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As winter leaves us behind, we are looking forward to an exciting spring on the IP front. This edition of the newsletter looks at developments at the Unified Patent Court (UPC), including third party file access and the potential for file wrapper estoppel. We also report on the patentability of AI inventions, whether only people can be named as inventors, and much more. As ever, please contact your D Young & Co representative should you have any questions on these topics.

We also take this opportunity to invite you to our webinars on European biotechnology patent case law and on techbio patents: maximising the impact of wet-lab and AI data.

Simon O'Brien, Editor

Events



European Biotech Patent Case Law Webinar, 20 February 2024

Simon O'Brien and Tom Pagdin present our latest webinar update of new and important EPO biotechnology patent case law.

Techbio patents: maximising the impact of wet-lab and AI data Webinar, 13 March 2024

Jennifer O'Farrell and Robbie Berryman present this Lexology masterclass webinar.

Careers events Various UK locations

We are taking part in a variety of careers-related talks throughout February and March. For more information please see the events page on our website.

Patent Easter Internship Southampton, UK, April 2024

Our Easter Internship (electronics, engineering, physics and computer science) will take place in the week including 01 April 2024.

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Unified Patent Court

Transparency of UPC proceedings Court of Appeal to rule on “reasoned requests” for file access

Those who are familiar with proceedings before the European Patent Office (EPO) will be accustomed to having essentially unrestricted access to case files relating to European patent applications and patents. In contrast, while orders and decisions of the Unified Patent Court (UPC) are published on its website, written pleadings and evidence filed during proceedings are not automatically made public.

Rule 262.1(b) of the UPC Rules of Procedure instead requires third parties wishing to gain access to written pleadings and evidence to make a “reasoned request” to the court, with a decision on whether to provide the requested documents only being issued after consulting the parties involved in the proceedings. The question of what constitutes a reasoned request has been considered in three recent orders of the UPC Courts of First Instance. Unfortunately, however, these orders contain conflicting guidance.

Specifically, the most recent of the orders made by the Nordic-Baltic Regional Division in *Ocado v Autostore* (UPC_CFI_11/2023) appears to go against the reasoning underlying two earlier orders of the Munich Central Division in *Astellas v Osaka* (UPC_CFI_75/2023) and *Sanofi v Amgen* (UPC_CFI_1/2023). This means we have an apparent early divergence in how different divisions of the UPC are interpreting Rule 262.1(b) of the Rules of Procedure.

Munich Central Division: *Astellas v Osaka* and *Sanofi v Amgen* cases

In rejecting the request for file access, in both the *Astellas v Osaka* and *Sanofi v Amgen* cases, the Munich Central Division's reasoning relied heavily on an examination of the drafting history of Rule 262 of the UPC Rules of Procedure. The court noted that the final version of Rule 262 of the UPC Rules of Procedure was amended to make a clear distinction between decisions and orders, which **shall** be published, and written pleadings and evidence, which are only to be made available to third parties **upon a reasoned request**. The court did not consider the intention behind this change

to be merely the prevention of automatic publication of all pleadings and evidence, but instead to result in an application-based system where a legitimate reason would be needed to access documents. The court concluded that a “concrete and verifiable, legitimate reason” is required to gain access to written pleadings and evidence pursuant to Rule 262.1(b) of the UPC Rules of Procedure.

The court held in both cases that the requests made by the third parties did not meet this standard.

In *Astellas v Osaka* the third party's request for file access was justified on the basis that the applicant wished “to be informed of the proceedings before the Unified Patent Court for the purposes of education and training”. The court held that this was not a legitimate reason to obtain access to the pleadings and evidence, stating that the third party could instead achieve this purpose through reviewing the orders and decisions of the court, which as noted above are made publicly available.

In *Sanofi v Amgen*, the third party's request was justified on the basis that one of the applicant's clients was interested in “the patent at issue and its legal validity (or lack thereof)”. The court considered this statement to be lacking in concrete information that would allow an assessment of whether the third party indeed had a legitimate reason to access the information requested.

In particular, the court held that a wish to form an opinion on the validity of a patent out of a personal or professional interest was not a sufficiently concrete and legitimate reason to gain access to pleadings and evidence. Explaining its position, the court reasoned that such an opinion could be formed by studying the patent itself as well as the prosecution history and relevant prior art, without needing access to the pleadings and evidence submitted in relation to a particular revocation action.

It is noteworthy that in each case the Munich Central Division took a relatively hard line on the meaning of “reasoned request” in Rule 262.1(b) of the UPC Rules of Procedure.

Useful links

UPC CFI 11/2023, Decision of the Court of First Instance of the UPC (Nordic-Baltic Regional Division), 08 September 2023 (PDF): dycip.com/ocado-v-autostore

UPC CFI 75/2023, Procedural Order Rule 9 UPC Rules of Procedure of the Court of First Instance of the UPC (Munich Central Division), 11 October 2023 (PDF): dycip.com/astellas-v-osaka

Rules of Procedure of the UPC (PDF): dycip.com/upc-rulesofprocedure

UPC CFI 1/2023, Procedural Order of the Court of First Instance of the UPC (Munich Central Division), 29 June 2023 (PDF): dycip.com/sanofi-v-amgen

UPC Court of Appeal 404/2023, Order of the Court of Appeal of the Unified Patent Court, 10 January 2024 (PDF): dycip.com/upc-coa-404-2023

Written pleadings and evidence filed during UPC proceedings are not made public



Nordic-Baltic Regional Division: Ocado v Autostore

In Ocado v Autostore the third party supported their request on the grounds that they were interested to see how the claim was framed, and more generally on the belief that there is a broader public interest in the information being made available for public scrutiny and discussion. The Nordic-Baltic Regional Division granted the request, despite the reason given appearing similar in nature to those given to the Munich Central Division in the Astellas v Osaka and Sanofi v Amgen cases.

In reaching its decision, the court first referred to Article 45 of the UPC Agreement, which provides that the proceedings of the UPC shall be open to the public “unless the Court decides to make them confidential, to the extent necessary, in the interest of one of the parties or other affected persons, or in the general interest of justice or public order.” The court noted that this provision is not limited to orders and decisions of the court, but refers to the **proceedings as such**, which according to Article 52 of the UPC Agreement consist of a **written**, interim, and oral procedure. The court thus considered that Articles 45 and 52 of the UPC Agreement together require that the written procedure of a case be in principle open to the public, unless the court

decides to make it confidential, and that Rule 262 of the UPC Rules of Procedure should be interpreted in this context.

