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In this issue:

Post Brexit designs refresher 04
Five important changes and a noteworthy action point for August 2021

D Young & Co book announcement 05
EPO Board of Appeal Decisions third edition ebook

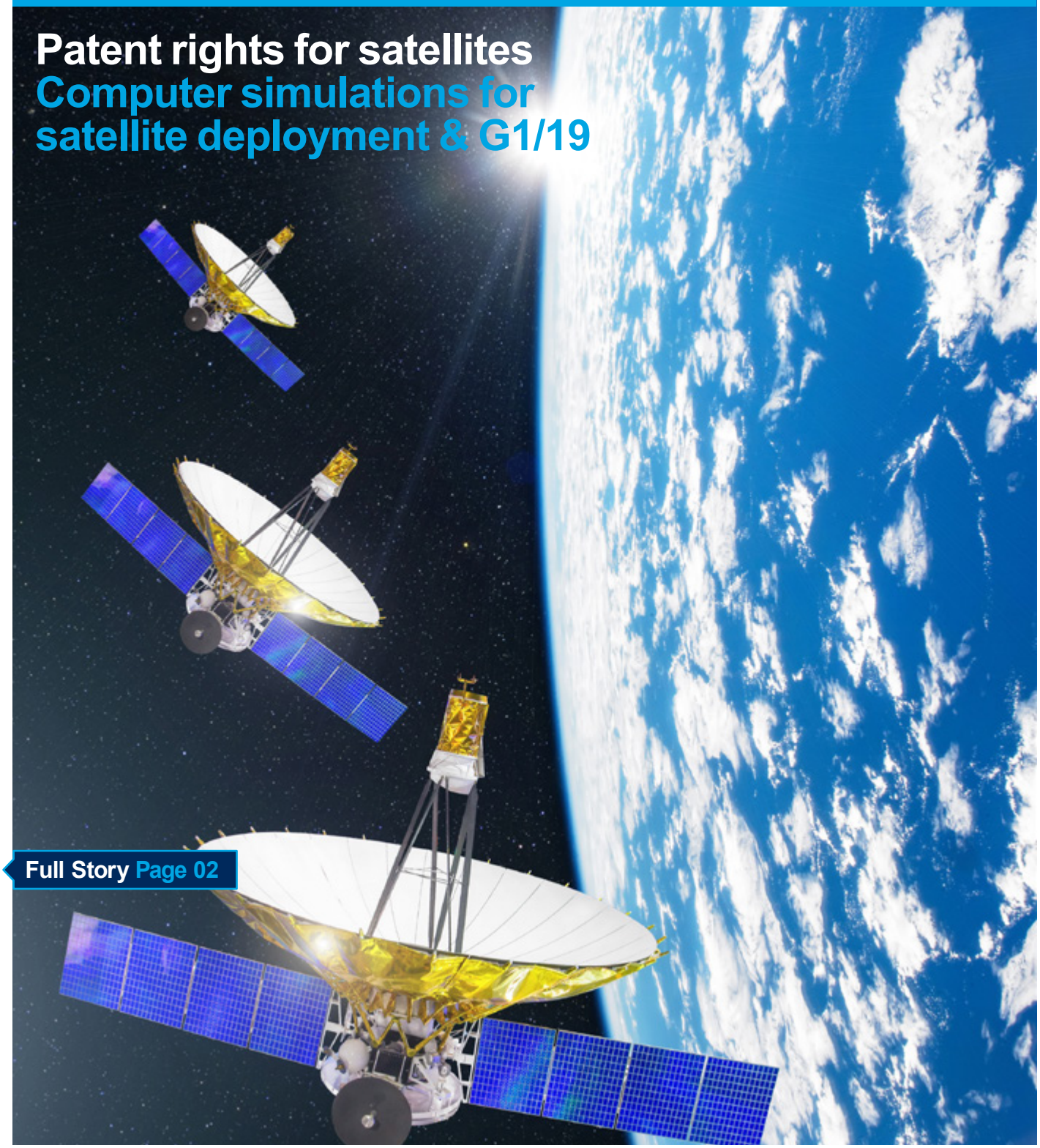
EPO G1/21 communication 06
Oral proceedings by ViCo "during times of emergency"

UPC ratification 06
German Constitutional Court rejects complaints

European Commission to launch SEP framework public consultation 07
SEP consultation planned for Q3 2021

Also: your invitation to our September European biotech patent case law webinar

Patent rights for satellites
Computer simulations for satellite deployment & G1/19



Full Story Page 02

Editorial

With billionaires either zooming into space or deploying scores of new satellites recently, our eyes have turned to the skies, and our lead article this month explores some of the legal and technical issues relating to patent protection for satellites and their simulations.

