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PATENT

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With this newsletter we send our best wishes to all our readers and our hopes that you remain safe and well during the current Covid-19 pandemic. In common with many others we are able to work safely and remotely in order to deliver an uninterrupted service to our clients. Details of our current work processes are published at: www.dyoung.com/covid-19-service. We are extremely grateful to those on the coronavirus frontline who are working to protect us from the virus and our sympathies are with those affected personally by the crisis.

Encountering new technologies is one of the pleasures of working with patents. It is said that “necessity is the mother of invention” and it has been astonishing to see how swiftly creative groups and individuals across the globe have stepped up to the Covid-19 challenge in recent weeks, in diverse areas such as frontline medicine, epidemiology, immunology, engineering, digital communications, and many more. These are difficult times for us all, but keep sight of the fruits of human ingenuity that surround us. The only limit to the problems we can solve is our imagination! Stay safe and well everyone.

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EPO video conferencing

Video conferencing for oral proceedings at the EPO

Consultation and decision from the EPO President

Though oral proceedings before examining divisions by video conference have been permitted by the European Patent Office (EPO) since 1998, until recently there have been very few requests from applicants to proceed in this manner. Partly as a consequence of the number of oral proceeding requests increasing and also as a response to the coronavirus (Covid-19) situation, the EPO has taken steps to make video conference oral proceedings the default - with the issuing of a consultation paper and a decision from the President.

The decision from the President relates to oral proceedings before examining divisions. As of 02 April 2020, oral proceedings by video conference are to be the default. Oral proceedings will still be permitted in person where there are serious reasons (which can be raised by either the applicant or the examining division) against holding the oral proceedings by video conference such as the need to take oral evidence. The decision also envisions the possibility of applicants (or examiners) attending from separate remote locations, which could enable applicants and representatives based in different countries to participate in the same proceedings.

The decision sets out transitional provisions for summons according to their date of notification. Summons notified on or after 02 April 2020 will take place by video conference as a default. For summons already issued prior to 02 April 2020, the oral proceedings will continue by video conference if this was indicated by the summons and otherwise the applicant can agree to have the oral proceedings conducted by video conference.

The decision does not relate to oral proceedings either before Boards of Appeal or before the opposition divisions. The latter of these is, however, considered by a consultation paper issued at the 22nd Meeting of the Standing Advisory Committee of the EPO.

Here, the EPO has indicated that it wishes to explicitly allow opposition oral proceedings to take place by video conference as soon as possible. Similar but slightly more extensive

reasons are suggested for why this might not be appropriate, which include cases where there is high public interest or where a large number of parties make proper conduct difficult.

Opposition oral proceedings can often be more complicated than those before the examining division. Given that parties can be represented using any official language of the EPC, translation is significantly more common in opposition proceedings than in examination proceedings. The consultation paper does not provide a specific solution to how translation would be achieved – merely noting that it would be subject to a feasible technical solution.

A further complexity is that opposition proceedings (in contrast to examining division proceedings) are open to the public. The consultation paper envisions this being maintained by streaming the proceedings to a video conference room at the EPO or by making an online link available on request after being advertised via the EPO website. This is preferred to the alternative of open streaming in order to protect personality rights. We note, however, that the EPO's prohibition on oral proceedings being recorded would also be impossible to enforce or detect if streaming to members of the public were carried out, although this is not specifically addressed by the paper.

Although oral proceedings before Boards of Appeal is not addressed by the consultation paper, similar obstacles would have to be overcome since such oral proceedings are also open to the public and (in the case of opposition appeals) could necessitate translation.

The ability for applicants to participate in oral proceedings remote from their representative could be an attractive proposition, as will the time-savings encountered due to representatives no longer being required to travel to Munich, the Hague or Berlin. It also goes without saying that in the current climate, removing the need for anyone to travel or to congregate is better for everyone. However, there are clearly obstacles to be overcome by the EPO to make opposition division oral proceedings practicable.

Coronavirus European IP offices change practices

Video conferencing at the EPO



Update 21 April 2020

Just as we go to print, the EPO has released a decision from the President and draft notice regarding a pilot project for oral proceedings by video conference before the opposition division. The decision is due to enter force on 04 May 2020 and is set to run until 30 April 2021. During this period, if all of the parties involved (together with the opposition division) agree, then the oral proceedings are permitted to be held by video conference. Such a request is preferably to be expressed prior to the summons being issued. However, the EPO is open to the possibility of oral proceedings being conducted by video conference after the summons has been issued if all parties (and the opposition division themselves) are agreeable.

The notice makes it clear that situations in which the oral proceedings cannot proceed by video conference include where evidence is to be taken and (until such time as technical infrastructure is provided) the need for interpretation.

As previously discussed, the need to hold the proceedings publicly will be met by providing a dedicated room in the EPO in which the oral proceedings can be watched. Remote access will also be provided if requested in advance.

As with the oral proceedings before the examining divisions, the decision allows for a party to be represented from multiple locations.

