

NEWSLETTER

Mewburn Ellis's Review of Recent Developments in European IP Law

Issue 2 March 2001

Welcome to the second Newsletter. Included are items of Intellectual Property news that we hope will interest and be of value to you, as well as a few items about Mewburn Ellis and our people. If you have any comments on Newsletter, or suggestions about any topics that you would like addressed in future issues, please let us know and we will do our best to incorporate them. We also produce information sheets on many subjects relating to Intellectual Property - see back page for a list, or find them on our website at www.mewburn.com.

E MARKS

Due to the phenomenal rise in access to and the popularity of the internet since the early 1990s, many firms have increasingly sought to reflect the new method of doing business – “e-commerce” - in their trade names and trade mark applications.

Examples of such marks are “e-buy” for buying on-line and “e-trading” for share dealing “on-line”.

The UK Trade Mark Registry has issued new rulings about the acceptability of such marks with the “e” prefix.

The Registry has stated that the “e” or “electronic” part of the mark is purely descriptive and therefore non-distinctive, and that the acceptability of the mark will depend on the other element (s) of the mark. Generally, if the other element(s) of the mark would be independently unregistrable as a trade mark for lack of distinctiveness, the addition of an “e” prefix will not cure the lack of distinctiveness.

Conversely, if the other element (s) would be independently registrable as a trade mark, the “e”-prefixed mark would also be registrable.

M MARKS

New technology has developed that allows internet access via a mobile phone, permitting the sending of e-mails, the downloading of information and conducting personal finance over the internet accessed via a mobile.

Along with the development of this new technology has come the next generation of trade marks, namely those prefixed by an “M” which stands for “mobile”.

The rule for “M” marks is largely similar to that for “e” marks, i.e. the “M” prefix can not impart registrability to a mark that would not otherwise be registrable. For example, “M-takeaway” and “M-floristry” would be seen as descriptive for takeaway and floristry services respectively accessed via a mobile or WAP phone and therefore registration of these marks would not be permitted.

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In November 2000, a conference was held to discuss possible amendments to the European Patent Convention (EPC).

This was the first major review of the EPC since it was concluded in 1973 and the outcome of the conference was the formulation in a Resolution of fairly extensive amendments to the EPC.

The amendments will not come into force until two years after the 15th Contracting State has deposited its instrument of ratification or accession or on the 3rd month following the deposit of the instrument of ratification or accession by the Contracting State taking this step as the last of all the Contracting States if this takes place earlier. Any States that have not ratified or acceded to the revised text at its time of entry into force shall cease to be parties to the EPC.

As mentioned above, the amendments made were fairly extensive and some of the most significant amendments are discussed below. For a more detailed discussion, please see our separate information sheet or our website.

Subsequent medical use claims

A new Article will be added which provides for novelty of subsequent medical use claims, apparently without recourse to "Swiss-type" wording. However, the claim will only be able to relate to a

EPC REVISION CONFERENCE

"specific" subsequent use.

Protocol on the Interpretation of Article 69

The Protocol on the interpretation of Article 69 (which relates to extent of protection) will be amended to include a new Article which relates to equivalents and reads "*For the purpose of determining the extent of protection conferred by a European patent, due account shall be taken of any element which is equivalent to an element specified in the claims*".

The proposals to introduce 1) a definition of the term "equivalents", 2) a reference to the point in time at which equivalency should be determined and 3) a reference to file wrapper estoppel were abandoned, which was welcomed by the UK delegates but leaves the new Article somewhat unclear in meaning.

Post-Grant Central Amendment

Provisions for central post-grant amendment (called "limitation") will be introduced. The exact details of the limitation and revocation provisions are not clear as they are contained in the as yet unwritten Implementing Regulations. It appears however that it is intended that examination of limitation will be formal only.

This new provision will mean that, after grant, a patentee will not need to seek amendment in each of the countries in which the

European patent has been validated.

Further Processing

The provisions relating to further processing will be vastly expanded in scope.

New Article 121(1) will read "*If an applicant fails to observe a time limit vis a vis the European Patent Office, he may request further processing of the European patent application*". Thus, further processing will relate to any time limit rather than just those set by the EPO, and the requirement that the failure to observe the time limit results in the refusal or withdrawal of the application will be removed.

The exceptions which will not be subject to further processing are the priority time limit, the time limit for filing an appeal and the time limit for filing a petition seeking a review of a decision of a Board of Appeal.

Amendments not made

The programs for computers exclusion will not be deleted for political reasons. It may be deleted at a later stage by the Administrative Council by virtue of new powers granted in a new Article which states that the Administrative Council shall be competent – under special voting rules - to amend certain parts of the EPC to bring them into line with an International Treaty relating to patents or EC legislation relating to patents.

