
  - (ii) a claim in another such member (the “target” claim), the member claiming that priority date, is not as a whole so entitled and
  - (iii) the missile would anticipate the target claim if the missile were prior published and the principle of multiple priorities for one and the same claim were not applied to the target claim, and
- (B) the disclosure in the priority document, which priority document is used as basis for the priority claim referred to in (ii), of that body of subject-matter (or of any other body of subject-matter) does not confer the date of the priority document, through application of Reason 6.7 of Enlarged Board of Appeal Decision G0002/98, on a domain of that claim which encompasses that body of subject-matter<sup>b</sup>.

- a The divided family and priority group may, of course, overlap
- b In short, to support toxic priority, the priority document must have an asymmetric effect: conferring priority in the attack on the claim but not on the defence (a circumstance supported by case law on the implementation of Reason 6.7 of G0002/98 – see Paragraph 8)

board did not find it was a difficult one at which to arrive. Notably, the argument and its documentary support were “late filed” and the board seems to have had little issue in deciding to admit it on the basis of the usual “prima facie relevance” test<sup>30</sup>.

6.3 In T1496/11, the Patentee sought to defend, as its Main Request, the claims maintained by the Opposition Division, and also filed various Auxiliary Requests. In assessing priority date for claim 1, the normal strict standard of assessment called for in the key teaching of G0002/98 was applied (ie a test equivalent to that applied under Article 123(2) EPC was applied to the priority document). Whereas claim 1 of the Main Request recited a security document having a security device defined as “the security device provided at the second portion (4) comprises a feature (10) which can be inspected...”, the priority document disclosed the security document more narrowly, requiring that the feature (10) be “a printed or embossed feature”. As claim 1 of the Main Request defined subject-matter that had been generalised from the priority document, the claim did not relate to the same invention (in the sense of G0002/98). The effective date of claim 1 was therefore held to be the European filing date, not the claimed priority date.

6.4 Document G25, a published divisional application stemming from the opposed patent, disclosed an embodiment (the *missile*) which fell within the scope of claim 1 of the parent (the *target*). This embodiment was entitled to priority, as it was fully disclosed in the priority document. As such, it had an effective date earlier than that of claim 1 of the parent. Consequently, G25 anticipated claim 1 of the parent as a *whole contents* citation.

6.5 The board allowed the Auxiliary Request, which differed from the Main Request in that the “printed or embossed feature” was recited (so restoring priority entitlement).

6.6 T1496/11 is the first decision from any European tribunal to validate<sup>31</sup> the *Poisonous Division* concept, although the writer has previously reported *obiter* approval of the concept in an earlier case where the reaction of an appeal board to a validity challenge on this basis was tested<sup>32</sup>. Moving away from Munich, it is understood that the *Poisonous Division* concept features in pleadings in a UK High Court patent action<sup>33</sup> likely to come to trial at some time in early 2014.

6.7 It is helpful that there has been an EPO appeal board decision providing legal certainty, at least on the principle, on this IP risk. However, of the four tick boxes on intra-EPO distribution available to the board when issuing a decision, it is the one for “No Distribution” that is ticked<sup>34</sup>, with the result that familiarity with the case (and the issue) across EPO appeal boards may not be accomplished quickly<sup>35</sup>.

6.8 *Poisonous Divisions* contexts in principle have an omnidirectional effect within a parent-divisionals family (depending on specification contents); although not mentioned in T1496/11, the parent could have the same consequences for the divisional<sup>36</sup>.

## 7. Subject-matter dependency

7.1 The *Poisonous Division* concept represents a particular IP risk for subject-matter in the life sciences, pharma and chemistry areas. In these areas, the capacity for complexity, multiple (and sometimes plentiful) priorities and handicaps to use of disclaimers, as well as frequency of division, are more likely to lead, not just to *Poisonous Division*, but to rockier roads to solution. It is notably common for e.g. life sciences patent applications to be filed early in a research programme, supplementary applications filed in the course of the ensuing Paris Convention year adding subject-matter<sup>37</sup> which may find its way into claims as broadening amendments, with consequent shift in priority date.<sup>38</sup>

7.2 As noted above, in T1496/11, the Patentee failed to establish that the *target* claim was entitled to priority as it had been *broadened* relative to the priority document. In another EPO appeal, heard in September 2012, the written phase of the proceedings included a challenge to the

validity of a patent whose claims did not enjoy the claimed priority date as they had been *narrowed* relative to the priority document – of the two alternatives, the one which it is submitted is more likely to be challenging in the context of multiple priority assessment. In those proceedings, the *Poisonous Division* challenge was withdrawn for tactical reasons, unconnected with its efficacy, prior to the oral proceedings (the patent was revoked for lack of inventive step). It is noteworthy that in this case also, one of mixed technology, priority date depended on features falling outside the life sciences, pharma and chemistry areas.

