

# 6

## Interpretation of IP Treaties in Accordance with Articles 31–33 VCLT

### *A Case Study on the Practice of the European Patent Office*

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#### ABSTRACT

*The chapter offers a first systematic analysis of the seventy-six decisions and opinions of the European Patent Office (EPO) Enlarged Board of Appeal and Board of Appeals that make explicit reference to the interpretation criteria of the Vienna Convention of the Law of Treaties (VCLT). It explores whether the use of those criteria by EPO boards is congruent with the current teachings of public international law experts on the VCLT. The EPO boards make extensive use of Articles 31–33 VCLT and discuss the various criteria enshrined in the VCLT in detail. The paper concludes that the EPO boards use the VCLT criteria to justify their textual and historical approach to interpretation. By contrast, the EPO boards do not exhaust the potential of a purpose-oriented interpretation.*

#### TABLE OF CONTENTS

A. Introduction	158
B. Articles 31–33 VCLT: Overview of Principles Relevant for EPC Interpretation	159
I. Ordinary Meaning (of Multiple Languages)	160
II. Context	162
III. Object and Purpose	163
IV. Preparatory Materials	165
V. Other Criteria for Interpretation of Treaties	165
C. Current Practice at EPO	166
I. Data Set Used for the Systematic Analysis of EPO Case Law	166

II. Applicability of the VCLT to the Interpretation of the EPC	167
III. VCLT Interpretation Criteria Applied by EPO (EBoA and BoA)	168
1. Ordinary Meaning	168
2. Context	169
3. Purpose and Teleological Arguments	172
4. Preparatory Materials	173
5. Other Criteria of Interpretation	174
IV. A Controversial Example: Conflict over ‘Native Traits’ at EPO	176
1. Background of the Legal, Social and Economic Conflict over ‘Native Traits’	176
2. The Controversy over Article 53(b) EPC at a Glance	177
3. Function of VCLT Criteria Reflected in the Conflict over ‘Native Traits’	179
a. G 2/07, G 1/08 ‘Tomatoes/Broccoli I’: Emphasis on Legislative History	179
b. G 2/12, G 2/13 ‘Tomatoes/Broccoli II’: Judicial Self-Restraint	180
c. T 1063/18, G 3/19 ‘Pepper’: Dynamic Interpretation	183
D. Conclusions	187

#### A. INTRODUCTION

For most specialists in the respective fields, general public international law and intellectual property (IP) law are rather different areas of law, with different communities of experts, different fora, and different methodologies – and with few fields of common interest. Even though IP lawyers work on a daily basis with the TRIPS Agreement, the Berne and Paris Conventions, and the European Patent Convention (EPC), they seldom make reference to general instruments and principles of public international law. On the other hand, few public international lawyers take the challenge to analyse the specificities of the numerous international IP instruments. This lack of mutual interest is to be regretted. IP lawyers should expect to benefit from the experience gathered in other areas of public international law. And vice versa, public international lawyers of a general orientation would be surprised by the diversity and richness of IP instruments and principles developed on the international level since the late nineteenth century.

Notwithstanding these – at least so far – missed opportunities, there are some inevitable interfaces between the two areas. One of the most obvious of those interfaces is treaty interpretation. IP instruments have to be interpreted like all other legal texts. And public international law provides a highly developed body of rules of interpretation, which are codified in Articles 31–33 Vienna Convention on the Law of Treaties (VCLT). This chapter offers a systematic analysis of how the European Patent Office (EPO) uses Articles 31–33 VCLT for the interpretation of the EPC.<sup>1</sup> The EPC may seem a very special case of an IP treaty because of its limited territorial scope and its specific nature. Nonetheless, it is of particular interest because of the large number of cases handed down by the Enlarged Board of Appeal (EBoA) and the Boards of Appeal (BoAs), which serve as the judiciary of the European Patent Organisation. And indeed, the different judicial bodies of the EPO frequently refer to Articles 31–33 VCLT.<sup>2</sup> This is even more interesting and worthy of further consideration, since the EPO bodies are part of the epistemic IP community. In the following discussion, the basic principles of treaty interpretation according to Articles 31–33 VCLT are explained. Subsequently, the current practice of EPO bodies is analysed in more detail.

## B. ARTICLES 31–33 VCLT: OVERVIEW OF PRINCIPLES RELEVANT FOR EPC INTERPRETATION

The principles of treaty interpretation according to Articles 31–33 VCLT are well known to public international lawyers. Such readers may skip over the following overview, which has no ambition of producing an original contribution to the debate, and continue with Section C, where EPO's practice is analysed in light of

<sup>1</sup> Systematic surveys of European Patent Office (EPO) Boards of Appeal (BoA) and Enlarged Board of Appeal (EBoA) citations of the VCLT are not available. The most detailed analysis of EPO case law citing the VCLT is the collection Case Law of the Boards of Appeal of the European Patent Office, published by EPO on a regular basis (here used: 9th ed. 2019), 781–784. The patent law literature on the interpretation of the EPC refers to the VCLT with further examples from case law, see Moufang, *Rechtsprechung und Auslegungsmethodik der Großen Beschwerdekammer des EPA*, in Metzger (ed.), *Methodenfragen des Patentrechts* (Mohr Siebeck, 2018), 31, 58–59; see also the commentaries on the EPC; Adam & Grabinski, in Benkard (ed.), *Europäisches Patentrecht*, 3rd ed. (C. H. Beck, 2019), *Präambel*, paras. 6–14; Stauder, in Singer, Stauder & Luginbühl (eds.), *Europäisches Patentrecht*, 8th ed. (Carl Heymanns Verlag, 2019); Schulte, *Patentgesetz mit Europäischem Patentrecht*, 10th ed. (Carl Heymanns Verlag, 2018), paras. 136–139. Public international law literature on the VCLT cites cases of ICJ, CJEU, WTO Disputes, ECHR etc. but avoids references to EPO practice, see e.g. Borel & Boré Eveno, in Corten & Klein (eds.), *The Vienna Conventions on the Law of Treaties* (Oxford University Press, 2011), 817, Fn. 70.

<sup>2</sup> The EBoA used its very first decision to make extensive references to the VCLT, see G 1/83, G 5/83 Second Medical Indication [1985] OJ EPO 60 (5 December 1984). Since then, references to the VCLT have been regular practice, see Fn 1. From the current case law see G 2/12 Tomatoes II and G 2/13 Broccoli II [2016] OJ EPO A 27 and A 28 (25 March 2015).

those principles. For IP specialists, it should be of more interest to read about the teachings of public international law experts on Articles 31–33 VCLT.

### I. *Ordinary Meaning (of Multiple Languages)*

According to Article 31(1) VCLT, a ‘treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty’. This general rule is often described as the codification of a ‘textual approach’,<sup>3</sup> which should not be understood as giving the wording primacy over the other criteria of the VCLT.<sup>4</sup> However, the emphasis on the ‘ordinary meaning’ makes clear that the goal of interpretation is not the reconstruction of the subjective intentions of the parties if these intentions are not reflected in the text. The goal is rather the determination of the ‘objective’ meaning of the text,<sup>5</sup> which may by implication refer to the ‘presumed intention’<sup>6</sup> of the parties. Based on such an understanding, the wording of the treaty is at the same time the starting point and the outer boundary of interpretation. Only what is covered by the ordinary meaning can be designated as ‘interpretation’. Everything beyond the ordinary meaning must be justified on different grounds, such as international customary law, general principles of law, or judicial decisions.<sup>7</sup>

‘Ordinary meaning’ refers to the use of expressions in the common language – that is, regular or everyday, normal language.<sup>8</sup> Legal practice refers to dictionaries or encyclopaedias to determine such ordinary meanings.<sup>9</sup> However, specific legal expressions have to be understood in the sense of their meaning in the legal context; examples are ‘contract’, ‘state’, and ‘damage’. In this regard, it is not a layman’s but a lawyer’s understanding.<sup>10</sup> A ‘special meaning’ shall only be given to a term ‘if it is established that the parties so intended’ (Article 31(4) VCLT). But how to cope with different understandings in different jurisdictions? In this regard, it is established practice to follow an ‘autonomous interpretation’ approach, which avoids understanding legal expressions in the sense given in a specific jurisdiction (such as ‘contract’ or ‘damage’) but rather as referring to general principles of law, either

<sup>3</sup> Dahm, Delbrück & Wolfrum, *Völkerrecht*, Vol. I/3, 2nd ed. (De Gruyter, 2002); Dörr & Schmalenbach, *Vienna Convention on the Law of Treaties*, 2nd ed. (Springer, 2018), 579; Heintschel von Heinegg, in Ipsen (ed.), *Völkerrecht – Ein Studienbuch*, 8th ed. (C. H. Beck, 2018), 474; Villiger, *Commentary on the 1969 Vienna Convention on the Law of Treaties* (Martinus Nijhoff, 2008), 422–25.

<sup>4</sup> *Ibid.*

<sup>5</sup> Dahm et al. Fn 3, 638; Heintschel von Heinegg, Fn 3, 474.

<sup>6</sup> ILC Conclusions, A/RES/73/202, Conclusion 3 and 8.

<sup>7</sup> See Article 38 of the Statute of the International Court of Justice.

<sup>8</sup> Dahm et al. Fn 3, 641; Villiger, Fn 3, 426.

<sup>9</sup> Dörr & Schmalenbach, Fn 3, 581; Gardiner, *Treaty Interpretation* (Oxford University Press, 2008), 166–69.

<sup>10</sup> Dörr & Schmalenbach, Fn 3, 581.

based on a common usage in other international treaties or on the basis of comparative law.<sup>11</sup>

Interpretation of treaties in accordance with Article 31(1) VCLT must be in ‘good faith’. The International Law Commission (ILC), in its Report of 1966 – as well as some scholars – understand this reference to good faith as flowing directly from the *pacta sunt servanda* principle in Article 26 VCLT.<sup>12</sup> Other authorities give ‘good faith’ a broader meaning and understand the term as an overarching principle that obliges parties to ‘act honestly, fairly and reasonably’, to honour legitimate expectations and to ‘refrain from taking unfair advantage’ – such as from an ‘excessively literal interpretation’.<sup>13</sup>

One element specific to international treaties is the issue of multiple languages addressed in Article 33 VCLT. Treaties are typically authenticated in two or more languages. According to Article 33(1), the text is equally authoritative in each language, unless the treaty provides or the parties agree that, in case of divergence, a particular text shall prevail. According to Article 33(3), the terms of the treaty are presumed to have the same meaning in each authentic text. If nevertheless the authentic texts disclose a difference of meaning that the application of Articles 31 and 32 does not remove, the meaning that best reconciles the texts, having regard to the object and purpose of the treaty, shall be adopted (Article 33(4)).

