The Intellectual Property Review

Third Edition

Editor
Robert L Baechtold

Law Business Research

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EDITOR'S PREFACE

It is not an overstatement to say that essentially all business is global, and the protection of intellectual property is the lifeblood of all business. The scope and implementation of that protection, however, varies from country to country.

It would be ideal if there were one universal set of laws, rules and procedures. But, while the efforts of many dedicated individuals have accomplished much in harmonising intellectual property protection, we remain defined as much by our differences as by what we have in common. It therefore is incumbent on all of us, as advisers to our clients, to be conversant with the individual practices in each of the economically significant countries.

The goal of this review is to provide that guidance. We have assembled a body of leading practitioners to explain the opportunities for intellectual property protection in their respective jurisdictions, together with the most significant recent developments and any aspects that are unique to their country. While we have striven to make the book both accurate and comprehensive, we must note that it is necessarily a summary and overview, and we strongly recommend that the reader seek the advice of experienced advisers for application of the principles contained in this review to any specific matter.

Reflecting on the past two editions of this review, we have seen the radical reshaping of US patent law under the America Invents Act, steady progress towards harmonisation of patent rights in Europe with a Unified Patent Court, and continued development and enforcement of patent rights in China. The authors of each chapter will highlight these and other notable developments in their respective countries. This third edition demonstrates the need for annual reviews of intellectual property on a global scale to remain current for our clients.

It is our hope that the reader will find this a useful compilation and often-consulted guide.

Robert L Baechtold
Fitzpatrick, Cella, Harper & Scinto
New York
May 2014

Chapter 30

UNITED KINGDOM

Penny Gilbert, Alex May and Alexandra West[1]

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Patents

A patent may be granted to protect the invention of a product or process in the UK,[2] providing its owner with a 20-year monopoly over the claimed invention.[3] This state-authorised monopoly is granted in return for the owner disclosing the invention to the public, who may utilise its teaching, subject to that monopoly.

At present, patent protection in the UK may be conferred by a national patent granted by the UK Intellectual Property Office (UKIPO), or by a European patent (EP) designating the UK granted by the European Patent Office (EPO).

Subsequent sections provide further details of the grant and enforcement of patents.

ii Registered trademarks (UK and EU)

In the UK and EU,[4] a trademark is any sign capable of being represented graphically that is capable of distinguishing the goods or services of one undertaking from those of another undertaking. For this purpose, a sign may, in particular, consist of words, designs, letters, numerals or the shape of goods or their packaging.

1 Penny Gilbert is a partner, Alex May is an associate and Alexandra West is a paralegal at Powell Gilbert LLP.

2 Patents are governed in the UK by the Patents Act 1977.

3 Subject to payment of renewal fees.

4 EU Directive 2008/95 on the approximation of laws relating to trademarks harmonises the trademark laws of EU Member States.

A business may protect a trademark in the UK by registering the mark at the UKIPO for protection in the UK only,[5] or at the Office for Harmonization in the Internal Market (OHIM) for protection in all Member States of the EU.[6] The mark is registered in one or more of the 45 classes of goods and services.

A trademark may not be registered if: it is devoid of distinctive character; merely designates kind, quality, quantity, intended purpose, value or geographical origin; or has become customary in the parlance or practices of the trade, though the applicant can overcome these grounds for objection if it can show that the mark has acquired distinctive character through use. A trademark may also be refused on the basis of its identity or similarity to earlier trademarks, or where it takes unfair advantage of, or is detrimental to, the distinctive character or reputation of an earlier mark.

Trademark registrations do not expire provided they are renewed every 10 years.

iii Passing-off

A trademark may be protected in the UK notwithstanding that it has not been registered at the UKIPO or at OHIM. If goodwill attaches to the use of a sign (referred to as the indicium) in respect of goods or services, another person has misrepresented his goods or services as those to which the indicium relates and the owner of the goodwill in the indicium has suffered damage as a result of the misrepresentation, the owner may bring a claim against that other person for 'passing-off'.[7] Passing-off shares some similarities with the tort of unfair competition, common in continental Europe.

iv Design rights

Registered designs (UK and EU)

In the UK and EU,[8] a design is the appearance of the whole or a part of a product resulting from, in particular, the lines, contours, colours, shape, texture or materials of the product itself or its ornamentation. A design is registrable if it is new and has individual character, which means that the design must produce on the informed user a different overall impression from earlier designs. However, features of a product that are solely dictated by their technical function or that interconnect with other parts of the product are excluded from protection.