The court thus interpreted the term “reasoned request” in Rule 262.1(b) of the UPC Rules of Procedure to merely require a party to provide a **credible reason** for why they want access to the case file. The court also referred to Rule 262.6 of the UPC Rules of Procedure, which provides that even where a party to UPC proceedings has made a request under Rule 262.2 of the UPC Rules of Procedure that certain information remain confidential following a request under Rule 262.1(b) being made, the application shall be allowed unless the party has legitimate reasons which outweigh the interest of the applicant to access such information.

Applying this reasoning, the court found that the applicant had provided a sufficiently credible reason for wanting access to the statements of case, and thus allowed the application.

Noting the possibility for different interpretations of Rule 262 of the UPC Rules of Procedure, and the need for a consistent approach to be applied across the divisions of the UPC, leave to appeal was granted. Ocado has subsequently filed an appeal.

Comment

The order of the Nordic-Baltic Regional Division in Ocado v Autostore appears to apply a significantly lower bar for third party access to pleadings and evidence than that set by the Munich Central Division, in the Astellas v Osaka and Sanofi v Amgen cases.

Given the appeal filed in Ocado v Autostore, the UPC Court of Appeal in Luxembourg will shortly be called upon to provide further clarity on how Rule 262 of the UPC Rules of Procedure should be interpreted, with the hearing date set for February 2024. This should in principle harmonise the approach taken by the different UPC Courts of First Instance when considering requests for file access. The UPC Court of Appeal’s decision will be of significant interest, since it will likely set the standard for third party file access at the UPC for years to come.

Notably, there have been two applications made by third parties under Rule 313 Rules of Procedure to intervene in these appeal proceedings. Both parties argued that the decision reached by the Court of Appeal was likely to affect the outcome of separate applications made by them for file access in other cases. The Court of Appeal rejected both applications, holding that a mere interest in how case law develops as a result of a particular decision was not sufficient to establish a “legal interest in the result of an action” as required by Rule 313.

A test case seeking access to the pleadings and evidence in the Astellas v Osaka case has also been filed at the Munich Central Division by a UK patent attorney firm. This test case further highlights the importance placed by patent practitioners on the transparency of UPC proceedings. Whether or not the Munich Central Division will reconsider their earlier approach following this test case remains to be seen, and will also be of significant interest.

We will provide a further update once the UPC Court of Appeal issues its decision.

Author:
Khalil Davis



SES-imagotag v Hanshow Technology

Will we see file wrapper estoppel in the UPC?

The case of SES-imagotag SA v Hanshow Technology Co. Ltd et al concerns a preliminary injunction (PI), and is the first we have seen that centres on a decision taken by the Unified Patent Court (UPC) on claim construction.

Background

SES-imagotag owns unitary patent EP 3883277 C0, which was granted in August 2023, and unitary effect was registered on 01 September 2023. On 04 September 2023 SES requested a preliminary injunction at the UPC Munich Local Division, on the grounds that products sold by the Hanshow group directly infringe the claims of this patent.

The patent at issue is directed to an electronic label that is used in particular for product and price labelling. The key features of the claim considered for deciding whether there was an infringement were:

- A printed circuit board (PCB) “on the rear surface” of the housing; and
- A radio frequency peripheral device containing:
 1. an electronic chip arranged on the PCB; and
 2. an antenna “being disposed on or in the housing on the side of the front of said electronic label”.

At the heart of this matter was the question of whether Hanshow Technology’s products did indeed infringe the claims of the patent. In order to answer this question, the court needed to construe certain features of the claim, and it is the way in which the court arrived at its interpretation of the claim that has sparked interest and debate.

Claim interpretation

SES-imagotag argued that the claim was not limited to the antenna only being on the front of the housing, but that the description made it clear that the claim covers any arrangement in which the antenna is located between the circuit board (“on the rear

surface” of the housing) and the display screen of the label. Such arrangement was present in the allegedly infringing articles.

However, the court was not convinced by this argument. Rather, it considered that the patent as a whole taught that spatial separation of the antenna and electronic chip on the printed circuit board was important to reduce radio interference.

As part of this, the court looked at how the claims were originally worded in the application as filed, commenting that the original version of the claims “can be used as an interpretation aid in connection with changes made in the granting process”.

The original claims specified that the chip on the printed circuit board and antenna should be spaced apart, with the technical purpose of such feature being to limit interference. In light of this original wording, the court interpreted the granted claim as requiring that the chip and antenna be arranged diametrically from one another, such that the circuit board must be on the rear and the antenna on the front of the housing.

Based on this interpretation, the court found that there was no direct infringement. The request for a preliminary injunction was not granted.

Impact of decision

The use of the original claims to interpret the granted claims will come as somewhat of a surprise to many European Patent Office (EPO) and UK practitioners. This decision also raises questions about how uniformly law will be applied across the various Local and Regional Divisions of the UPC.

Indeed, there is no single harmonised law that the UPC is to base its decisions on. Rather, Article 24(1) of the UPC

Agreement stipulates that the UPC shall base its decisions on *inter alia* EU law, the European Patent Convention (EPC), other international agreements applicable to patents and binding on all the Contracting Member States, and national law. In this case, it seems that EPO case law on claim interpretation has not been taken into consideration. As a first point, aside from considerations of Article 123(3) EPC, the EPO does not concern itself with the **extent** of protection, which is a matter for national courts to decide when dealing with infringement cases (for example, T 422/91). Nevertheless, when interpreting claims, recent case law of the EPO has often centred on whether the description can be used in order to interpret features in the claims. The general practice (confirmed recently in T 42/22) is that the description cannot be used to give different meanings to features in claims that in themselves impart a clear, credible technical teaching. The reticence to use the description as an interpretation tool at the EPO is seemingly at odds with the Munich Local Division’s approach to use the wording of the original specification or prosecution history as in SES-imagotag v Hanshaw Technology.

Although outside the UPC, it is worth comparing this decision to the UK’s approach to claim interpretation. Here, the Supreme Court, in *Actavis v Eli Lilly*, opened the door to the possibility of using the prosecution history to determine a point of construction, but only when either the point is truly unclear and the prosecution history would unambiguously resolve it or when it would be contrary to the public interest to ignore the file contents. However, UK Courts have thus far tended to avoid the issue, with Mr Justice Henry Carr commenting at the High Court during *L’Oréal v RN Ventures Ltd* (2018) that “reference to the prosecution history is the exception, and not the rule”.

