WITTEWELLER NEWS II/2023

Client Information and News

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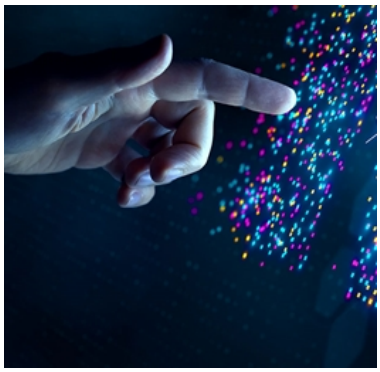

Record numbers in European and German patent filings
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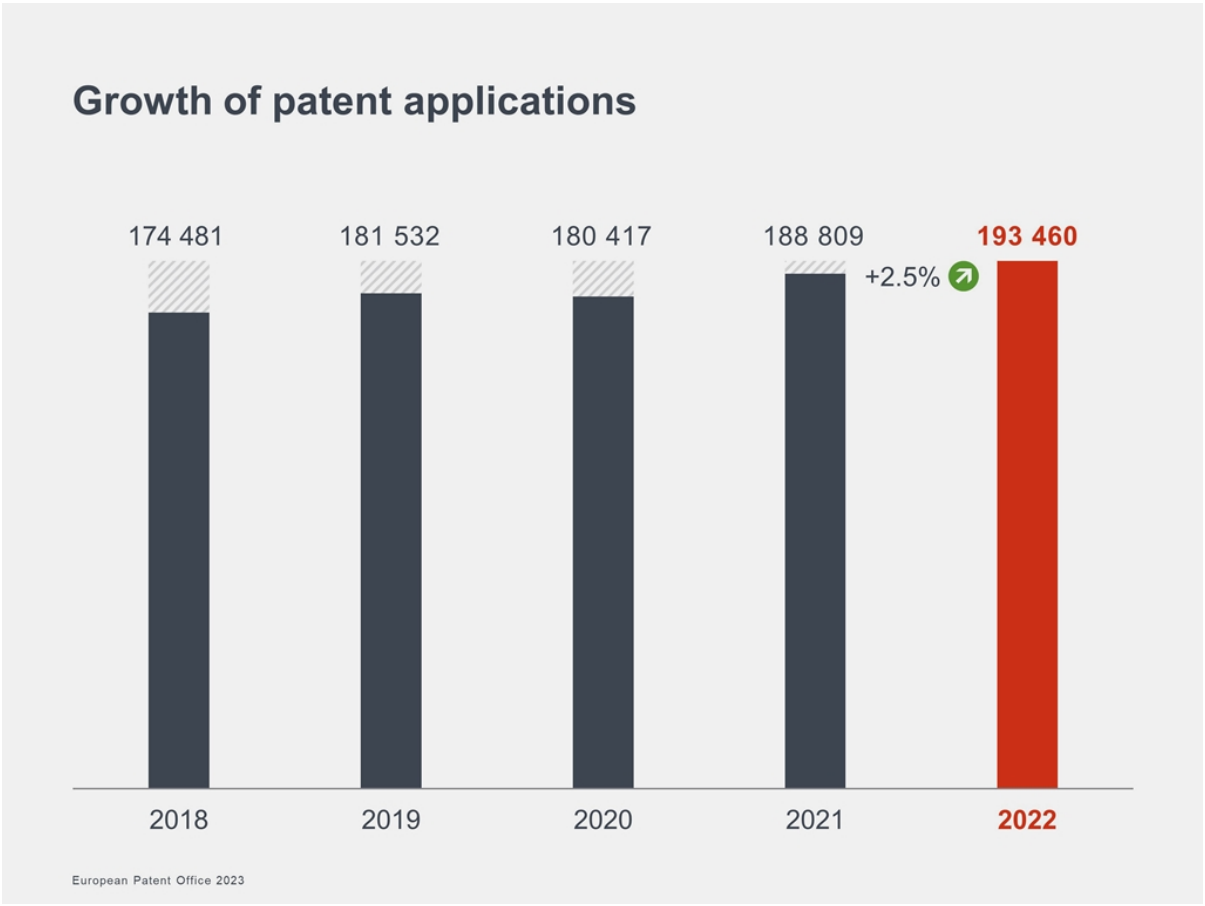
EPO statistics 2022 – Number of patent filings in Europe increased by 2,5% to new record level