7.3 It is tempting to suggest that the distribution of the *Poisonous Priority Documents* risk may be similarly concentrated in the life sciences, pharma and chemistry areas. **T0680/08** was in the chemical area and **T1443/05** was concerned with biocides. As already noted, however, Nestec was a mechanical case.

7.4 The above vignettes serve to illustrate that, however more likely it is that life sciences, pharma and chemical cases may be damaged in *Toxic Priority* contexts, cases in other areas are not invulnerable; the IP risks will, no doubt, have incidence in all subject-matter areas.

## 8. Priority entitlement

8.1 Priority entitlement is at the core of both toxic priority concepts – in the case of *Poisonous Divisions*, fundamentally because division may create priority date asymmetry within a family where there are multiple potential priority dates, and circumstantially bearing in mind marked incidence of multiple priorities in divisionals.

8.2 Where technology, and understanding of it, grows within the priority year after P1 filing, subsequent filings which *broaden* claims (as in **T1496/11**), with resultant generation of multiple priorities, are arguably more common than filings which *narrow* them. However, narrowing in later filings is not rare. Perhaps more importantly, broadening or maintained scope at P2 filing is often itself accompanied in those secondary filings by more refined definition of preferred embodiments, to which it may later be necessary to limit overall claim scope. Narrowing amendments in both these contexts would give rise to need for priority date assessment, which may sometimes be more challenging than for broadening amendments.

8.3 “*Priority Date Assessment under EPC*”, *supra* outlines how assessment of multiple priority dates for one and the same claim is a topic of complexity in part generated by the different approaches of the various different board’s that have heard appeals since **G0002/98** was published in 2001. Leaving aside a small number of decisions which take aberrant approaches, there are two opposing themes.

8.4 The first, exemplified by **T1127/00**, calls for a subject-

matter domain encompassed by a claim in a P2 filing, that subject-matter being disclosed in a priority document, to be individualised in the P2 filing as a pre-requisite for priority entitlement; without the individualisation, separate priority for the domain under **Article 88(2)(3) EPC** is to be denied. For example, a P1 filing limited to a range of from 1 to 10 in principle can confer priority on a domain corresponding to that subject-matter in a claim contained in a P2 filing which recites a range of 0.5 to 15, but *only if* the P2 filing contains basis for individualising the narrower range. Some appeal board decisions which support this particular theme require individualisation actually to be contained in the relevant claim. That seems to go too far but the overall requirement for domain individualisation is an approach which enjoys a high degree of establishment as confirmed by boards of appeal over a ten-year period.

8.5 The second theme is the opposite of the above, and is developed in a lengthy *obiter* section of tightly, although challengingly, reasoned opinion in **T1222/11**<sup>39</sup>. This decision was published at the end of last year, and currently stands alone. **T1222/11**, put simply, argues that the individualisation stipulated in **T1127/00** (and the run of cases which support it) is not required. In the example given in Paragraph 8.4, the P1 filing discloses the narrow (i.e. 1 to 10) range. This is an *element* disclosed in the priority document and also encompassed within the broader claim of the P2 filing (but not necessarily individualised in the P2 filing). The split priority provisions of **Article 88(2)(3) EPC** therefore operate to entitle a *range = 1 to 10* domain to be envisaged within the claim concerned and to have the P1 filing date as its priority date. In this respect, Reason 6.7 of **G0002/98** states (in its penultimate line) that **Article 88(3) EPC** is a substantive provision which governs the conditions for enjoyment of multiple priorities to include e.g. that *elements* of the invention are permitted to be defined by a generic expression, a point made in **T1222/11**, Reason 11.5.1<sup>40</sup>.

8.6 Importantly, **T1222/11** approves<sup>41</sup> both the *clearly defined* and *limited number* tests of Reason 6.7 of **G0002/98**<sup>42</sup>: accordingly, the *alternative subject-matters*, referred to in Reason 6.7 of **G0002/98**, which can be conceptually envisaged within the claim under priority date assessment, must satisfy these tests.