With our feet firmly rooted on the earth, the strength of D Young & Co lies in our excellent team of talented individuals. In our engineering, electronics & IT group, we are very pleased to be joined by Nigel Lee, a UK and Chinese Patent Attorney, who has been working as a Hong Kong patent examiner, and to be re-joined by Arun Roy, a UK and European Patent Attorney.

Do also have a browse of our third edition of "EPO Board of Appeal Decisions" which was recently released and is a very handy guide to what really matters in proceedings before the EPO. Wishing all of our readers a healthy and relaxing August.

Nicholas Malden, Editor

Events

European Biotech Patent Case Law
Webinar, 21 September 2021
Partner Simon O'Brien and Senior Associate Antony Latham present our regular webinar round up of important and recent European biotech case law. For further information please see page 08 of this newsletter or our website events page.

IPO Annual Meeting: SPCs
Virtual event, 28-30 September 2021
Partner Garreth Duncan will be speaking about supplementary patent certificates (SPCs) in a session organised by by IPO's Pharmaceutical & Biotechnology Issues Committee.

www.dyoung.com/events

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Patent rights for satellites
Computer simulations for satellite deployment & G1/19

Recently, SpaceX Inc, the space exploration company founded by Elon Musk, has performed a couple of its dedicated rideshare missions. A rideshare mission is where a transporter rocket carries a payload of multiple satellites which need deploying into orbit. By splitting the rocket's payload capacity among multiple customers, the cost per customer of launching their satellite is significantly reduced. This is particularly beneficial to smaller companies which may have previously found getting their satellite into orbit prohibitively expensive.

On 24 January 2021, a new record was set. This first dedicated rideshare mission mounted 143 satellites onto one of its Falcon 9 rockets and deployed all of these satellites into orbit during an 18 minute period. This rideshare mission also deployed 10 Starlink satellites, which are the first to include communication lasers. These Starlink satellites will eventually enter a polar orbit to bring high speed internet to the polar regions. On 30 June 2021, the second rideshare mission deployed 85 satellites. As usual, this launch and deployment was streamed on SpaceX's website.

Clearly, with such a large number of satellites, a huge amount of effort is required to mount all of these satellites into a single payload. However, with so many satellites being deployed in such a short period of time into various orbits, all happening whilst the Falcon 9 is travelling at around 23,000Km/h, it is necessary to perform careful planning of the deployment to avoid collisions.

Given the number of satellites being launched for mega-constellations (such as the Starlink, OneWeb and Kuiper projects) and the size of the launching rockets becoming larger (such as SpaceX's Starship and Blue Origin's New Glenn rocket) allowing much bigger payloads, this type of multi-satellite deployment will become more and more important in the future.

Patenting computer simulations

It is probable that these deployments are simulated using computer modelling to establish the viability of a particular deployment routine. Therefore, one question that arises is: can these computer simulations that allow these complex deployment routines be protected by patent?

G1/19

The Enlarged Board of Appeal at the EPO has issued a decision in G1/19 related to the patentability of computer simulations at the EPO. Whilst detailed commentary of this case is provided in our April 2021 patent newsletter (see dycip.com/g119-computer-simulation), in this article we will investigate the interplay between computer simulations for satellite deployment and G1/19 and ultimately the viability of protecting such deployment simulations at the EPO.

Computer simulations and technical effect

For many years there was a question mark around the patentability of computer simulations at the EPO. The reason for this is because the EPO could not decide whether a computer simulation provided a technical effect. This is important because current EPO practice in the field of computer-implemented inventions is driven by the COMVIK case law which states that features that do not contribute to the technical character of the invention should be disregarded when determining the technical effect for the purposes of inventive step when using the established problem/solution approach.