Turning to national law, it would be reasonable to expect that the law of the Local Division at which this case was heard would be relied upon. The German Federal Court of Justice (Bundesgerichtshof, BGH) ruled in 2002, in the leading judgment

➤ **Case details at a glance**

Jurisdiction: UPC

Decision level: Court of First Instance, Munich local division

Parties: SES-imagotag SA v Hanshow Technology Co. Ltd. et al

Citation: UPC CFI 292/2023

Date: 20 December 2023

Decision (German text):

dycip.com/upc-cfi-292-2023

Useful link

HC-2016-003018, England and Wales High Court (Patents Court), 05 February 2018:

dycip.com/hc-2016-003018

The patent at issue is directed to an electronic label that is used in particular for product and price labelling



X ZR 43/01 “Kunststoffrohrteil” (plastic pipe part), that “issues derived from prosecution history cannot be taken into account in the assessment of the scope of protection of a patent, even with regard to the requirement of legal certainty.” According to the later judgment Xa ZR 36/08 of 04 February 2010 “Gelenkanordnung” (joint arrangement), differences between the patent specification and the published patent application are generally not taken into account when interpreting a patent. However, if it remains doubtful whether the patent claim and description can be meaningfully related to one another, the Bundesgerichtshof ruled in judgments X ZR 16/09, “Okklusionsvorrichtung” (joint arrangement) of 10 May 2011 and X ZR 43/13 “Rotorelemente” (rotor elements) of 12 May 2015, that the “claim history” may be used to clarify further whether the claim has protected a subject matter that differs from, or falls short of, what is closed in the description.

Against this background, and given the preliminary and time-critical nature of the present case (it stemming from a request for a preliminary injunction), it can be said that the decision may be well-aligned with German patent practice.

Of additional interest is that some commentators have noted that consultation of the prosecution history is a more common approach in the Netherlands, and that one of the judges hearing the case before the Munich Local Division is Dutch.

This therefore perhaps emphasises that local flavours will be brought to UPC proceedings, not only based on locality of the division hearing a certain case, but also perhaps on the nationality of the judges hearing the case.

There have been comments that claimants may, where possible, choose which division to bring their action in based on a consideration of which local law may be most favourable to their case (for example, some European countries have a history of being more patentee-friendly when it comes to the granting of preliminary injunctions). However, this case highlights that a choice of division may not necessarily be the

decisive factor, and that the nationality of the judges hearing a case may also have a bearing beyond the claimant’s control.

We will of course be keeping a keen eye on how case law develops before the UPC when it comes to claim interpretation. While the judges in this instance looked to the wording of the original claims as justification for their interpretation, it raises the question of whether arguments or statements made during examination by the applicant will likewise be taken into consideration when construing the claims before the UPC. The fact that the UPC operates under a civil law procedure, with the divisions not being bound by previous decisions, means that some cases could turn on claim interpretation using prosecution history while other cases entirely ignore the file.

For the time being, applicants should be mindful of the fact that amendments and arguments that they make during examination may come back to bite during any infringement/revocation proceedings during the UPC.

Authors:

Hanns-Juergen Grosse & Sophie Slater



Security for costs at the UPC Is Brexit a factor for UK-based users?

It is a well-established form of legal relief across the world; one party to a case may be ordered by a court to pay the legal costs of another party. A costs order is often used as a deterrent against unreasonable behaviour by parties in a dispute, typically the claimant, including the bringing of baseless or frivolous claims.

Sometimes, courts may decide that there is a risk that parties to a case might be unable to fulfil the costs order, or that the court may not be able to enforce the order. In such instances, the court may require a party (or multiple parties) to a case to provide funds in advance, where either those funds will be returned upon conclusion of the trial or an amount of those funds will be awarded to the relevant party or parties if a costs order is handed down. This is called a security for costs, and is something that the Unified Patent Court (UPC) is able to order (see Rules 158 and 159 of the UPC's Rules of Procedure).

Edwards Lifesciences Corporation v Meril Italy srl

So far, there have been relatively few applications for security for costs orders at the UPC. In *Edwards Lifesciences Corporation v*

Meril Italy srl, Edwards Lifesciences requested that security for costs be awarded, because Meril Italy was a small company with very little in the way of assets. The UPC declined to award security for costs in this case, because the risk of any prospective costs order not being fulfilled by Meril Italy (as a wholly-owned subsidiary of a much larger group (Meril Life Sciences) which had sufficient assets) was deemed to be insignificant. Perhaps of bigger concern to Edwards Lifesciences is that the request for security for costs was only a secondary request to the primary request that the UPC find Meril Italy's revocation action filed against Edwards Lifesciences' patent to be inadmissible. This was also rejected. Edwards Lifesciences had previously filed an infringement action against Meril Life Sciences, but the UPC allowed Meril Italy to bring a separate free-standing revocation action to this infringement action, as a wholly-owned subsidiary was deemed to be a different party to its parent company.

NanoString Technologies Europe Limited v President and Fellows of Harvard College

A converse decision regarding security of costs was made in *NanoString Technologies Europe Limited v President and Fellows of Harvard College*, which appears to be of particular

Useful links

Rules of Procedure of the Unified Patent Court:
dycip.com/upc-rulesofprocedure

UPC_CFI_255/2023, Order of the Court of First Instance of the Unified Patent Court Central division (Paris seat), 13 November 2023:
dycip.com/upc-cfi-255-2023

UPC_CFI_252/2023, Order of the Court of First Instance of the Unified Patent Court (Central Division (Section Munich)), 30 October 2023: dycip.com/upc-CFI-252-2023

consequence to UK-based users of the UPC. Here, the UK based NanoString brought an action at the UPC seeking revocation of President and Fellows of Harvard College's patent. Harvard requested that NanoString be ordered to provide a security for costs in respect of the revocation proceedings, while NanoString unsurprisingly asked that this request be rejected. The UPC found in favour of Harvard, and handed down an order that NanoString provide security for costs totalling €300,000, at either the UPC's security for costs account or a significant EU bank of NanoString's choice. The decision came down to two main factors:

1. concerns over NanoString's means to fulfil any future costs order handed down in the revocation proceedings; and
2. concerns that the costs order may not be enforceable due to NanoString's status as a UK-based company.

While it seems, from the grounds of the order handed down by the UPC, that the concerns over NanoString having inadequate means to bear the legal costs and expenses incurred by Harvard were the main deciding factor in the security for costs being awarded, the discussion around NanoString being a UK-based company cannot be ignored. As a result of the UK's departure from the European Union, and despite there being no reason to believe UPC costs orders would not be enforceable in the UK in principle, the UPC found that "(procedural) burden and uncertainty" on a party seeking to enforce such a costs order in the UK "is a factor that weights in favour of ordering a security".

