

Welcome to the latest edition of Mewsnews, which features highlights of a few of the items of news and developments in European and UK intellectual property. If you would like more information on any of the topics covered, or on a specific area of interest, please get in touch with your regular Mewburn Ellis LLP contact.

divisional applications

An applicant for a European patent may decide, during the application procedure, to pursue some of its subject matter in a new "divisional" application from the original application. It is also possible to file a divisional application from an existing divisional application. The established practice relating to divisional applications has recently been thrown into uncertainty by a series of EPO Board of Appeal decisions.

allowable scope of divisional applications

Decision *T797/02* took issue with the established practice of permitting divisionals of divisionals. The Board thought that this practice was not fair on third parties, who would be unsure about the scope of protection that would eventually be obtained right up until the "final" divisional was granted. The Board sought to limit this effect by stating that a "cascading" divisional application may only claim subject matter that was present in the *claims* of the application it was divided out of. This runs contrary to a long line of decisions which held that a divisional application may claim *any* subject matter disclosed *anywhere* in its parent. Furthermore, it makes an artificial distinction between first generation and "cascading" divisionals, a distinction for which there is no basis in the EPC or in case law.

T797/02 was not really taken seriously until earlier this year when another decision which relied on it, *T90/03*, was published. *T90/03* stated that "according to case law, e.g. *T797/02*, the invention ... defined in the *claims* of a divisional application determines the *content* of the divisional application". This was doubly alarming, firstly because it seemed to give credibility to the "rogue" decision in *T979/02*, and secondly because it extrapolated the conclusion of *T797/02* to apply to any divisional application, not just "cascading" divisionals.

post-filing correction of added matter

The saga continued in August of this year with the publication of a further decision, *T39/03*, in which the Board questioned the long established EPO practice of requesting that an applicant remove from a divisional application any subject matter that was not present in its parent. The Board thought this was unfair to third parties, because the issue of whether subject matter had been added was often not considered for some time, and thus a divisional application which contains additional subject matter could be made retrospectively "valid" long after it was filed. The Board thought that it would be preferable to refuse outright a divisional application that contained subject matter not present in its parent. However, the Board referred these issues to the Enlarged Board of Appeal, and the questions put also appear to cover the decision in *T797/02*.

conclusions

We believe the decision in *T797/02* is wrong and should not be followed. It is not the job of Boards of Appeal to make law in such a way - this is the job of the Administrative Council of the EPC. Similarly, the Board's concerns in *T39/03* about divisional applications being made retrospectively valid appear to lack any basis in the EPC. We therefore think that the eventual outcome should be that the current practice of the EPO is maintained. However, until these issues are resolved, we recommend great caution when filing divisional applications.

changes to the ctm regulation

Various amendments to the Community Trade Mark Regulation came into force on 25 July 2005. The most significant are set out below:

A CTM application or registration can now be divided into two or more divisional applications. When dividing an opposed application, only those goods and services against which no opposition has been filed can be divided off into a separate application.

Although division incurs additional costs, it can allow registration of a trade mark for those goods and services to which no objection has been raised either by the Office or by a third party. Once an application has been divided, it cannot be merged.

The rules governing opposition have put a limit on the number of times the cooling off period can be extended. The cooling off period can now last for a maximum of 24 months.

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software patents

“No Directive is better than a bad Directive”

This was the reaction to the vote of the European Parliament on 6th July 2005 to reject the proposed European Directive on the Patentability of Computer Implemented Inventions expressed both by those in favour of patents for software as well as those against, although their “definitions” of a “bad Directive” will have been very different.

Does the rejection of the Directive mean that software cannot be patented in Europe? The answer to this question is a resounding NO! The European Patent Office has been granting patents for inventions involving software for many years and will continue to do so. Despite a specific exclusion in the EPC from patentability of “programs for computers (as such)”, in excess of 30,000 patents for software related innovations have been granted by the European Patent Office (EPO).

The approach now adopted by the EPO in deciding which side of the line a particular case falls follows the Appeal Board decision *T258/03* (Hitachi) that considered the patentability of claims to a computerised “dutch auction”. The patent application claimed an automated auction method carried out at a server computer operating a series of steps (that were specified in the claim) and a computerised auction apparatus for conducting an auction, via a network, following those steps. The Appeal Board ultimately reached the conclusion that the claimed invention was not patentable because, in their view, it did not provide a technical solution to a technical problem. Rather, the solution was based entirely on modifications to the auction process.

They reached this conclusion by first asking whether the claimed method and system included technical features, which they did as they referred to a “server computer”, “client computers” and a “network”. This meant they did not fall foul of the exclusion for computer programs as such. They went on, however, to consider whether the method and system involved an inventive step, a necessary requirement for the grant of a patent, in the sense that they were not obvious over what was already known in the relevant field. Importantly, in answering this question they only paid attention to the technical features of the method and system. Once the non-technical auction-related features were stripped away all that was left were conventional technical features and there was therefore no inventive step.

Businesses who have in the past sought, for good strategic reasons, to patent their software developments in Europe should not be put off doing so by the rejection by the EU Parliament of the Directive. This rejection will not affect whether patent offices grant patents.

For businesses that have not historically sought to protect their software innovations with patents, now might be the time to re-visit their strategy in this regard. It is important to remember that

patent portfolios can have uses other than the aggressive pursuit of competitors. A portfolio of patents can be a useful shield against others and for a small, growing business can be invaluable in helping to attract investment and gives the potential to create revenue streams at an early stage through licensing.

Following the significant debate and controversy that surrounded the Directive, it seems unlikely that there will be any appetite in the near future for legislators to attempt to address the question of whether or not patents should be available for software innovation.

Whatever the future brings, patents for software are here to stay and businesses need strategies that acknowledge this reality. In a world where software is increasingly at the heart of much that we do and in which software patents are becoming more prevalent in Europe, a strategy that involves burying your head in the sand is not one to be recommended.

This article is a much abbreviated version of an article appearing in The World IP Review published last autumn.

epc 2000

Following the ratification by Greece, EPC 2000 will come into effect on 13th December 2007.

EPC 2000 is the most significant revision of European patent law since the introduction of the EPC. Many of the changes move legal provisions from the EPC itself to the Rules, making future changes easier. The more significant substantive changes include:

Specific provision for second medical use claims, with no need to use “Swiss-type” claim wording.

Priority claims can be made to applications filed in non-Paris Convention countries which are members of the WTO.

Priority claims can be made (or corrected) up to 16 months from the priority date.

Provision for post-grant central amendment of a European Patent is introduced.

The availability of the EPO’s “further processing” provisions is significantly expanded.

This information is simplified and must not be taken as a definitive statement of the law or practice. If you would like to receive our more detailed *Mewsletter*, please e-mail mewsletter@mewburn.com. For more information on Mewburn Ellis LLP and other intellectual property matters, please contact us or visit our website at www.mewburn.com.

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