> Therefore, whether the computer simulation is technical or not is key to determining whether those features associated with the computer simulation should be considered when assessing inventive step.

One of the key questions addressed in G1/19 related to whether there needs to be a direct link with physical reality when determining technical effect. This was due to the divergent case law in this area. Specifically, in T489/14,

How viable is patent protection for satellite deployment simulations?

it was found that "a technical effect requires …a direct link with physical reality, such as a change in or measurement of a physical entity.". However, in T1227/05, it was found that numerical simulation of a noise-affected circuit was considered to be technical.

In the field of simulating satellite deployment, whether there needs to be a direct link with physical reality is important in determining the commercial value of such a patent. For example, if the simulation is performed on Earth (where jurisdiction is relatively easy to judge), but then requires a final step of "deploying a satellite" in orbit (where jurisdiction, according to the Outer Space Treaty, is based upon the country on whose registry the satellite resides) will increase the complexity of enforcement and will ultimately reduce the commercial value of the patent.

Does there need to be a "direct link" with physical reality?

There were many questions answered by the Enlarged Board of Appeal in this decision. However, for the purposes of computer simulations of satellite deployment, the Enlarged Board of Appeal confirmed that where the output of the simulation "form[s] the basis for a further technical use of the outcomes of the simulation (e.g. a use having an impact on physical reality)", then a simulation invention may provide a technical contribution.

The Enlarged Board of Appeal confirmed that this output to control a real-world device need not be explicitly set out in the claim.

However, it is useful to note that the Enlarged Board of Appeal put a caveat on its confirmation. The Enlarged Board of Appeal noted that such simulations should be limited to uses having a technical purpose.

In other words, the Enlarged Board of Appeal made clear that if the results of the simulation have a variety of purposes then those results cannot contribute to an inventive step.

The rationale for this was because a technical effect needs to be produced over the whole scope of the claim.

> Where the claim is not limited to any particular technical purpose, then over the whole scope of the claim, a non-technical purpose would also be covered which would produce no technical effect and so would not contribute to an inventive step.

This means that where the computer simulation is restricted to a computer simulation controlling satellite deployment, G1/19 indicates that the claim will provide a technical effect and so the simulation steps will be taken into account when considering inventive step under the COMVIK doctrine.

Importantly from a jurisdictional point of view, G1/19 has confirmed that a step of "deploying a satellite" is not required in order to provide this technical effect.

With the rapidly-evolving nature of space-tech related industries and an increasingly competitive global market place, it is becoming more and more important to know how to protect and enforcement of your orbiting assets.

> This new space race will present many more legal challenges over the coming months and years, especially in the area of jurisdiction.

Author:
Jonathan Jackson

Related article

"The space IP race: protection and enforcement of your orbiting assets"

dycip.com/ip-space-assets

Brexit resources
Our IP & Brexit guidance is kept up to date online at: www.dyoung.com/brexit

Post Brexit designs refresher
Five important changes and a noteworthy action point for August 2021

The United Kingdom completed its departure from the European Union (EU) when the Brexit transition period ended on 31 December 2020, and this event caused changes to kick in as regards design law and procedure in the UK. In this article we provide a refresher of five of those changes, and some action points that arise from them.

1. Numbering of cloned UK designs

On 01 January 2021 the United Kingdom Intellectual Property Office (UKIPO) embarked on the task of creating so-called "re-registered" UK designs (more conveniently called "cloned" UK designs) that replicate, in the UK, the UK component of any EU-wide design that ceased to provide protection in the UK at the end of the Brexit transition period.