Author:
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In response to the new coronavirus disease (Covid-19) outbreak, intellectual property offices in Europe have implemented special measures to offer some level of flexibility to rights holders whilst Europe is working under new and uncertain conditions. Whilst this flexibility is welcomed, we will continue to work to original deadlines. **We are regularly updating this information and will publish the latest news at:** <https://dycip.com/covid-19-ip-offices>

European Patent Office (EPO)

Most deadlines are extended until 04 May 2020. The EPO has also postponed all oral proceedings scheduled to take place up to 30 April 2020 before the examining and opposition divisions, unless they are already set to occur by video conference (VC). For summons issued from 02 April 2020, oral proceedings by VC will be the default for examining division hearings. Oral proceedings will still be permitted in person where there are serious reasons against holding them by VC. For summons issued prior to 02 April 2020, the oral proceedings will continue by VC if this was already indicated, otherwise the applicant can agree to have the oral proceedings conducted by VC. The EPO will continue to explore options for the use of VC in oral proceedings before the opposition divisions. The Boards of Appeal have now cancelled all hearings until 30 April 2020. At present there are no proposals for the Boards of Appeal to hold hearings by VC.

Future announcements are likely to be found here: <https://dycip.com/epo-coronavirus>.

European Union Intellectual Property Office (EUIPO)

All time limits falling between 09 March 2020 and 30 April 2020 (inclusive) are extended until 01 May 2020 (in practice 04 May 2020). As a consequence, periods to file a notice of opposition, cancellation and appeal will also be extended. All staff at the EUIPO have been working at home since 16 March with the intention that it will be business as usual. Further information can be found in this EUIPO news release: <https://dycip.com/euipo-coronavirus-19mar20>.

UK Intellectual Property Office (UKIPO)

The UKIPO has declared 24 March 2020, and subsequent days until further notice, to be interrupted days. This will be reviewed on 07 May 2020. The UKIPO is also still stating that it will provide a minimum of two weeks' notice before ending the period of interrupted days. Any deadlines and applications for patents, supplementary protection certificates, trade marks and designs which fall on an interrupted day will be extended until the UKIPO states that it will be ending the period of interrupted days. This decision applies to all statutory time periods set out in UK legislation, and to all non-statutory periods set by the UKIPO. This decision does not apply to time periods set out under the various international IP treaties, such as the Patent Cooperation Treaty, European Patent Convention, or the Madrid system, where the UKIPO may be acting as a receiving office.

Future announcements are likely to be found here: <https://dycip.com/ukipo-coronavirus>.

The German Patent and Trade Mark Office (DPMA)

All current time limits set by the DPMA are automatically extended until 04 May 2020. There will not be any notifications about the amended deadline expiry dates. This does not apply to deadlines set by the law (such as priority or opposition deadlines). The DPMA has a dedicated page for Covid-19 updates: <https://dycip.com/dpma-coronavirus>.

The World Intellectual Property Organization (WIPO)

Since 17 March 2020, the majority of WIPO staff have been working remotely. WIPO has also since released communications relating to trademark matters (<https://dycip.com/wipo-madrid-coronavirus>) and registered design matters (<https://dycip.com/wipo-hague-coronavirus>), concerning the existing remedies available for extending a response deadline which otherwise falls on a day when either WIPO or an IP Office of a contracting party is not open to the public. To date however, unlike the EPO and the EUIPO, no blanket extensions of time have yet been issued by WIPO.

Future announcements are likely to be found here: <https://dycip.com/wipo-press-releases>.

1. <https://dycip.com/t227719>
2. <https://dycip.com/article107>
3. <https://dycip.com/t100319>

T 2277/19

Approval of the wrong text has no cause of action

Those familiar with the European Patent Office's approach to patent applications will be familiar with the procedure under Rule 71(3) in which the examining division sends the applicant a copy of the text proposed for grant. Only once the applicant has approved this text is the European patent then granted.

In T 2277/19¹ the Board of Appeal held that approval of an erroneous text is not correctable on appeal.

Among the EPO requirements for an appeal are that "Any party to proceedings adversely affected by a decision may appeal"². This appeal focussed on whether the applicant was or was not adversely affected by the decision to grant that followed the accidental approval of an erroneous text.

In a previous Board of Appeal decision (T 1003/19)³ it had been held that an applicant who inadvertently approved a text with several pages of figures missing was adversely affected by the decision to grant. In that earlier case the reasoning of the Board of Appeal supported the applicant's position that it had never intended to approve deletion of most

of the figures. Also, although the text for grant included only the one figure, the indication of amendments by the examining division in the communication under Rule 71(3) did not mention any changes to the figures (but it did list just a single sheet of figures). Specifically, the Board of Appeal in that earlier case gave reason that "The appeal is admissible. The appellant is adversely affected. The granted version of the patent corresponds neither to a text submitted by the appellant (see below, point 2.2) nor to a text agreed by it (point 2.3), nor to a text deemed to have been approved by it (point 2.4). There is, therefore, a discrepancy between the appellant's request and the decision of the examining division."