SPECIAL AGREEMENTS

Reduction of translation costs

At the previous Intergovernmental Conference (held in October 1999) Agreement aiming to reduce translation costs was signed by eight Contracting States. The Agreement provided that a State having an official language in common with the official language of the EPO shall dispense with translation requirements. Any

State not having an official language in common with the EPO shall dispense with translation requirements if the European patent has been granted in the official language of the EPO prescribed by that State although they can require the translation of the claims only into their official language.

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Special Agreements - continued from p 2

The Agreement will come into force on the first day of the fourth month after the deposit of the last instrument of ratification or accession by the eight Contracting States including the three states in which most European patents took effect in 1999.

European “Court of First Instance”

The Conference also considered an Optional Protocol on the settlement of litigation concerning European patents as well as a proposal concerning the creation of a “Common Entity” which could be addressed by national courts

concerning the interpretation of the EPC or concerning the legal validity of infringement of a patent. This appears to be a step towards a European “Court of First Instance” for patents which may help harmonise European jurisprudence.

SOFTWARE PATENTS

Article 52 of the EPC requires that computer programs are excluded from patentability to the extent that patents or applications relate to computer programs as such. Notwithstanding this exclusion many thousands of software-related patents are granted each year because the EPO has held that a patent for a software-related invention is considered allowable if the invention makes a “technical contribution”.

However, the wording of Article 52 has been criticised for giving potential users of the European patent system the false impression that computer programs-related inventions are barred from patentability. As a result, significant numbers of software-related inventions reportedly do not receive patent protection.

In order to clarify matters, the Basic Proposal for amendment of the EPC discussed at the recent Diplomatic Conference on the Revision of the EPC (see the corresponding item in this issue of Mewsletter) proposed the deletion of the computer program exclusion. The thinking behind the proposed deletion was that it would give the green light to software patenting in Europe but would not actually alter the present software patenting regime to a significant extent.

However, despite widespread support for the deletion from the

patent profession, the exclusion from patentability of computer programs was not deleted from the EPC.

The reason for this was that a significant number of the EPC states felt that a decision to delete the computer program exclusion should be preceded by debate at the European Community level. The deletion of the exclusion, prior to any such debate, was considered to be politically sensitive.

The European Commission and UK Patent Office have issued consultation papers on the patentability of computer-implemented inventions which can be found at http://europa.eu.int/comm/internal_market/en/intprop/indprop/index.htm, and <http://www.patent.gov.uk/about/ippd/consultation/index.htm> respectively.

The EPC revisions also introduce a new provision stating that the Administrative Council shall be competent - under special voting rules - to amend certain parts of the EPC to bring them into line with an International Treaty relating to patents or EC legislation relating to patents without requiring a further Diplomatic Conference. This means that the Administrative Council may remove the computer patent exception depending on the outcome of the consultation papers.

BUSINESS METHOD PATENTS

In Europe, business method inventions are excluded from patentability under Article 52, but in the US there has been a steep rise in patents granted on this type of invention.

The rise seems to have been encouraged by the internet boom and a 1998 decision of the US Court of Appeal for the Federal Circuit in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* which, in allowing claims to a financial data processing system, stated that the business method exclusion from patentability was “ill-conceived”.

The EPC Revision Conference did not result in the removal of the business method exclusion but the numbers of business method type applications filed at the EPO and UK Patent Office is rising, applicants presumably either hoping that the law will change during prosecution of the application or using the application as a priority application on which to base a later application in a jurisdiction where business method patents are allowed.

Turkey has joined the EPC. It is possible to designate Turkey in European patent applications filed on or after 1st November 2000.

UK – TAIWAN RECIPROCITY AGREEMENT

The UK and Taiwan have established a reciprocity agreement concerning the mutual recognition of intellectual property rights. The agreement was implemented in the UK with effect from 24 May 2000.

As a result of the agreement, priority can be claimed for a UK patent or design application based on a Taiwanese application filed on or after 20 March 2000 and vice versa.

The agreement does not relate to trade mark applications. The European Patent Office does not have a reciprocal priority rights agreement with Taiwan.

Consequently, although a Taiwanese national can file a European patent application, it seems that priority cannot be claimed from a Taiwanese application.

For those countries with reciprocal agreements with Taiwan, it may be possible to maintain (in those countries) a priority claim based on a Taiwanese application in a PCT application. Of course, at least one applicant for a PCT application must have nationality or residence in a PCT signatory state. (Taiwan is not a signatory state.) Procedurally, the maintenance of such a priority claim is complex and may be

hazardous. If a Taiwanese priority is important, it would be advisable to file national application direct in those countries which grant such a priority.