8.7 **T1222/11** is a complex decision in terms of the arguments leading, in the end, to a much simpler theme, and it needs to be read more than once. The relevant sections of the decision are identified, and commentary on them set out, in “*Priority Date Assessment under EPC (Part 2)*”, *supra*. It is suggested that **T1222/11** has a commanding merit and should prevail in any Enlarged Board of Appeal deliberation on the conflict between that decision and **T1127/00 et al.**<sup>43</sup>

8.8 However, **T1222/11** does not (yet) change the law and guarantee new outcomes; whilst clarification is awaited from an Enlarged Board of Appeal on which approach is

right, **T1222/11** must be considered as part of a diversified legal landscape which should, in its totality, inform assessments of IP risk. The established *semi-consensus* enjoyed by the **T1127/00** approach is a factor that weighs in the balance<sup>44</sup>. On the other side of the scale, so must the careful and nicely gelled reasoning in **T1222/11**, the sheer force of its good sense and its alignment with the FICPI Memorandum underlying Reason 6.7 of **G0002/98** (“Memorandum M/48/1, Section C” in the *Travaux Préparatoires* to EPC1973).

8.9 Both avoidance of the two *Toxic Priority* risks and their cure when not avoided thus depend on whether the law going forward is modelled on the **T1127/00** approach or the **T1222/11** approach. Any referral of the conflict between those approaches to an Enlarged Board of Appeal will, of course, mean several years before an authoritative opinion is issued (assuming normal time scales)<sup>45</sup>.

## 9. Remedial measures open to patentees/applicants

9.1 The law on what a priority document needs to do to support a priority claim is clear – an **Article 123(2) EPC** test is applied to its disclosure to test whether the priority document discloses the same invention as that in the claim under priority date assessment<sup>46</sup>. Ideally, the P1 filing is prepared with the same prescience as accompanies preparation of a final filing intended to be exposed to official examination and later validity challenge.

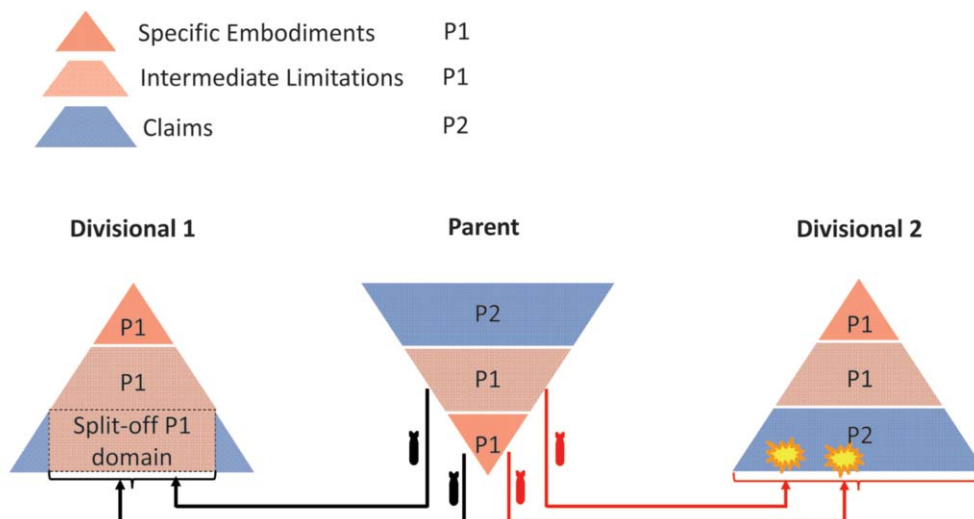
9.2 However, whilst a definitive position on multiple priorities under **Article 88(2)(3) EPC** is awaited, guidance on how to manage the IP risks associated with *Toxic Priority* necessarily bifurcates in view of the two different approaches adopted by appeal boards. In terms of patent procurement, if **T1127/00** prevails following an Enlarged Board of Appeal referral of the conflict with **T1222/11**, care is needed at P1 filing as always but equal care is needed to ensure a basis for

individualisation of useful priority domains when taking the IP procurement exercise forward at the end of the Paris Convention period. If **T1222/11** prevails, the situation is simpler as priority-claiming filings need only *encompass* a priority domain but not *individualise* it<sup>47</sup>.

9.3 With the **T1127/00** approach assumed to be on the agenda, it is possible to identify basis for *self-cure*. This is illustrated in Figure 1 below, in which the triangular shape used is intended to depict scope-narrowing towards the apex. The basic context in the Figure is that a patent has two potential priority dates P1 and P2, as a result of claiming priority in a P2 filing at the end of the Paris Convention period from a prior application P1 of dissimilar disclosure, subject-matter addition taking place at the P2 stage. The claims at the final filing stage are broad relative to the P1 priority document and are entitled to date P2. The Intermediate Limitations are all entitled to date P1 and, importantly, conserve mention of the original narrower disclosure as well as reciting even narrower features which depended on it in the P1 filing. The Specific Embodiments are as filed with the P1 filing, and so also enjoy date P1, and all fall within the scope of the claims, as well as being encompassed by the Intermediate Limitations.