A design may be registered at the UKIPO for protection in the UK only,[9] or at OHIM for protection in all Member States of the EU.[10]

The UK courts have tended to give registered designs a relatively narrow scope of protection.

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5 See the Trade Marks Act 1994.

6 See EU Regulation 207/2009 on the Community trademark.

7 See *Reckitt & Colman Products Ltd v. Borden Inc* [1990] 1 All ER 873.

8 EU Directive 1998/71 on the Legal Protection of Designs harmonises the law applicable to registered designs in EU Member States.

9 See the Registered Designs Act 1949.

10 See EU Regulation 6/2002 on Community designs (CDR).

Once registered, a design may be renewed every five years up to a maximum of 25 years.

Unregistered design rights (UK and EU)

EU unregistered design right arises automatically on first publication of a design in the EU and lasts for three years. The law is essentially the same as for registered designs.[11]

UK unregistered design right (UDR) is different in scope from the other design rights and protects any aspect of the shape or configuration of the whole or part of an item, whether external or internal.[12] UDR does not protect designs that are commonplace in the design field in question. Nor does it protect surface decoration, the design of interconnections or methods of construction.

UDR arises automatically when a design is recorded in a document or a product is made to the design, and lasts for 15 years.

The design of a product or its parts may be protected by multiple registered and unregistered design rights, and copyright may also subsist in it.

v Copyright

Copyright subsists in:

a original literary, dramatic, musical and artistic works;
b sound recordings, films and broadcasts; and
c typographical arrangements of published editions.[13]

Literary works include tables, compilations, computer programs and databases. A copyright work may itself be composed of multiple copyright works.

Copyright arises automatically when a work is recorded[14] and generally expires 70 years after the death of the author.[15] It protects the expression of the author's intellectual creation rather than the intellectual creation itself.[16]

vi Database rights

A database may be protected by database right in addition to any applicable copyright.[17] Database right arises automatically if substantial investment has been made in obtaining, verifying or presenting the contents of a database, and lasts for a period of 15 years.

11 See the CDR.

12 See Sections 213–264 of the Copyright, Designs and Patents Act 1988 (CDPA). The Design Right (Semiconductor Topographies) Regulations 1989 provide semiconductor topographies with a similar scope of protection.

13 See Sections 1–76 and 90–179 of the CDPA.

14 Registration is unnecessary.

15 For broadcasts it is currently 50 years and for typographical arrangements it is 25 years.

16 *SAS Institute Inc v. World Programming Ltd* [2013] EWCA Civ 1482.

17 See the Copyright and Rights in Databases Regulations 1997.

vii Moral rights and performance rights

Moral rights[18] include the right to be identified as the author of a work or director of a film and the right of the author or director to object to derogatory treatment of a work or film. They also include the right of the commissioner of certain photographs and films to privacy and the right of anyone not to have a work or film falsely attributed to her or him. Moral rights vest automatically and, with the exception of the false attribution right, expire when copyright in the underlying work or film expires. Moral rights are not property rights so cannot be assigned, though they can be waived.

Related to copyright and moral rights are performance rights, which vest in the performer of a dramatic or musical performance or the reader of a literary work.[19] They generally last for 50 years from the date of the performance. Some performance rights are not property rights so cannot be assigned.

viii Confidential information

The UK courts generally consider information to be confidential if:

a it has the quality of confidence about it (such as a trade secret); and

b it is imparted to another person in circumstances importing an obligation of confidence.[20]

In certain circumstances, the second of those elements may be satisfied where the information was obtained surreptitiously.[21]

ix Regulatory data protection and market exclusivity

A marketing authorisation permitting the sale of a drug in the UK may be awarded by the regulatory authorities without submission of data relating to pre-clinical testing and clinical trials if that product is a generic of (i.e., is bioequivalent to) a product that is already authorised for sale in an EU Member State.[22] Such an application may only be made if the earlier product has been authorised for sale in a Member State for at least eight years (data exclusivity). The applicant may only sell its product after 10 years since first authorisation of the prior product (market exclusivity). This period may be extended by a further year if the holder of the first marketing authorisation obtains further regulatory approval for treatment of a second therapeutic indication.

x Supplementary protection certificates (SPCs)

Conducting the necessary clinical trials and obtaining regulatory approval for a new drug is a time-consuming process, and it is common for a significant portion of the

18 See Sections 77–89 of the CDPA.

19 See Sections 180–212 of the CDPA.

20 *Coco v. AN Clark (Engineers) Ltd* [1969] RPC 41.