REDUCTION IN PCT DESIGNATION FEES

It is now possible to validly designate all 100 plus countries by payment of only six designation fees. Previously, it was necessary to pay eight fees.

ELECTRONIC PUBLICATION OF VERY LONG PATENT APPLICATIONS

Very long patent applications, being many hundreds, if not many thousands of pages in length, are becoming more and more common. Most of these are "protein" and "gene" patent applications, in which most of the length is due to the required amino acid and nucleotide sequence listings. But there are other examples, such as "crystal structure" patent applications, in which listings of atom coordinates are similarly lengthy.

PCT Disadvantages

For patent applications filed under the Patent Cooperation Treaty (PCT), the applicant must pay a fee for each page more than 30. For a 10,000 page long application, the fees are formidable. However, no such "page fees" are due upon filing for applications filed directly with many national/regional patent offices (e.g., the European Patent Office, the United States Patent and Trademark Office, the Japanese Patent Office). Consequently, such "direct" filings are often the only financially viable

alternative for very long patent applications.

EPO Publication

The EPO is required to publish all "direct" European patent applications, regardless of length. The form of publication can be prescribed by the President of the European Patent Office. Until recently, such publication has been in paper form.

In response to two very long patent applications (one 9,000 pages and one more than 50,000 pages) filed in February 2000, it was announced that European patent applications which, on filing, contain a sequence listing consisting of more than four hundred pages may be published in electronic form only, at present for example on esp@cenet® and ESP@CE® EP CD-ROM.

Apparently, the rationale underlying this decision was that publication of such long applications in paper form would involve disproportionate work and expense, and would in any case

not serve the purpose of publication - i.e. providing public information - because interested parties cannot establish the subject-matter of such applications from a hard-copy version.

In order to meet this public information mandate, it appears that the EPO will eventually "electronically publish" all patent applications which contain a sequence listing.

Availability to public

Applicants or third parties can still request a copy of an application which has been published electronically; the EPO will provide it on the medium it considers the most appropriate. For shorter applications, that will still be on paper. For longer applications, it will be on an electronic carrier, such as a CD-ROM or floppy disk.

The first applications to be electronically published appeared on a special CD-ROM issued on 06 September 2000.

Patent News

STRIKES END AT EPO

Industrial action at the EPO has meant that, for a period of just under a year, Rule 51(4) letters, i.e. letters reporting intention to grant, were not being transmitted in any great numbers. In fact, the number of such letters sent out in that period corresponded to a decrease of 80% compared to the same period one year earlier. It is estimated that, as a

result of this action, fewer than 10,000 European patent applications will be granted in 2001. (N.b. there is usually approximately a 12 month time period between the Rule 51(4) letter and the mention of grant in the Bulletin)

The action by the EPO examiners has now been terminated and a flood of Rule

51(4) letters is expected. As a consequence, there is likely to be considerable pressure on translators which may push translation costs up. Clients should ensure that they let us have their instructions on the Rule 51(4) letter as soon as possible after receipt so as to ensure that there is sufficient time allowed for the preparation of the translations.

Trade Mark News

RETAIL SERVICES

Until recently, it was not possible to register a trade mark in respect of retail services at the UK or Community Trade Mark Office and a retailer could be forced to rely on the difficult and costly exercise of bringing an action for passing-off to protect his rights.

Retailers offering a variety of goods for sale under one roof, e.g. a department store, could register the name of their outlet in respect of the goods offered for sale, but frequently those goods were produced by a third party and bore the manufacturer's trade mark, not that of the retailer.

New UK practice

The UK Registry recently issued a Practice Amendment Circular (No. 13/00) which signals a change in direction in an attempt to further harmonise the laws of Member States within the EU. It was announced that applications for retail services will now be accepted in class 35, and that specifications should be based on the following wording:

"the bringing together, for the benefit of others, of a variety of goods (excluding the transportation thereof), enabling customers conveniently to view and purchase those goods....."

It will, in most cases, be necessary to provide further qualification of the nature of the service, e.g. "...purchase those goods in a supermarket/ department store/retail clothes store" to avoid vagueness objections from the Registry.

Shopping facilities provided, for example, over the internet, through television shopping channels or via mail order catalogues will also require further

qualification of the goods being offered for sale, e.g. "...purchase those good from an internet web site specializing in the marketing of sportswear and equipment".

While this development is clearly a step forward for retailers, the extent of the rights afforded by a retail service registration remains as yet unclear. We await a body of case law on key infringement issues, notably whether the use of a mark in relation to goods could constitute infringement of a retail service registration (and vice-versa). Consequently it is not yet clear whether the proprietor of a valid retail service registration could allow his existing registration(s) for goods to lapse without weakening his infringement rights. Maintaining these registrations and applying for the appropriate retail service in class 35 would seem to be the only safe way to proceed while these issues remain unresolved.