Given that it seems likely a security for costs order would have been handed down in this case anyway, due to NanoString's particular financial circumstances, it remains to be seen whether Brexit will play a major role in future security for costs orders handed down by the UPC. For now, UK-based parties to UPC proceedings should at least be aware that this is a risk that they will have to tolerate.

Author:
David Al-Khalili



It remains to be seen whether Brexit will play a major role in future security for costs orders



Original work? Protecting graphical user interfaces

Case details at a glance

Jurisdiction: England & Wales
Decision level: Court of Appeal (Civil Division)
Parties: THJ Systems Limited & Ors v Daniel Sheridan & Ors
Citation: [2023] EWCA Civ 1354
Date: 20 November 2023
Decision: dycip.com/2023-ewca-civ-1354

Useful link

Section 4: Artistic Works, Copyright, Designs and Patents Act 1988:
dycip.com/cdpa-artistic-work

A graphical user interface (GUI) comprises visual elements through which a user interacts with software. In this case, the GUI was for trading software (OptionNET Explorer) developed by Mr Mitchell (and owned by THJ Systems Limited), which showed risk and price charts for various options, including stock options. The GUI was developed in part using pre-existing component parts obtained from a third-party library to generate the desired appearance. The software, and therefore the GUI, was used by Mr Sheridan without authorisation.

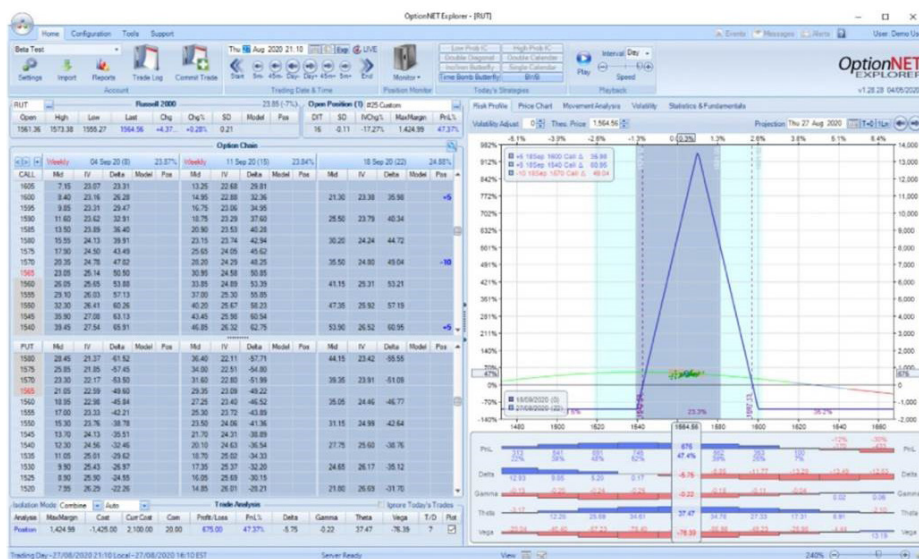
Copyright may be applicable to GUIs as artistic works given their visual format. Artistic works are defined by Section 4 of the Copyright, Designs and Patents Act 1988, which indicates that graphic works may be protectable subject matter “irrespective of artistic quality”, while Section 1 requires that the work must be “original”.

In the first instance, the owner of the copyright for a computer-generated work is the person by whom the arrangements necessary for the creation of the work are undertaken.

Defendant's arguments

As can be seen in the image (shown above right) the GUI has a somewhat functional appearance, in which data is shown in a variety of formats for consideration by the user. It was therefore argued that this was not an intellectual creation subject to copyright protection at all, as it was a simple display of data.

To the extent that any copyright did exist in respect of the GUI, it was argued that the user would be the person to whom the copyright belonged, as they select the data which is used to generate the display. This selection was suggested as being the arrangement necessary for the creation of the work, and accordingly the user would be the author. It therefore follows that if there were any copyright associated with Mr Sheridan's use of the software he would be the owner of that copyright, and therefore no infringement was possible.



Claimant's arguments

Mr Mitchell argued that, as the developer of the software, he was the designer of the image, on the basis of the fact that he is the one who chose visual features such as line types, colours, transparencies, layouts, and font types.

Regarding the use of pre-existing components, it was submitted that the components were used as “tools” in the same way that a painter would use paint and a brush, with reference also being made by the cross-examiner to “putting Lego bricks together created by someone else”. In other words, while the components were pre-existing it was the specific implementation and arrangement of these that led to the GUI in question.

The judgment

In determining whether the GUI was the intellectual creation of Mr Mitchell, the criterion of “what is required is that the author was able to express their creative abilities in the production of the work by making free and creative choices so as to stamp the work created with their personal touch” was considered.

This criterion was considered to be met as the judge was satisfied that designing the interface was sufficiently skilled and involved

to allow it to be considered an artistic work. It was considered clear that care had been taken in determining the layout; the ability to represent a large amount of information on a single screen was an indicator of this.

A further point that was considered was that the overall look of the interface was defined by the arrangement of elements, rather than being dictated by the specific data that was shown. This further supported the idea that Mr Mitchell was the author of the work, and not the user of the software.

In view of these factors, the judge concluded that the GUI was an artistic work of which Mr Mitchell was the author, and that copyright did subsist in this work.

Conclusion

The main takeaway from this case is that a GUI that utilises a number of pre-existing components in its design can still be protected as an original work, as the arrangement of these may be enough to qualify the resulting GUI as an original artistic work.

However, the scope of protection can be narrow where the interface is considered to lack sufficiently creative input.

Author:
Ryan Lacey



UK Supreme Court Only people can be named as inventors

On 20 December 2023, the UK Supreme Court handed down its judgment in the case of *Thaler v Comptroller-General of Patents, Designs and Trademarks*, unanimously ruling that only a natural person can be named as an inventor on a patent application, upholding the decisions of the lower courts.

The case concerns two patent applications for inventions the appellant, Dr Thaler, stated were created by an artificial intelligence (AI) machine known as DABUS. The patent applications were taken to be withdrawn by the UK Intellectual Property Office (UKIPO) for failure to correctly designate the inventor of the applications. Dr Thaler had indicated DABUS to be the inventor and that he had the right to grant of the patents by virtue of ownership of DABUS.

In the decision, Lord Kitchin set out the following three issues:

1. The scope and meaning of “inventor”.
2. Was Dr Thaler the owner of any invention in any technical advance made by DABUS and entitled to apply for and obtain a patent in respect of it?
3. Was the hearing officer entitled to hold that the applications would be taken to be withdrawn?