21 E.g., *Franklin v. Giddins* [1978] 1 Qd R 72 (genetic material taken from budwood of nectarine).

22 EU Directive 2001/83 on the Community Code Relating to Medicinal Products for Human Use.

20-year period of patent protection to have elapsed before first sale. The UKIPO may grant a pharmaceutical company an SPC to compensate for this.[23] An SPC provides an additional period of protection equal to the time that has elapsed from the date of filing of the patent application to the date of authorisation of the medicinal product, less five years, and of a maximum duration of five years.[24] However, only the medicinal product the subject of the authorisation is protected during this additional period (see Section II, *infra*).

xi Plant varieties protection (UK and EU)

A plant breeder who creates a plant variety that is new, distinct, uniform and stable may be afforded exclusive rights to the production, sale, import and export of plants of that variety (and their seeds), and in some circumstances, to material harvested from that variety.[25]

Applications for plant breeders' rights are made to the Plant Variety Rights Office for rights in the UK only and to the Community Plant Variety Office for rights covering the EU. A variety is considered new even if it has been sold in the UK for up to a year before the application is made, or outside the UK for up to four years (or, in the case of vines and trees, six years) before the application. Protection lasts for 25 years for all species except trees, vines and potatoes, which are protected for 30 years.

II RECENT DEVELOPMENTS

In addition to the matters addressed in this section, developments in relation to the unitary patent and Unified Patent Court are discussed below (see Section V, *infra*).

i Procedure

Last year's reforms to civil procedure shifted the emphasis of the courts from seeking to do justice in individual cases, which had resulted in a culture of non-compliance and delay, to upholding the wider public interest in an efficient and proportionate justice system. Following the reforms, the courts have taken a tougher approach to breaches by parties of procedural rules and court orders.[26] When considering whether to grant relief from sanctions imposed for a breach, the courts now attach greater weight to the need for litigation to be conducted efficiently and at proportionate cost, and seek to enforce compliance with rules and orders. Sanctions imposed on parties since the introduction of the reforms include refusal to admit late-filed evidence and striking out late-filed claims and defences.

23 SPCs are also available to compensate for the time taken to obtain regulatory approval of agrochemicals following field trials (EU Regulation 1610/1996 concerning SPCs for plant protection products).

24 EU Regulation 469/2009 concerning the SPC for medicinal products (SPC Regulation).

25 See the Plant Varieties Act 1997.

26 E.g., see *Andrew Mitchell MP v. News Group Newspapers Ltd* [2013] EWCA Civ 1537.

ii Intellectual Property Enterprise Court

The Patents County Court (PCC) has been rebranded[27] as the Intellectual Property Enterprise Court (IPEC), and Richard Hacon, formerly a specialist IP barrister, has been appointed as its presiding judge. Several months into the job, HHJ Hacon appears to be following in the spirit established by his predecessor in taking a robust and proactive approach to efficient case management.

iii Patents case law update

Key developments in the past year concern the relationship between the UK courts and the EPO, specifically their concurrent jurisdiction over the validity of EPs; and guidance from the Court of Justice of the European Union (CJEU) on the interpretation of the SPC Regulation, in particular, the extent to which active ingredients must be specified in the wording of patent claims to support an application for an SPC, and whether combinations of active ingredients are entitled to SPC protection.

Concurrent jurisdiction

In *Virgin Atlantic Airways Ltd v. Zodiac Seats UK Ltd* [2013] UKSC 46, the Supreme Court held[28] that a defendant found to infringe a valid patent in the UK is entitled to rely on its subsequent revocation or amendment when the monetary remedy for the infringement is determined. In this case, after Zodiac had been found to infringe the UK designation of an EP, but before damages had been assessed, the Technical Board of Appeal of the EPO (TBA) held the EP claims to be valid only after amendment. Although Zodiac no longer infringed the claims, the earlier infringement decision was *res judicata*, but Zodiac was permitted to rely on the claim amendments in the damages enquiry (a separate proceeding) so that no damages were payable.