CTM practice

The Community Trade Mark Office has accepted in principle the addition of retail services to class 35 in respect of Community Trade Mark applications, but is currently deciding on a form of wording which will be acceptable to all Member States. Recent dealings with the Office suggest that they will be prepared to suspend new applications (in respect of the claim to retail services only) pending a decision on Office practice.

While it seems certain that the infringement rights of retailers will be significantly increased by this long-overdue development, it is clear that we will all have to wait a little longer before the extent of those rights is defined.

DOMAIN NAME DISPUTE RESOLUTION

ICANN (Internet Corporation for Assigned Names and Numbers) is a non-governmental organisation formed in 1998 which co-ordinates policies around the world regarding domain names, amongst other things. ICANN set up the uniform domain name dispute resolution procedure (UDRP).

The UDRP cannot be used to solve every domain name dispute, for example, it only applies to the generic top level domains (gTLDs) .COM .ORG and .NET, as well as to any country code top level domain names (ccTLDs) which have signed up to the system. About 20 ccTLDs have signed up. Nominet, the people who are responsible for the .UK domain names, have not signed up, although they, like many other domain name Registries, do operate their own dispute resolution system.

The UDRP is designed to tackle cybersquatting, i.e. domain names which are registered containing or comprising names in which someone else has rights, and can prove it. The person making the complaint has to establish that:

1. the domain name is identical or confusingly similar to a trade mark or service mark in which they have no rights; and
2. that the respondent has no rights or legitimate interests in respect of the domain name; and
3. the domain name was registered and is being used in bad faith.

The requirement that the domain name must be used in bad faith has proved problematic. Decisions under the UDRP are taken by panellists. Some of these people have interpreted point 3 strictly, and held that mere registration is not sufficient, whilst others have allowed claimants to succeed, provided all the other requirements are met, even if there has been no use. In such cases, they have often deemed registration to be equivalent to use. However, that is not what the rules say.

The whole procedure is fairly quick, efficient and inexpensive.

Four different organisations have currently been approved by ICANN as dispute resolution service providers. Those are

CPR Institute for Dispute Resolution, eResolution, the National Arbitration Forum (NAF) which is US dominated, and the World Intellectual Property Organisation (WIPO). The last two have heard the majority of cases so far, each handling about half of the proceedings commenced.

Part of UDRP involves the decision being made public, and the WIPO provides helpful statistics in relation to the cases it has handled. According to the information published on its website, 1841 proceedings were initiated by the end of December 2000 concerning gTLDs. Of these, 1286 were completed by that date. The majority, 817, resulted in domain names being transferred.

For further information, please feel free to contact us. There is also useful information on ICANN's website (www.icann.org) and this provides links into the approved dispute resolution service providers.

BROAD SPECIFICATIONS

It has long been a feature of UK Trade Mark law that the UK Registry, and indeed anyone else, has been able to object to a very wide specification of goods and/or services on the basis of "bad faith" – i.e. that the applicant has no real intention to use the mark applied for on all of those goods and services.

The situation in the UK is generally more strict than at the Community Trade Mark office

and at WIPO where such excessively-widened specifications often go unchallenged.

Nevertheless, after a review of the practice of raising such objections, it has been maintained that any claim to "all goods/services in class" will still, generally, be objected to.

However, with the exception of three classes, i.e. classes 7, 9

and 42, filing a broad specification of goods, using the WIPO "class headings", will now be accepted

CTM DESIGNATIONS

It is now possible to designate all CTM member countries apart from Ireland in an international Madrid Protocol application.

EUROPEAN AND INTERNATIONAL DESIGNS

Designs Directive

The adoption of the European Union Designs Directive, intended to harmonise the national laws in Europe on registered design protection, was reported in our previous newsletter. The member states of the European Union have until October 2001 to implement this into their national laws. The UK proposal implementing this Directive is still awaited, but is expected to be issued in the near future. Once it has been issued, we will have a clearer idea of how UK Registered Design law will be changing.

European Regulation

A related proposal is the European Regulation on a Community Design. This Regulation will set up a unitary community designs system, somewhat like the European Community Trade Mark.

Political agreement was reached in November 2000 on the proposal, but a number of final details remain to be agreed. The language of the Regulation is very similar to that of the Directive in terms of how a design is defined, the definition of novelty (based on what is known within relevant circles in the European Union), and a new requirement for individual character.

The new Community Design system will be run by OHIM, who already run the Community Trade Mark system. It is unlikely that the system will come into place before 2003.