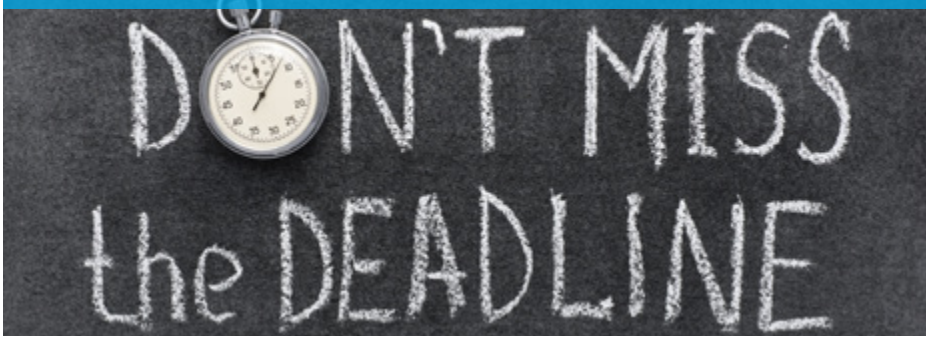
To assist with distinguishing between the different types of cloned design, for a cloned UK design derived from an international design that included an "EM" designation covering the EU, the number allocated by the UKIPO begins with an "8". For a cloned UK design derived from a registered Community design (RCD), the number allocated by the UKIPO begins with a "9".

2. Address for service for cloned "9"-series UK designs – based on an RCD

The UKIPO will, in the first instance, have carried over onto the UK Register as representative (as "address for service") the representative that was listed by the EUIPO against the original RCD. Thus, foreign attorney firms (in the remaining 27 member states of the EU) will initially find themselves on the UK Register as address for service, and may start to receive official letters from the UKIPO relating to events concerning the relevant cloned UK design, such as the need to pay an upcoming official renewal fee, or that the renewal fee is overdue.

As a practice point, these attorney firms should consider instructing a UK attorney firm to take over responsibility by recording themselves on the UK Register as a replacement address for service, so that the UK firm can receive the official letters and report them to the EU27-based attorney firm.

Now is the time to file "re-filed" UK design applications!



3. Address for service for cloned "8"-series UK designs – based on an International design

The original international (Hague) design with its "EM" designation covering the EU may have been filed by an attorney firm based in many countries of the world, including Japan and the US. When the international (EU) design was cloned onto the UK Register, the cloned UK design would have been set up by the UKIPO as having the original (for example, Japanese or US) attorney firm as address for service, for the purpose of receiving official letters from the UKIPO. For a US attorney firm, an official letter received directly from the UKIPO would be unexpected, and it might be dismissed as spam or otherwise overlooked. For a Japanese attorney firm, the official letter (being in English) might be even more likely to suffer this fate. Thus, again, as a practice point, these attorney firms should consider instructing a UK attorney firm to take over responsibility by recording themselves on the UK Register as a replacement address for service, so that the UK firm can receive and report the official letters.

4. Action in the UK regarding "pending" RCD and International (EU) design cases

Where an RCD or International (EU) design was "pending" (not yet fully granted and fully published) at the end of the Brexit transition period, no cloned UK design will have been created by the UKIPO.

There is a one-off special "window of opportunity" to file a UK design application equivalent to the RCD/international filing, and **the UK design application must be filed by 30 September 2021**.

Rather than wait until September, we advise instructing your UK design attorney firm to file such "re-filed" UK design applications by the end of **August 2021** to ensure the due date is met well in advance of the deadline, and to avoid any possible issues that may arise due to a large wave of "re-filings" during September.

5. Possible change to exhaustion of IP rights in the UK

Post Brexit, there is currently an asymmetric regime in relation to exhaustion of IP rights as regards (a) imports into the UK from the European Economic Area of legitimate, non-counterfeit goods and (b) exports from the UK to the EEA.

In relation to imports into the UK, exhaustion of IP rights is considered to have occurred when the goods were legitimately placed on the market in the EEA. In relation to exports from the UK, exhaustion is not considered to have occurred as a result of legitimate placing on the market in the UK, and the goods may still be IP-protected in the EEA. However, the UK Government is currently conducting a public consultation as to the future regime in the UK as regards exhaustion, and one outcome may be that the import situation will be amended to mirror the export situation.

Author:
Paul Price

D Young & Co book announcement

EPO Board of Appeal Decisions
Third edition ebook

It is with great pleasure that we present the third edition of our book of decisions from the European Patent Office (EPO) Boards of Appeal.