Post-*Virgin*, the UK courts are better able to account for developments in concurrent EPO proceedings so as to avoid injustice to alleged infringers. One might expect the courts to be less willing to adjourn their cases pending the outcome of EPO proceedings as a result of this development.[29]

The decision of the Court of Appeal in *Samsung Electronics Co Ltd v. Apple Retail UK Ltd* [2014] EWCA Civ 250 contrasts with that approach, but for good reasons. In this case, Samsung's application to adjourn its appeal against a judgment revoking two of its EPs pending developments at the EPO was granted. Having lost at trial, Samsung sought to avoid the effect of the decision by retrospectively limiting its claims (for all EP designations) at the EPO. As this rapid limitation procedure was likely to conclude before Samsung's UK appeal, and the claim language following that procedure could not be predicted, adjourning the appeal would allow the Court to address the final form of the claims when it reconvened (rather than spending time beforehand considering claims expected to change).

27 To reflect the fact that its cases concern trademarks, designs and copyright; not only patents.

28 Overruling a line of Court of Appeal decisions.

29 See, for example, *IPCom GmbH & Co KG v. HTC Europe Co Ltd* [2013] EWCA Civ 1496.

SPCs

The CJEU has confirmed[30] that an SPC can be granted in respect of patent claims having functional language, and that an active ingredient will be 'specified in the wording of the claims', and therefore eligible for an SPC, if the person skilled in the art (PSA) would consider it to meet the functional requirements of a claim. In particular, the question to be asked is whether, applying Article 69 of the European Patent Convention and the Protocol on its interpretation, the claims relate implicitly, but necessarily and specifically, to the active ingredient under consideration. This is a matter to be determined by national courts, but arguably the CJEU's preliminary ruling (in particular, what is meant by 'necessarily and specifically') does not provide much clarity beyond its earlier judgment in C-322/10 *Medeva*.

In two judgments given contemporaneously,[31] the CJEU considered whether a combination of active ingredients was entitled to an SPC where one of the constituent active ingredients was already the subject of an SPC. According to *Georgetown*, provided that a basic patent 'protects', as such, several different products (including in this case claimed individual antigens and combinations of those antigens),[32] then in principle, the patentee is entitled to SPCs in relation to each of those different products (and the combination). However, in *Sanofi*, a patent claiming a specified active ingredient (irbesartan), both alone and in combination with another active ingredient meeting the functional requirement for a 'diuretic' (in this case, hydrochlorothiazide), could not support SPCs both for the principal active ingredient alone and for the combination. The CJEU explained that the patentee could only obtain an SPC over a combination of the principal active ingredient with another active ingredient meeting a functional requirement if that specific combination was protected as a distinct invention by a patent. The CJEU reached this conclusion because, otherwise, the patentee could continue to seek SPCs based on further combinations of the principal active ingredient and other active ingredients meeting the broad functional requirements in the particular claim.

Georgetown also confirmed the one-SPC-per-product-per-patent rule following uncertainty that had arisen in light of comments in the *Medeva* case.

Prior to those judgments, the CJEU issued a reasoned order[33] holding that adjuvants (substances that increase the efficacy of an active ingredient without having therapeutic effects of their own) are not 'active ingredients' entitled to SPC protection. It followed that an adjuvant and active ingredient in combination were not a combination of active ingredients potentially entitled to SPC protection.

30 In C493/12 – *Eli Lilly and Company v. Human Genome Sciences Inc*.

31 See C-443/12 – *Actavis Group PTC EHF v. Sanofi* and C-484/12 – *Georgetown University v. Octrooicentrum Nederland*.

32 In this case, the claims specifically identified the active ingredients, which were polypeptide antigens, and combinations of them, for inclusion in an HPV vaccine.

33 In C-210/13 – *GlaxoSmithKline Biologicals SA v. Comptroller-General of Patents*.

It is fair to conclude that the SPC Regulation will continue to raise questions, and that recent guidance from the CJEU itself may lead to further referrals to clarify the bounds of these recent decisions.

III OBTAINING PROTECTION

i Patentability

To be patentable, an invention must satisfy the following criteria.

New

An invention is new if it is not disclosed in the prior art. The prior art comprises all matter made available to the public anywhere in the world before the priority date of the patent, whether by written or oral description or by use. A patent lacks novelty (is anticipated) if the prior art provides an 'enabling disclosure' of what is claimed.[34]

Inventive step

An invention involves an inventive step if it would not have been obvious to the PSA at the priority date of the patent having regard to the prior art. The PSA is skilled in the relevant technical field but uninventive, and she or he considers the prior art in the context of her or his common general knowledge (CGK). An invention is obvious if the PSA does not require any degree of invention to take the steps from the prior art to the inventive concept of the claims.[35] For this purpose, it is not generally permissible to mosaic items of prior art. A patent may also be obvious over CGK alone.