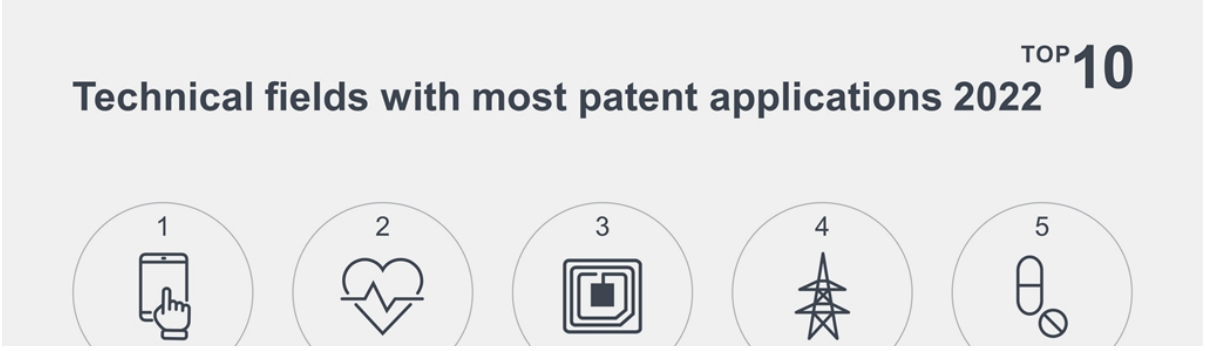
The number of patent applications filed with the European Patent Office (EPO) reached a new record milestone in 2022. Applicants filed 193 460 patent

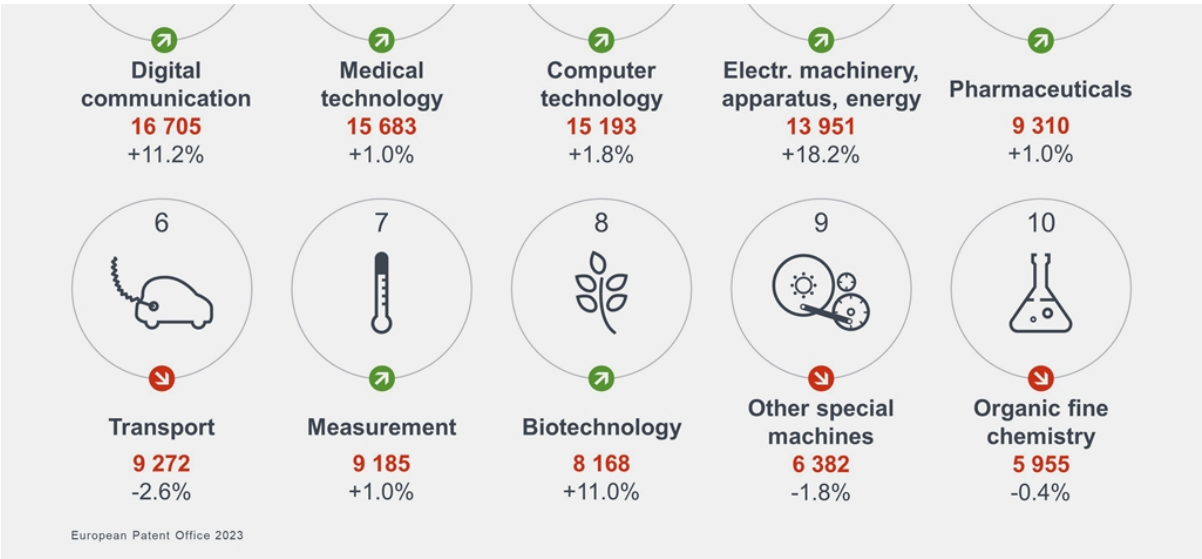
applications, which corresponds to an increase of 2,5% and exceeds the number of patent applications filed in 2021 (188 600) significantly. In the past five years the number of patent applications filed with the EPO has risen constantly, apart from a slight decrease in 2020 (-0,6%), the year of the COVID pandemic.