9.4 In the case of identical division<sup>48</sup>, the Intermediate Limitations and the Specific Embodiments in the Parent (P1) are potential whole contents *Poisonous Division missiles* against the claims (P2) in Divisionals 1 and 2 by virtue of subject-matter relevance and earlier priority date. However, this is subject to whether the claims can enjoy multiple priorities by deploying the tools for (notional) claim splitting provided by Reason 6.7 of **G0002/98** to define, **first**, a domain of date P1 which encompasses the subject-matter of, and can contain and neutralise, the *missile* and, **secondly**, one or more other domains which enjoy novelty by virtue of subject-matter differentiation.

Figure 1: Self-Cure of Poisonous Division Conflicts



9.5 In the case of Divisional 1, the claims have been notionally split to define a domain which expresses the P1 subject-matter of the Intermediate Limitations and takes the P1 date; this domain is shown within broken lines in the left hand part of Figure 1 (labelled “Split-off P1 domain”). Under challenge by the *missile*, this domain is shielded by its P1 date (i.e. the P1 domain and the *missile* have the same date), whether the subject-matter of the *missile* is provided by the Intermediate Limitations or the Specific Embodiments. The additional scope of the claims represented by the triangular areas either side of the *Split-off P1 domain* consists of subject-matter which has date P2 and which differs in subject-matter terms from the *missile* – this subject-matter can be expressed algebraically as [Claims – P1 Domain]. In the case of Divisional 2, it is assumed that claim splitting is not possible (scenarios where this happens are dealt with below).

9.6 “Priority Date Assessment under EPC (Part 1)” *supra* contains an Illustration 3 (abridged for reader convenience in the text box below). Referring to that Illustration, it would be expected that the patent would conserve mention of the parameter range 2 to 5 of the P1 filing (Claim C in the Illustration; part of a body of Intermediate Limitations in the context of Figure 1) even though this range has been broadened to introduce instead the parameter range 1 to 8 at the P2 filing (Claim D). In that belief, Claim D ought to be capable of being notionally split to define, for the purposes of priority, as a P1 domain, that part of the subject-matter of the claim limited to the original narrower scope and, as P2 domains, the balance of the claim. The P1 domain would be invulnerable to whole contents citation of the Example (parameter 3.5). Importantly, the P1 priority date attributed to the Example should not lead to a *Poisonous Division* problem for the P2 domains because the latter will enjoy a subject-matter distinction: the domains remaining after splitting out the P1 domain are the P2 domains [parameter 1 to <2] + [parameter >5 to 8] and this excludes the Example (parameter 3.5).

9.7 This situation is not greatly different as between contexts where the broadening is by changing the definition of a term (e.g. as in Paragraph 9.6 above, a numeric range is

widened) or by adding an alternative to the feature a term defines (e.g. Feature B is offered as an alternative to Feature A). In the latter case, however, the situation is in principle more certain as there should generally be retained basis for individualising originally disclosed Feature A to enable claim splitting which defines a *missile*-neutralising P1 priority domain.

9.8 Conversely, the situation is likely to be less certain in the case of a narrowing amendment; its broader analogue in the P1 filing has no place following the narrowing amendment (and, even if it was retained, it cannot serve the purpose of defining a domain *within* the claim), and so there will be more reliance on successively narrower integers contained within the Intermediate Limitations body of subject-matter. In T0680/08, the patentee relied on a preferred range of 0.330 kWh/kg to 0.415 kWh/kg disclosed in the P2 filing for a process condition as compared to the counterpart preferred range of 0.325 kWh/kg to 0.415 kWh/kg disclosed in the P1 filing. In that case, it appears that the claim could not have been split to define a P1 range which shielded the claim from *whole contents* anticipation by the priority document, and from the decision it appears that neither the patentee nor the board considered claim splitting<sup>49</sup>.

9.9 With the T1127/00 approach assumed to be on the agenda, it is clear from the above that the Intermediate Limitations body of subject-matter can be crucial since it may be the key to making effectively available the claim splitting tools provided by Reason 6.7 of G0002/98. It is, however, not always the case that this body of subject-matter is present, or sufficiently intact, in the patent/or application in suit.