Capable of industrial application

An invention is capable of industrial application if it can be made or used in any kind of industry, including agriculture. The EPO regards this requirement as met by a product that has plausibly been shown to be useful, an approach that the UK courts have followed.[36]

Not be excluded

The following are excluded from patent protection:

a discoveries, scientific theories or mathematical methods;

b literary, dramatic, musical or artistic works;

c a scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer;[37]

34 *Synthon BV v. SmithKline Beecham plc* [2005] UKHL 59.

35 *Pozzoli SPA v. BDMO cs* [2007] EWCA Civ 588.

36 *Human Genome Sciences Inc v. Eli Lilly and Company* [2011] UKSC 51.

37 The EPO and the UK courts differ in their interpretation of the breadth of the computer program exclusion, the EPO finding patentability if a technical problem has been solved, whereas the UK courts currently require the technical contribution of the invention to lie outside of excluded subject matter.

d presentation of information;
e inventions, the commercial exploitation of which would be contrary to public policy or morality;
f a method of treatment of, or a method of diagnosis practised on, a human or animal body;[38]
g the discovery of a sequence of a gene, unless the industrial application of that discovery is disclosed;
h processes for cloning human beings or for modifying genetic material in the germ line of human beings;
i use of human embryos[39] for industrial purposes;
j processes for modifying the genetic identity of animals that are likely to cause them suffering without substantial medical benefit; and
k animal or plant varieties, or any essentially biological process for their production.

ii Applying for a patent

Patent protection in the UK may be sought as follows:

a Application to the UKIPO for a patent having effect in the UK only. The UKIPO searches for prior art, examines the application and, if the requirements are met, grants the UK patent.
b Pursuant to the European Patent Convention 1973 (EPC), application to the EPO for an EP that, when granted, yields a national patent in each EPC territory designated by the applicant (referred to as 'designations'). The EPO performs the prior art search, examines the application, and if satisfied, grants the EP.
c An international patent application under the Patent Cooperation Treaty 1970 (PCT), designating, among other territories, the UK or territories of the EPC. The prior art search is performed by an International Searching Authority. On request, an initial examination may be conducted by an International Preliminary Examining Authority, though it is more common for examination to be left to the national patent offices[40] responsible for granting the patent rights.

IV ENFORCEMENT OF RIGHTS

This section focuses on patent infringement, declarations of non-infringement (DNIs) and revocation actions. Issues of infringement and validity are almost always addressed by the UK courts together.

38 This exclusion does not apply to a substance used in treatment.

39 This includes any fertilised human ovum, any non-fertilised human ovum into which the nucleus from a mature human cell has been transplanted and any non-fertilised human ovum that has been stimulated by parthenogenesis (C-34/10 – *Brüstle v. Greenpeace eV*).

40 Or regional patent offices such as the EPO.

i Possible venues for enforcement

The UK has three distinct jurisdictions: England and Wales; Scotland; and Northern Ireland. Each jurisdiction has its own legal system with its own procedures, though in each case, the substantive patent law is in the Patents Act 1977.

Any action relating to IP rights described in Section I above[41] may be brought in England and Wales in the Patents Court or in the IPEC (both are part of the High Court). The IPEC is suitable for lower-value claims; damages in the IPEC are capped at £500,000 and the costs recoverable from another party are capped at £50,000. Some patent-related issues may be adjudicated by the Comptroller General of Patents at the UKIPO.

In Scotland, patent actions may be heard by the Court of Session only, and in Northern Ireland, by its High Court. These courts are less experienced in patent matters than the Patents Court.[42]

ii Requirements for jurisdiction and venue

An alleged infringer of an EP or a UK patent may be sued in the UK courts provided it is domiciled in the UK or an alleged infringement of the patent has occurred in the UK.[43] The courts of England and Wales (i.e., the Patents Court and the IPEC) may hear any such action provided the defendant is domiciled, or the alleged infringement occurred, in England or Wales. The UK courts described above may hear actions for revocation of UK patents and UK designations of EPs only.

iii Obtaining relevant evidence of infringement and discovery

Disclosure

The parties are generally required to disclose to each other any relevant documents in their control unless those documents are privileged. Documents are relevant if they support or adversely affect any party's case.