Source: European Patent Office 2023

*The highest growth in patent filings was shown once again in the top ten technology fields **digital communication** (16 705, +11,2% against 2021), followed closely by **medical technology** (15 683, +1%) and **computer technology** (15 193, +1,8%). Patent activity in the field of electrical machinery, apparatus, energy accounted for an astonishing growth of 18,2%. This boom can mainly be attributed to numerous inventions in the field of **battery technologies** (+48%). An enormous growth in patent filings was also shown in **biotechnology** (+11%).*





Source: European Patent Office 2023

The US remained **world leader in patent filings** in 2022, accounting for one quarter of the total applications, followed by Germany, Japan, China and France. Among the top ten countries, the highest growth was recorded in China (+15,1% compared to 2021) and the Republic of Korea (+10%).

The number of European patent applications has remained at the previous year's level (83 894, +0,1%). The total number of patent filings from European countries, however, decreased to below 44%. This decrease can mainly be attributed to an increasing number of applicants from outside Europe, especially from Asia, intending to protect their inventions on the European market.

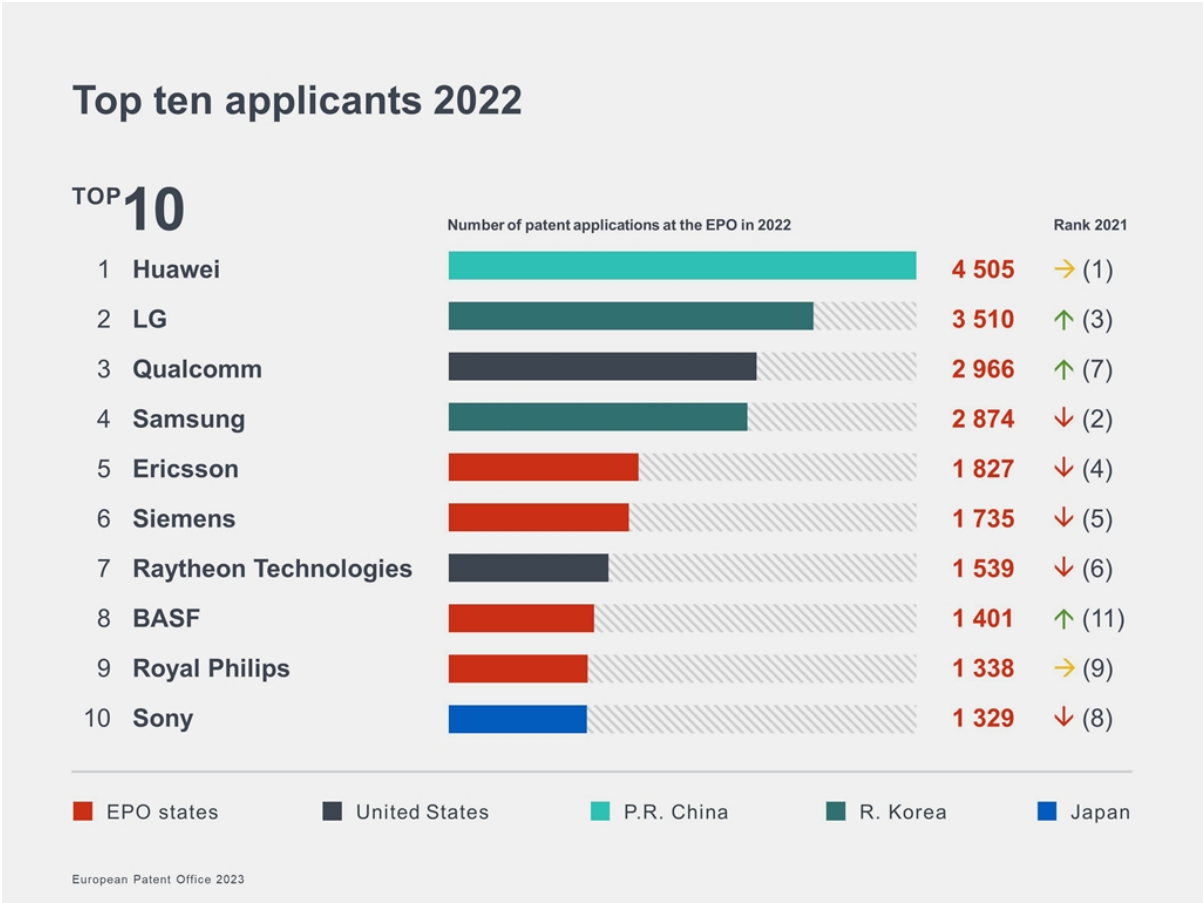
Top 50 countries for patent applications 2022