9.10 In certain instances, there is naturally no basis for individualising a P1 priority domain *per* the T1127/00 approach to Article 88(2)(3) EPC to provide a shield from a *missile*. For example, consider the following fact pattern where relatively broad scope at the P1 stage is narrowed at the stage of P2 filing:

### Illustration 3 from “Review: Priority Date Assessment under EPC (Part 1)”

- A P1 filing has a Claim C limited to a parameter range 2 to 5 and this is exemplified by an Example (parameter 3.5)
- At P2 filing, Claim D replaces Claim C and relies instead on a parameter range 1 to 8.
- P2 with the latter definition – a broadening relative to the P1 filing – is proceeded with to examination. As a result of the broader parameter definition, the invention claimed in P2 is not the same as in P1, and Claim D *overall* is entitled only to priority date P2.

	Range 1 - 8	Range 2 - 5	Example(3.5)
P1 filing (Claim C)		x	x
P2 filing (Claim D)	x		x

- (i) the *priority document* (P1) for an invention using *members* discloses their deployment as a base plate provided with a *plurality* of such members, with exemplification only in *specific* embodiments in which the members are in the form of an array
- (ii) the *claims* in the patent, reflecting the final filing at the end of the Paris Convention year (P2), are narrower and state expressly that the *members* are deployed in the form of a base plate provided with an *array of members* so that they have date P2, and
- (iii) the *description* in the patent merely reiterates this and repeats the *specific embodiments*.

9.11 It is contended that the specific embodiments in the above illustration are not reliable basis, under the **T1127/00** approach to claim splitting,<sup>50</sup> for splitting out subject-matter as priority domains of date P1 in the claims of the patent but do form *missiles* of that date which are fatal to the claims (P2); there is no other disclosure which could safely form basis for claim splitting to generate a priority domain of date P1 which encompasses and thus neutralises the *missile*. It would at first glance appear that, in this example, there may be toxic priority even when adopting the **T1222/11** approach to **Article 88(2)(3) EPC** as the relevant body of “*alternative subject-matter*” in the priority document, which must be conceptually identifiable in the claim under priority date assessment, is a specific embodiment.

9.12 In an economy where urgency is a near-normal, patent applications – including originating applications, their off-spring and divisionals – are sometimes filed in haste. A consequence may be too little exploration of the subject-matter and the relationships for priority purposes between members of the same priority group or divided family, increasing the risk of member-to-member conflict.

9.13 In **T0665/00** (April 2005), a density limit of  $<0.5\text{g}/\text{cm}^3$  in a composition was narrowed to a claimed limit of  $<0.1\text{g}/\text{cm}^3$  at the P2 stage. The claim thus was entitled only to the P2 date. The applicant needed to contend with anticipation of an independent claim by prior use of intermediate date of the P1 matter of Example 1 contained in the patent and priority document. This P1 matter disclosed a composition where the value of the metric concerned was *de facto*  $0.04\text{g}/\text{cm}^3$ . This latter fact was apparently not appreciated until P2 filing, when a  $<0.05\text{g}/\text{cm}^3$  preferred limit was added to the general description. However, this was too late to provide the basis it could have supplied for notionally splitting the claim to define a P1 priority domain with that limit, per **G0002/98** as implemented according to the **T1127/00** approach (which would have shielded the claim from anticipation by the prior use of the Example). **T1222/11** provides a usefully different set of rules governing split priority which, however, may not have helped much in the above situation as the priority document in **T0665/00** did not disclose a suitable body of “*alternative subject-matter*” which could be conceptually identified in the claim under priority date

assessment. What was disclosed in the priority document extended outside the claim – except for a specific Example, which latter it is submitted may well not comply with the *clearly defined* test of Reason 6.7, **G0002/98**.<sup>51</sup>

9.14 The following bullet points seem worthwhile (and assume that **T1127/00** is still good law which may need to be satisfied):

- Broadening during an amendment process relative to P1 filing in order to provide an additional expressed option for a feature will commonly produce claims which can be separated into domains some of which are shielded from a *missile* by virtue of priority date and others by subject-matter distinction.
- The same may be true in other broadening contexts but this will not be so unless a P1 domain can be individualised in the claim, which domain encompasses the *missile*.<sup>52</sup>
- Narrowing and broadening amendments at subsequent filing dates (P2 filings) may create different problems in terms of *Toxic Priority*, with solutions in the case of narrowing amendments less certain.
- Specific embodiments of P1 date in divided families can be effective *missiles* without qualifying as P1 domains in claims challenged by the *missiles* – because specific embodiments may not meet the *clearly defined* test of Reason 6.7 of **G0002/98**.
- Narrowing amendments sometimes leave intact in divided families bodies of broader subject-matter which overlap with the claim scope, and this may fail to create basis for defining a P1 domain whilst at the same time producing a *missile* which presents the patentee with a challenging need to show novelty on a selection basis.