Disclosure by the defendant in a patent infringement or DNI action is commonly limited to a product or process description, which must provide full particulars of the allegedly infringing product or process.

The court may order that documents containing confidential information are disclosed on appropriate confidentiality terms only to members of a 'confidentiality club'. These commonly comprise a party's outside counsel, instructing in-house counsel and expert witness(es).

Expert evidence

Expert evidence is generally required to assist the court in adopting the viewpoint of the PSA to determine the disputed issues. The parties generally engage their own expert witnesses but may be ordered to agree on a single expert. Expert evidence is generally

41 Except actions for breach of confidence unless an ancillary part of another IP action.

42 For example, the High Court of Northern Ireland has heard just one patent action in recent times.

43 Regulation 44/2001 on Jurisdiction in Civil and Commercial Matters.

provided by way of a report, a response to the report of the other expert(s) and cross-examination at trial. Experts commonly address the scope of the CGK, the technology underlying the invention, what is shown in the prior art, and the workings of the alleged infringement.

Factual evidence

The parties may submit evidence that goes to factual issues in dispute. Witnesses of fact generally give evidence in a witness statement and under cross-examination at trial.

Experiments

A party may apply to the court to establish any disputed fact by experimental proof. In such cases, the other parties are generally entitled to see the results of the experiment and a repetition of its performance.

iv Trial decision-maker

Patent cases are heard and determined by a judge. In the Patents Court, they may be heard by Arnold or Birss JJ, both specialist patents judges,[44] or by another of the High Court judges nominated to hear cases in the Patents Court: Mann, Warren, Morgan, Norris and Roth JJ. HHJ Hacon hears cases in the IPEC.

v Structure of the trial

Structure of a typical patent action

At the outset, the parties prepare statements of case, which set out their respective positions on the key issues. Thereafter, the court holds a case management conference at which it directs the parties as to the conduct of the action and sets the timetable to trial. The parties are required to give any required disclosure and file the evidence on which they rely by the dates specified by the court. The parties may apply to the court for a hearing on short notice should they require guidance on procedural issues.

The trial itself

The trial is normally 'split', which means that issues of infringement and validity are determined at a first trial, and if the patent is found valid and infringed, the monetary remedy awarded is determined in a subsequent trial.

The claimant generally makes an opening statement before the parties cross-examine the witnesses relied on by each other. Each party then makes a closing statement.

The burden to prove infringement is on the patentee and the burden to prove the patent is invalid is on the party seeking revocation. The standard of proof is on the balance of probabilities.

44 Arnold and Birss JJ hear the more technically difficult cases as they were barristers acting in patent cases before becoming judges.

vi Infringement

Claim construction

The scope of protection of a patent is specified in the claims as interpreted by the description and drawings in the specification. The claims are construed to give the patentee 'the full extent of the monopoly that the PSA would think [the inventor] was intending to claim'.[45] They are construed without reference to the alleged infringement or the prior art. There is no doctrine of equivalents in the UK and the contents of the file wrapper are not an aid to construction.

Infringing acts

A person infringes a patent for a product if (without consent) he makes, disposes of, offers to dispose of, uses or keeps the product in the UK, or imports the product into the UK.

A person infringes a patented process if he uses the process or offers it for use in the UK when he knows, or it is obvious to a reasonable person in the circumstances, that its use in the UK would infringe the patent. A person also infringes a patent for a process if he disposes of, offers to dispose of, uses or keeps in the UK, or imports into the UK, any product obtained directly by means of that process.

A person infringes a patent (whether for a product or process) if he supplies or offers to supply in the UK a person not entitled to work the invention with any of the means, relating to an essential element of the invention, for putting the invention into effect, when he knows, or it is obvious to a reasonable person in the circumstances, that those means are suitable for implementing the invention in the UK and intended for that purpose. This ground does not generally apply to suppliers of 'staple commercial products'.

A person who procures, induces, incites or persuades another person to infringe a patent is liable as a joint infringer.[46]

vii Defences

Exceptions to infringement

A patent is not infringed by, in particular:

a acts done for private and non-commercial purposes;
b acts done for experimental purposes relating to the invention;
c testing necessary to an application for a generic marketing authorisation performed after expiry of data exclusivity (see Section I, *supra*);[47]
d preparation of medication in a pharmacy for an individual in accordance with a prescription;
e use on a ship or aircraft that has temporarily or accidentally entered the UK; or
f specified uses of plant products and animals by farmers.