The regulation will also introduce a short-term community-wide unregistered design right, which will be somewhat similar to the UK Unregistered Design Right.

International Design Registration

Finally, there is already in existence an International design registration system (the Hague Agreement), but the UK, along with a number of other important industrialised nations, are not members and as a result UK applicants cannot use the system. However, the United Kingdom has signed up to a revised International agreement, but for this to come into effect requires a new Act to be brought before Parliament, and there are no proposals for this at present. If such a system was introduced, it would make it easier to file design applications in member countries.

FAST GRANT OF UK REGISTERED DESIGNS

Following the decision to drop novelty searches by the UK Designs Registry which was reported in our last newsletter, the time taken to grant a registered design has fallen dramatically. If

there are no objections raised to the design on absolute grounds and, if claiming priority, all the necessary documents are submitted on filing, it is not unusual for a registered design to be

granted within around 3 weeks of being filed. If it is envisaged that such a short period to grant would cause any difficulties, please let us know with your instructions for filing.

NEW SINGAPORE DESIGN LAW

Until recently, registered design protection in the UK could automatically be extended to provide protection in Singapore. However, as a result of the new Singapore Registered Designs Act 2000, from 13 November 2000 onwards anyone who wants registered design protection in Singapore will now have to apply there directly.

The provisions in the new Singapore Act are similar to those in the UK. However, for practical purposes, there are two important differences. Firstly, under UK law,

local novelty applies i.e. to destroy novelty of the design, publication had to have occurred in the UK. For applications in Singapore made after 13 November 2000, worldwide novelty will apply i.e. publication anywhere in the world can destroy the novelty of the design. Secondly, the maximum lifespan of the right in Singapore is 15 years, compared to 25 years under the UK system.

Designs which were registered or pending in the UK prior to 13 November 2000 will still automatically extend to Singapore

as before. The difference is that this Singapore Registration is now a temporary one. It will run out the first time the UK registered design comes up for renewal after 13 November 2000. To continue to protect the design in Singapore, it will be necessary to file a renewal application in Singapore at the time that renewal fees are due in the UK (or up to six months afterwards). After this it will be possible to continue renewing the Singapore registration at five year intervals for the full 25 years.

UK STAMP DUTY FOR INTELLECTUAL PROPERTY TRANSACTIONS

UK stamp duty requirements have long been an obstacle in the recordal of assignments of patents, trade marks and registered designs at the UK Patent Office, and we are therefore pleased to report that intellectual property transactions occurring on or after 28 March 2000 have been exempted from liability to stamp duty. There are, however, a couple of pitfalls to be wary of.

Firstly, assignment documents executed earlier than 28 March 2000 must still be stamped at the rate of duty that was applicable at the date of their execution, even if they are only now being recorded at the UK Patent Office.

Secondly, the exemption only applies to transfers of intellectual property, and stamp duty will still be payable in respect of

consideration paid for any other property transferred by the document. This is of particular relevance to transfers of trade marks, because the Stamp Office has stated that the exemption for intellectual property will cover goodwill associated with the trade marks, but will not cover any other goodwill. When trade marks are being assigned alone, and there is no transfer of the business in which they have been used, no stamp duty will be payable on the assignment document. When there is a simultaneous transfer of the connected business, however, there may be advantages in having a separate assignment document that transfers only the trade marks and the goodwill associated with the trade marks, and that states the amount of the consideration paid for the trade marks alone. This document will not be liable to stamp duty, and

can be recorded at the UK Patent Office without more ado.

In the case of assignments executed before 28 March 2000, the amount of stamp duty payable can sometimes be reduced by endorsing a statement on the transfer document, signed by both parties, certifying that the total consideration involved in the transaction falls within one of the lower rate brackets for stamp duty purposes.

We have available an information sheet that explains the calculation of stamp duty and the rates applicable to documents before the exemption of intellectual property transactions, and we are happy to advise on how best to minimise stamp duty liability in individual cases.

Case Reviews

CAN REPAIR AMOUNT TO AN INFRINGING ACT? UNITED WIRE LTD v SCREEN REPAIR SERVICES (SCOTLAND) LTD

This was an appeal from a decision of the Court of Appeal (published in FSR, 2000, pp204-223). The main issue to be determined was whether or not the repair of a product protected by a UK patent could amount to infringement of the patent.

The case centred on sifting screens made using mesh and a supporting frame. The screens were used in oil drilling and exploration for the separation of drilling fluid from drilling debris.

The claimant (also the patentee) manufactured and supplied sifting screens. Since the mesh tended to wear out after a few days' use, the claimant also sold replacement meshes to be fitted to the frames already supplied.

