

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.

construction made clear

A recent House of Lords ruling upheld an earlier decision by the Court of Appeal in *Kirin-Amgen Inc. and Others v Hoechst Marion Roussel Ltd. and Others* that Amgen's patent for erythropoietin (EPO) was not infringed by Transkaryotic Therapies Inc's (TKT) EPO. However, the finding that Amgen's patent was valid was reversed. Key points determined by the House of Lords in its judgement are discussed below.

The "construction" of a patent claim is at the heart of the process for determining whether a claim is infringed and involves deciding on the meaning of the claim. Amgen's claim to EPO defined the EPO in terms of the method by which it was produced in a host cell. The question for the House of Lords was the proper construction of the words in the claims defining how the EPO was produced.

In summary, the House of Lords found that the "purposive construction" currently applied in UK patent cases is still the right approach. It emphasised the importance of establishing what the notional addressee of the claim (the skilled person) understands the patentee to be claiming. According to the House of Lords, this approach is consistent with Article 69 of the European Patent Convention. The UK approach does not involve a US-style "doctrine of equivalents". The structured approach to purposive construction previously used in UK patent cases where the alleged infringement falls outside the scope of the claim as literally interpreted (referred to as the "Improver" or "Protocol" questions) is a guideline to be followed where appropriate, rather than being an approach that must be strictly adhered to. As a result TKT's EPO was found not to infringe.

Amgen's claims defined EPO in terms of the method by which it was produced in a host cell. Such "product-by-process" claims, in which a product that is not itself new is defined in terms of its production by a new process, have generally been allowable in the UK. However, the House of Lords decided that the UK must apply the same law as the European Patent Office in deciding novelty. Product-by-process claims where the product itself is known should therefore be invalid.

Following this case, the UK Patent Office has indicated that it will **not** allow such product-by-process claims where the product is not itself new. It also appears that product-by-process claims in granted patents will now be held invalid if the product itself was not new.

Separately, the House of Lords emphasised that it is necessary to decide what the invention is before determining whether a patent is sufficient; only then can the patent be checked to see if

it sufficiently describes that invention. Therefore, considering it from a sufficiency point of view, the House of Lords indicated that if Amgen's claim **did** cover EPO made by TKT's method, it must be insufficient.

surnames

The ECJ has recently ruled on the criteria that are to be used in assessing whether common surnames can serve as trade marks.

- a) A surname, no matter how common, may serve as a trade mark. Under the Directive, all categories of mark are subject to the same criteria for assessment of distinctive character;
- b) stricter criteria (e.g. the number of occurrences of a surname in a telephone directory) cannot be applied to a trade mark that is also a personal name. There is no justification for the assumption that a surname is automatically non-distinctive;
- c) it is not proper to refuse a registration of a surname as a trade mark in order to ensure that no advantage is afforded to the first applicant who wants to use that surname;
- d) the fact that the Directive permits a person to make honest commercial use of his surname without fear of infringing the registration of an identical or similar name is not something that has to be taken into account in deciding on the registrability of an applied for surname mark.

Therefore the UK Registry will accept applications for marks consisting of surnames, but these can still be shown to be non-distinctive in opposition.

uk po and epo news

On 1st January 2005 a number of changes to UK Patent Law came into force. These changes were reviewed in more detail in issue 7.

Serbia & Montenegro and Bosnia & Herzegovina became EPC extension states on 1st November 2004 and 1st December 2004 respectively.

counterfeiting - a practical viewpoint

According to the DTI, it is estimated that 7% of all world trade is in counterfeit goods, totalling over £250bn in value annually.

Everybody has seen counterfeits: a fake *Rolex*, with a tacky plastic face and several carats of “diamonds”, clothing with poorly stitched embroidered designs or wildly inaccurate size designations, or current feature films available on DVD. The reasons behind people’s purchases of these items are easily understood. In many cases the feeling is that as the manufacturers make their products so expensive they cannot expect everyone to pay those prices, and wearing fakes does no harm to anyone. The reality is that the fake product is not of the same quality and will break or fall apart.