It is controversial whether Article 31(1) VCLT expresses a primacy of the textual approach over other approaches in cases in which the wording of the treaty appears clear at first glance. Article 32 VCLT seems to determine that *the travaux préparatoires* shall not be taken into account in such a case. But is it possible to refer to arguments based on the context or purpose of the provision or the treaty even if the text appears unequivocal at first glance? According to the *acte claire* doctrine, it is the end of the interpretation if the ordinary meaning of provisions is clear. The doctrine has deep historic roots in Vattel’s maxim<sup>14</sup> and is still supported by some public international law scholars.<sup>15</sup> Today, most scholars are sceptical.<sup>16</sup> It is indeed doubtful whether the ordinary meaning of a text can ever be so clear and unambiguous that it is not worth the effort to verify a possible interpretation with regard to other criteria of interpretation.<sup>17</sup> This doctrine also places potentially undue powers

<sup>11</sup> See e.g. Article 7(1) CISG.

<sup>12</sup> In this sense ILC Report, ILCYB 1966 Vol. 2, 221; Dahm et al. Fn 3, 640; Dörr & Schmalenbach, Fn 3, 580.

<sup>13</sup> Villiger, Fn 3, 425–26; see also Dörr & Schmalenbach, Fn 3, 587–88.

<sup>14</sup> Vattel, *Le droit des gens ou principes de la loi naturelle appliqués à la conduite et aux affaires des nations et des souverains* (Londres, 1758), 294.

<sup>15</sup> See e.g. Borel & Boré Eveno, Fn 1, 818. See also CJEU, 6 October 1982, Case 283/81 – CILFIT.

<sup>16</sup> Dörr & Schmalenbach, Fn 3, 567, 580; differentiating Heintschel von Heinegg, Fn 3, 475 with further references.

<sup>17</sup> In the same direction Kramer, *Juristische Methodenlehre*, 5th ed. (C. H. Beck, 2016), 179; Rütters, Fischer & Birk, *Rechtstheorie mit Juristischer Methodenlehre*, 10th ed. (C. H. Beck, 2020), 443.

into the hands of the interpreter, who becomes the one to decide what is sufficiently clear not to warrant other elements of interpretation. Experienced lawyers know that almost every rule can be interpreted differently, especially if context and purpose are taken into account. But if the interpretation is ambiguous based on the ordinary meaning, context and purpose, then it is also admitted under Article 32(a) VCLT to take the preparatory works into account. Therefore, the *acte claire* doctrine should be handled with caution – if not abandoned.

## II. Context

One of the main achievements of the interpretation rules of the VCLT is the structuring of the different layers of contextual criteria in Articles 31 and 32. Article 31(1) states in broad language that the ordinary meaning of the terms of the treaty have to be understood ‘in their context’. Articles 31(2) and 31(3) specify what is meant in this regard by ‘context’. Article 31(2) starts with a reference to traditional sources of contextual arguments, namely ‘text, preamble and annexes’. But the contextual interpretation of treaties does not stop there. Context ‘shall comprise’, according to Article 31(2), (a) ‘any agreement relating to the treaty made by all the parties in connection with the treaty’ and (b) ‘any instrument which was made by one or more parties in connection with the treaty and accepted by all other parties’.

Special sources of contextual criteria of interpretation for international treaties are subsequent agreement and practice.<sup>18</sup> According to Article 31(3), the following ‘shall be taken into account’: (a) ‘any subsequent agreement between the parties regarding the interpretation of the treaty’, (b) ‘any subsequent practice in the application of the treaty which establishes the agreement of the parties regarding its interpretation’ and (c) ‘any relevant rules of international law applicable in the relations between the parties’.

Subsequent agreement and practice are of special interest for the interpretation of the EPC. Subsequent agreement in the sense of Article 31(3)(a) requires that all the parties to the treaty agree on the interpretation of the treaty.<sup>19</sup> However, such an agreement is not bound to strict formal requirements; for example, the decisions taken unanimously within a plenary treaty organ<sup>20</sup> or the voting of parties within an international organisation may suffice.<sup>21</sup>

By contrast, subsequent practice does not require an explicit declaration of a common understanding as such. According to the ILC Conclusions of 2018, subsequent practice ‘consists of conduct in the application of a treaty, after its conclusion,

<sup>18</sup> ILC Conclusions, A/RES/73/202 and ILC Commentary, UN doc. A/73/10 (*supra* Fn. 4).

<sup>19</sup> ILC Conclusions, A/RES/73/202, Conclusion 4(1), ILC Commentary, A/73/10, para. 4.

<sup>20</sup> See e.g. WTO Appellate Body Final Report, US–Clove Cigarettes, WT/DS406/AB/R, adopted 4 April 2012, paras. 258–268; Dörr & Schmalenbach, Fn 3, 595.

<sup>21</sup> More cautious ILC Conclusions, A/RES/73/202, Conclusion 6(2) and ILC Commentary, A/73/10, para. 22.

which establishes the agreement of the parties regarding the interpretation of the treaty.<sup>22</sup> This practice comprises every conduct of state parties in the application of the treaty. As such, national practice is relevant, but only if it is based on the application of the international treaty or its national implementation, whereas the autonomous national law and its application cannot be taken into account.<sup>23</sup> Inactive parties may still accept,<sup>24</sup> but deviant practice by some states may hinder the conclusion of subsequent practice in the sense of Article 31(3)(b).<sup>25</sup>

Finally, even if not all, but at least many, parties take part in the respective conduct, such a practice may still be considered as a supplementary means of interpretation in accordance with Article 32. Supplementary means of interpretation are not restricted to the *travaux préparatoires*. As the ILC Conclusions of 2018 put it: ‘A subsequent practice as a supplementary means of interpretation under Article 32 consists of conduct by one or more parties in the application of the treaty, after its conclusion.’<sup>26</sup> Subsequent practice in this broad sense covers any application of the treaty by one or more (but not all) parties. It can take various forms,<sup>27</sup> including the practice of organs of international organisations<sup>28</sup> and reactions by contracting states to the decisions of such organs.<sup>29</sup>

### III. Object and Purpose

Article 31(1) VCLT states at the end that a treaty shall be interpreted ‘in the light of its object and purpose’. The two criteria of ‘object and purpose’ cannot be distinguished clearly and are amalgamated into one criterion.<sup>30</sup> ‘Object and purpose’ refers to the aims and ends of the treaty and to the general results that the parties wanted to achieve with the treaty as a whole, not just the specific provision at stake.<sup>31</sup> As such, the criterion introduces a teleological or functional element into the process of interpretation.<sup>32</sup>

<sup>22</sup> ILC Conclusions, A/RES/73/202, Conclusion 4(2).

<sup>23</sup> ILC Commentary, A/73/10, para. 19, with reference to NAFTA Arbitral Panel Final Report, Cross-Border Trucking Services (*Mexico v. United States of America*), No. USA-MEX-98-2008-01, adopted 6 February 2001, para. 224.

<sup>24</sup> Dörr & Schmalenbach, Fn 3, 599.

<sup>25</sup> But see the practice of the ECHR, which seems to accept the practice of the overwhelming majority of contracting states as subsequent practice in the sense of Article 31(3)(b), Dörr & Schmalenbach, Fn 3, 597–98 with further references.

<sup>26</sup> ILC Conclusions, A/RES/73/202, Conclusion 4(3).

<sup>27</sup> ILC Commentary, A/73/10, para. 35.

<sup>28</sup> ILC Conclusions, A/RES/73/202, Conclusion 12(3).

<sup>29</sup> ILC Conclusions, A/73/10, para. 15.

<sup>30</sup> See Dörr & Schmalenbach, Fn 3, 585 with further references.

<sup>31</sup> Dörr & Schmalenbach, Fn 3, 585; Gardiner, Fn 9, 189–90.

<sup>32</sup> Dahm et al. Fn 3, 644; Dörr & Schmalenbach, Fn 3, 584; Heintschel von Heinegg, Fn 3, 478; Villiger, Fn 3, 427.

There are several approaches for how to determine the object and purpose of a treaty. It is common ground that the object and purpose of a treaty may be found in the text of the treaty itself, especially in introductory articles or preambles. However, beyond such explicit statements in the instrument itself, it is controversial how ‘object and purpose’ should be determined. The different approaches taken in this controversy are a mere reflex of a more subjective or a more objective theory of interpretation. For those who adhere, within the limits of Article 31 VCLT, to a more subjective theory of interpretation – which gives weight to the intentions of the parties at the conclusion of a treaty – it may seem obvious to refer to preparatory materials for the determination of the object and purpose.<sup>33</sup> Such an approach entails the risk of falling back behind the textual approach of Article 31 VCLT and giving too much weight to the supplementary means of interpretation in the sense of Article 32 VCLT.<sup>34</sup> Moreover, limiting the ‘object and purpose’ to aims which have been explicitly mentioned in the preparatory works may freeze the treaty and prevent necessary adaptations to societal needs that were not foreseen at the time of its conclusion (see also *infra* 5. C.III.5 on dynamic interpretation).

Proponents of a more objective theory of interpretation thus suggest focussing primarily on the inherent purposes of the text and, *faute de mieux*, of making use of ‘intuition and common sense’.<sup>35</sup> Such an approach, however – as with all theories of objective interpretation – is in danger of a biased reading of the interpreter’s own preferences into the text. A possible middle ground between the two approaches is to refer to the ‘presumed intentions’ of the parties.<sup>36</sup>

However, every interpretation based on the object and purpose of a treaty must remain within the limits of the ordinary meaning and the contextual criteria.<sup>37</sup> Moreover, it would be against the principle of good faith to pick a specific aim as the object and purpose of a treaty if, according to the preparatory works, such an aim was clearly rejected by the parties during the negotiations. Nonetheless, if the preparatory works are silent or ambiguous, as is often the case for specific questions not foreseen by the parties, such preparatory works should not be used to prevent a teleological interpretation that is reasonable and justified in light of the overall purpose of the treaty.

As a special subcategory of arguments of object and purpose, considerations of effectiveness play an important role in the interpretation of international treaties, especially with regard to the competences given to international organisations and their organs.<sup>38</sup> The principle of effectiveness has been the basis for the ‘implied power’ jurisprudence of the International Court of Justice (ICJ), in which the Court

<sup>33</sup> This tendency may be found at Villiger, Fn 3, 427–28.

<sup>34</sup> Heintschel von Heinegg, Fn 3, 478.

<sup>35</sup> Dörr & Schmalenbach, Fn 3, 584–87.