TOP 50

		2022	Change
1	United States	48 088	+2.9%
2	Germany	24 684	-4.7%
3	Japan	21 576	-0.4%
4	P.R. China	19 041	+15.1%
5	France	10 900	+1.9%
6	R. Korea	10 367	+10.0%
7	Switzerland	9 008	+5.9%
8	Netherlands	6 806	+3.5%
9	United Kingdom	5 697	+1.9%
10	Sweden	5 036	+1.8%
11	Italy	4 864	-1.1%
12	Denmark	2 662	+0.6%
13	Belgium	2 604	+5.0%
14	Austria	2 388	+3.4%
15	Finland	2 140	+1.5%
16	Canada	2 001	-3.8%
18	Israel	1 741	+1.2%
19	Chinese Taipei	1 474	-0.7%
20	Ireland	1 140	+12.3%
21	Australia	1 003	-1.4%
22	Singapore	835	+16.1%
23	India	817	+1.4%
24	Norway	660	+4.9%
25	Poland	615	+17.8%
26	Türkiye	542	-26.3%
27	Liechtenstein	456	-7.5%
28	Barbados	344	+15.8%
29	Luxembourg	343	-20.8%
30	Hong Kong SAR (China)	331	+49.8%
31	Portugal	312	+7.6%
32	New Zealand	230	+2.7%
33	Brazil	220	+20.9%
35	Saudi Arabia	206	-45.6%
36	Russian Federation	199	-26.8%
37	Greece	185	-8.9%
38	Cayman Islands	136	-54.2%
39	Slovenia	123	+6.0%
40	Hungary	102	-14.3%
41	Thailand	95	-4.0%
42	South Africa	87	+2.4%
43	Lithuania	78	+9.9%
44	Malta	72	+28.6%
45	United Arab Emirates	69	0.0%
46	Estonia	66	-4.3%
47	Mexico	58	-6.5%
48	Slovakia	49	+14.0%
49	Chile	48	+2.1%
49	Iceland	48	-23.8%

Source: European Patent Office 2023

In the **company ranking** of the top leading applicants, Huawei ranks on first place, followed by LG and Qualcomm. For several of the TOP 10 companies, WITTEWELLER is active in the patent field.