The defendant offered a reconditioning service in which the

worn out mesh was stripped from the frame of a screen. The frame was then sandblasted prior to the fitting of a new mesh to the frame. The defence relied on the argument that, once the patentee had sold the screens, the patent rights in the screens were exhausted. In addition, the owner of a screen had a right to have the screen repaired and the defendant merely carried out that repair.

The Court of Appeal held that the question to be determined was not whether the acts done by the defendant amounted to repair, but whether or not the defendant made an article according to the claims of the patents at issue. The Court of Appeal decided that, due to the extent of the reconditioning, the defendants had in fact manufactured an article according to the claims and therefore infringed the patents.

The House of Lords agreed. They pointed out that, for the purposes of the Patents Act 1977, the notions of making and repair are mutually exclusive. A repair of a patented product is by definition an act which does not amount to making it and vice versa. In the present case, the defendant had made the patented product and so had not repaired it.

The House of Lords decision goes some way towards clarifying the distinction between "making" and "repairing" of patented products. However, it is likely that the outcome of this case was to some extent determined by the fact that the screens were stripped to the frame by the defendant during the reconditioning. The subsequent steps to form a screen were very similar to those used by the patentee to manufacture a screen in the first place.

ABUSIVE DISCLOSURE

Article 55(1) EPC states that for the application of novelty criteria, a disclosure of the invention shall not be considered if it occurred **no earlier than six months preceding the filing of the European Patent Application** and if it was due to, or in consequence of: (a) an evident abuse in relation to the applicant or (b) display at an officially recognised international exhibition. Part (a) of this provision relates to “abusive” disclosures, for example, in breach of confidentiality, which would otherwise result in the applicant being unable to obtain a patent.

At issue here was exactly how this six month period is to be calculated and the effect of priority in this

situation. It was considered to be unclear as to whether it was necessary to file a European Patent application within this period, or whether it was sufficient to file a national application, from which priority could later be claimed at the EPO, i.e. whether the six month period ran up to the European filing date or up to the priority date of a European application.

In decision G3/98, the Enlarged Board of Appeal clarified that it is necessary to file a European Patent application within six months of any such “abusive” disclosure i.e. the sixth month period runs up to the European filing date and not the priority date.

PATENT CLAIMS FOR TRANSGENIC PLANTS - THE NOVARTIS DECISION G1/98

Background

According to the European Patent Convention (EPC), patents will not be granted in respect of plant varieties. However, case law had led to uncertainties regarding the applicability of this exclusion in the field of genetic engineering.

The *Novartis* patent application contained claims to a transgenic plant containing specific foreign genes. The applicant admitted that embodiments falling within this claim included plant varieties. There was considerable uncertainty as to whether a claim which encompassed plant varieties, but did not specifically relate to plant varieties, was patentable.

Enlarged Board Decision

In December 1999, the Enlarged Board held that although a patent would not be granted for a single plant variety, claims would not be excluded from patentability simply because they encompassed plant varieties.

In their reasoning, the Board stated that the exclusion for plant varieties in the EPC represents the borderline between patent protection and the availability of plant variety rights. Plant variety rights protect individual plant varieties. In contrast, the inventor

of a genetic engineering invention typically provides “means for inserting the gene into all appropriate plants”. If such an inventor were restricted to protecting his invention under plant variety rights, he would be limited to protecting an individual plant variety which had been modified with the foreign gene of choice. The patent system, in protecting “technical teachings which can be implemented in an infinite number of different plant varieties” provides such an inventor with adequate protection.

Genetic Engineering

However, patents will not be granted for a plant variety which has been produced by genetic engineering. It is not the technique used which determines patentability. A plant variety will not be patentable whether it is produced by traditional plant breeding techniques or by genetic engineering.

It would therefore appear that if an invention is concerned with a gene which can be introduced into many different plants, a patent may be granted. However, if the inventor’s contribution is solely the provision of a new plant variety (even if this is produced by genetic engineering) then this will be excluded from patentability.

EU Biotech Directive

The *Novartis* Decision G1/98 (published in OJ EPO 00, 111-171) is in agreement with the new Rules relating to biotechnology (which were introduced to implement the EU Biotech Directive). These new Rules state that biotechnological inventions shall be patentable if the “technical feasibility is not confined to a particular plant or animal variety”.

SEVERE DELAYS AT EPO

We are suffering severe delays in the substantive examination of applications by the EPO. The delays are most severe in biotechnological and telecommunications fields. We were recently informed by the EPO that, for an application filed in 1997, we will not receive the first examination report until over three years from now! All the time that an application is “stuck” in substantive examination, the EPO will be receiving renewal fees (for applications older than three years). This is quite unacceptable and we have complained to the President of the EPO.