But it doesn’t end there. Real damage **is** suffered by companies that pay taxes and employ staff, because when those companies’ sales start to fall, as a direct result of counterfeit sales increasing, those staff are made redundant. The link to organised crime is also conveniently forgotten.

To take the clothing industry as an example, when a fake item can be bought for £10 instead of £100, the low quality of the fake is ignored and it is bought instead of the real product. If genuine merchandise falls apart, the consumers’ rights mean that it can be returned for replacement or repair. It is hard to imagine consumers’ rights being respected at a market where rogue traders may only attend irregularly so as to avoid customer complaints. Despite people believing that their single purchase can make no difference, cumulatively the effect can be enormous.

Dealing with counterfeit products is taking an increasing amount of time in the day to day workload of many brand owners and trade mark attorneys, including that of the writer. By working closely with our client’s (American company Kemistre LLC, manufacturer of *AKADEMIKS* and *AKDMKS* fashion brands) UK importer of genuine *AKADEMIKS* clothing, the sale of fake clothing has been reduced substantially. To date, cease and desist letters have been sent to more than 40 shops and importers, resulting in counterfeit items being removed from sale in a large number of outlets, and the goods being returned to the wholesaler. Retailers have also been educated and now understand that products bought from non-authorised distributors are counterfeit.

However, it is not all about halting the **sale** of products. Working closely with Her Majesty’s Customs Officers to prevent the import of counterfeit products into the United Kingdom has also been successful. Use of Customs provisions set out in the new Customs Notice 34 have halted the import of over 3,000 items of

counterfeit clothing in the last month alone. Samples of the allegedly fake clothing are provided to the distributor for their review and it usually takes a matter of seconds to determine that the product is counterfeit, not least because in this case the distributor is the exclusive authorised distributor in the United Kingdom.

A further method of preventing the sale of counterfeit goods is to ask local trading standards officers to carry out raids of premises where known counterfeit stocks are being held. Nevertheless, in the run up to Christmas, trading standards officers (who are notoriously busy and under funded) naturally prioritise their workload. In order to encourage trading standards officers to help, the assistance of a representative of the brand owner (who is able to determine real goods from counterfeit) and a van for the removal of counterfeit items can be provided. Previous seizures have resulted in the destruction of over £100,000 worth of fake products, and this is in addition to the goods seized at UK ports.

shape marks

An application for a shape-of-goods mark in the UK is guaranteed to face an objection on the grounds that it lacks distinctive character. As shown in the recent UK Court of Appeal case, *Bongrain S.A.*, even applications for unusual shapes which might seem to be inherently “distinctive” will be objected to.

As registering shapes as trade marks is difficult, applicants should instead consider protecting their shape as a Registered Community Design (RCD). RCD applications are not examined on whether the shape is distinctive in the trade mark sense, and protection is provided for all goods.

in-house news

We are pleased to announce that Stephen Gill and Wilhelmus Wytenburg will become partners on 1st April 2005.

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.

Mewburn Ellis LLP is a Limited Liability Partnership registered in England (no. OC306749). Registered Office at York House, 23 Kingsway, London WC2B 6HP

LONDON

York House
23 Kingsway
London WC2B 6HP
Tel: 020 7240 4405
Fax: 020 7240 9339

BRISTOL

No. 1
Redcliff Street
Bristol BS1 6NP
Tel: 0117 926 6411
Fax: 0117 926 5692

MANCHESTER

Bridgewater House
Whitworth Street
Manchester M1 6LT
Tel: 0161 247 7722
Fax: 0161 247 7766

CAMBRIDGE

Newnham House
Cambridge Business Park
Cambridge CB4 0WZ
Tel: 01223 420383
Fax: 01223 423792

Email: mail@mewburn.com

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