This guide is not only intended as a tool for advocacy. The passages chosen also illustrate some of the fundamental tenets of EPC law and practice. This book has a general applicability for all IP professionals, in addition to those with exposure to or a general interest in IP. We hope that this publication will be of use in your day-to-day practice.

Building on earlier editions of this book, the selected Board of Appeal decisions have been chosen on the basis of many years of experience in arguing cases before the EPO. In general, they represent some of the most useful and frequently cited decisions used by D Young & Co's patent group during both our defence of and opposition to European patents. In this third edition we have included a number of additional cases and an updated section on the Rules of Procedure of the Boards of Appeal of the European Patent Office. We have also included a new section on oral proceedings being held by videoconference (ViCo).

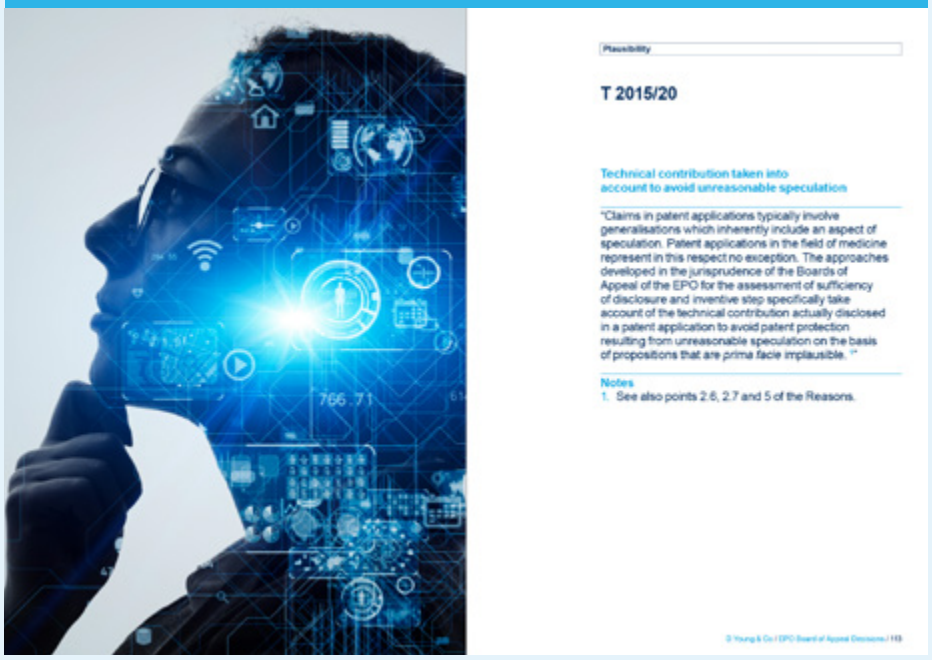
Contributors

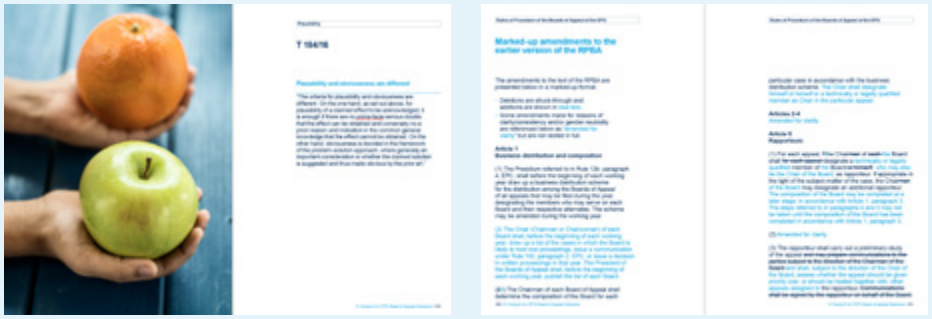
The book was written and co-edited by members of our biotechnology, chemistry and pharmaceuticals patent group - Charles Harding, Antony Latham, Matthew Gallon and Rachel Bateman.