EXTENDED INJUNCTIONS – DYSON V HOOVER

On 11 January 2001, an application for an extended injunction was granted in the *Dyson v Hoover* vacuum cleaner patent infringement case, preventing Hoover from sale of certain products for twelve months after the expiry of the patent.

The extended injunction was particularly important to Dyson, because the patent is due to expire shortly (on 19 June 2001). It is intended to prevent Hoover from capitalising on the

“springboard” they have established in the market as a result of their infringement. This follows on from the decision in *Gerber v Lectra* (CA, 1995) in which damages were awarded for sales lost post-patent expiry as a consequence of infringing acts prior to expiry.

The court considered that a post-expiry injunction was appropriate in the present case because of the difficulty in quantifying such damages.

In light of the Patents Court’s reluctance to grant interlocutory injunctions and insistence instead on speedy trials, it has been suggested that extended injunctions may be granted more frequently in future, to compensate for the benefit received by the infringer pre-trial.

Don’t Forget...

ACCELERATED PROSECUTION OF PATENT APPLICATIONS

Sometimes it may be desirable to speed up grant of a patent.

A patent application may give provisional protection from the date of its publication. However action cannot be taken against an infringer until the patent is granted. Therefore, if an applicant becomes aware of a possible infringer, it can be useful to speed up both publication and grant, so that the patent rights can be enforced as soon as possible.

UK Patent Applications

The UK Patent Office tries to search all applications as quickly as possible, but is willing to carry out an early search if a suitable reason is given. This reason could be that an infringer is active or, alternatively, that the search results are required to decide whether to file abroad within the priority year.

Early publication (i.e. before 18 months from the priority date) can be requested and this will establish provisional protection at an earlier date which is useful if there is a potential infringer. After

a request for early publication, publication normally takes about five weeks. Consequently, the examination fee is due earlier than it would normally be.

Examination can be accelerated in two ways. If it is known at the time of filing that it is desirable for the application to be granted quickly, combined search and examination can be requested. The Patent Office will then search and examine the application at the same time. If it is decided after filing that an accelerated examination is desirable, then the Patent Office will perform an early examination as long as a suitable reason is provided, for example, potential infringers are active.

If examination has been accelerated, early grant can also be requested. However the application cannot be granted until three months after publication.

European Patent Applications

Accelerated prosecution can also be effected at the EPO. If requested to do so at the time of filing, the EPO will try to issue a

search report as soon as possible. It is also possible to request early publication of a European application, but publication may still not occur for up to five months.

Accelerated examination is also available, and can be requested at any time. The EPO then attempts to issue the first examination report within three months. Requesting accelerated prosecution places an obligation upon the applicant to respond to each examination report in the time limit set by the EPO without requesting extensions of time.

An alternative to accelerated examination is to file comments or amendments on receipt of the search report, before examination begins, to pre-empt comments the examiner is likely to make in the first examination report.

Once the application is in order for grant, immediate grant can be requested.

Don't Forget...

THREATS PROVISIONS

It is important for clients to remember that in certain circumstances, a third party can sue a patentee or trade mark proprietor for making unjustified threats.

Unjustified threats can have serious economic impact and therefore UK patent and trademark law provides for relief, in certain circumstances, against groundless threats of action for patent/ trademark infringement. According to these provisions a person making a threat may be sued by a person aggrieved by that threat..

The aggrieved person does not have to be the alleged infringer but must be someone who has suffered actual or potential loss as a result of the threat. The relief available to

the aggrieved person may be in the form of a declaration that the threats are unjustifiable, an injunction against their continuance, and/or damages for any loss that they cause.

However threats made relating to making or importing a product are not covered by this provision. Thus proceedings cannot be brought against a person who has threatened to bring infringement proceedings against a manufacturer or importer of an allegedly infringing product.

To avoid liability the threatener may either show that the threat was justified or that the action did not constitute a threat. A threat is justified if the threatener can prove that the acts for which proceedings

were threatened do constitute infringement and the aggrieved person cannot show that the intellectual property right is invalid.

A mere notification of the existence of a patent or trademark registration is not considered to be a threat of infringement proceedings. However to say much more may lead to proceedings for unjustifiable threats being brought. Threats may be by advertisement, circular or almost any other means. It is easy for remarks to be construed as an implied threat and so to avoid any potential proceedings for unjustifiable threats it is important only to refer to patents, and pending applications, in terms which have been approved by a solicitor or patent attorney.

In-House News

NEW PARTNERS FOR MEWBURN ELLIS

We are very pleased to announce that, since the last Mewsletter, Mewburn Ellis has two new partners; Dr Simon Kremer and Dr Jo Cripps.