<sup>36</sup> ILC Conclusions, A/RES/73/202, Conclusion 3 and 8.

<sup>37</sup> Dahm et al. Fn 3, 644; Dörr & Schmalenbach, Fn 3, 586–87; Gardiner, Fn 9, 197–98; Villiger, Fn 3, 428.

<sup>38</sup> Dörr & Schmalenbach, Fn 3, 586.



developed the idea that international organisations and their organs must be empowered with the necessary competences to fulfil their functions.<sup>39</sup> Generally speaking, treaty interpretation may not lead to a result where the respective provision cannot reach its aims; or phrased in a positive way: among several possible interpretations of treaty provisions, the one which most effectively serves its object and purpose should be applied.<sup>40</sup>

#### IV. Preparatory Materials

The preparatory materials of the treaty and the circumstances of its conclusion are not given the same weight as other criteria of interpretation under the rules of interpretation of the VCLT. Article 32 VCLT qualifies them as merely supplementary means of interpretation:

Recourse may be had to supplementary means of interpretation, including the preparatory work of the treaty and the circumstances of its conclusion, in order to confirm the meaning resulting from the application of Article 31, or to determine the meaning when the interpretation according to Article 31 (a) leaves the meaning ambiguous or obscure; or (b) leads to a result which is manifestly absurd or unreasonable.

This concept of a limited recourse to the *travaux préparatoires* has been taken as a manifestation of the rather textual, objective approach to interpretation in Articles 31 and 32 VCLT.<sup>41</sup> This point does not hinder courts and other bodies from exploring the *travaux préparatoires*. However, if the criteria of Article 31 – ordinary meaning, context and purpose – lead to a result which is neither ambiguous nor manifestly absurd or unreasonable, the preparatory works may not be used to change this preliminary result of interpretation.<sup>42</sup> As such, Article 32 serves as a barrier. Courts and other bodies have to justify on which ground of Article 32 they make use of arguments taken from the *travaux préparatoire* or the circumstances of the conclusion of the treaty.

#### V. Other Criteria for Interpretation of Treaties

Treaty interpretation makes use of specific criteria developed over time, which are today codified in the VCLT. The VCLT principles on interpretation are not meant to be exclusive. Other criteria may be used to further concretise their meaning.<sup>43</sup>

<sup>39</sup> See e.g. ICJ, *Reparation of Injuries Suffered in Service of the U.N.*, Advisory Opinion, 1949 I.C.J. 174 (Apr. 11).

<sup>40</sup> ILC Report, ILCYB 1966 Vol. 2, 219; Dahm et al. Fn 3, 644–45; Heintschel von Heinegg, Fn 3, 478.

<sup>41</sup> Heintschel von Heinegg, Fn 3, 479; cf. Gardiner, Fn 9, 302.

<sup>42</sup> Dahm et al. Fn 3, 645–47.

<sup>43</sup> Dahm et al. Fn 3, 647.

A specific element of treaty interpretation is the time perspective. The interpretation of treaties may change over time.<sup>44</sup> This dynamic element is of particular importance for international conventions with many contracting states, which are difficult to revise. The concept of dynamic interpretation has several facets. According to Article 31(3) VCLT, subsequent agreement or subsequent practice may influence the interpretation. In addition, the meaning of the words may change over time. Treaties may comprise generic terms whose content may change over time, such as ‘invention’ or ‘sound recording’. If such a development could have been expected by the parties, those terms are subject to a dynamic interpretation.<sup>45</sup> But parties may also expect that certain words have static content and are not subject to change, such as in case of border conflicts. Here it may be a matter of good faith to adhere to the meaning of words at the time of conclusion of the treaty. The European Court of Human Rights (ECHR) applies a special kind of dynamic interpretation when considering the ECHR as a ‘living instrument’ which has to be read in ‘light of the present-day conditions’.<sup>46</sup>

In addition, international courts apply traditional maxims of interpretation and traditional arguments of legal reasoning, such as *argumentum e contrario*, *a fortiori*, *a maiore ad minus*, *ejusdem generis*, *contra proferentem* and the maxims of *expressio unius exclusio alterius*, *exceptiones sunt strictissimae interpretationis* and *lex specialis derogat legi generali* – and so on.<sup>47</sup> Those maxims and arguments are applied in many regions of the world at all levels and in all areas of the law. However, even if phrased in Latin, not all of these maxims can claim to be part of the customary law of treaty interpretation. Treaty interpretation should never rely exclusively on one of these maxims or arguments but should always confirm the result with reference to the criteria codified in Articles 31–33 VCLT.<sup>48</sup>

### C. CURRENT PRACTICE AT EPO

#### I. Data Set Used for the Systematic Analysis of EPO Case Law

The following analysis of EPO case law citing the VCLT is based on a structured search in the BoA decisions database.<sup>49</sup> The database search was performed with the search term ‘Vienna Convention’. From the 165 entries in the result list (obtained on 10 July 2020), eighty entries remained after sorting out double or multiple registrations of decisions in different languages or versions. A further four decisions were removed in which the VCLT was cited by only one of the parties<sup>50</sup> but not by the

<sup>44</sup> On the following see Dörr & Schmalenbach, Fn 3, 572–74; Heintschel von Heinegg, Fn 3, 480–81.

<sup>45</sup> Dörr & Schmalenbach, Fn 3, 573.

<sup>46</sup> See e.g. ECHR, *Tyrer v. The United Kingdom*, 5856/72, 15 March 1978.

<sup>47</sup> Dahm et al. Fn 3, 647–48 with further references.

<sup>48</sup> Heintschel von Heinegg, Fn 3, 479.

<sup>49</sup> See [www.epo.org/law-practice/case-law-appeals/advanced-search.html](https://www.epo.org/law-practice/case-law-appeals/advanced-search.html).

<sup>50</sup> Or explored in submissions by the EPO president or in *amicus curiae* briefs etc.

board. Seventy-six entries remained as the basis for content analysis, which was performed by the author of this chapter.<sup>51</sup>

The seventy-six entries comprised twenty-five decisions by the EBoA,<sup>52</sup> twelve decisions of the Legal Board of Appeal, thirty-seven decisions of Technical Boards of Appeal, and two decisions of the Disciplinary Board of Appeal. The seventy-six entries were analysed with regard to the VCLT articles and the criteria used for interpretation. Seventy-six may appear a relatively small number of entries compared with the full body of EPO case law, which today exceeds 100 EBoA and 35,000 BoA cases.<sup>53</sup> However, the number as such is still noteworthy given the fact that courts rarely reflect with explicit considerations about their methods of legal reasoning. For the EPO boards, the VCLT serves as the focal point for methodological reflections.

## II. Applicability of the VCLT to the Interpretation of the EPC

The EBoA took the first opportunity in its very first case to clarify that the provisions on interpretation of the VCLT may be applied when interpreting the EPC. The EBoA rightly stated in ‘Second medical indication’, G 5/83, that the provisions of the VCLT did not apply *ex lege* to the EPC, since according to Article 4 VCLT they apply only to treaties which are concluded by states after the entry into force of the Vienna Convention with regard to such states. At the time of conclusion of the EPC, the VCLT was not yet in force. However, the EBoA also rightly stated that other international (ICJ, ECHR) and national highest courts (German Federal Constitutional Court, English House of Lords) had applied the principles codified in the VCLT to situations to which the Convention strictly did not apply before. The EBoA therefore concluded that it should do the same.<sup>54</sup> This approach is in line with the prevailing opinion in public international law that the rules on interpretation of the VCLT represent a codification of former customary international law, which may be applied even if the VCLT cannot be applied *ex lege*.<sup>55</sup>

<sup>51</sup> J 8/82, T 128/82, J 6/83, G 1/83, G 5/83, G 6/83, J 9/84, T 26/88, G 1/91, T 789/89, T 951/91, T 585/92, T 557/94, J 22/95, J 16/96, T 1054/96, T 1173/97, T 377/95, T 935/97, T 276/97, J 19/96, G 1/97, T 1194/97, G 3/98, T 964/99, T 276/99, J 10/98, J 13/02, J 2/01, G 3/02, G 2/02, J 40/03, D 16/04, J 18/04, T 1374/04, T 154/04, D 7/06, J 9/07, G 2/06, G 1/07, G 2/08, G 3/08, T 689/05, G 1/09, G 2/07, G 1/08, R 1/10, T 144/09, R 14/11, T 1599/09, T 2459/12, T 2221/10, T 1553/13, T 2017/12, G 1/11, T 1016/10, T 773/10, G 3/14, G 2/12, G 2/13, T 2369/10, T 1402/13, T 1325/15, G 1/15, G 1/16, T 1897/17, T 265/14, T 1063/18, T 623/18, T 2136/15, T 318/14, T 858/18, G 1/18, T 1924/17, T 304/17, G 3/19 (sorted by date of decision).

<sup>52</sup> 22 ‘G’ decisions, 2 ‘R’ decisions.

<sup>53</sup> See the Foreword in Case Law of the Boards of Appeal of the European Patent Office, published by EPO (2019), 781–84.

<sup>54</sup> At 3, 4.

<sup>55</sup> ILC Conclusions, A/RES/73/202, Conclusion 2(1) sentence 2 and ILC Commentary, A/73/10, para. 4.

### III. VCLT Interpretation Criteria Applied by EPO (EBoA and BoA)

#### 1. Ordinary Meaning

The EPO EBoA and BoAs attach considerable importance to the ‘ordinary meaning’ of EPC provisions, but do not stop at this textual approach. Article 31(1) is the most cited VCLT provision in EPO case law.<sup>56</sup> The ordinary meaning of the provision is typically used as the starting point of interpretation. The EPO BoAs use dictionaries to explore the ‘ordinary meaning’ (see e.g. T 1194/97<sup>57</sup>) taking the different language versions into account. However, the few decisions that cite Article 33 VCLT (e.g. T 557/94 and T 276/97) do not use the specific criteria provided for in that Article. Arguments of ‘special meaning’ in the sense of Article 31(4) are taken up by the EPO boards, but the hurdle to overcome the ‘ordinary meaning’ is high (see e.g. J 16/96,<sup>58</sup> T 1173/97<sup>59</sup> and T 1553/13<sup>60</sup>). The EPO boards refer to the ordinary meaning of a provision as the limit of interpretation; according to J 9/07, no interpretation may conflict with the expressed wording of the respective provision.<sup>61</sup> The argument of ‘good faith’ plays an important role when discussed. According to the BoA decision in T 154/04, it forbids any reference to concepts of older law not taken up by the EPC.<sup>62</sup> Good faith also prevents an ‘overly literal interpretation which is clearly outside what can conceivably be based on the meaning of the provision taken in context’ (see T 557/94<sup>63</sup>).