9.15 Disclaimers as a remedy for toxic priority are, of course, a possibility. A lot has been said on this elsewhere and this paper will not add to that.

## 10. Overview on managing the risk for IP owners

10.1 The early 2012 *Poisonous Divisions* paper<sup>53</sup> in particular suggested that management of the risk in a forward-looking way would be helpful.

10.2 The *Toxic Priority* concept should inform drafting at the outset, with greater attention to what might later be necessary in the future to solve or avoid a toxic scenario. This could be challenging. In one instance known to us,<sup>54</sup> an originating set of patent applications was filed with the intention of later division but was withdrawn in light of a *Poisonous Division* risk and re-filed later with the benefit of a changed drafting strategy. With notional claim splitting central to cure of *Poisonous Divisions*, and the **T1127/00** approach to implementation of **Article 88(2)(3) EPC** enjoying such establishment (despite **T1222/11**), it is what happens when the final specification going forward is prepared that may count even more.



10.3 A consciousness of the *Poisonous Division* risk should change divisional filing from the routine turn of the handle it unfortunately had become in many instances to an exercise involving considerable thought and attention. There will be cases where the right answer is to file divisionals in substantially amended form or even not to divide. Divided families where e.g. a parent claim loses P1 priority due to narrowing but subsumes divisional specific embodiments which do not, may be frequent casualties<sup>55</sup> where there is inadequate basis for defining within the claim a P1 domain embracing the specific embodiment. Such claims might result where pre-filing searches are only moderate. Poorly drafted specifications in divided families could be prize candidates for *Poisonous Division* attack where there is asymmetric priority, perhaps where no other attack will actually work.

10.4 Risk management and protocols defining its exercise are essential. It is not hard to stream cases into different risk categories at the point division is contemplated – in some cases, the risk will be small and clients can be so advised. The risk to a parent or earlier divisional posed by a division (a prime issue at the point of contemplated division) can be assessed within categories taking account of art of record and prescience can go a little further but only a little.

**\*Peer Reviewed: Ursula Kinkeldey, former Chair, EPO Board of Appeal 3.3.4 and former Member, Enlarged Board of Appeal. Please feel free to offer feedback to the author at [malfiblu@yahoo.co.uk](mailto:malfiblu@yahoo.co.uk).**