In the present case, the specific error was that the patent granted with figures that had been deleted during prosecution. The text proposed for grant included amended figures sheets 1 to 7 and original figures sheets 8 to 18 (which had been due to be deleted). The same pages were indicated in the listing of pages in the communication under Rule 71(3). The applicant approved the text as proposed, subject to some corrections in the description.

The Board of Appeal held that "the appeal is not admissible since the appellant is not adversely affected by the decision to grant."

Specifically the Board of Appeal found that there

was no discrepancy between the text proposed for grant and the communication under Rule 71(3). The Board of Appeal also noted that the applicant approved the text proposed for grant such that "the examining division legitimately expected the applicant to have checked and verified the Druckexemplar, in particular since the applicant had requested some amendments to the text intended for grant."

The Board of Appeal also commented on earlier case T1003/19, noting that in its view "there is no legal basis in the European Patent Convention for a distinction between the text referred to in a communication under Rule 71(3) EPC and that reflecting what the examining division actually intended" and then went on to comment "in the board's judgement, Article 71(3) EPC thus imposes on the applicant a duty to check and verify this text. The fact that an applicant does not exercise its right to request amendments under Rule 71(6) EPC can therefore only be interpreted as approval of the communicated text, i.e. the text intended for grant. Whether the applicant notices a possible error has no effect on the fact that this approval is binding."

This is an area without much relevant case law, but nonetheless an important part of the EPO grant procedure. Thus we are now faced with two very contradictory decisions, having only slightly different facts to distinguish them, and the stricter decision specifically criticising the reasoning of the more lenient.

In this case, the patent granted with figures that had been deleted during prosecution



Accordingly, we strongly recommend that an applicant receiving the text proposed for grant should check carefully that the text is the one which they wish to approve.

For further information in relation to this article, or in terms of the finer intricacies in implementing the above procedures, please do not hesitate to get in touch with your usual D Young & Co contact.

Author:
David Meldrum



Unified Patent Court Constitutional complaint upheld by German Federal Constitutional Court

The Federal Constitutional Court of Germany (FCC) has decided that the Parliamentary Act of Approval to the Agreement on a Unified Patent Court (UPCA) to confer sovereign powers on the Unified Patent Court (UPC) is void.

In essence, the Act of Approval to the Agreement on a Unified Patent Court ("the Act of Approval") to confer sovereign powers on the Unified Patent Court is void, as it has not been approved by the Bundestag with the required two-thirds majority.

The draft of the challenged Act of Approval was adopted unanimously by the Bundestag at the third reading, but with only about 35 members of the Bundestag present. Neither was the presence of the required quorum determined, nor did the President of the Bundestag declare that the Act of Approval had been adopted by a qualified majority.

The court concluded, with a 5:3 majority, that the Act of Approval had to be adopted by a qualified majority pursuant to Art. 79(2) GG.

In view of the particular importance of the majority requirement both for the integrity of the constitution and for the democratic legitimization for interferences with the constitutional order, a law cannot be enacted when it does not achieve this majority. Thus, the Bundestag did not effectively pass the Act of Approval. It is void.

According to a dissenting opinion, the requirement of a two-thirds majority is

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a significant extension into an area that was previously covered by Art. 24(1) GG. According to this constitutional provision, only ordinary federal law is required for the conferral of sovereign powers. Permitting a review of the formal aspects of conferral opens up further areas to dispute before the Constitutional Court. This will result in the narrowing of the Bundestag's necessary political leeway in the context of European integration and the protection of the democratic process intended by Art. 38(1), first sentence, GG may thus be turned into its opposite.

However, the decision concerns (only) the defective approval of the Act of Approval, not the Agreement on a Unified Patent Court itself.

Thus, the Bundestag could adopt the Act of Approval with the required two-thirds majority or qualified majority pursuant to Art. 79(2) GG.

In a news release dated 20 March 2020 the Preparatory Committee of the UPC has already indicated that preparatory

work will continue, while the decision and the way forward is further analysed.

Following the announcement of the decision, the German Minister of Justice and Consumer Protection, Christine Lambrecht, announced in a press release at the end of March that the German government is looking to remedy the issues that caused the legal challenge within the present election period.

Author:

Hanns Juergen-Grosse



Useful links

Federal Constitutional Court press release

<https://dycip.com/press-approval-void>

Decision of the Federal Constitutional Court of Germany (FCC)

<https://dycip.com/federalcourt-13feb2020>

News release (www.unified-patent-court.org)

<https://dycip.com/upc-news-mar2020>

News release from the German Minister of Justice and Consumer Protection

<https://dycip.com/bmjv-press-26mar2020>

Conversant v Apple

Old tech, new tricks

Good user interface (UI) design for digital devices can be very valuable. This has generally been recognised by the patent system, with many major patent offices around the world allowing patents to be granted for innovative UIs. The European Patent Office (EPO), for example, even has a section of the Guidelines for Examination (Part G-II 3.7.1) dedicated solely to the patentability of user interfaces in Europe.