In two recent opinions and decisions, G 2/12 and G 1/18, the EBoA rejected the *acte clair* doctrine. In G 1/18, the EBoA stated that even where the ‘wording reveals the provision’s meaning clearly, it must then be examined whether the outcome of this literal interpretation is confirmed by the meaning of the words in their context.’<sup>64</sup> And in G 2/12 the board states: ‘It could well be that the wording only superficially has a clear meaning.’<sup>65</sup> The EBoA then discussed systematic, teleological and historical arguments. This discussion adequately describes the practice by EPO board not to stop the interpretation where the wording appears to be clear at a first reading.<sup>66</sup>

<sup>56</sup> 61 out of 76 entries cite Article 31(1).

<sup>57</sup> At 3.7.1.

<sup>58</sup> At 3.3.

<sup>59</sup> At 10.

<sup>60</sup> At 8.4.2.

<sup>61</sup> At 8.

<sup>62</sup> At 12.

<sup>63</sup> At 1.3.

<sup>64</sup> At IV.1.

<sup>65</sup> At VII.1.

<sup>66</sup> See also G 1/08, at 4.4: ‘the meaning of a term of a treaty cannot be established in a purely semantic manner but its interpretation must be made in good faith, in accordance with the ordinary meaning to be given to the terms of the treaty in their context.’

## 2. Context

The EPO EBoA and BoAs regularly refer to the closer context of other EPC provisions when interpreting the EPC and cite Article 31(1) VCLT as the basis.<sup>67</sup>

Less frequently, the boards make use of the other sources of contextual arguments listed in Article 31(2) VCLT. Among the seventy-six entries analysed for this chapter, six decisions cite Article 31(2) VCLT.<sup>68</sup> The EBoA rightly refers in G 5/83 to the Protocol to Article 69 EPC as an ‘agreement made between all the parties in connection with the conclusion of the treaty’ in the sense of Article 31(2)(a) VCLT.<sup>69</sup>

More questionable is the practice of BoAs to refer to materials from the Diplomatic Conference of 2000 as ‘agreement’ in the sense of Article 31(2)(a) or as an ‘instrument’ in the sense of Article 31(2)(b). In T 318/14, the BoA indeed denies documents from the conference proceedings the status as agreement under Article 31(2)(a) VCLT – but only because they were adopted by a majority vote and not by an unanimous vote.<sup>70</sup> Even more critically, the BoA in T 2136/15 makes reference under Article 31(2)(b) VCLT to the proposal of the Swiss delegation during the Diplomatic Conference of 2000, since it was accepted by all parties as the wording of the later adopted Article 54(4) EPC.<sup>71</sup> Such an approach blurs the line between agreements or instruments in the sense of Article 31(2) VCLT and preparatory works, which can only be taken into account as supplementary means in the sense of Article 32 VCLT.<sup>72</sup>

Fifteen EPO decisions make explicit references to ‘subsequent agreement’ and ‘subsequent practice’ under Article 31(3) VCLT.<sup>73</sup> Several decisions deal with the Implementing Regulations to the EPC, which were initially adopted by the EPC contracting states but have been subject to regular changes by decisions of the Administrative Council (AC) of the EPO on the basis of Article 33(1)(c) EPC. In G 1/91,<sup>74</sup> G 2/12<sup>75</sup> and G 3/19,<sup>76</sup> the EBoA refers to later adopted Implementing Regulations as ‘subsequent agreement or practice’ in the sense of Article 31(3)(a), (b) VCLT. This is in line with the approach to refer to decisions of plenary organs of international organisation, or to the voting of states within such organs, as

<sup>67</sup> See *supra* Fn 55.

<sup>68</sup> Among the six entries, G 1/83, G 5/83 and G 6/83 are identical.

<sup>69</sup> G 5/83. Today, the Protocol to Article 69 is integrated with the EPC by means of Article 164 (1) EPC.

<sup>70</sup> Para. 59, but see also the appellant’s arguments at VII., especially the requested referral to the EBoA.

<sup>71</sup> At 1.3.

<sup>72</sup> See for more detail Dörr & Schmalenbach, Fn 3, 588–90.

<sup>73</sup> Among the 15 entries, G 1/83, G 5/83 and G 6/83 are identical.

<sup>74</sup> At 3.1.

<sup>75</sup> At VII.4.1.

<sup>76</sup> At XV.1.

subsequent agreement or practice.<sup>77</sup> Nonetheless, if an amendment to the Implementing Regulations is based on a decision of the AC, the characterisation as ‘subsequent agreement’ is more obvious than the characterisation as subsequent practice.

In opposition to this approach, the BoA in T 1063/18 takes the view that changes to the Implementing Regulation by the AC cannot be seen as subsequent agreement in the sense of Article 31(3)(a) VCLT, if they represent in substance an amendment to the EPC as interpreted by older case law of the EBoA. Such an amendment to the EPC made by the AC could only be effected on the basis of and in accordance with Articles 33(1)(b) and 35(3) EPC, which permit certain changes to the EPC itself by the AC, within a given strict procedure. Yet, as analysed in more detail below, the EBoA has come to a different result after a referral by the president of EPO in G 3/19, even if not based on the argument of subsequent agreement but rather of dynamic interpretation.<sup>78</sup>

In J 16/96, the BoA refers to a decision taken by the AC as subsequent agreement in the sense of Article 31(3)(a) VCLT for the interpretation of the Implementing Regulations; however, since the Implementing Regulations are not a treaty according to the VCLT, the BoA applies its principles *mutatis mutandis*.<sup>79</sup>

Three BoA decisions discuss whether the TRIPS Agreement or EU instruments shall be considered as subsequent agreement or practice under Article 31(3) VCLT.<sup>80</sup> In T 1054/96, the BoA considers TRIPS Agreement, the UPOV Convention and the Community Plant Variety Rights Regulation 2100/94 as subsequent practice, but denies any conflict with the EPC provisions at hand. Regarding the proposed Biotechnological Inventions Directive (later adopted as Directive 98/44), the BoA rejects a characterisation as subsequent practice, because not all EPO contracting states are EU member states.<sup>81</sup> In J 10/98, the board denies considering TRIPS as subsequent agreement because not all EPO contracting states are WTO/TRIPS contracting states.<sup>82</sup> The same argument is made by the BoA in T 377/95 in more general terms.<sup>83</sup> The question remains whether the TRIPS Agreement, the UPOV Convention and other international treaties, as well as EU instruments, should be considered ‘relevant rules of international law applicable in the relations between the parties’ in the sense of Article 31(3)(c) VCLT – rather than being

<sup>77</sup> WTO Appellate Body Final Report, US–Clove Cigarettes, WT/DS406/AB/R, adopted 4 April 2012, paras. 258–268; Dörr & Schmalenbach, Fn 3, 595. More cautious ILC Conclusions, A/RES/73/202, Conclusion 6(2), ILC Commentary, A/73/10, para. 22.

<sup>78</sup> At XVII–XXVI. See at C.IV.3.

<sup>79</sup> At 3.

<sup>80</sup> See also T 1173/97, at 2.2., where it is discussed whether TRIPS should be considered under Article 30 VCLT, which is denied because of the different contracting states of EPC and WTO/TRIPS.

<sup>81</sup> Para. 64–78.

<sup>82</sup> At 4.2.

<sup>83</sup> At 18.

viewed as subsequent agreement or practice ‘in the interpretation’ or ‘in the application’ of the treaty. Apart from that question, the BoAs deserve support regarding the conclusion that Article 31(3)(a),(b) VCLT requires an agreement or practice by all parties of the treaty. Nonetheless, the BoAs could have taken into account the cited instruments as subsequent practice in a broader sense under Article 32 VCLT.<sup>84</sup>

Three cases discuss the possible function of national legislation or practice as subsequent agreement or practice under Article 31(3) VCLT. In T 318/14, the BoA is explicit that ‘of course, the national legislation of the Contracting States could have converged ... and could have replaced the initial intention of the legislator by agreement or practice’.<sup>85</sup> However, in the concrete case, the BoA denies such a convergence. A similar approach – although more implicit – is applied in G 1/97.<sup>86</sup> By contrast, in T 377/95 the BoA uses ‘a broad agreement among Member States to the EPC, if not consensus’ to support its line of argument.<sup>87</sup> References to national legislation and practice as subsequent practice – rather than subsequent agreement – are indeed possible under Article 31(3)(b) VCLT. However, this recourse to national law requires that the practice is based on the application of the EPC, such as in national revocation proceedings based on Article 138 EPC, and not on the application of the autonomous national law as such.<sup>88</sup>

A special methodological problem is raised in T 154/04:<sup>89</sup> can the preparatory materials from the Diplomatic Conference of 2000 be taken into account as subsequent agreement in the sense of Article 31(3)(a) VCLT for the interpretation of the EPC in its original version of 1973? The case was decided on 15 November 2006, thus before the entering into force of the revised EPC on 13 December 2007. In such a scenario, it is not a question of whether the *travaux préparatoires* for the provision at hand may be relabelled as subsequent agreement or practice, which should be avoided in light of the special requirements of Article 32 VCLT. Rather, the case raises an issue of application when instruments or provisions have not yet entered into force. In the concrete case, the BoA uses the argument from the materials only to confirm an interpretation that it sees as justified on other grounds. Such an approach does not conflict with the more subtle principles of application in time of treaties as established in Article 28 VCLT. However, the picture may change if the revision of the treaty leads to a different result. In such a scenario, it would be

<sup>84</sup> See ILC Conclusions, A/RES/73/202, Conclusion 4(3).

<sup>85</sup> Para. 59.

<sup>86</sup> The EBoA denies any subsequent practice and then discusses national legislation and practice for justification, at 3 b).

<sup>87</sup> Para. 22–24.

<sup>88</sup> ILC Conclusions, A/RES/73/202, Conclusion 4(2), ILC Commentary, A/73/10, para. 19.