Source: European Patent Office 2023

Further information

EPA NEWS

EPA PATENT INDEX 2022

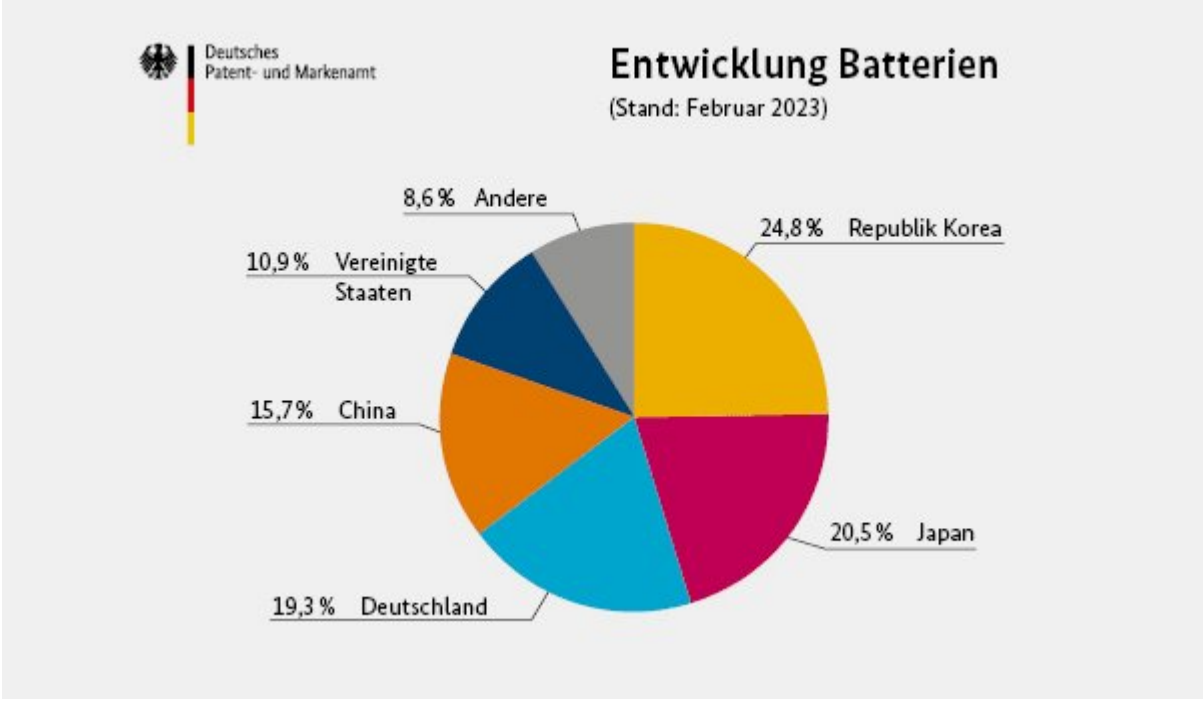
GPTO – Patent filings in battery technology rapidly increased

An analysis carried out by the German Patent and Trademark Office (GPTO) in March 2023 shows a rapid increase in patent filings related to key technologies. In 2022, 4 651 patent applications effective in Germany were published, two and a half times more than five years before. From 2021 to 2022 alone, the number of patent

applications increased by 35,2%.

Most of the patent applications are attributed to the Republic of Korea (1 155), which was by far the most dynamic country in terms of innovations, showing an increase in patent filings by 70% compared to the previous year.

Japan ranks second (955 patent applications) and Germany third (898 patent applications). As Germany, on the one hand, shows the least dynamic in patent filings among the five top countries in the field of battery technology (11,3%), Asian countries as well as the US recorded enormous growths. Behind the Republic of Korea, the US records the second largest increase (+43,4%). China ranks third (+40,6%) followed by Japan (+23,3%).



Source: German Patent and Trademark Office

In the **company ranking** in 2022, the Korean company LG Energy Solution ranks on the first place (768 patent applications) followed by a significant gap by the Chinese company Contemporary Amperex Technology Co., Ltd. (295). The German carmakers Bayerische Motoren Werke (BMW) AG (175) and Volkswagen AG (125) ranked third and fourth, respectively, followed by the Japanese company Panasonic.

In contrast to battery technology, the number of innovations in the field of renewable energy decreased slightly (-2,4%). An increase of 5% was recorded in solar technology, however, a decrease in wind generator applications by 8,9% was shown.

German applicants are among the top applicants in the **country ranking** in 2022. In the field of solar technology, Germany ranks first in solar technology, followed by the US and China and second in wind generators, behind Denmark and followed by the US.

Further information

PRESS RELEASE GPTO

FACT SHEET GPTO "RENEWABLE ENERGY" (GERMAN)