So, what makes a UI new and inventive? After all, many of the core ideas about user interfaces have been around for decades. Of course, a smartphone released in the last year or two is likely to have a far more sophisticated UI than that of a mobile phone from the early 2000s. But how much of this sophistication is a result of other technology (such as faster processing times, higher resolution displays and better graphics) and how much of it is down to technical improvements to the UI itself? Are old ideas simply being dressed up and reused? And how is this relevant from a patent perspective?

This case from the UK High Court (*Conversant Wireless Licensing SARL v (1) Apple Retail UK Ltd & (2) Apple Distribution International & (3) Apple Inc.* [2019] EWHC 3266 (Pat)) demonstrates the similarity (at least from a patent perspective) between UIs of seemingly very different products from different eras. It also helps highlight the potential opportunities and threats to holders of UI patents.

The patent concerned was GB 2365712 and was owned by Conversant. Conversant alleged the patent was infringed by the UI of various models of Apple's iPhone. On the other hand, Apple alleged the patent was not valid based on various grounds including obviousness.

Claim 1 as granted was amended by Conversant in advance of the hearing and read: "1. A smart phone comprising a display screen, the smart phone being configured to display on the screen a main hierarchical

menu system, wherein the smart phone is configured to display, in addition to the main hierarchical menu system, application summary windows for each of several different applications, in which each summary window serves as a summary of a particular application by virtue of displaying a limited list of (i) several commonly used functions offered within that particular application and/or (ii) stored data commonly accessed by that particular application, wherein the smart phone is configured to, for a given application: display, in a summary window for the given application, both a limited list of several commonly used functions offered within the given application and stored data commonly accessed by the given application; display the said commonly used functions offered within the given application without opening the given application; display the said stored data commonly accessed by the given application without opening the given application; and open the given application when an item of the said displayed commonly used functions or the said displayed stored data is selected."

The claimed invention is exemplified in figures 1 and 3 of the patent:

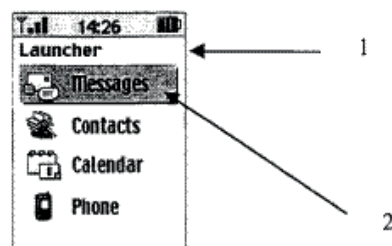


Figure 1

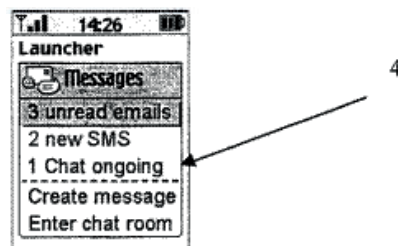


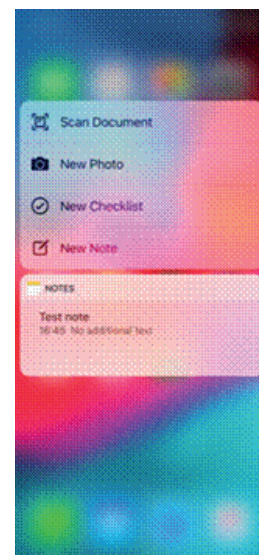
Figure 3

In figure 1, different applications (such as "Messages", "Contacts") are selectable from a main hierarchical menu system. In Figure 3, an application summary window

is displayed for the application "Messages". The application summary window displays both a list of several commonly used functions offered within the application ("Create message" and "Enter chat room") and stored data commonly accessed by the application ("3 unread mails", "2 new SMS" and "1 Chat ongoing"). These are displayed without opening the "Messages" application. However, "Messages" is opened if one of the commonly used functions or stored data is selected. As summarised by the judge in paragraph 74 of the decision, this arrangement "saves the user from navigating to the required application, opening it up, and then navigating within that application to enable the data of interest to be seen or a function of interest to be activated".

The UI of figures 1 and 3 looks dated by today's standards, reflecting the very early priority date of the patent (28 July 2000). The decision recognises the Nokia 3310 with its small, black and white screen as a popular mobile phone at around this date and the UI of figures 1 and 3 is said to be similar to that found on mobile phones such as this. The judge construed claim 1 sufficiently broadly, however, to determine that, should claim 1 be valid, the patent would be infringed by Apple.

One of the screenshots of an Apple iPhone (understood to be the iPhone X first released in late 2017) used in the case is shown:



> Case details at a glance

Jurisdiction: England & Wales

Decision level: High Court (Patents Court)

Parties: CONVERSANT WIRELESS

LICENSING S.à.r.l (claimant) and

(1) APPLE RETAIL UK LIMITED

(2) APPLE DISTRIBUTION INTERNATIONAL

(3) APPLE INC. (defendants)

Date: 29 November 2019

Citation: [2019] EWHC 3266 (Pat)