<sup>89</sup> At 8.

more difficult to refer to provisions not yet entered into force or to the respective materials.<sup>90</sup>

### 3. Purpose and Teleological Arguments

The EPO boards make constant use of arguments based on the purpose of EPC provisions. Out of the seventy-six entries analysed for this chapter, twenty-nine decisions refer to ‘purpose’ as a criterion for interpretation,<sup>91</sup> and seven refer at the same time to ‘teleological interpretation’.<sup>92</sup>

On closer examination, sixteen of these twenty-nine decisions determine the purpose of the provision at hand and not the EPC as a whole, with references to the preparatory works, and they follow a subjective approach. This line of argument is clearly visible in T 377/95, where the BoA explains that an EPC provision should be interpreted ‘in the light of its object and purpose. This corresponds closely to the so-called teleological method, i.e. the one by which the judge tries to adhere as closely as possible to the intentions of the legislator, while reading and understanding the words of the treaty in their normal sense, given the context in which they were written.’<sup>93</sup> Such an approach risks mixing up the criteria of ‘purpose’ and ‘preparatory works’. It also poses the risk of an originalist method of interpretation that prevents an adaptation of the law in light of the present-day conditions.<sup>94</sup>

A smaller group of cases tries to overcome that subjective approach. The EBoA in G 2/12, G 2/13 directly refers to a more objective definition of ‘purpose’: ‘Like national and international courts, the Enlarged Board applies the method of teleological interpretation in the construction of legislative provisions in the light of their purpose, values, and the legal, social and economic goals they aim to achieve. In this, the Enlarged Board examines their objective sense and purpose.’<sup>95</sup> However, in the paragraphs that follow, the EBoA is not able to determine such an objective purpose: ‘Thus, the object and purpose of the exclusion under Article 53(b) EPC is not sufficiently obvious to answer the question whether or not the clause is to be

<sup>90</sup> Compare the parallel problem in CJEU, 22 November 2005, Case C-144/04 – Mangold, para. 66–76, regarding the application of EU Directives where the period prescribed for the transposition into domestic law has not yet expired. The decision has provoked fierce criticism, see e.g. Editorial Comments: Horizontal Direct Effect, A Law of Diminishing Coherence?, *Common Market Law Review*, 1 (8) (2006) (‘Such inapt citation in a student essay would provoke thick red underlining.’); Thüsing, *Europarechtlicher Gleichbehandlungsgrundsatz als Bindung des Arbeitgebers?*, *Zeitschrift für Wirtschaftsrecht*, 2005, 2149.

<sup>91</sup> These twenty-eight entries only include decisions with substantial arguments based on the purpose of the provision; mere citations of Article 31(1) VCLT were not counted.

<sup>92</sup> The EPO case law database ([www.epo.org/law-practice/case-law-appeals/advanced-search.html](http://www.epo.org/law-practice/case-law-appeals/advanced-search.html)) shows thirty-six entries (including double listings) for ‘teleological’ without reference to the Vienna Convention.

<sup>93</sup> At 15.

<sup>94</sup> Such an approach can also be found in G 2/06, at 16–17.

<sup>95</sup> At VII. 3.



construed in a narrow or broad way.’ What follows is an extensive discussion of subsequent agreement or practice and, even more extensively, a ‘historical interpretation’.

Interestingly, most decisions and opinions which try to explore the objective purpose of a given EPC provision, without giving too much weight to the preparatory works in this regard, discuss questions of procedural law. Examples are T 26/88 (the automatic revocation in case of late payment of fees), T 951/91 (exclusion of facts or evidence not submitted in due time), J 18/04 (concept of time limit) and G 3/08 (admissibility of the EPO president’s referrals to the EBoA). In a few exceptional cases, the boards used the objective purpose to decide on substantive matters of patent law, such as in T 1137/97 and T 935/97 (computer program ‘as such’). Considerations of effectiveness, as often made by international courts – especially with regard to the competences given to international organisations and their organs (‘implied powers’) – are not discussed.

This summary paints an overall picture of a judiciary which is willing to develop its own concept of an objective purpose of the legal order of the EPC only with regard to relatively technical and procedural questions. By contrast, it shies away from such an approach and calls for the legislature if substantial issues of patent law are at stake.<sup>96</sup>

#### 4. Preparatory Materials

Even though Article 32 VCLT stipulates that preparatory works may only be used under certain conditions as supplementary means, the EPO EBoA and BoAs regularly refer to the materials from the Diplomatic Conferences of 1973 and 2000 and to other *travaux préparatoires*. Forty-two of the seventy-six decisions analysed for this chapter cite more or less extensively from those preparatory works.

Few decisions reject a recourse to preparatory works with reference to Article 32 VCLT, such as T 26/88,<sup>97</sup> J 9/07<sup>98</sup> and G 3/98.<sup>99</sup> A number of decisions discuss the requirements of Article 32 VCLT and use the preparatory works either to confirm an interpretation already developed on the basis of the criteria of Article 31(1) VCLT, such as J 9/84,<sup>100</sup> T 1402/13,<sup>101</sup> and G 1/15;<sup>102</sup> or to overcome an ‘ambiguous’ interpretation’,

<sup>96</sup> See e.g. G 2/12, G 2/13, at VIII., 2(6)(c): ‘(c) The Enlarged Board is aware of the various ethical, social and economic aspects in the general debate. ... However, considering such general arguments in the present referrals does not fall under the judicial decision-making powers of the Enlarged Board. It has to be borne in mind that the role of the Enlarged Board of Appeal is to interpret the EPC using generally accepted principles of interpretation of international treaties. It is not mandated to engage in legislative policy.’

<sup>97</sup> At 3.6.

<sup>98</sup> At 12–14.

<sup>99</sup> At XI.

<sup>100</sup> At 3.

<sup>101</sup> At 4.5.3–4.5.4.

<sup>102</sup> At 5.2.

such as T 2369/10;<sup>103</sup> or to avoid an ‘unreasonable’ result, such as J 6/83.<sup>104</sup> Such lines of argument are in compliance with the structure and spirit of Articles 31 and 32 VCLT.

Yet, there are also several examples in the EPO case law where the boards cite preparatory works without any visible analysis of the requirements of Article 32, sometimes even as the primary justification of an interpretation. Examples are T 128/04,<sup>105</sup> G 2/06,<sup>106</sup> T 2459/12<sup>107</sup> and T 773/10.<sup>108</sup> Such an approach has to be criticised, not only because it sets aside the hierarchy of criteria expressed in Articles 31 and 32 VCLT, but also because it must be understood as a further expression of a primarily subjective theory of interpretation.<sup>109</sup>

### 5. Other Criteria of Interpretation

The EBoA and BoAs of the EPO which use references to the VCLT in their decisions typically adhere to the criteria codified therein. However, there are some important deviations from the scheme of Articles 31–33 VCLT.

As early as its first comprehensive explanation of the principles of interpretation of the EPC, in G 5/83, the EBoA explained that in addition to the criteria of the VCLT, the EPO boards should strive for an interpretation which is in line with the national patent systems of the EPC contracting states:

In the interpretation of international treaties which provide the legal basis for the rights and duties of individuals and corporate bodies it is, of course, necessary to pay attention to questions of harmonisation of national and international rules of law. This aspect of interpretation, not dealt with by the provisions of the Vienna Convention, is particularly important where, as is the case with European patent law, provisions of an international treaty have been taken over into national legislation. The establishment of harmonised patent legislation in the Contracting States must necessarily be accompanied by harmonised interpretation. For this reason, it is incumbent upon the European Patent Office, and particularly its Boards of Appeal, to take into consideration the decisions and expressions of opinion of courts and industrial property offices in the Contracting States.<sup>110</sup>

<sup>103</sup> At 7.1–7.3.

<sup>104</sup> At 5.

<sup>105</sup> At 9.

<sup>106</sup> At 16–17, where the EBoA cites Articles 31, 32 VCLT to justify its use of the Biotechnological Inventions Directive 98/44 as source for interpretation of Rules 26–29 EPC and then refers directly to the legislative materials of the Directive.

<sup>107</sup> At 3.4.2., 3.6. The BoA explains that the literal interpretation is vague and leaves room for different approaches. Therefore, arguments of purpose of preparatory documents should be taken into account. But in the following, it continues with an extensive reconstruction of the legislative intent without exploring the objective purpose.

<sup>108</sup> At 3.4.1.

<sup>109</sup> This practice can also be observed in the jurisprudence of other international bodies, see Gardiner, *Fn* 9, 313–15

<sup>110</sup> At 6.

The convergence with national patent law of the contracting states, as envisaged by the EBoA, is indeed different from subsequent practice in the sense of Article 31 (3)(b) VCLT.<sup>111</sup> If national courts apply the provisions of the EPC, such as Articles 52–57 and 138 EPC in national revocation proceedings, such a practice should be taken into account on the basis of Article 31(3)(b) VCLT. However, if national legislatures or courts develop their autonomous national patent systems based on the model of EPC provisions, one may wonder whether such practice may still be considered as ‘any subsequent practice in the application of the treaty’ under Article 31(3)(b) VCLT. This may be the case if the national practice is a reaction to the treaty.<sup>112</sup> However, there may also be cases not covered by ‘subsequent practice’. For those cases, the broader claim for convergence raised in G 5/83 may play a role.

For a long time, EPO boards have been reluctant to make use of a ‘dynamic interpretation’. Few decisions have discussed the concept explicitly, with exceptions being T 1054/96,<sup>113</sup> G 3/98<sup>114</sup> and G 2/12<sup>115</sup> – but those three decisions cited ‘dynamic interpretation’ only to demonstrate that in the given case, even a dynamic interpretation would not provide a sound basis to override the other criteria of interpretation. The recently decided case G 3/19 could be a turning point in this regard. The EBoA here used a dynamic interpretation to reverse a decision that was just five years old in the highly controversial area of biotechnological inventions, with reference to a change to Rule 28(2) EPC Implementing Regulations.<sup>116</sup> However, one should note that the board did not justify this dynamic interpretation with a reference to the changing social, economic or political circumstances but with a decision taken by the broad majority of the AC of EPO.

Regarding the use of traditional maxims of interpretation, the EPO boards’ approach does not follow a consistent pattern. The maxim *expressio unius est exclusio alterius* is applied at several occasions, such as in G 5/83<sup>117</sup> and T 2369/10,<sup>118</sup> whereas the principle of narrow interpretation of exclusions – a patent-specific version of the maxim *exceptiones sunt strictissimae interpretationis* – is rejected by the EBoA in its latest decisions on that point, with the argument that such a principle cannot generally ‘be derived from the Vienna Convention’ (see G 1/07<sup>119</sup>). In G 2/12, the EBoA nevertheless states correctly that ‘a narrow interpretation might well result from applying the general principles of interpretation to a specific

<sup>111</sup> The EBoA makes a distinction between the two criteria, see at 5 and 6.

<sup>112</sup> ILC Conclusions, A/RES/73/202, Conclusion 12(3), ILC Commentary, A/73/10, para. 15.

<sup>113</sup> At 35.

<sup>114</sup> At 2.5.

<sup>115</sup> At VIII.1.

<sup>116</sup> At XVIII–XXVI.

<sup>117</sup> At 22 (‘is a rule to be applied with very great caution as it can lead to injustice’).