45 *Kirin-Amgen Inc v. Hoechst Marion Roussel Ltd* [2005] RPC 9.

46 *CBS Songs Ltd. v. Amstrad Consumer Electronics plc* [1988] UKHL 15.

47 Following consultation, the UK proposes to amend the scope of this exception to include testing of innovator products for the purpose of obtaining regulatory approval.

Invalidity

It is a defence to a patent infringement action in the UK to establish that the patent is invalid and should be revoked.[48] A patent is invalid in the UK if:

a the invention is not a patentable invention because it lacks novelty or an inventive step, is incapable of industrial application or is excluded from protection (see Section III, *supra*);

b it was granted to a person who was not entitled to the patent;[49]

c the specification does not disclose the invention clearly enough and completely enough for it to be performed by the PSA. This is the requirement for 'sufficiency' or an 'enabling disclosure'. A patent is sufficient if the PSA can achieve what is specified in the claims with a degree of (uninventive) trial and error. However, if the breadth of the claim exceeds the technical contribution made by the invention, the patent is insufficient;

d the matter disclosed in the patent extends beyond the matter disclosed in the patent application as filed ('added matter'); or

e the scope of the claims has been extended by a post-grant amendment that should not have been allowed.

Other defences

The alleged infringer may have a licence to work the invention in the UK, or she or he may be dealing in products that were legitimately sold to her or him in the UK (patent exhaustion). In some cases, a compulsory licence may be available, or the alleged infringer may be able to insist on the grant of a licence on fair, reasonable and non-discriminatory terms because the patent is essential to a standard.

There is no defence in the UK of inequitable conduct.

viii Time to first instance decision

This varies depending on a number of factors including the number of patents involved, whether both infringement and validity are disputed and the complexity of the underlying technology. However, a typical patent action comes to trial within 12–15 months, with judgment given two to three months thereafter. If the action is expedited, the action may reach trial more quickly.

ix Remedies

Injunctions

If the patentee succeeds at trial, the court is likely to order a 'final injunction' against the infringer (but see Section II, *supra*).

The court may order an injunction at an interim stage of an infringement action if the patentee can show an arguable case of infringement and, (more importantly),

48 The EPO may invalidate all designations of a European patent if an opposition has been filed in the nine-month opposition period following its grant. Such opposition proceedings may take many years to reach a final conclusion.

49 Though this ground may only be raised by the person actually entitled.

that damages awarded subsequently would not adequately compensate the patentee for ongoing infringement. If an interim injunction is ordered, the patentee is generally required to give the injuncted party a cross-undertaking in damages.

According to a recent decision of the CJEU, the UK courts may be able to grant interim injunctions on a pan-European basis.[50]

Monetary remedies

The patentee is entitled to damages or, at the court's discretion, may elect for an account of the profits made by the infringer as a result of its infringing acts.

An award of damages seeks to put the patentee in the position it would have been in had infringement not occurred. Losses are only recoverable if they were reasonably foreseeable consequences. The court may award damages based on the royalty rate the infringer would have paid to license the invention, or based on the profits the patentee would have made had it sold its patented products in place of the infringing products.

In an account of profits, the court is required to apportion the profits attributable to the infringement. The infringer may deduct from these certain allowable costs incurred in connection with its infringing acts.

In general, the successful party is entitled to recover a proportion of its costs from the other party.

Other relief

The court may order an infringer to deliver to the patentee or destroy any infringing products in the infringer's possession.

x Appellate review

The Court of Appeal, which sits as a panel of three judges, hears appeals from the Patents Court and the IPEC. However, interim decisions of the IPEC are appealed to the Patents Court. Decisions of the Court of Appeal relating to important issues of legal principle may be appealed to the Supreme Court, which generally sits as a panel of five judges.

The Court of Appeal includes two experienced patents judges, Kitchin and Floyd LJJ.

To appeal, prospective appellants require permission of the court whose decision is to be appealed, or failing that, permission of the court that would hear the appeal. Permission is granted if the court considers that the appeal has a real prospect of success or if there is some other compelling reason why it should be heard. Only errors of law may be appealed; it is not generally possible to reopen issues of fact, and additional evidence is not admissible unless special circumstances apply.

xi Alternatives to litigation

Alternative dispute resolution (ADR) is an umbrella term that describes several methods to resolve disputes outside of court, including arbitration and mediation. The advantages of ADR can include flexibility, privacy and speed.