Decision: <https://dycip.com/2019-ewhc-3266>

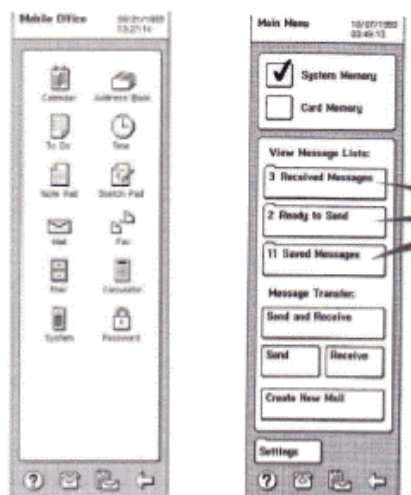
Different applications are selectable using icons (these are blurred in the background). The judge concluded that a main hierarchical menu system can include selectable “pictograms” and that the iPhone’s icons are examples of such pictograms. An application summary window (in the form of the two “widgets” seen in the foreground) is displayed for the application “Notes”. The application summary window displays both a list of several commonly used functions offered within the application (such as “Scan Document” and “New Photo”) and stored data commonly accessed by the application (in this case, a recent text note). These are displayed without opening the “Notes” application. However, “Notes” is opened if one of the commonly used functions or stored data is selected.

Thus, although the iPhone was released the best part of two decades after the priority date of the patent, it was determined to infringe claim 1 (should claim 1 be valid).

It seems that, despite the evident improved sophistication of the newer iPhone UI compared to the older UI described in the patent, the core technical features of the UI which enable the user to more quickly and easily navigate to desired functions or data of an application remained the same. Furthermore, these are covered by claim 1. In effect, the apparent improved sophistication was arguably not down to the UI itself but due to other factors such as improvements in processing time, display resolution and graphics (not to mention colour screens) in the years following the patent’s priority date.

This is potentially very good news for UI patent holders, showing potential longevity in the value of protection afford by UI patents which far exceeds that of many other digital technologies (which are typically obsolete after only a few years).

A word of warning, however. The potential longevity of good UI design may also be problematic to the patent holder. This turned out to be the case here, with claim 1 being found to lack an inventive step in view of IBM / Bell South’s “Simon” cellular phone of 1994 (together with common general knowledge). The judge considered this to be an early attempt at a smartphone. Figures from the manual of “Simon” used in the case are shown below:



Different applications are selectable using icons of a main hierarchical menu system (similar to the iPhone). The screen shot shown above right relates to the previously opened “Mail” application and shows an application summary window. The application summary window displays both a list of several commonly used functions offered within the application (including “Send and Receive” and “Create New Mail”) and stored data commonly accessed by the application (such as “3 Received Messages” and “2 Ready to Send”).

The judge accepted that claim 1 was novel over “Simon” because this screen shot is only shown after the application “Mail” has already been opened (and claim 1 requires the functions and stored data to be displayed without opening the given application). However, the judge concluded that the concept of “notifications” for presenting information to a user without opening an application were common general knowledge

at the priority date of the patent and that combining this concept with “Simon” to allow the functions and stored data to be shown without opening “Mail” would have been obvious to the skilled person.

Thus, the patent with the very early priority date was found to be invalid in view of an even earlier disclosure.

It seems that, despite the obvious differences between the 1994 IBM Simon and today’s iPhone models (a quick internet image search is recommended here!), there are more similarities between these products than one might think.

So where does it leave us? First, it helps us appreciate the work of UI engineers of the past, some of whose innovations still seem core to the functionality of today’s modern devices. Second, it highlights the value of UI patents whose potential longevity is rare in the fast moving tech industry. Third, it reminds us not to take anything as given. It’s perfectly possible for a patent nearing its expiry date to cover one of the world’s most popular modern products. But it’s also possible there may be even earlier disclosures out there which could serve as a lifeline for a potential infringer.

As always, if you think you may want to assert a patent against a third party or are worried about patent invalidity or infringement action potentially being brought against you by a third party, please contact your usual D Young & Co advisor.

Author:

Arun Roy



Related article



“Iconic design: IP rights for graphic user interfaces”, Jonathan Jackson: www.dyoung.com/en/knowledgebank/articles/guiprotection

UK design novelty

When can it be validly applied?

In respect of the UK design registration system, one of its attractive qualities is the provision of a novelty grace period to discount against certain disclosures, made in the preceding 12 months before the effective priority date of a UK registered design, from being used to invalidate the design registration.

In principle, the purpose of this novelty grace period is to allow the owner of a given design to try it out on the market, to see whether or not it proves to be a commercial success, so as to give the owner a 12 month window in which to decide whether or not to seek corresponding UK design registration protection.

Mindful of the above, it is to be noted that the novelty grace period does not protect against all disclosures which might be made in this preceding 12 month window. In that respect, the novelty grace period solely covers disclosures in the 12 month window which are made:

- by the designer, or their successor in title, of the design subject to the UK design registration;
- by a person other than the designer, or their successor in title, and which are made in consequence of information provided or other action taken by the designer or their successor in title; or
- as a consequence of an abuse in relation to the designer or their successor in title.

Accordingly for a disclosure not falling within the above criteria, for instance the disclosure of an otherwise similar design made by a third party prior to the UK design registration, and which was made without knowledge of the design from the UK design registration, the disclosure may not be covered by the novelty grace period and could therefore be prejudicial to the validity of the UK design registration.