<sup>118</sup> At 7.2.

<sup>119</sup> At 3.1. In an earlier case, G1/04, at 6, the EBoA applied the principle, although with the limitation that it would ‘not apply without exceptions’.

provision with regard to specific legal and factual circumstances.<sup>120</sup> The principle of narrow interpretation of exceptions does indeed not provide a conclusive argument for the interpretation of a given provision; it obscures its own premise that the provision at hand is an exception. However, the fact that a rule of interpretation is not codified in the VCLT does not as such hinder the EPO boards from applying that rule.<sup>121</sup>

#### IV. A Controversial Example: Conflict over ‘Native Traits’ at EPO

##### 1. Background of the Legal, Social and Economic Conflict over ‘Native Traits’

The discussion so far has presented an overview of the criteria of interpretation, mainly codified in Articles 31–33 VCLT, and of their use by EPO boards. In this section, one controversy about the ‘right’ interpretation of the EPC is explored in more detail.<sup>122</sup> Since the mid-2000s, the EBoA and BoAs have had to deal with a new type of patent claim for innovative plants resulting from classical breeding methods, so-called ‘native traits’. The subject matter of the contested patents are vegetables for human consumption, namely tomatoes, broccoli and pepper. The conflict has repercussions on neighbouring markets, especially food and energy crops and ornamental plants.

‘Native traits’ is a generic term which describes innovative plants resulting from the classical breeding methods of crossing and selecting, refined by genetic analysis of the plants chosen for the breeding (so-called ‘smart breeding’). These plants are of particular interest for the seed industry and the agricultural sector, since genetically modified plants are strictly regulated in the European Union and – even more importantly, are not yet widely accepted by consumers. Seed companies may protect their investments in those innovative plants in the European Union by registration of plant variety rights, based on the Community Plant Variety Rights Regulation 2100/94 or the respective national plant variety legislation. However, such a protection is granted only for specifically defined subject matter, that is, a ‘variety’, and is limited in scope. Therefore, seed companies seek more generous patent protection

<sup>120</sup> At VIII.2.

<sup>121</sup> Dahm et al. Fn 3, 647–48 with further references. See *supra* at B.V.

<sup>122</sup> See on the current discussion about the patentability of native traits: Metzger, Patents on Tomatoes and Broccoli: Legal Positivists at Work, *International Review of Intellectual Property and Competition Law*, 47 (2016), 515; Metzger, in Matthews & Zech (eds.), *Research Handbook on Intellectual Property and the Life Sciences* (Edward Elgar Publishing, 2017), 214 et seq.; Kock & Zech, Pflanzenbezogene Erfindungen in der EU – aktueller Stand, *Gewerblicher Rechtsschutz und Urheberrecht* (2017), 1004; Metzger & Bartels, Wirksamkeit und Schutzzumfang von Pflanzenpatenten – Auswirkungen der Regel 28 Abs. 2 EPÜAO, *Zeitschrift für Geistiges Eigentum* (2018), 123–161; Haedicke, in Haedicke & Timmann (eds.) *Handbuch des Patentrechts*, 2nd ed. (C. H. Beck, 2020), § 2, 1–219.

for innovative plants, with broad patent claims covering traits which are useable in several varieties.

Yet, patents on food plants raise sensitive political, economic and legal issues - which can only be addressed here with a broad brush. Non-governmental organisations fear that a further monopolisation of food plants may endanger biodiversity and food production, especially in the Global South. Small and medium-sized enterprises (SMEs) in the breeding industry – at least traditionally – prefer plant variety rights over patents, since the registration is possible without the help of patent attorneys and is therefore cheaper; the global agrochemical industry players prefer patents. Moreover, SMEs are accustomed to using pre-existent plant materials of their competitors as the basis for their own breeding programmes, which is possible without licence fees under plant variety legislation (so-called ‘breeder’s exemption’<sup>123</sup>) but not under patent law.<sup>124</sup> The global agrochemical companies prefer their own materials or use wild accessions. The issues behind the controversy over patents on tomatoes, broccoli and pepper are therefore a mere reflection of a deep political and economic conflict between different interest groups and actors engaged in the plant sector.

## 2. The Controversy over Article 53(b) EPC at a Glance

Among lawyers, the discussion has mainly focussed on the interpretation of Article 53(b) EPC, which excludes ‘plant or animal varieties or essentially biological processes for the production of plants or animals’ from patentability. The two famous cases of ‘Tomatoes/Broccoli I’ and ‘Tomatoes/Broccoli II’ advanced through the stages of proceedings at EPO to the EBoA in 2010 and 2015 respectively. The third case, ‘Pepper’, has more recently been decided.

In ‘Tomatoes/Broccoli I’, G 2/07 and G 1/08, the main issue was whether smart breeding processes, which combine steps of classical crossing and selecting with technical steps of genetic analysis of the plants, are nevertheless excluded from patentability as ‘essentially biological processes’ in the sense of Article 53(b) EPC. The BoA answered the question in the affirmative and closed the door of the patent system for smart breeding process claims, stating:

Such a process does not escape the exclusion of Article 53(b) EPC merely because it contains, as a further step or as part of any of the steps of crossing and selection, a step of a technical nature which serves to enable or assist the performance of

<sup>123</sup> Article 15(c), (d) Community Plant Variety Rights Regulation 2100/94.

<sup>124</sup> Some jurisdictions allow for the breeding of new varieties as such but not for the production and placing on the market of the new varieties, see e.g. Article L. 613-5-3 French Intellectual Property Code; § 11(2a) German Patent Act; Article 9(1)(f) Swiss Patent Act. This model is also followed by Article 27(c) UPC Agreement.

the steps of sexually crossing the whole genomes of plants or of subsequently selecting plants.<sup>125</sup>

In ‘Tomatoes/Broccoli II’, G 2/12 and G 2/13, the main issue was whether plants which are the product of such ‘essentially biological processes’ may be claimed as a product if the claim is not limited to a specific variety but drafted in more generic terms. The EBoA affirmed such an approach and opened the door for such product claims: ‘[t]he fact that the only method available at the filing date for generating the claimed subject-matter is an essentially biological process for the production of plants disclosed in the patent application does not render a claim directed to plants or plant material other than a plant variety unallowable.’<sup>126</sup>

The EBoA decision in ‘Tomatoes/Broccoli II’ has provoked criticism not only by non-government organisations, breeders associations and legal scholars but also by EPC contracting states, which have amended their national patent Acts to avoid such product claims.<sup>127</sup> In addition, the European Commission published a Notice on certain articles of the Biotechnological Inventions Directive 98/44 in 2016, which explained that the parallel and more detailed provisions of the Directive would have to be interpreted to the contrary, thus excluding product claims of this kind.<sup>128</sup> In 2017, the AC of the EPO followed and amended Rule 28(2) EPC, which now explicitly states that ‘[u]nder Article 53(b), European patents shall not be granted in respect of plants or animals exclusively obtained by means of an essentially biological process.’<sup>129</sup>

These developments led to a new appeal proceeding before the BoA, namely ‘Pepper’, T 1063/18, concerning pepper plants and fruits obtained by a smart breeding process (i.e. marker-assisted selection). The BoA did not see a justification to deviate from the earlier EBoA interpretation of Article 53(b) EPC given in ‘Tomatoes/Broccoli II’ and also rejected the appellant’s request to refer the case to the EBoA. In reaction, the president of the EPO in 2019 referred the question to the EBoA regarding whether Rule 28(2) EPC is in conformity with Article 53(b) EPC and, as a consequence, whether the EBoA should change its interpretation in light of the developments after its ruling in ‘Tomatoes/Broccoli II’.<sup>130</sup> With the involvement of the EBoA, the BoA, the AC, the EPO president, the contracting states and the European Commission, the conflict over Article 53(b) EPC has evolved into an

<sup>125</sup> Order, at 2.

<sup>126</sup> Order, at 2.

<sup>127</sup> See, for example, § 2(2) Austrian Patent Act; § 2a (1) No. 1 German Patent Act; Article 52(3)(b) Portuguese Industrial Property Code.

<sup>128</sup> Commission Notice, C 411/03, 8 November 2016. See also the parallel political statements of the European Parliament, Resolution on patents and plant breeders’ rights, 2015/2081(RSP), 17 December 2015, and of the Council, Council Notice, 5808/17, 3 February 2017.

<sup>129</sup> Decision of the Administrative Council CAD 6/17 of 29 June 2017 (OJ EPO 2017, A56), entered into force on 1 July 2017.

<sup>130</sup> Referral of a point of law to the EBoA by the president of the European Patent Office (Article 112(1)(b) EPC), 4 April 2019, OJ EPO 2019, A52.

institutional conflict about the competences of the different actors. The EBoA finally decided the case G 3/19 in May 2020 and reversed in substance the decisions in ‘Tomatoes/Broccoli II’.

### 3. Function of VCLT Criteria Reflected in the Conflict Over Native Traits

The conflict over native traits is of special interest in the context of this chapter because the EPO boards and the EPO president make extensive use of arguments based on the VCLT. An evaluation of these arguments requires a presentation of the decisions in further detail.

A. G 2/07, G 1/08 ‘TOMATOES/BROCCOLI I’: EMPHASIS ON LEGISLATIVE HISTORY Starting with ‘Tomatoes/Broccoli I’, G 2/07 and G 1/08, the EBoA began its interpretation of Article 53(b) EPC by summarising the older case law of EPO boards, before referring to Rule 26(5) EPC. The latter rule defines ‘essentially biological processes’ in accordance with the definition given in Article 2(2) of the Biotechnological Inventions Directive 98/44 (Directive).<sup>131</sup> Rule 26(5) EPC and Article 2(2) of the Directive, according to the EBoA, have to be interpreted following the principles of Articles 31 and 32 VCLT.<sup>132</sup> This itself is remarkable, since the EBoA seems to treat a European Directive without further ado – as if it were an international treaty, ignoring that the CJEU considers EU law since the famous decision in *Van Gend & Loos* (1963) as a new legal order of its own nature.<sup>133</sup> In what follows, the EBoA mainly refers to the ordinary meaning of the terms ‘crossing’ and ‘selecting’ and refers to the principles of good faith as enshrined in Article 31(1) VCLT.<sup>134</sup> From there, the board continues to state in a brief paragraph that the Recitals of the Directive would ‘contain nothing on the object and purpose of the definition given’.<sup>135</sup>

After that, without discussing any of the conditions laid down in Article 32 VCLT – although it would have been easy to declare that the wording of Article 2(2) of the Directive is ambiguous or obscure – the EBoA enters into an extensive exploration of the legislative history of the provision of the Directive.<sup>136</sup> Ultimately, this discussion turns out to be unhelpful: ‘As a result, the legislative history of the Biotech Directive does not assist in determining what the legislator intended to say by the wording which was eventually adopted for Article 2(2) Biotech Directive. On the contrary, it must be concluded that the contradiction between the terms of the

<sup>131</sup> ‘A process for the production of plants or animals is essentially biological if it consists entirely of natural phenomena such as crossing or selection.’