## References and notes

- Decision of the UK Patents Court in *Nestec SA & Others v Dualit Ltd & Others* [2013] EWHC 923 (Pat) (April 2013)
- Quoted from: "TBA Decision T 1496/11 – The mother of all self-collision?", Hoffmann Eitle
- "Poisonous EPC Divisionals (Just as you thought it was safe. ....)", Malcolm Lawrence, Inventive Steps, Avidity IP, December 2010
- (1) "Poisonous EPC Divisionals – Implications for Risk Management & Opportunistic Advantage", Malcolm Lawrence & Marc Wilkinson, *EPI Information*, No 2/2011, pages 54-61, European Patents Institute, June 2011
- (2) "Thoughts and Feedback since Original Publication of the 'Poisonous Divisionals' Concept", *CIPA Journal*, February 2012, pages 74-78
- "Tufty The Cat", () expressed the view that the prospect of an EPO appeal board holding that a divisional could be cited against its own parent was "very slim"
- T1496/11 published, Securrency International Pty Ltd (Patentee) and Giesecke & Devrient GmbH, Leonhard Kurz Stiftung & Co. KG and De La Rue International Limited (Opponents)
- Nestec SA & Others v Dualit Ltd & Others* [2013] EWHC 923 (Pat)
- The Poisonous Priority Documents concept had already received EPO case law support (see Paragraph 5 below)
- The date of publication of G0002/98
- The date of publication of T1222/1. An analysis, with some synthesis, of T1222/11 (and the portfolio of multiple priorities case law led by T1127/00), appears in "Priority Date Assessment under EPC (Part 1)", Malcolm Lawrence, *CIPA Journal*, July 2013 and "Priority Date Assessment under EPC (Part 2)", Malcolm Lawrence, *CIPA Journal*, August 2013
- Three blog post strings over the period May-July 2013 amounted to just short of 30,000 words in aggregate
- The emphasis is on the Poisonous Divisions risk, with the Poisonous Priority Documents risk taking a back seat and being largely addressed by inference through the agency of the Poisonous Divisions concept.
- In this regard, the frequency of division, of course, remains significant – and has increased, rather than decreased, following the changes in rules in October 2010.
- As noted later, until the situation is clarified by an Enlarged Board of Appeal, Poisonous Division (and Poisonous Priority Documents) remains an IP risk to be taken into account by IP parties.
- Of incidental relevance, the trend line on the numerical occurrence of priority generally as an issue in EPO appeals is broadly flat over the period 2000 – 2012 and the percentage of such cases relative to total cases discharged annually by appeal boards has been trending down since 2006 from a seven-year plateau of around 12%; in recent years, appeal boards have examined multiple priority issues on few occasions only. There is anecdotal evidence that the situation may be different in terms of first instance oppositions which are not then appealed (personal communications). It could, with caution, be argued that increasing acceptance of Toxic Priority as an IP risk may increase incidence of multiple priorities as an issue to be considered
- Personal communication
- See "An antidote to poisonous division(al)s", Peter Arrowsmith and Tom Faulkner, *CIPA Journal*, March 2012. However, such simple contexts are almost never to be found in a life sciences or pharma case, for example
- The *Arrowsmith et al* proposed antidote has been supported by at least some blog posts. However, the partisanship present in some blog posts means that some caution may be called for; the solution has been challenged elsewhere (see, for example, "*Nestec v Dualit and Self-Collision*", Reddie & Grose, IP News, June 2013, which includes the following statement in response to the Arrowsmith et al antidote "... the recent UK High Court decision in *Nestec v Dualit* perhaps casts doubt on the efficacy of the antidote")
- The independent status of divisionals has twice been endorsed by the Enlarged Board of Appeal – Decisions G0004/98 (November 2000) and G0001/05 (June 2007) as well as by the Technical Board of Appeal in T0441/92 (March 1995)
- Indeed, the fact that it is logical was the first reaction of a number of people who gave feedback
- Most oppugnancy to the basic proposition, even from the more contrarian of its initial disputants, had begun to dissipate as T1496/11 circulated
- Until recently, these cases were barely known. Neither was published in the EPO Official Journal and neither has had its contents much aired in other EPO appeal proceedings; T1443/05 had been cited once in other appeals and T0680/08 had not been cited at all at the date of authorship of this paper in its first draft in February 2013. T1443/05 was published in German only
- Of course, if the priority document had been a national patent application, it's whole contents effect would be determinable only by the application of national law (cf *Nestec*) outside of EPO jurisdiction
- Although an amendment which was judged to cure the issue was proposed by the board itself, it is submitted that this was an idiosyncratic solution not likely to be of general applicability – see "Priority Date Assessment under EPC", supra.
- See "Study of Priority Right under EPC: Same Invention/Disclaimers", F Portal, *EPI Information* 2/09, 2009, pages 56-59