Another point to note in respect of the novelty grace period is that, in the event of a dispute, the initial onus is on the owner of the UK registered design to demonstrate why the novelty grace period is applicable to any given disclosure(s) occurring prior to the date



of the UK design registration. In practice, demonstrating that a given disclosure is ultimately attributable to one of the above three criteria may well prove onerous.

It is also to be noted that for any third party which might happen to independently, and in good faith, commercialise a given design during the novelty grace period (that is, through no copying of the design which was ultimately the subject of the UK registered design), the third party may acquire a right of "prior use" to maintain their existing activities even after the date when the UK design registration is obtained. In other words, the UK registered design in these instances may not be validly enforceable against the third party in respect of at least some of their future activities.

Conscious of the above limitations therefore, it is to be noted that the novelty grace period in respect of UK registered designs, although helpful in many instances, should not wherever possible be relied upon as a matter of routine. This is particularly so, noting as well that other territories outside the UK (for example, China) do not implement a novelty grace period in respect of registered designs. As such, relying on the novelty grace period for any initial UK registered design may preclude obtaining corresponding design registration protection in other territories outside the UK which do not operate a novelty grace period. To place the above into context, an example

Related articles

EUIPO Design Focus - registered Community designs figures and trends 2019-2020
<https://dycip.com/epo-design-focus>

Music piracy and registered design infringement - a cunning enforcement tool?:
<https://dycip.com/music-piracy-designs>

Mexico joins Hague design registration system: <https://dycip.com/mexico-hague>

A brief comparison between UK and EU registered design regimes:
<https://dycip.com/uk-eu-designs>

of an entity falling foul of the above novelty grace period provisions can be seen in the recent appeal decision O-062-20 (see <https://dycip.com/jelly-lipstick>), where a UK registered design was deemed invalid as a result of a disclosure made six days before the filing date of the UK registered design.

In this case, the owner of the registered design sought reliance on the novelty grace period to discount the prior disclosure from impacting the validity of the UK registered design. However, in the appeal decision, the prior disclosure was not deemed to fall within the above three criteria for when the novelty grace period can be validly applied. As such, the prior disclosure was found to be citeable as prior art against the UK registered design, such that the design registration was ultimately held to be invalid through lack of novelty on the basis of this earlier disclosure.

In summary, the novelty grace period provided by the UK registered design system is a particularly useful feature, and certainly has its advantages in allowing valid UK registered design protection to be obtained in instances where such protection might not otherwise be available. However, the grace period should be handled with caution, and not relied upon as a matter of course.

Author:
William Burrell



Unregistered design protection Protecting product parts

➤ Case details at a glance

Jurisdiction: Germany

Decision level: Bundesgerichtshof

Date: 30 January 2020

Citation: I ZR 1/19

Decision: <https://dycip.com/izr1-19>

Does unregistered design protection extend to parts of a complex product even if only the complex product was made publicly available in its entirety, and if yes, when do such parts have individual character?

These two interesting questions were recently referred to the Court of Justice of the European Union (CJEU) by the German Federal Supreme Court (Bundesgerichtshof – BGH). It remains to be seen how the CJEU will answer these questions. In the meantime this article focusses on background information to the dispute, the BGH's opinion and reasons why the CJEU might want to see this differently.

Background

The plaintiff presented its “Ferrari FXX K” model for the first time in a press release on 02 December 2014, which merely contained photos of the entire car. The “Ferrari FXX K” design *inter alia* includes a noticeable V-shape on the hood and a particular spoiler design. The limited edition model available for the purchase price of EUR 2.2 million was sold out within days.

The defendant manufactures car parts. Since 2016 the defendant offered tuning kits for the “Ferrari 488 GTB” model. These tuning kits helped to alter the design of the Ferrari 488 GTB models to include a “V-shape” on the hood of the car and a new spoiler.

Ferrari *inter alia* claims that the parts offered in the “Front Kit” infringe Ferrari's unregistered Community design (UCD) rights in the V-shape as well as the spoiler design of its “Ferrari FXX K” model.

The BGH's opinion

After the first two instance courts refused

Ferrari's claim, the BGH referred the above questions to the CJEU. In its referral decision, the BGH already provided its proposed answers to these two questions as follows:

Why should unregistered designs be treated differently from registered designs?

The BGH holds the view that the protection of product parts requires for the parts to be made publicly available individually. Disclosing only the complex product, like an entire car, would not suffice. This would mirror registered design protection, which if a design is filed for an entire product, only covers the design of the entire product and not individual parts visible in the design registration.

As far as individual character of such product parts is concerned, this would require that, in the perception of the informed user, the appearance of the part is not completely lost in the appearance of the complex product, but has a certain independence and concise form which makes it possible to establish an overall aesthetic impression independent of the overall form.

Food for thought

We concur that the BGH's view is in line with the legal rules applied to registered designs and there is definitely an appeal to applying the same rules to UCD. So this approach would certainly be a neat one.