The decision sets out that the “inventor” in relation to an invention means the actual

deviser of the invention and there is no suggestion that “deviser” has anything other than its ordinary meaning that is, a person, in the Patents Act. Lord Kitchin reiterated the inventor must be a natural person and that Section 7(3) of the Patents Act provides an exhaustive code for deciding who is entitled to the grant of a patent.

He also observed there is a consistent presumption in the Patents Act that the inventor is a person with legal personality, such as the sections on prior disclosures and entitlement. It was therefore decided DABUS is not and was not an inventor of the applications in question; Lord Kitchin acknowledging this alone was fatal to the applications.

Lord Kitchin then set out two difficulties with the presumption that Dr Thaler was the owner of the applications:

1. DABUS is a machine with no legal personality and therefore is not an inventor; and
2. Dr Thaler has no independent right to a patent in respect of a technical advance developed by DABUS.

Lord Kitchin stated the Patents Act does not confer the right to obtain a patent for a product or process generated autonomously by a machine, let alone a person who claims that right purely on the basis of ownership of the machine. He also disagreed with Dr Thaler’s arguments by analogy to the doctrine of accession, in particular that a

Case details at a glance

Jurisdiction: UK

Decision level: Supreme Court

Parties: Stephen L Thaler (appellant, Comptroller-General of Patents, Designs and Trade Marks (respondent) and CIPA (intervener)

Citation: [2023] UKSC 49

Date: 20 December 2023

Decision: dycip.com/thaler-comptroller-general

Related article

UK High Court overrules UKIPO to find AI inventions patentable: dycip.com/ai-inventions-patentable

patent is a tangible property such that title can pass to the owner of the machine, stating there is no principled basis for applying the doctrine of accession in the circumstances of the case. It was therefore decided Dr Thaler never had any right to secure the grant of the patents to himself.

In Lord Kitchin’s view, the hearing officer was plainly entitled to hold the applications to be taken to be withdrawn. Although he acknowledged it is not the UKIPO’s function to examine the correctness of statements of inventorship, he held that Dr Thaler failed to identify a person who was the inventor, disagreeing with LJ Birss in the Court of Appeal decision who considered “no person” to be a complete and satisfactory response.

The Supreme Court did, however, acknowledge were Dr Thaler the inventor and used DABUS as a tool to generate the inventions, the outcomes of the proceedings would have been different; indeed, both applications were considered novel and inventive by the UKIPO.

The decision also reiterated that this appeal was not concerned with whether technical advances generated by an AI machine should be patentable or whether the meaning of the term “inventor” should be expanded; those are both policy issues to be decided by the UKIPO and UK Government. Lord Kitchin did note, however, that the rapid advances in AI technology render these questions even more important than when the applications in question were filed.

In this regard, on 15 December 2023, the High Court granted the UKIPO leave to appeal the decision of *Emotional Perception AI Ltd v Comptroller-General of Patents, Designs and Trade Marks* [2023] EWHC 2948 (Ch) to the Court of Appeal, where the High Court found that the UKIPO had erred in finding a neural network implementing a recommendation system as being excluded from patentability. We therefore await the next chapter in this quickly evolving legal landscape.

Author:
Andrew Cockerell



The UK Supreme Court ruled that only a natural person can be named as an inventor



UKIPO to appeal High Court decision Are AI inventions patentable?

➤ Related articles

UK High Court overrules UKIPO to find AI inventions patentable:
dycip.com/ai-inventions-patentable

AI (part one): how does AI interact with UK excluded subject matter provisions?:
dycip.com/ai-excluded-subject-matter

Useful link

Manual of Patent Practice, UK Government:
dycip.com/uk-gov-manual-patent-practice

In November 2023 the High Court, in *Emotional Perception AI Ltd v Comptroller-General of Patents, Designs and Trade Marks* [2023] EWHC 2948 (Ch), found that artificial neural networks (ANNs) should not be excluded from patent protection as “a program for a computer...as such”.

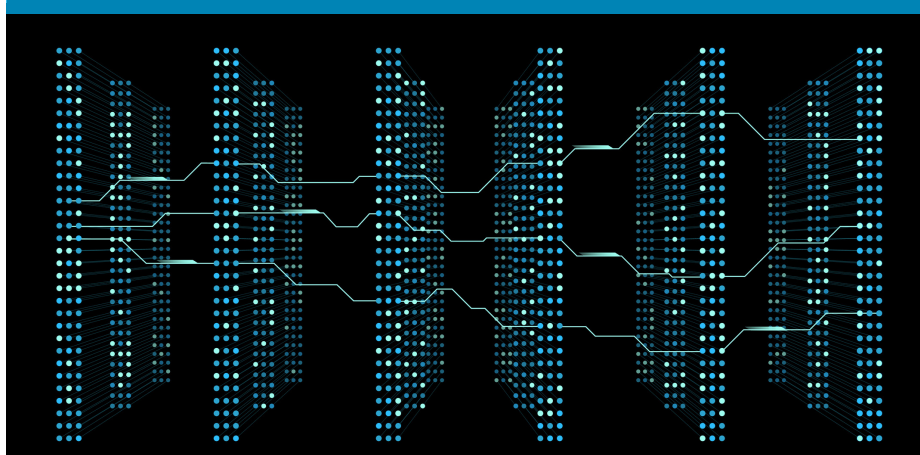
The UK Intellectual Property Office (UKIPO) has now updated the manual of patent practice to reflect this judgment. The new practice notes read, at section 1.39.4, that “[T]he High Court held that an ANN, whether implemented in hardware or software, was not a program for a computer, so the claimed invention involving a particular method of training and using an ANN did not invoke the computer program exclusion [under section 1(2) UPKA]. Nonetheless, the judge also considered whether the trained ANN was capable of being an external technical effect, and accepted that it is capable. This prevented the computer program exclusion from applying to the remainder of the invention. Following the *Emotional Perception* judgment, examiners should not use the program for a computer exclusion to object to inventions involving ANNs”.

This is a very welcome development given that AI is an increasingly significant area of innovation, both in terms of the AI systems themselves and also their applications; historically the UK has been seen as a more restrictive jurisdiction for such applications than the European Patent Office (EPO), despite their theoretical alignment, and this decision significantly rectifies that.

However, it has almost immediately been undermined by the UKIPO’s recent announcement that it has requested and has been granted leave to appeal the decision at the Court of Appeal.