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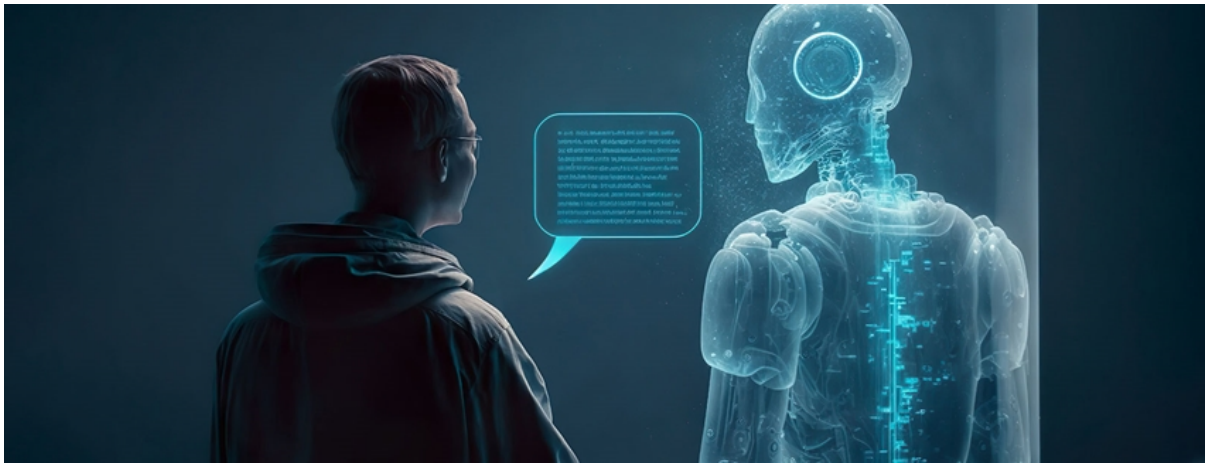

Is U.S. Case Law on "Software" Patents Converging with European Case Law?

The question of whether and under what conditions a computer-implemented invention is patentable has been the subject of intense and sometimes controversial debate in recent decades. For several years, however, the case law of the European Patent Office (EPO) and the German Federal Supreme Court (BGH) now appears to have been consolidated.

For the EPO, the basic criteria were formulated in what is known as the COMVIK decision (T 641/00) from 2002 and confirmed by decision G 1/19 of the Enlarged Board of Appeal in March 2021 at the latest. In general, it can be said that a patentable invention **must solve a technical problem by technical means**. An invention consisting of a mixture of technical and non-technical features and having technical character as a whole is to be assessed with respect to the requirement of inventive step by taking account of all those features which contribute to said technical character, whereas features making no such contribution cannot support the presence of inventive step (1st Headnote of T 641/00 COMVIK).

Comparably, the BGH held in January 2020 that an instruction to select a display mode for a selection menu on a screen that merely serves the purpose of presenting the displayed menu items and the circumstance that further items may be available in a particularly descriptive manner does not provide a technical solution, and is therefore not to be taken into account in the examination of the inventive step (Headnote of BGH X ZR 144/17 *Rotierendes Menü*).

German and European patent attorneys have therefore long been accustomed to the fact that "technicality" is the decisive and crucial requirement for patentability. Actually, this is directly based on the law, which states that patents shall be granted for inventions **in all fields of technology,** provided that they are new, involve an inventive step and are susceptible of industrial application (Art. 52(1) EPC; Sec. 1(1) Patent Act).

In the past, the situation was quite different in the U.S.A. The term "technology" does not appear in the patent law there. Rather, it states in very broad terms: "*Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title*." (35 U.S. Code § 101)

In a decision in 1980, the Supreme Court, i.e. the highest court in the U.S.A, accordingly cited that Congress intended statutory subject matter to "*include anything under the sun that is made by man*" (Diamond v. Chakrabarty, 447 U.S. 303 (1980). A very far-reaching patenting policy, at least from a European practitioner's point of view, developed from this including patent protection for pure business methods, which never existed in Europe. That a computer-implemented invention is generally amenable to patent protection was expressly affirmed by the U.S. Supreme Court in its decision Diamond v. Diehr, 450 U.S. 175 (1981).

However, the liberal patent granting practice in the U.S. changed in 2014 with the U.S. Supreme Court decision Alice Corp. v. CLS Bank International, 573 U.S. 208 (2014). Since then, the fundamental question of what constitutes *patent eligible subject-matter,* i.e. subject matter amenable to patent protection, has also arisen in the U.S. with respect to computer-implemented inventions.