However, one could wonder if UCD protection could not be allowed a little leeway in order to free it from its perception as the “ugly stepsister” of registered Community designs. After all, while UCDs still have to fulfil the same prerequisites as registered designs, such as those pertaining to novelty and individual character, for which the designer bears the burden of proof, UCDs only protect against imitations and that only for a period of three

years. Consequently, the scope of protection granted to a registered design is much broader and potentially longer than that for UCDs. Furthermore, businesses for the most part do not actively choose only to rely on UCD protection. Rather, they often do so in case of blatant imitations of products or parts thereof, for which they do not have registered design protection. Therefore, why not let novelty and individual character be the deciding factors and make the disclosure of the complex product as a whole suffice? On the other hand, it is of course also in the business' hands to disclose in parallel the entire complex product as well as the main parts of it separately – which might lead to a greater legal security for everyone.

What does this mean for designers?

That being said, if you want part of your products to enjoy design protection in the EU, it is safest to register the design of said product part – preferably by ensuring beforehand that it meets all prerequisites, such as novelty and individual character. You may also benefit from the bulk discount granted to an application for multiple designs for products falling into the same category (Locarno class) as well as parts thereof in the same application.

In short

When it comes to the protection of visible product parts, registered designs may be the most reliable option to protect your design.

Depending on the CJEU's decision unregistered design protection may be a viable option as well, bearing in mind that the protection is limited to imitations and a maximum period of three years.

Authors:

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IPCom v Vodafone SEPs and crown use

In IPCom v Vodafone, IPCom's patent was found to be valid and essential, although Vodafone had a defence for crown use.

Background

IPCom was the owner of EP (UK) 2, 579, 666 B1, which claimed a method and a system for "[a]llocation of access rights for a telecommunications channel to subscriber stations of the telecommunications network". In particular, the patent provided a system for unrestricted access to emergency services, while providing a lottery for other users to access the network.

IPCom alleged that Vodafone's network infrastructure equipment for 4G infringed the patent. During the course of proceedings, it filed an application for unconditional amendments before the UK Intellectual Property Office (referred to as the "unconditionally amended claims") and further conditional amendments in the event that its first application failed (referred to as the "conditionally amended claims"). There were parallel opposition proceedings before the European Patent Office.

Mobile telecommunication privileged access scheme (MTPAS)

The UK Government contracted with Vodafone to prioritise access to its mobile telephone services for the emergency services under the mobile telecommunication privileged access scheme (MTPAS). The scheme would be activated by the cabinet office via the police gold commander in the event of an emergency. Operation of the scheme authorised certain acts which (IPCom asserted) resulted in use of the patent in suit, although the MTPAS did not identify the patent.

Valid and essential

The trial judge, Recorder Douglas Campbell QC, held that the unconditionally amended claims were invalid for added matter, but that the conditionally amended claims were valid over the cited prior art and essential to a standard which would be implemented pursuant to the MTPAS.

In IPCom v Vodafone, Vodafone sought to rely on the defence of crown use



Crown use

Vodafone sought to rely on the defence of crown use. Section 55 of the Patents Act 1977 (1977 Act) provides: "Notwithstanding anything in this Act, **any government department and any person authorised in writing by a government department** may, for the **services of the Crown** and in accordance with this section, [make, use, import or keep etc.] in the United Kingdom in relation to a patented invention without the consent of the proprietor of the patent ... and anything done by virtue of this subsection shall not amount to an infringement of the patent concerned." (Emphasis added.)

Section 55(7) provides that "[w]here any use of an invention is made by or with the authority of a government department under this section, then ... the department shall notify the proprietor of the patent as soon as practicable after the second of the following events, that is to say, the use is begun and the patent is granted..."

IPCom argued that for the defence to apply the MTPAS had to identify the specific patent. If it did not, it would be difficult (if not impossible) to satisfy the requirement under section 55(7) of the 1977 Act. Further, it argued that, even if the written authorisation were sufficient, it did not cover the testing of the system. Vodafone argued that it was not necessary to identify the specific patents because, to do so, would impose too onerous a burden on the relevant government department. It further argued

that testing that the system functioned was a necessary corollary of the authorisation.

The judge sided with Vodafone, holding that where a written authorisation identified a specific act, there was an implied authorisation for the recipient to infringe any given patent in the course of conducting that act. Importantly, the court held that Vodafone did not need to show that it was necessary to infringe the patent to perform the act, only that infringement resulted from performance. Expressed another way, if there were alternative ways of satisfying the written authorisation which would not infringe the patent, this did not vitiate the defence. The court held that it followed that the defence would extend to the testing of the system.

Comment

Crown use as a defence has remained untouched for many years, with the case law governing it old. The case offers some guidance and raises some interesting questions, for which the Court of Appeal of England and Wales may be able to offer some further direction in due course.

The potential application of the judgment to other sectors may also provoke some concern; for example, the use in relation to medicines where the UK Government is the largest purchaser.

Author:
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Here comes the money...

Making sure to monetise your patenting and research efforts

When it comes to obtaining patents, quite rightly one of the prime considerations is ensuring that the relevant technical improvements are being protected, to hinder third parties from copying these improvements. Often overlooked are UK Government schemes which deliver financial incentives through tax savings to those entities which make use of the patenting process and/or which perform associated research and development.