26. Demonstrating just how tricky the law can be, a paper published on T0680/08 by a UK IP firm notably contains the then sensible but now seemingly incomplete (as it is not necessarily correct because it trades one IP risk for the other) general advice that applicants in similar situations should allow the priority case to become abandoned and then file a divisional
27. *Nestec SA & Others v Dualit Ltd & Others* [2013] EWHC 923 (Pat), *supra* re European Patent (UK) No 2 103 236
28. The judge appears not to have considered T1222/11 even though that decision was published several months before his judgement. The trial was in Q1 of 2012 and, whilst the parties would not have had an opportunity of being heard on the matter of T1222/11 at trial, it is possible (indeed not uncommon) for parties to send newly issued decisions to the judge, with a short note, after trial and before judgment is handed down. In addition, T1222/11 appears not to have been considered by the (different) judge in *HTC Corp v Gemalto* [2013] EWHC 1876 (Pat), which came to trial in the weeks bridging April and May 2013
29. An appeal to the UK Court of Appeal was filed in June 2013, a trial date in late 2013 or early 2014 being expected. The litigation of the patent in suit forms part of a portfolio of proceedings in various national jurisdictions, and an appeal is pending before an EPO board of appeal (Appeal T1674/12) on the same European patent
30. As an aside, the appeal was the second appeal on the case (first appeal: T1265/07), although not on this issue, with a remittal to first instance separating them
31. The author is not aware of a decision which invalidates it
32. In that 2006 case, the Patentee amended the claims to confer priority but failed to establish inventive step; the obiter remarks on the *Poisonous Division* argument were not reported in the board's decision
33. Personal communication
34. Similar to the situation with T1443/05 and T0680/08 (both *supra*)
35. In one opposition, a preliminary view issued in Q3 of 2013 (on an opposition with no submissions made after T1496/11) not only failed to recognise T1496/11 but also failed to comprehend the argument for what it was
36. The divisional application was prosecuted to grant and, at the date of initial authorship of this paper in the first few months of 2013, is under opposition with claims which, as in the case of the parent granted claims, also lack the "printed or embossed feature" but which are otherwise similar to, albeit slightly narrower in certain respects than, the (amended) claims upheld in the parent opposition
37. See "Self-collision of European patent filings: an accident waiting to happen?", Jane Wainwright (Potter Clarkson LLP), *Life Sciences Intellectual Property Review (LSIPR)*, May 31, 2013
38. Nevertheless, perspective is essential as there may be a *self-cure*. Both broadening and narrowing amendments may permit the panacea of notional claim splitting per Reason 6.7 of G0002/98 into domains of differing date (even as interpreted *prior to* T1222/11). Narrowing amendments may not be vulnerable to a whole contents *missile* if both claim and *missile* have the same priority date (see Paragraph 9 below – in particular Paragraphs 9.6 to 9.8)
39. In this regard, "Tufty the Cat" has described, by way of example, solutions to *Poisonous Division* contexts which adopt the model proposed in T1222/11.
40. Both Article 88(2) and (3) EPC need to be considered. But Article 88(2) EPC merely states that multiple priorities may be claimed and does not stipulate the outcome of such a claim in terms of rights; this is in contrast to Article 88(3)EPC, which declares that there is a priority right attributable to the "elements" of the invention disclosed in the priority document(s)
41. *Inter alia*, Reason 11.5.3 of T1222/11
42. Reason 6.7 of G0002/98 states: "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"
43. The floor of the IP jungle has been noisy with calls for more pragmatic decisions on this issue than those which preceded T1222/11 (and T1496/11 has been called non-pragmatic). That's rather problematical for an appeal board (and impossible for a first instance) when its job is to implement the law within the framework set down by a superior instance, in this case, the Enlarged Board of Appeal in G0002/98 – a decision which might usefully have been crafted somewhat differently. Two lower boards have endeavoured to make decisions which circumvent the constraints of T1127/00 *et al* but did not manage to do so convincingly with reasoning which fits into that framework. T1222/11 is the first decision to succeed in this goal. It has only done so with creativity and the initiative (and more than a bit of courage) on the part of the responsible board to do so *obiter* without the benefit of the argument being originated and asserted by a party (as far as this writer is aware from significant research, no party until that decision ever presented arguments to an EPO board of appeal which reflect the model in T1222/11)
44. It is worth mentioning here that not only did the UK Patents Court follow this semi-consensus in *Nestec supra* (see Paragraph 5.6) but that this is also true of the even more recent *HTC case supra* (see footnotes to Paragraph 5.6). Moreover, in *Nestec*, split priorities were not asserted and in any event the judge he did not consider the "inclined" embodiments to be "... clearly defined alternatives to the other arrangements covered by..." the claim. In *HTC*, before a different judge, multiple priorities were not argued, nor permitted, for Claim 1 (which would be notionally split into *Java language* and *other language* domains) and a split priority argument in relation to a sub-claim was rejected by the judge (see Paragraphs 172, 193 and 195 of the judgement)
45. As noted in Paragraph 5.6, Footnote, the UK Patents Court judgement in *Nestec* has been appealed to the Court of Appeal and there is a corresponding appeal in the EPO on the same European patent. It seems likely that a view on T1222/11 may be forthcoming from both appellate instances. It is understood that T1222/11 has been cited in the EPO appeal
46. See Paragraph 8 of "Priority Date Assessment under EPC (Part 2)" *supra*
47. Of course, patent procurement is not the only relevant function to be considered
48. By "identical division" is meant that the division produces a divisional identical in subject-matter content to the root application
49. The board eventually found for the patentee, although on a basis that is somewhat eccentric and doubtfully correct
50. A specific embodiment defining a priority domain within a claim may lack clarity in an Article 84 EPC sense and thus fail the *clearly defined* test of Reason 6.7 of G0002/98. As to this, see Paragraph 6 of "Priority Date Assessment under EPC (Part 2)", *supra*
51. A similar situation might arise in the T0680/08 example in Paragraph 9.8 if, for example, the only exemplification in the priority document of parameters within the claimed 0.330 kWh/kg to 0.415 kWh/kg range were a specific Example – which would form a *missile* of P1 priority dated matter citable against the patent but which could fail to satisfy the *clearly defined* test set down in Reason 6.7 of G0002/98.
52. However, note that on the evidence of the *HTC case supra*, it should not be assumed that a UK court will permit the required notional claim splitting
53. "Thoughts and Feedback since Original Publication of the 'Poisonous Divisionals' Concept", Malcolm Lawrence & Marc Wilkinson, *CIPA Journal*, February 2012, pages 74-78, *supra*
54. Personal communication
55. See Paragraph 9.4 *et seq*