Examination with respect to patent eligible subject-matter now takes place in several steps according to the so-called *Alice* test. In the first step, it has to be determined

whether a patent claim is directed to one of the categories of *process, machine, manufacture* or *composition of matter* expressively provided for in the U.S. Patent Statute. Only if this is answered in the affirmative, a patent can be granted. In the second step, it has to be examined whether the claim is directed to a *judicial exception*, i.e. an **exclusion from patentability** developed by case law. The judicial exceptions include laws of nature, natural phenomena and abstract ideas. If none of these three grounds for exclusion is present, a patent is possible under the further conditions of novelty and non-obviousness. If, on the other hand, this second question is answered in the affirmative, it has to be examined in the third step whether the claim contains additional features that amount to significantly more than the judicial exceptions.

In the field of computer-implemented inventions, patent applicants are now frequently confronted by the U.S. Patent and Trademark Office (USPTO) with a § 101 rejection alleging that the claimed invention is directed to an abstract idea and that the use of a computer, as usually mentioned in the claims, does not significantly add anything to this idea, which is why, irrespective of the question of novelty and obviousness, no patent should be granted. In other words, the question increasingly arises as to when a claimed invention is directed to an abstract idea and what kind of features are necessary in the claim in order to significantly add something.

At first glance, this issue appears different from the established approach in Europe, where technicality, and thus above all the question of whether a technical problem is solved by technical means, plays the decisive role. We were therefore surprised to learn that the United States Court of Appeals for the Federal Circuit (CAFC), criticized the **lack of a technical improvement** in a decision rendered in October last year, and concluded that the claims under review were directed to an ineligible abstract idea (IBM v. Zillow): "*The claims and specification do not disclose a technical improvement or otherwise suggest that one was achieved. We conclude that the '789 patent is directed to an ineligible abstract idea*." (see linked document, page 9, middle paragraph)

The decision was based on several patents from IBM, each of which related to a highlighted display of objects on a display device. In one case, a map display was shown side-by-side to a list display and, depending on a graphical selection of an area on the map, list entries were displayed in a filtered manner. The other case involved the highlighted display of objects from multiple overlaid layers.

The CAFC is the appellate court in the U.S. that has exclusive jurisdiction over

patent disputes in second instance. Only in very few cases of fundamental importance does a case subsequently reach the U.S. Supreme Court. Thus, the CAFC determines how to assess many specific patent law issues.

The fact that this court now explicitly mentions lack of a **technical improvement** when examining the *judicial exception* and explicitly connects the terms *abstract idea* and *inventive concept* in the opening sentence of the decision could, in our view, be an indication that the European approach with its legally established focus on a technical solution to a technical problem is being considered in the U.S.A. From the point of view of applicants, competitors and patent practitioners faced with issues of the patenting computer-implemented inventions, this would be very welcome because it facilitated counseling and decision-making with respect to international patent rights.

As far as the specific case and computer-implemented inventions as a whole are concerned, it appears at present that user-friendly screen displays are patentable only in exceptional cases, namely when the display is based on a **technical effect or improvement** that goes beyond beneficial user experience. This was apparently neither the case with the patents in IBM v. Zillow nor in the above-mentioned decision of the BGH X ZR 144/17 *Rotierendes Menü*. There, the underlying patent was directed to a rotating selection menu on a screen display. In both cases, the appellate courts affirmed the respective revocation of the patents by the lower courts and found lack of a technical improvement or lack of a technical solution, respectively.

We will continue to closely follow the case law of the courts on computer-implemented inventions and will be happy to keep you informed about any new developments. Notwithstanding, we will be happy to answer any questions you may have concerning computer-implemented inventions.

Dr Torsten Duhme, Partner

VIEW PROFILE

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General Court of the EU rules – "Emmentaler" cannot be protected as EU trademark for cheese

The Swiss company and cheesemaker group "Emmentaler Switzerland" failed in the attempt to obtain protection of the trademark "Emmentaler" in the EU.

Emmentaler Switzerland wanted to secure trademark protection for its cheese originated in Emmental, a city in Switzerland, so that only Swiss cheese from Emmental may use the term "Emmentaler". In case the trademark application had been successfully accepted, it would be required to indicate the region of origin of the cheese, for instance, "Allgäuer" Emmentaler, should cheese not originate from Emmental.

After the European Office for Intellectual Property (EUIPO) refused the trademark application with regard to its descriptive character, Emmentaler Switzerland appealed this decision to the General Court.