<sup>132</sup> At 4.3.

<sup>133</sup> CJEU, 5 February 1963, Case 26/62, ECLI:EU:C:1963:1 – *Van Gend & Loos*.

<sup>134</sup> At 4.4.

<sup>135</sup> At 4.6.

<sup>136</sup> At 4.7–4.9.

provision cannot be further clarified.<sup>137</sup> The board concludes that the ‘term must be interpreted on its own authority. This is for the Enlarged Board to do.’ Should this point not be the starting point of any interpretation based on Articles 31 and 32 VCLT?

The EBoA again enters into the discussion of textual arguments, this time focussing only on the EPC,<sup>138</sup> then discusses several approaches suggested by older BoA case law and submissions during the procedure based on contextual arguments,<sup>139</sup> before finally entering in an extensive analysis of the legislative history of Article 53(b) EPC 1973.<sup>140</sup> The reasoning then stops abruptly. The EBoA seems to have learned enough from the obscure legislative history to finally exclude smart breeding processes from being patentable subject matter.

The reader may forgive this detailed reproduction of the EBoA’s line of arguments. But such a complete reproduction seems necessary to understand what is not mentioned by the EBoA, which is the crucial question of whether the European patent system, to fulfil its function, should grant the requested patents or not. Do inventors and companies need exclusivity for smart breeding processes (and the products thereof) to have a sufficient incentive to spend their time and resources in the development of such technologies?<sup>141</sup> Or should the European patent system abstain from such patents and preserve the actors’ freedom to operate? This more general object and purpose of the EPC, and more specifically of Article 53(b) EPC, is not mentioned in a single word. Instead, the EBoA uses a subjective approach of interpretation and confines itself to the role of a commentator on legislative documents.

B. G 2/12, G 2/13 ‘TOMATOES/BROCCOLI II’: JUDICIAL SELF-RESTRAINT In ‘Tomatoes/Broccoli II’, G 2/12 and G 2/13, the references to Articles 31 and 32 VCLT are again clearly visible – but again have been the subject of criticism. The EBoA’s outline of the decision is structured along the criteria of interpretation of the VCLT. Following a general explanation of the criteria of Articles 31 and 32 VCLT,<sup>142</sup> the EBoA reiterates that exclusions from patentability in the EPC are not subject to a general principle of narrow interpretation of exceptions; however, the interpretation of the provision at hand with regard to all criteria of interpretation may nevertheless lead to a narrow interpretation.<sup>143</sup> After that, the EBoA starts its interpretation of the exclusion of ‘essentially biological processes for the production

<sup>137</sup> At 4.9.

<sup>138</sup> At 6.1.

<sup>139</sup> At 6.2–6.4.2.1.

<sup>140</sup> At 6.4.2.2–6.4.2.3.

<sup>141</sup> Critical of the consequences of this approach Metzger, Zech & Vollenberg, Written statement in re case no. G 3/19 (amicus curiae brief) of 30 September 2019, at pp. 17–18, available at [www.epo.org/law-practice/case-law-appeals/eba/pending/g3-19\\_de.html](http://www.epo.org/law-practice/case-law-appeals/eba/pending/g3-19_de.html).

<sup>142</sup> At VI.1.

<sup>143</sup> At VI.2.



of plants' in Article 53(b) and the effect of this provision on product claims on plants and plant parts with a 'grammatical interpretation'. In this regard, the EBoA refers to the wording of the provision as the starting point and rejects the approach, to stop the interpretation after an analysis of the allegedly clear wording. However, the board seems not really convinced of the possibility of different grammatical meanings of the provision at issue when it concludes that '[f]or the sake of the argument, more than one meaning could in principle be attributed to the wording.'<sup>144</sup> The following systematic interpretation discusses several arguments from the context of the provision: 'The meaning of the wording in question is to be established in the context of the relevant provision itself. In addition, the provision as such must be interpreted taking into account its position and function within a coherent group of related legal norms.'<sup>145</sup>

After an extensive analysis of different systematic arguments with typically logical conclusions, some of which could also be construed as the opposite,<sup>146</sup> the board concludes that 'the systematic interpretation of Article 53(b) EPC does not support giving the process exclusion a broad meaning to the effect that product claims or product-by-process claims are thereby excluded from being patentable.' From here on, the course of the further line of argument is predefined; the board apparently sees the proponents of a broad understanding of the exclusion carrying the burden of argument.

Under the heading of 'teleological interpretation', the EBoA refers to its task of construing 'legislative provisions in the light of their purpose, values, and the legal, social and economic goals they aim to achieve'.<sup>147</sup> But then, as in 'Tomatoes/Broccoli I', G 2/07 and G 1/08, it again quickly concludes that 'the object and purpose of the exclusion under Article 53(b) EPC is not sufficiently obvious'. The board here makes a full stop without considering any possible objective social or economic function of the provision at hand. The following reference to subsequent agreement or practice in the sense of Article 31(3) VCLT<sup>148</sup> rightly considers the Implementing Regulations to the EPC as subsequent agreement. Since Rule 26(1) EPC calls for the use of the provisions of the Biotechnological Inventions Directive 98/44 as means of interpretation of the EPC, the EBoA considers Articles 2(2) and 4 of the Directive in detail before concluding that the Directive 'does not provide a basis for extending the process exclusion under Article 4(1) Biotech Directive and Article 53(b) EPC to products of such processes.'

<sup>144</sup> At VII.1.

<sup>145</sup> At VII.2.

<sup>146</sup> E.g., does the narrow definition of 'plant variety' in Article 53(b) EPC count as an argument for a likewise narrow understanding of 'essentially biological process', as indicated at VII.2.(2)(a)? Would it not also be 'logical' to interpret 'essentially biological process' as an additional safeguard to capture those cases which are not comprised by the narrow definition of 'plant variety'?

<sup>147</sup> At VII.3.

<sup>148</sup> At VII.4.

The board continues with a detailed exploration of the preparatory materials of Article 53(b) EPC.<sup>149</sup> Even though Article 32 VCLT is cited at length, the board does not explain whether it uses the materials for confirming an interpretation already taken (which seems more likely) or whether it considers the provision to be ambiguous or the result to be unreasonable. The outcome of this analysis is that ‘there is no reason in the travaux préparatoires to assume that a product that is characterised by the method of its manufacture but claims protection regardless of that (or any other) method was meant to be excluded.’ Again, the burden of argument lies with the position of a broader interpretation. It seems to be irrelevant for the EBoA whether there is – or is not – a reason in the materials to assume that the exclusion should be construed narrowly.

In the ‘first intermediary conclusions’ that follow,<sup>150</sup> the board summarises its arguments so far and concludes: ‘As is apparent from the above, considering its wording, context, original legislative purpose and legislative history, the process exclusion of Article 53(b) EPC does not extend directly to a product claim . . . other than a plant variety.’

Being aware of the social, economic and political dimensions of the dispute, but emphasising that the EBoA considers only legal questions, the board nevertheless discusses whether there is a need for ‘secondary considerations’. With regard to a possible dynamic interpretation, the EBoA starts its reasoning with a questionable definition: ‘Such a “dynamic interpretation” might come into play where considerations have arisen since the Convention was signed which might give reason to believe that a literal interpretation of the wording of the relevant provision would conflict with the legislator’s aims. It might thus lead to a result which diverges from the wording of the law.’<sup>151</sup> This concept raises doubt in two regards. The first question is whether a dynamic interpretation is limited to the function of better achieving the original legislature’s intentions vis-à-vis the present situation. Rather not, if the legislature could not foresee those later developments. Here, the interpreter must either seek to establish the presumed intentions of the legislator with regard to new developments or go along with an objective interpretation approach.<sup>152</sup> Second, does a dynamic interpretation legitimise diverging from the wording of the law? Clearly not. It may justify preferring one possible interpretation, within the limit of the text of the provision, over another possible interpretation, but it does not allow for going beyond the limit of the ordinary meaning of a provision.

Finally, the EBoA considers whether allowing patents on products arising out of essentially biological processes would lead to a ‘legal erosion of the exception to patentability’ – since that could pave the way for a circumvention of the exclusion by

<sup>149</sup> At VII.5.

<sup>150</sup> At VII.6.

<sup>151</sup> At VIII.1.

<sup>152</sup> See e.g. Heintschel von Heinegg, Fn 3, 480; Dörr & Schmalenbach, Fn 3, 575. See *supra* at B.V.

‘skilful’ claim drafting. The board then rejects this concern.<sup>153</sup> The following arguments of fact and law discuss how it could be proven that the product has (or has not) been produced by an essentially biological process and whether the EBoA should take the scope of such patent claims into consideration. The answer, again, is negative: ‘The aspect of the scope of protection conferred by such a claim has no direct impact on the point of law referred.’ This point is understandable, given the institutional setting of Article 64(2) EPC, which confers the scope of protection to the authority of the EPC contracting states. However, can the EBoA design a reasonable patent regime without consideration of the scope of the granted IP rights? As a final argument of the decision, the EBoA emphasises that it

is aware of the various ethical, social and economic aspects in the general debate. . . . However, considering such general arguments in the present referrals does not fall under the judicial decision-making powers of the Enlarged Board. . . . It has to be borne in mind that the role of the Enlarged Board of Appeal is to interpret the EPC using generally accepted principles of interpretation of international treaties. It is not mandated to engage in legislative policy.

One might ask, in turn, whether the highest judiciary of the EPO should not be prepared to engage in judicial policymaking if the legislature cannot react in a timely manner, given the static character of the EPC with its high number of contracting states. The line of argument of the EBoA stops here. Patents on plant products from essentially biological processes were from then on granted by the EPO.

What can the reader learn about the interpretation method of the EBoA from the decisions G 2/12 and G 2/13? The EBoA relies on the criteria enshrined in Articles 31 and 32 VCLT but applies those criteria in a way that is not prescribed or mandatory under the VCLT. The EBoA allocates the burden of argument on one of the possible interpretations, without any justification; it puts much weight on systematic arguments which could also be inverted; it applies a rather subjective approach in putting much emphasis on the preparatory works; it denies a dynamic interpretation which goes beyond the original intentions of the legislature; and, finally, it is not willing to reveal what it considers to be the objective purpose of the provision at hand – and of the EPC at large. Such an approach may be compliant with the criteria enshrined in Articles 31 and 32 VCLT if one adheres to a rather subjective theory of interpretation. But a different, more objective approach would be equally in line with Article 31 and 32 VCLT, if not more so.