Simon, a biotechnology specialist, has worked for Mewburn Ellis since 1997 after joining us from the Ministry of Defence. Simon became a partner in the firm on 1 October 1999 and presently works in our London Office although he also

spends time in our Cambridge office.

Jo, also a biotechnology specialist, has been with Mewburn Ellis since 1993, joining after completing her doctorate. Jo was made a partner in the firm on 1 October 2000 and presently works in the Bristol office.

TRAINING

Our commitment to training within the firm remains strong and, since the last Mewsletter, Chris Denison and Robert Watson have qualified as European Patent attorneys and Steve Gill has passed his UK qualifying examinations. We also continue to invest in the future having taken on four new patent trainees and two new trade mark trainees in the last year.

THE MEWBURN ELLIS WEBSITE

Our website, www.mewburn.com, has recently been relaunched.

You can still find the same information on the site, but we hope that you will now find it more user friendly.

The site tells you about Mewburn Ellis, our history and our people, as well as holding information on many aspects of intellectual property.

This information is also available on our information sheets, some of

which are listed overleaf.

We update the website and our information sheets regularly, and the list is frequently extended in response to our clients' needs.

Information Sheets Produced By Mewburn Ellis

Patents

- ◇ What is a Patent?
- ◇ Patents: Inventorship and Ownership
- ◇ What is a European Patent?
- ◇ European Patent Applications - Grant Procedure
- ◇ European Patents: Amendments to the European Patent Convention
- ◇ What is a PCT Application?
- ◇ Patent Watching Searches
- ◇ Patents in European (EU) Countries - Supplementary Protection Certificates (SPC's)
- ◇ UK Patents - Licences of Right
- ◇ USA Patent Applications - The Importance of Keeping Notebooks to Prove a Date of Invention in the USA

Trade Marks

- ◇ Trade Marks
- ◇ European Community Trade Mark (CTM)
- ◇ European Community Trade Mark (CTM): Opposition Proceedings
- ◇ Trade Marks: Madrid Protocol
- ◇ Trade Marks: Madrid Protocol - International Registrations - Procedure after Registration by WIPO
- ◇ Trade Marks - the Internet and Domain Names
- ◇ Retail Services in the UK & Community Trade Mark Offices

Designs

- ◇ Protection for Designs

General

- ◇ Intellectual Property Portfolio Management
- ◇ Introduction to Licensing Intellectual Property

- ◇ Joint Applicants or Co-owners of Intellectual Property
- ◇ Recording Changes of Proprietor
- ◇ UK Stamp Duty on Documents Executed on or after 16 March 1999 and before 28 March 2000

EPO Holiday Dates

The European Patent Office (EPO) holiday dates for the remainder of 2001 are:

13th April	(Good Friday)
16th April	(Easter Monday)
1st May	(May Day)
24th May	(Ascension day)
4th June	(Whit Monday)
15th August	(Assumption Day)
1st November	(All Saints' Day)
24th December	(Christmas Eve)
25th December	(Christmas Day)
26th December	(Boxing Day)
31st December	(New Year's Eve)

OHIM Holiday Dates

The Office for Harmonisation in the Internal Market (Trade Marks and Designs) - (OHIM) - holiday dates for the remainder of 2001 are:

13th April	(Good Friday)
16th April	(Easter Monday)
26th April	(Santa Faz)
1st May	(Labour Day)
9th May	(Schuman's Declaration Day)
24th May	(Ascension day)
4th June	(Whitsun day)
15th August	(Assumption)
12th October	(Spain's Nat. Holiday)
1st November	(All Saints)
2nd November	(All Souls)
6th December	(Constitution Day)
24th December to 31st December	(Christmas and end of year - 6 days)

Website Addresses

UK Patent Office:
www.patent.gov.uk

EPO:
www.european-patent-office.org

World Intellectual Property Organisation (WIPO):
www.wipo.org

Mewburn Ellis:
www.mewburn.com

Community Trade Mark (CTM) Countries

Austria	Italy
Belgium	Luxembourg
Denmark	Netherlands
Finland	Portugal
France	Spain
Germany	Sweden
Greece	United Kingdom
Ireland	

European Patent Convention (EPC) Contracting States

Austria	Liechtenstein
Belgium	Luxembourg
Cyprus	Monaco
Denmark	Netherlands
Finland	Portugal
France	Spain
Germany	Sweden
Greece	Switzerland
Ireland	Turkey
Italy	United Kingdom

EPC Extension Countries

Albania	Macedonia
Latvia	Romania
Lithuania	Slovenia

The information in this newsletter is simplified and must not be taken as a definitive statement of the law or practice. If you would like any more information, please ask your usual Mewburn Ellis contact, or e-mail us at: newsletter@mewburn.com.