Given the generally positive reception to the original judgment by most parties, the motivations for doing so are as yet unknown but will no doubt be made clear once the appeal commences. In the meantime, the new practice guidance remains in force and UKIPO examiners are applying it to examination.

A trained AI embodies an abstraction of data - for example, real-world training data



With regard to the appeal, Sir Antony Mann’s reasoning in the High Court judgment seemed straightforward, and can be summarised as follows:

The statutory exclusion is to a program for a computer as such. This therefore obviously requires both a program, and a computer. The judge noted that for a hardware implementation of an artificial neural network, the artificial neural network may be treated as an (unconventional) computer, but when it operated there was no program as such because no person had given a set of instructions to the computer to do what it does; it is operating according to something that it has learned itself.

In the case of an emulated artificial neural network (software simulating the operation of an artificial neural network), the judge then said “I do not see why the same should not apply to the emulated ANN. It is not implementing code given to it by a human. The structure, in terms of the emulation of uneducated nodes and layers, may well be the result of programming, but that is just the equivalent of the hardware ANN. The actual operation of those nodes and layers inter se is not given to those elements by a human. It is created by the ANN itself... It seems to me that it is appropriate to look at the emulated ANN as, in substance, operating at a different level (albeit metaphorically) from the underlying software on the computer, and it is operating in the same way as the

hardware ANN. If the latter is not operating a program then neither is the emulation.”

This position strongly echoes our own view as submitted in response to the 2020 UK Government consultation on AI in which D Young & Co’s attorneys argued:

“We also seek to distinguish AIs from computer programs as such. Again, a trained AI embodies an abstraction of data (for example, real-world training data) within its structure, and as such each AI may be considered a new and bespoke form of computer, whether implemented in hardware or emulated in software... At the very least, this should give cause for reconsideration of whether and how the current Symbian signposts are interpreted for AIs”. We also noted “[I]t is our position that an AI is any technology whose output or functionality is at least in part a consequence of training rather than programming... [and hence]... that AIs are a new and unique form of computing... and their interaction with the existing statutory exclusions should be treated... in a different manner to the approach taken with traditional computer programs”.

We hope that the Court of Appeal takes a similar view in due course, and will report on developments when the appeal begins.

Author:
Doug Ealey



G 2/21

Patent plausibility, technical effect, inventive step and AI inventions

Artificial intelligence (AI) has developed at a very rapid pace over the last decade. AI inventions are now having a significant impact across all areas of technology. Indeed, there is great excitement and anticipation concerning the role AI will play in the coming decade.

At the European Patent Office (EPO) AI inventions are considered to be a type of computer implemented invention (CII). CII inventions (and thus AI inventions) must provide a technical solution to a technical problem in order to be eligible for patent protection.

In G 2/21, the Enlarged Board of Appeal provided certain criteria concerning whether an applicant can rely on an alleged technical effect. However, the Enlarged Board of Appeal acknowledged that the outcome of the application of those criteria may well be influenced by the technical field of the invention.

When the technical effect arising from a distinguishing feature of the invention depends on the use of AI, the question arises whether the applicant can rely on an alleged technical effect during the assessment of inventive step.

Technical effect and inventive step

In order to be patentable an invention must be new (that is, it must have one or more novel features compared to what is already known (the prior art)). The invention must also involve an inventive step.

At the EPO inventive step is assessed using the so-called problem-solution approach.

Under the problem-solution approach a comparison is made of the claimed invention with the closest prior art. Any distinguishing features (novel features) of the claimed invention over the closest prior art are identified. Then, the technical effect achieved by these distinguishing features is determined. Based on the technical effect provided by these distinguishing technical features, an objective technical problem is formulated.

An inventive step will be acknowledged if the claimed solution to the objective technical problem (the use of the distinguishing technical features) would not have been obvious to the skilled person, in view of the teachings of the cited prior art.

If a claimed invention is both novel and inventive (and if it satisfies certain other patentability requirements) then a patent will be granted. When filing an application it can be difficult to know which feature or features will be relied upon in the assessment of inventive step, and what technical effect is provided by these features compared to the cited prior art.

Accordingly, an applicant may wish to use evidence produced after the application has been filed, in order to support the technical effect provided by a feature of the claimed invention, but to what extent is this possible?

G 2/21: plausibility of technical effect

In G 2/21, the Enlarged Board of Appeal addressed the question of whether an applicant may rely on post-filed evidence (evidence filed **after** the date of filing of the application) during assessment of inventive step.

For an AI invention, an applicant may wish to use post-filed evidence showing that a feature improves the speed or efficiency of a process or computation compared to the prior art.

The assessment of inventive step is made at the effective date of the patent, on the basis of the information in the patent together with the common general knowledge available to the skilled person. Nevertheless, a patent applicant (or proprietor) may rely upon a technical effect for inventive step if the skilled person, having the common general knowledge in mind, and based on the application as originally filed, would consider said effect as being encompassed by the technical teaching and embodied by the same originally disclosed invention (see G 2/21).

Indeed, in G 2/21, the Enlarged Board of Appeal confirmed that the mere fact that evidence supporting the technical effect is

filed after the patent was filed, is not in itself sufficient reason to disregard that evidence.

This means that an applicant may be able to rely on post-filed evidence in order to support a technical effect, provided that the skilled person would consider that effect to be encompassed by the originally disclosed invention.

However, the Enlarged Board of Appeal acknowledged that the outcome of these tests (or criteria) may well to some extent be influenced by the **technical field** of the claimed invention.

Technical effect and AI inventions

An AI invention may be considered as a computational model or program which is trained on training data, such that it can recognise patterns or trends in the training data. Once trained, the AI model can then be used in order to make predictions on previously unseen data.

If the distinguishing feature between the claimed invention and the cited prior art is the use of a certain type of AI, it may be quite straight forward to demonstrate that the claimed invention provides a technical effect over the cited prior art. This is because the advantages associated with the use of an AI model may be considered to be quite well established.

However, a more common situation may be a situation where the distinguishing feature of the invention relates to the way in which the model is trained, and/or the training data which is used during training of the model. In a situation such as this, it may not be as readily apparent to the skilled person whether a certain effect is encompassed by the technical teaching, and embodied by the same originally disclosed invention. As such, an applicant should consider providing data within the application as filed in order to demonstrate the technical effect provided by the use of a specific training mechanism and/or a particular set of training data.