Patent Box

The UK Patent Box enables companies to apply a lower rate of corporation tax to profits earned from patented inventions. At its full benefit, the Patent Box scheme allows for a proportion of such profits to be levied at a corporation tax rate of 10%, rather than the full 19% which might otherwise be levied. The rules regarding when the Patent Box regime can be implemented are quite involved, such that a full analysis is beyond the remit of this article, however the following considerations relating to the scheme are worth noting.

First, any company seeking use of the Patent Box scheme must be a qualifying company. In practice, this requires the company to own, or exclusively license-in, a patent which is granted by an allowable patent registry. Such registries currently include the UK Intellectual Property Office, the European Patent Office, and the German Patent Office, along with a select number of patent registries from other EEA member states.

Second, any such patent must have been associated with a qualifying development. The essence of this qualifying development condition is to limit access to the Patent Box scheme to companies which have been involved in associated innovation behind the patent in question.

Third, the Patent Box scheme does not allow for the entirety of profit/income relating to a patented invention to be subject to the reduced 10% corporation tax rate. Instead only a proportion of this income, the so-called 'relevant income', can be covered. In practice, this relevant income excludes profits nominally

attributable to the company's brand and marketing assets, but nonetheless includes:

- income deriving from selling patented products or products incorporating a patented invention;
- income from licensing out patent rights;
- income deriving from patent infringements;
- income resulting from damages or other compensation related to a patent right; and
- income resulting from the sale of a patent right.

Mindful of the potential savings to be had from the Patent Box scheme, it may well be that the scheme in itself provides sufficient justification to pursue patent protection in respect of a given innovative product, aside from any considerations of using the patent to prevent third parties from copying the product. Indeed, noting a patent can often last for up to 20 years from the date when it is first applied for, then for a successful patented product, the tax savings achieved under the Patent Box scheme for a given patent might more than cover the costs incurred in securing and maintaining the patent during its lifetime.

Research and development tax relief

Aside from the Patent Box scheme, the UK Government also provides for a number of tax-relief schemes for entities performing innovative research/projects in science and technology. This is aside from whether or not such projects result in a patent. Such schemes include:

- Small and medium sized enterprises (SME) research and development relief; and
- Research and development expenditure credit.

The SME R&D relief scheme is nominally applicable to smaller enterprises, that is, those comprising fewer than 500 staff, and with a turnover of under €100m or a balance sheet total under €86m. Under the scheme, it is possible to obtain additional tax relief on a proportion of an enterprise's cost which relates to innovative research or projects in science and technology. This additional tax

relief is levied at 130% of the proportion of such R&D qualifying costs. Put differently, if a qualifying R&D spend under the scheme is deemed as being £100,000 for a given year, for a profit making enterprise this might translate to a tax saving for the year of £24,700 (130% of £100,000, then reduced to 19% which is the nominal level of UK corporation tax).

Another tax-relief scheme is the research and development expenditure credit (RDEC) scheme, which is in many respects a less generous scheme than the SME R&D relief scheme, since the RDEC scheme provides a lesser tax credit calculated at 12% of a company's qualifying R&D expenditure. To put this roughly in context, for a qualifying R&D spend from a given year of £100,000, this might translate to a tax saving for a profit making company under the RDEC scheme of £9,720 (12% of £100,000, less 19% to account for UK corporation tax). Nonetheless, whilst being less generous than the SME R&D relief scheme, the RDEC scheme is nominally open to a wider range of entities beyond SMEs.

Summary

If your company would be interested in accessing the benefits of any of these schemes, we would encourage you to consult a duly qualified financial adviser who is authorised to provide advice on such tax schemes. For guidance on how the patent process might help protect any upcoming innovations in your company (which might result in one or more patents useable under the above Patent Box scheme), please contact one of our attorneys who would be pleased to advise. Similarly, if you already have a product that may be protected by an existing patent or pending application, we would be happy to advise on whether and to what extent those products and services are covered by eligible IP rights. Finally, even if the above schemes are not deemed as being of current importance to the operations of your company, it pays to be aware of the existence of these schemes, in case they are of use for any new R&D/patent operations that might be considered in the future.

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And finally...

EPO official fee increases Effective 01 April 2020

View the full list of revised fees at <https://dycip.com/epo-fees-2020>



European Patent Office (EPO) fee increases came into effect on 01 April 2020. The EPO usually reviews official fees every two years. Most of the rises are moderate increases in the order of 4% or 5% and are in line with inflation. Some are higher and worth noting.

Notable increases

- Appeal fee - for most appellants, this rises by close to 20% (€450) to €2,705.
- Requests for copies of documents - certified copies of applications, priority documents, communication of file contents and additional copies of documents cited in search reports - all more than double in cost.

The full list of fees is published on our website and details: the 2019 fee; the 2020 fee; the increase in Euros; and the increase as a percentage of the 2019 fee.

Please see "EPO patent official fee increases effective 01 April 2020": <https://dycip.com/epo-fees-2020>.

If you have any questions on the fee changes and how they may affect you, please contact your usual D Young & Co advisor.

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