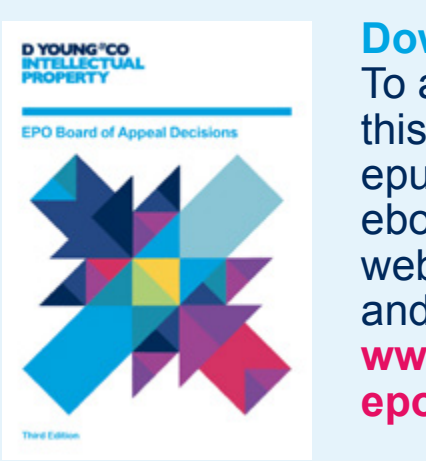
Ebook download

We have made this book available in three popular ebook fixed-format files - pdf, epub and mobi. There is no cost to download the book. Our hope is that this will allow readers to access the book conveniently, whatever their location or preferred digital reading platform.

Download "EPO Board of Appeal Decisions" at www.dyoung.com/epo-book-2021







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EPO G1/21 communication
Oral proceedings by ViCo "during times of emergency"

On 16 July 2021, the European Patent Office's Enlarged Board of Appeal issued the order of its decision in G1/21. As regular readers will be aware, in T1807/15 the Board of Appeal referred the following question to the Enlarged Board of Appeal for a decision:

> "Is the conduct of oral proceedings in the form of a videoconference compatible with the right to oral proceedings as enshrined in Article 116(1) EPC if not all of the parties to the proceedings have given their consent to the conduct of oral proceedings in the form of a videoconference?"

EPO Communication
The EPO's communication of 16 July 2021 comments that:

"In G 1/21 the Enlarged Board of Appeal limited the scope of its answer to the more broadly formulated question referred by Technical Board 3.5.02, by confining its order to oral proceedings that are held during a period of general emergency impairing the parties' possibilities to attend in-person oral proceedings at the EPO premises and moreover are conducted specifically before the Boards of Appeal.

Accordingly, in its order the Enlarged Board did not address the question whether oral proceedings by videoconference may be held without the consent of the parties in the absence of a period of general emergency. Nor did the order address the question whether oral proceedings by videoconference may be held without the consent of the parties in examination or opposition proceedings before the EPO's departments of first instance."

The Enlarged Board of Appeal's order notes:

"During a general emergency impairing the parties' possibilities to attend in-person oral proceedings at the EPO premises, the conduct of oral proceedings before the Boards of Appeal in the form of a videoconference is compatible with the EPC even if not all of the parties to the proceedings have given their consent to the conduct of oral proceedings in the form of a videoconference."

We await the reasons for the decision, which the EPO communication of 16 July 2021 notes will be "issued in writing in due course".

Author:
Catherine Keetch

EPO's communication of 16 July 2021
Read the communication in full:

dycip.com/g121-epo-communication

Background to this case
You can read more about the background to this case in our update of 01 June 2020:

dycip.com/g121-background

Guide to ViCo at the EPO
We have drawn from our experience of *ex parte* and *inter partes* oral proceedings before the EPO by video conference to prepare a guide for participants covering what to expect and how best to prepare.

The guide includes our handy client "Checklist for ViCo": **www.dyoung.com/vico-guide**

UPC ratification
German Constitutional Court rejects complaints

The Second Senate of the Federal Constitutional Court (Bundesverfassungsgericht) has rejected applications for preliminary injunction on grounds that the constitutional complaints 2 BvR 2216/20 and 2 BvR 2217/20 are on their merits inadmissible.

According to the ruling, the complainants have not sufficiently substantiated the possibility of a violation of their fundamental rights. Brexit concerns a practical interpretation of the Unified Patent Court Agreement (UPCA) and, thus, does not qualify as a ground for a constitutional complaint.

The objection against Article 20 UPCA regarding primacy of and respect for European Union law is not sufficiently substantiated.

Implications for German ratification of the UPC
This means that there will - in all probability - be no hearing on the merits of the case and that the German Government is now in a position to ratify the Unified Patent Court (UPC). As will be recalled, only execution of the ratification by the Federal President, Frank-Walter Steinmeier, and publication is required.

We will provide any update as soon as more information is available.