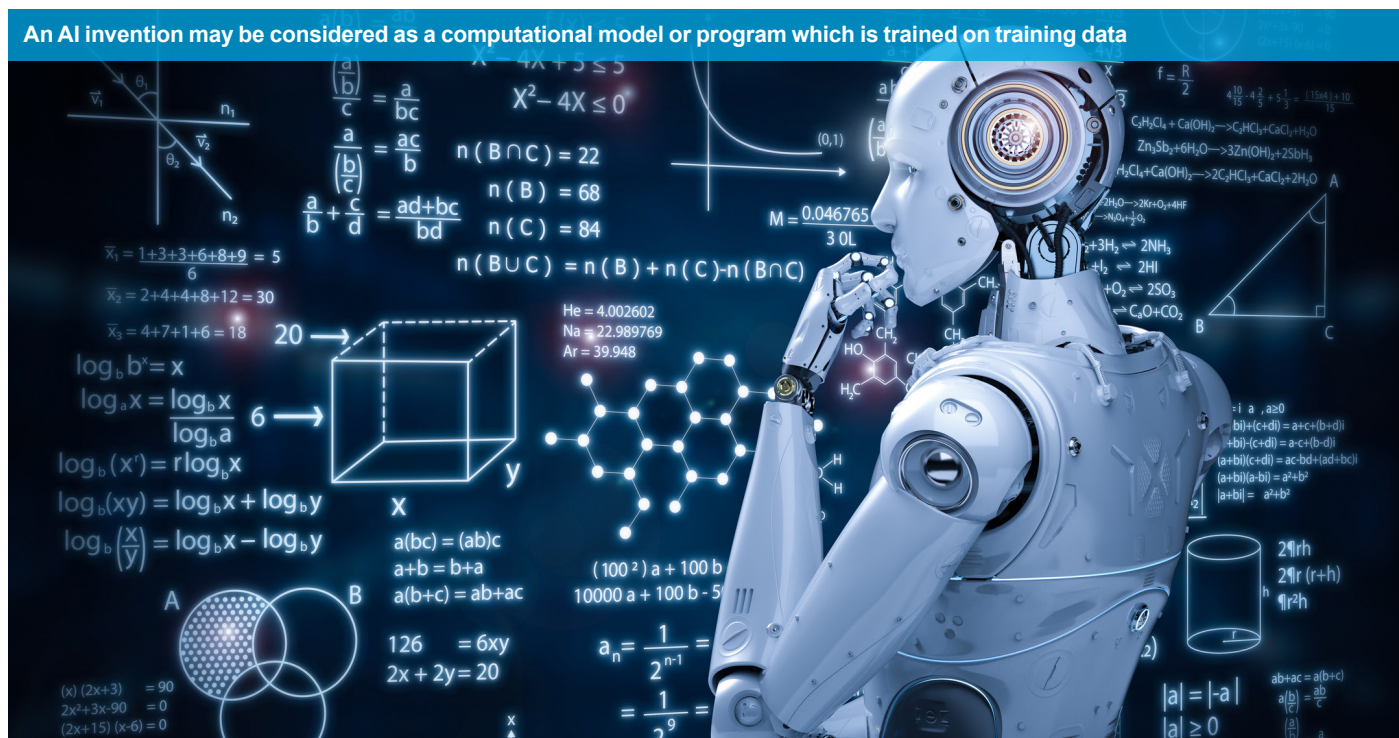
Even if this data is not provided with the application as filed, in view of G 2/21 it may

Useful links

G 0002/21 (Reliance on a purported technical effect for inventive step (plausibility)),
EPO Board of Appeal, 23 March 2023:
dycip.com/g-0002-21-epo-plausibility

T 0161/18, EPO Board of Appeal,
12 May 2020: dycip.com/t-0161-18

T 1191/19, EPO Board of Appeal,
01 April 2022: dycip.com/t-1191-19



still be possible to provide post-filed evidence in order to support a technical effect, provided that the skilled person would consider said effect as being encompassed by the originally disclosed invention. Thus, when filing an application, the applicant should ensure that the technical effect associated with each aspect of the invention is clearly identified.

Therefore, for AI inventions, it is very important not simply to rely on generalised technical effects related to the use of AI to a particular situation, but also to explain different technical effects achieved by more specific features of the invention.

Interplay with sufficiency of disclosure

As noted, in G 2/21, the Enlarged Board of Appeal outlined criteria under which post-filed evidence may be used in order to support a technical effect in the assessment of inventive step. However, it is important to make a distinction between the use of post-filed evidence to support a technical effect for inventive step, compared to the use of post-filed evidence to support sufficiency of disclosure.

Indeed, post-published documents may only be used as evidence that the disclosure is reproducible (to support sufficiency of disclosure) without undue burden under certain (quite limited) circumstances.

In the context of AI inventions, this means that it is very important to disclose the training data and/or model parameters required to reproduce the invention and achieve the technical effect across the whole scope of the claims within the application as filed.

This requirement has been demonstrated by the Board of Appeal in recent decisions T 0161/18 and T 1191/19, where the respective applications were refused for lack of sufficiency of disclosure, on the basis that insufficient details concerning the data required to train the model had been provided.

The scope for relying on post-filed evidence is much narrower under sufficiency of disclosure, compared to its use under inventive step. Therefore, a patent application should be drafted to ensure that

sufficient details regarding the AI model are provided within the application as filed.

Conclusion

An applicant filing a patent application for an invention which relies on AI should ensure that the technical effect achieved by different features of the claimed invention are clearly explained, such that it will be possible to use these features in support of an inventive step.

Furthermore, while post-filed evidence may, in some situations, be used in order to support a technical effect which can be used in the assessment of inventive step, it will likely be very difficult to use post-filed evidence to demonstrate sufficiency of disclosure.

Therefore, an applicant must ensure that there is sufficient detail of the AI model (in particular, the training data used to train the AI model) within the application as filed, so as to enable the skilled person to implement the claimed invention across the whole scope of the claim.

Authors:

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4th amendment to the Chinese Implementing Regulations of the Patent Law

Implications for foreign applicants

The Chinese State Council issued the 4th amendment of the Chinese Implementing Amended Regulations of the Patent Law (Amended Regulations) on 21 December 2023. On the same evening, the Chinese National Intellectual Property Administration (CNIPA), which is an institution under the State Council, released an updated version of the Guidelines for Patent Examination.

Both the Amended Regulations and Guidelines took effect on 20 January 2024, aligning them with the new Chinese Patent Law, which was passed by the Chinese National People's Congress Standing Committee on 23 October 2020 and came into effect on 01 June 2021.

Compared to the previous version of the Chinese Regulations, issued in 2010, the current revision brings forth significant changes to catch up with the growth and development of the Chinese patent system (covering invention patents, utility models, and design patents) over the past thirteen years.