The General Court stated that German public would understand the term "Emmentaler" as descriptive of a type of cheese, but not as indication of the Swiss geographical origin and, consequently, confirmed the EUIPO's former judgement.

Emmentaler Switzerland can appeal this decision to the Court of Justice of the European Union.

Further information

JUDGEMENT GENERAL COURT

PRESS RELEASE GENERAL COURT

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UPC-News

Milan will host third UPC central division

According to a press release launched by the Italian Ministry of Foreign Affairs and International Cooperation (MAECI), the Italian Government, France and Germany have agreed to set up the third branch of the central division of the Unified Patent Court (UPC) in Milan. It was initially planned to set up the third branch in London. However, due to the consequences of the Brexit and Great Britain's UPC exit, a new location had to be found.

Further information

JUVE NEWS

English second language of proceedings at German UPC courts

Apart from German, English will be designated as further language of proceedings at the local chambers in Germany. In France and Italy as well, English will be introduced as language of proceedings at the respective local chambers.

Further information

UPC WEBSITE

Appointment of presiding judges

The presiding judges at the UPC were appointed on 17 April 2023 and took oath on 1 June 2023. 15 presiding judges at the central chambers, local chambers as well as 13 presiding judges of the local and regional chambers' panels are on the starting block for the first court cases within the UPC.

Further information

UPC NEWS

UPC registrar cannot give legal advice

The UPC published in a press release that only the UPC court can give legal advice on or any interpretation of the UPC agreement and the rules of procedure. The Registrar cannot give any legal advice.

This clarification followed questions the UPC Registrar received on a previous press release, providing information and guidance on the individual requirements of the opt-out application, especially the paragraph explaining the country codes. The Registrar clearly stated that the requirements related to an opt-out, particularly the item concerning country codes, are described in Rule 5 of the rules of procedure. It is the applicant's obligation to evaluate and understand these requirements and complete the application accordingly.

Further information

UPC NEWS

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Draft bill of Federal Ministry of Justice - Introduction of commercial courts in Germany, English as language of proceedings

It is intended to strengthen Germany's position as court venue for international commercial disputes. A draft bill published by Germany's Federal Ministry of Justice (Bundesministerium der Justiz: BMJ) provides for the setting up commercial chambers and commercial courts as well as introducing **English as the court language** for proceedings at the district courts and the higher regional courts.

Commercial disputes are currently being handled by specific senates for commercial disputes at the higher regional courts. After chambers for commercial disputes were introduced in Frankfurt a. M. and Hamburg in 2018, Baden-Württemberg followed suit in 2020 setting up commercial courts in Stuttgart and Mannheim.

The proposed measures are intended to enable the establishment of commercial courts at the higher regional courts all over Germany.

The three-instance proceedings at German courts have so far made it difficult to reach quick legal decisions. Litigation proceedings have taken place in English only in exceptional cases. This, however, will change by the establishment of commercial chambers and commercial courts. It is planned that German courts as well as international commercial courts and arbitration courts provide fast and efficient court proceedings and, consequently, increasing Germany's international importance as location for the resolution of disputes.

National commercial disputes are supposed to be handled by the federal states before the commercial chambers. The proceedings will be generally conducted in English, provided both parties agree. Several specialized chambers of commerce have already conducted litigations in English.

If the value of a commercial dispute exceeds one million euros, the action could be brought before a commercial court established at the higher regional court. The proceedings would be held in English as well. The commercial courts will be staffed with judges with very good English skills.

An appeal would be allowed against the decisions of the commercial courts. The appeal proceedings can also be conducted in English in agreement with the Federal

Court of Justice.

The English-language decisions of the commercial chambers, the commercial courts and the Federal Court of Justice should be translated into German and afterwards be published. To ensure safe protection of the parties' business secrets at publication of the decisions, procedural regulations under the Business Secrets Protection Act should apply from time the lawsuit is filed.

Further information

BMJ PRESS RELEASE (GERMAN)

BMJ DRAFT BILL (GERMAN)

Picture Credit:

Sign on Commercial Court, Belfast, Northern Ireland, July 2010

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