C. T 1063/18, G 3/19 ‘PEPPER’: DYNAMIC INTERPRETATION In the ‘Pepper’ case, T 1063/18, the BoA explains that the recently amended Rule 28(2) EPC would be in conflict with Article 53(b) as interpreted in G 2/12, G 2/13. The board considers

<sup>153</sup> At VIII.2.

whether there were reasons to deviate from the interpretation of Article 53(b) EPC given by decisions G 2/12 and G 2/13 due to the developments following said decisions. Such developments could potentially be taken into account as subsequent agreement, in accordance with Article 31(3)(a) VCLT. However, in what follows, the board rejects this argument with reference to the special competence given to the AC to change the EPC directly under Articles 33(1)(b) and 35(3) EPC: 'If the adoption of Rule 28(2) EPC by the Administrative Council . . . were to be considered a subsequent agreement in the sense of the Vienna Convention and used for the interpretation of Article 53(b) EPC, this would reverse the meaning of Article 53(b) EPC as interpreted by the EBoA.'<sup>154</sup> There would be no room to consider a change to Rule 28(2) EPC, which in substance amounts to a change of the EPC, as subsequent practice.<sup>155</sup> The board further states that '[i]t goes without saying, that the Notice is not such a subsequent agreement either, as the Commission does not represent the Contracting States of the EPC.'<sup>156</sup> Since as a consequence, the board does not see a reason to deviate from the interpretation of the EBoA, it also sees no reason to refer the case again to the EBoA.

With regard to the explicitly mentioned 'interest of plant breeders to freely perform crossing and selection without being hampered by patents' and the 'interest of inventors to benefit from their work and that of society to encourage technical development', the BoA does not see itself in a position to balance the interests involved. It states: 'However, balancing these interests is a matter for the legislative body. Such considerations cannot play a role in the legal assessment of the issues raised in the present case.'<sup>157</sup> This line of reasoning fits perfectly well into the greater picture of a judicial self-restraint at the EPO, which shies away from any independent consideration of the social, economic and political issues raised by the cases at stake.

However, T 1063/18 has not been the final chapter in the 'Pepper' case. The president of the EPO took the initiative and referred the case to the EBoA, now renumbered as G3/19. The president's referral raised a number of complicated questions with regard to its admissibility. For the purpose of this chapter, the substantial questions of interpretation of Article 53(b) EPC are topical. The main arguments of the EPO president were, first, that Article 53(b) should be interpreted in conformity with the Biotechnological Inventions Directive 98/44, which according to the Commission's Notice precludes product claims on plants from essentially biological processes<sup>158</sup>; therefore, Rule 28(2) was supposedly not in conflict with Art 53b) (within the meaning of Art. 164(2)); second, a considerable number of developments of subsequent agreement and practice in the sense of

<sup>154</sup> At 32.

<sup>155</sup> At 36.

<sup>156</sup> At 37.

<sup>157</sup> At 41.

<sup>158</sup> At 77–99.

Article 31(3) VCLT, which occurred after the EBoA decisions G 2/12 and G 2/13, would now justify changing the interpretation of Article 53(b) EPC.<sup>159</sup>

According to the referral, all thirty-eight EPC contracting states had declared to be in line with the Commission Notice; all twenty-eight EU contracting states (at that time) declared their alignment with the Commission Notice. The ten non-EU EPC States voted in favour of Rule 28(2) EPC. Moreover, the referral provided a list of seven EPC contracting states which have changed their national patent laws to exclude such product claims, with a number of additional reform projects being anticipated.<sup>160</sup>

In consideration of these arguments and the several submissions of *amicus curiae* briefs<sup>161</sup>, the EBoA in its ‘Pepper’ decision G 3/19 of 14 May 2020 finally came to the conclusion that

the exception to patentability of essentially biological processes for the production of plants or animals in Article 53(b) EPC has a negative effect on the allowability of product claims and product-by-process claims directed to plants, plant material or animals, if the claimed product is exclusively obtained by means of an essentially biological process or if the claimed process features define an essentially biological process.

As such, G 3/19 reversed in substance the decision made just five years earlier, namely G 2/12 and G 2/13 in ‘Tomatoes/Broccoli II’. With regard to the grammatical, systematic, historical and teleological interpretations of Article 53(b) EPC, the board confirms its older decisions.<sup>162</sup> As to subsequent agreement or practice – which has been the decisive argument of the EPO president – the board confirms its understanding, already explained in G 2/12, that Rule 26(5) Implementing Regulations could be regarded as subsequent agreement. Therefore, the Biotechnological Inventions Directive 98/44 had to be taken into account as supplementary means of interpretation. But this would not lead to the result that products of essentially biological process were excluded, since the Directive would not ‘directly lead to the conclusion’.<sup>163</sup> The Commission Notice would have no binding effect on the EPO.<sup>164</sup> This is certainly true; however, it could still be a candidate for subsequent agreement among many contracting states under Article 32 VCLT,<sup>165</sup> since the European Parliament and Council confirmed the Notice in political statements.<sup>166</sup>

<sup>159</sup> At 100–112.

<sup>160</sup> At 108.

<sup>161</sup> Among those see Metzger, Zech & Vollenberg, Fn 141.

<sup>162</sup> At XIV, XVI, XVII.

<sup>163</sup> At XV.1.2.

<sup>164</sup> At XV.2.

<sup>165</sup> ILC Conclusions, A/RES/73/202, Conclusion 12(3).

<sup>166</sup> *Supra* Fn. 126.

Moreover, legislative reforms in eleven of the thirty-eight contracting states – which the board rounds down to ‘roughly a quarter’ – did not amount to a subsequent agreement between all the parties of the EPC. This point again neglects that an agreement or practice of many contracting states may be an argument in the framework of Article 32 VCLT. The turning point of the board’s reasoning comes at the very end, under the heading of dynamic interpretation:

As set out above, the Enlarged Board in its current composition endorses both the conclusions and the reasoning of decision G 2/12 (*supra*). However, this is not to say that, with decision G 2/12, the meaning of the exception to patentability under Article 53(b) EPC has been settled once and for all, for it may emerge at a later point that there are aspects or developments which were unknown at the time the decision was issued or irrelevant to the case, or were otherwise not taken into consideration.<sup>167</sup>

The board further states that ‘[a] particular interpretation which has been given to a legal provision can never be taken as carved in stone, because the meaning of the provision may change or evolve over time.’<sup>168</sup>

The adoption of the new Rule 28(2) EPC Implementing Regulations had to be taken into account. This would not violate the principle of separation of powers: ‘Having regard to the wording of Rule 28(2) EPC and the travaux préparatoires for that Rule, the Enlarged Board accepts that it was the EPC legislator’s intention to establish, by this means, a particular interpretation of Article 53(b) EPC.’<sup>169</sup> Nonetheless, ‘in order to ensure legal certainty and to protect the legitimate interests of patent proprietors and applicants, the Enlarged Board considers it appropriate that the new interpretation of Article 53(b) EPC given in this opinion has no retroactive effect on European patents containing such claims which were granted before 1 July 2017, when Rule 28(2) EPC entered into force.’<sup>170</sup>

As a conclusion, one must welcome that the EBoA found a way out of the institutional conflict between the different bodies and institutions at the EPO and at the EU. One may hope that this is now the final word on the patenting of products exclusively obtained by means of an essentially biological process.<sup>171</sup> The decision in G 3/19 has been the first under the chairmanship of the new President of the Board of Appeal, Judge Carl Josefsson. It shows the necessary sensitivity regarding the political challenges which EPO is facing – even though it does not

<sup>167</sup> At XVIII.

<sup>168</sup> At XX.

<sup>169</sup> At XXVI.3.

<sup>170</sup> At XXIX.

<sup>171</sup> But not the final word on the definition of essentially biological processes, which should be reevaluated, see Metzger, Zech & Vollenberg, Fn 141, 17–18.

explicitly enter into a discussion of the purpose of the rules. The broad reference to dynamic interpretation is certainly the most interesting part of the decision. The coming years will show whether G 3/19 will turn out to be a milestone on the way to a more active judiciary at EPO, or whether the EBoA in ‘Pepper’ merely yielded to the enormous political pressure.

#### D. CONCLUSIONS

This chapter offers a first systematic analysis of the seventy-six decisions and opinions of the EBoA and BoAs of the EPO that make explicit reference to the VCLT interpretation criteria. It explores whether the EPO boards’ use of those criteria matches with the current teachings of public international law experts on the VCLT. The EPO boards make extensive use of Articles 31–33 VCLT and discuss the different criteria enshrined in the VCLT in detail. This body of case law should be of interest for public international law scholars. At the same time, the patent law community would greatly benefit from the insights of public international law experts if they were to comment directly on the EPO boards’ practice.

The analysis of EPO case law in this chapter has shown that the different EPO boards regularly refer to the ordinary meaning and to contextual arguments when interpreting EPC provisions, including arguments of subsequent agreement and practice in the sense of Article 31(3) VCLT. These arguments are in line with the criteria codified in Article 31 VCLT. By contrast, the EPO boards do not exhaust the potential of a purpose-oriented interpretation. Arguments based on purpose are limited to the purpose of specific provisions and do not discuss the purpose of the EPC as a whole. So far, the EBoA has rejected the idea that it should balance on its own right the social, economic and political interests at stake.

In a fast-changing technical and social environment, the EPO boards must develop their own answers for the present-day challenges of patent law. It is up to them to develop what the objective purpose of the European patent system should be, especially what should and what should not be protected by patents. Instead, the boards give remarkable weight to oftentimes obscure preparatory works, a method one would not expect from a judiciary that justifies its own reasoning on the basis of Articles 31 and 32 VCLT. This subjective method of interpretation is also clearly visible in the current conflict over patents on innovative plants, which is examined as an example in this chapter. Such a judicial self-restraint of the EPO boards, especially of the EBoA as its highest body, appears to be dysfunctional in a system in which the legislature is a static international organisation like the EPO. It is futile to refer controversial topics to the legislature if the legislature cannot act in due course.

In light of the technical advances to be expected in the coming years, it will be highly interesting to further observe how the EPO boards will manage the task described in this chapter – and to what extent they will benefit from insights into public international law. The last case analysed in this chapter, the EBoA decision ‘Pepper’, G 3/19, recalls the importance of a dynamic interpretation of the EPC. It raises the hope that the EPO boards will make use of the full potential of the interpretation criteria developed under the VCLT in the future.