Author:
Hanns-Juergen Grosse

Press release from the Federal Constitutional Court
View the full press release from the Bundesverfassungsgericht of 09 July 2021:

dycip.com/bvg-23jun21

Latest news: www.dyoung.com/upandupc

European Commission to launch SEP framework public consultation

SEP consultation planned for Q3 2021

In a recent announcement, the European Commission has set out a roadmap for establishing a new framework for standard essential patents (SEPs).

European Commission IP Action Plan

The desire to establish this new framework for SEPs was itself set out in the European Commission's "Intellectual Property action plan to support the EU's recovery and resilience" published in November 2020. Section 4 of the action plan relating to "Easier access to and sharing of IP-protected assets" includes a section on SEPs and sets out a desire to reduce frictions and litigations among parties contributing to standards and consider further reform to clarify and to improve a framework governing the declaration, licensing and enforcement of SEPs.

SEP 2021 public consultation

The roadmap recently announced by the European Commission plans a public consultation as part of an initiative to establish the new framework.

> The public consultation is to take place in the third quarter of 2021 leading to the commission adopting a proposal for regulation according to this proposed framework for the fourth quarter 2022.

More about SEPs

A technology ecosystem, which has brought world technology standards and in particular telecommunications standards, relies on a combination of intellectual property and research and development by contributors to those standards. Examples of standards include Bluetooth, WiFi, GSM, 3G, 4G. This ecosystem works through co-operation between different parties which pool their research and development to agree and verify the technology which produces a standard. The parties can include multi-national companies, SMEs, universities as well as licensing bodies.

Have your say: the European Commission SEP public consultation is planned for Q3 2021

Although the parties are cooperating to produce the standard they are competing through the patent system by obtaining patents relating to the technology which they are contributing to establish the standard. That means that to implement something according to the standard, a standard essential patent is necessarily infringed.

Parties contributing to a standard are required to declare their patents and agree to license those patents on fair reasonable and non-discriminatory (FRAND) terms. However what are the terms of a FRAND license, in respect of the licensing rates and related terms, which provide a fair compensation to the technology provider, but also do not create a barrier for competition?

- If a party is an implementer, making and selling products according to the standard, then that party will derive compensation in part from those commercial activities. That implementer would prefer not to have to share profits with other SEP holders, particularly if the licensing rates requested undermine those commercial activities.
- On the other hand if a party is not deriving income from making and selling products according to the standard then that party can only derive income from their licensing SEPs. What is to stop an implementer holding-out against agreeing a license whilst deriving income from the technology whereas an SEP holder can only derive income from license fees?

The difficult question of terms comply with FRAND has been around for more than 25 years and is now being addressed by the courts notably in the litigation between Unwired Planet and Huawei. This seems to be a likely target for the European Commission's framework. Whether there will be a departure from the direction of the courts on this issue remains to be seen.

Author:
Jonathan DeVile

European Commission SEP initiative

View the European Commission published initiative regarding "intellectual property – new framework for standard essential patents" on the European Commission website:

dycip.com/consultation-sep-2021

And finally...

Webinar invitation

European biotech patent case law
21 September 2021

European Patent Attorneys Simon O'Brien and Antony Latham present our latest webinar update of new and important EPO biotechnology patent case law.

Speakers

Partner **Simon O'Brien**'s area of expertise encompasses both biological and chemical subject matter including the fields of molecular biology, biotechnology, biochemistry, food technology and nutrition, diagnostics, pharmaceuticals, and polymer chemistry. Simon has lectured at numerous conferences on life science issues in the patent arena, particularly in the fields of personalised medicine. IAM Patent 1000 writes that Simon's "contentious experience means that he can turn a weak biochemical patent into an unimpeachable one before the examiners."

With expertise in the life sciences and pharmaceuticals sectors, and with a particular focus on RNA therapeutics, vaccines, infectious diseases, antibodies and gene editing, Senior Associate **Antony Latham** is well-placed to advise a range of clients - including some of the world's largest pharmaceutical companies - on the drafting, prosecution, opposition and defence of their patents.

Registration

The webinar will run at 9am, noon and 5pm BST (UK time) on Tuesday 21 September 2021. To register for your preferred webinar time (and select local time options), please visit our website event page: **http://dycip.com/web-bio-sep21**.

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