According to the CNIPA, the Amended Regulations' target is to contribute to the creation of a world-class business environment through the provision of a more user-friendly patent application process, improved quality of patent examination, strengthened administrative protection for patents, promotion of the exploitation of patent rights, and enhanced alignment with relevant international practice.

The amendment of the Regulations primarily pertains to the institutional implementation of the reformed framework outlined by the new Chinese Patent Law. In this article we highlight some of the

new provisions which may have important implications for foreign patent applicants.

Patent term adjustment (PTA)

The Amended Regulations specify the conditions, time limits, and calculation methods for patent term adjustment, which is available to patents that have experienced examination delays. In particular, this provision comes into play for patents granted four years after the filing date and three years after filing a request for examination.

Patent term extension (PTE)

The Amended Regulations also clarify the arrangements for patent term extension, which apply to product patents, preparation method patents, and medical use patents for the active pharmaceutical ingredient (API) in a new drug.

The extension duration is determined by the gap between the China marketing approval date and the Chinese patent filing date, with a maximum cap of five years. Meanwhile, the cumulative effective patent term following drug approval cannot exceed fourteen years.

Patent Open License system

The Amended Regulations confirm the procedures and requirements for open licence declaration that were previously announced in the CNIPA Trial Program on Patent Open License. Notably, the Chinese open license system differs from its UK counterpart by requiring the disclosure of core licensing terms, including royalty calculation.

Principle of good faith

In order to regulate abnormal patenting activities, the Amended Regulations stipulate that the compliance of the principle of good faith by the applicant during patent prosecution will be assessed by CNIPA during examination, re-examination, and invalidation proceedings. For instance, patent applications must be based on genuine inventive activities.

Non-compliance with the principle of good faith may lead to patent rejection or invalidation, in addition to an administrative penalty capped at RMB 100,000 (approximately GBP 11,000).

Partial design protection

The examination requirements for design patent applications involving a part of a wider product, commonly known as "partial design", are now confirmed by the Amended Regulations. For example, partial design is deemed non-patentable unless it forms a relatively independent portion of the product or constitutes a relatively complete design unit.

CNIPA to deal with patent infringement disputes

The CNIPA may have jurisdiction over patent infringement disputes with significant nationwide impact. In such cases, the CNIPA can adjudicate on both infringement and patent validity. This may reduce any uncertainty and inconsistency resulting from the bifurcation of traditional Chinese patent litigation, in which actions for patent infringement and counterclaims for patent invalidity are separately handled by the Chinese Courts and the CNIPA.

Apart from the above, the Amended Regulations also introduce new measures that were not addressed in the new Chinese Patent Law, with notable changes including the following:

Restoration, addition, and correction of priority rights

The Amended Regulations provide for remedial procedures for the inadvertent loss of priority rights within the twelve month limit. This aligns with international practice, and in particular provisions under Article 13(2) of the Patent Law Treaty.

The Amended Regulations also allow the applicant to incorporate the content of an earlier application through reference, when filing a Chinese patent application.

Non-prejudicial disclosure

Under the Amended Regulations, the scope of non-prejudicial disclosure now additionally encompasses disclosure made in academic or technical conferences organised by international organisations, including standard-setting organisations, and recognised by the State Council authorities.

➤ **Useful link**

Announcement of the amendment to the Implementing Amended Regulations of the Patent Law: dycip.com/china-patent-law-dec2023

The Amended Regulations refine and optimise the existing Chinese patent system



application process, by avoiding multiple rounds of re-examination proceedings.

Examination of utility model and design patent applications

As a further measure to combat against abnormal patent applications, the Amended Regulations empower the examining division to reject a utility model application if it “apparently” lacks an inventive step compared to the prior art. Similarly, a design patent application may be rejected if it “apparently” does not exhibit significant differences from prior design or a combination of prior design features.

Hague system for the international registration of industrial designs

Following China’s recent accession to the Hague System for the international registration of industrial design, the Amended Regulations now include a dedicated new chapter which sets out the filing procedures and examination criteria for international design applications submitted to the CNIPA.

Author:

Nigel Lee



Awards and remuneration for employees’ inventions

The Amended Regulations revise the monetary values associated with awards and remuneration for employees’ inventions.

In addition, the Amended Regulations stipulate that, in the absence of a relevant agreement between the employer and the inventor/designer, remuneration calculation shall follow the inventor-favoured method outlined in the “Law of Promoting the Transformation of Scientific and Technological Achievements”.

15-day rule abolished

Similar to the corresponding 10-day rule mailing grace period at the European Patent Office (EPO), the CNIPA will also phase out the 15-day rule practice for official communications issued electronically, aiming to streamline the patent examination timeframe.

Deferral of examination

The Amended Regulations provide patent applicants the option to request a deferral of substantive examination. Applicants for Chinese patent applications may now adopt

more flexible filing strategies for global patent filing, such as by taking advantage of the Patent Prosecution Highway (PPH) programmes between CNIPA and patent offices worldwide.

Foreign applicants dealing with the CNIPA

Foreign applicants and patentees are now permitted to directly engage with the CNIPA regarding certain prescribed procedures, such as the filing of certified priority documents and annuity payment. This will allow cost optimisation for maintaining their patent portfolios in China.

Scope of re-examination

The Amended Regulations provide that, during re-examination proceedings, the Patent Re-examination and Invalidation Department of CNIPA may, *ex officio*, address “apparent” deficiencies contained in a patent application, beyond those initially identified in the rejection decision.

Compared with the traditional practice of referring the application back to the examining division for further examination, the new measure is expected to reduce the burden of the applicants in the patent

In short

In summary, the Amended Regulations further refine and optimise the existing Chinese patent system, which granted 645,036 invention patents, 2,701,164 utility models, and 716,603 design patents from January to November of 2023.

In addition, the Amended Regulations are also seen as a commitment to implementing the national strategy of strengthening the country through intellectual property, and offering strong support for innovation-driven development.

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Patent Case Law
9am, noon & 5pm, 20 February 2024

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dycip.com/web-bio-feb2024

Lexology masterclass
Techbio patents: maximising the
impact of wet-lab and AI data
1pm, 13 March 2024

In the dynamic landscape of biotech innovation, the rapid growth in the use of AI-derived data in recent years has been nothing short of remarkable. When it comes to obtaining patent protection, should we now focus on AI-derived data or does a successful patent application in this field still hinge on the inclusion of traditional wet-lab data?

European Patent Attorneys Jennifer O'Farrell and Robbie Berryman present this Lexology Masterclass:
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