50 C-616/10 – *Solvay SA v. Honeywell Fluorine Products Europe BV.*

V TRENDS AND OUTLOOK

i Unitary patent and Unified Patent Court

Following enactment of the Unitary Patent Regulation (Regulation) in 2012 and entry into the agreement on the creation of a Unified Patent Court (UPC Agreement) in 2013,[51] the draft Rules of Procedure of the UPC are (at the time of writing) in their 16th version. The Preparatory Committee for the UPC will hold a further public consultation on the Rules at a meeting later in 2014. In the meantime, the Committee has initiated the process of selecting UPC judges and agreed to procure an electronic filing and case management system for the UPC. A list of the first judges for the UPC is likely to be published in July 2014 and a training centre for the judges was opened in Budapest earlier this year, with a view to training beginning in autumn 2014.

The preparations for the UPC are unlikely to be complete before the end of 2015 (at the earliest). Neither the Regulation nor the UPC Agreement come into force until the latter has been ratified by 13 contracting Member States,[52] but to date, only Austria and France have done so. Denmark and Ireland are due to hold referenda on the issue soon.

The unitary patent is an EP granted centrally by the EPO, which will co-exist with national patents and traditional EPs. It provides uniform protection across contracting Member States (currently 25 of the 28 Member States of the EU)[53] and may, by an action brought in one contracting Member State, be enforced in all of them.

The UPC will have courts of first instance and an appeal court. The courts of first instance will comprise a central division (split between Paris, London and Munich), local divisions and regional divisions. Some contracting Member States will have local divisions, while others will share a regional division. The UK is expected to have at least two local divisions. Infringement actions will be heard by the appropriate local or regional division, but in certain situations, the central division will have jurisdiction. Actions for revocation of a unitary patent or for a DNI may only be brought in the central division.

London will host the part of the central division with jurisdiction over patents relating to metallurgy and chemistry, which includes pharmaceuticals and biotechnology, and 'human necessities', which covers agriculture, health, foodstuffs and domestic articles.

UK-qualified lawyers will be able to represent clients before any division of the court of first instance or in the appeal court.

ii Intellectual Property Bill

At the time of writing, the Intellectual Property Bill has passed through both Houses of Parliament and awaits Royal Assent before becoming law. The Bill is directed at

51 Which aim to further harmonise European patent law, reduce the costs of obtaining and maintaining patent protection in Europe and streamline European patent litigation.

52 At the date of writing, all EU Member States except Spain, Poland and Croatia have signed the UPC Agreement.

53 Spain, Italy and Croatia are not (to date) signatories of the Regulation.

modernising aspects of intellectual property law in the UK. The most significant aspects are as follows:

a intended ratification of the UPC Agreement;

b the deliberate copying of a UK or EU registered design in the course of business is to be made a criminal offence in the UK; and

c the UKIPO will introduce a design opinions service to provide a low-cost, non-binding view on potential design disputes (e.g., whether a product infringes).

Appendix 1

ABOUT THE AUTHORS

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Dr Penny Gilbert has a degree in biochemistry and DPhil in molecular biology from Oxford University. She specialises in patent litigation, particularly in the life sciences, and represents clients before the UK patents courts, including acting in the first patent case to be heard by the UK Supreme Court (*HGS v. Eli Lilly*), and before the CJEU. She advises on European patent litigation strategy and has a wealth of experience in co-ordinating multinational patent litigation, including involvement in EPO opposition and appeal proceedings. She also represents clients in technology contract disputes before the UK courts, and in arbitration proceedings, and is experienced in providing freedom-to-operate opinions and due diligence advice. Penny is a solicitor advocate and a qualified mediator. She is a vice president of the European Patent Lawyers Association and teaches patent law and procedure on the Oxford University IP Diploma course.

ALEX MAY

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Alex is a specialist IP litigator with particular experience of multi-jurisdictional patent litigation. He acts in disputes relating to patents in all technical fields, and his recent experience includes cases concerning smartphones, television set-top boxes, offshore drilling and pharmaceuticals. Alex has played a key role in litigation in the courts of Germany, Australia and the United States. He is experienced in reviewing patent portfolios to identify patents for assertion and in obtaining evidence from overseas jurisdictions. His technical background is in genetics and he has studied at the universities of Oxford, Sydney and Nottingham, as well as at BPP Law School in London.

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Alexandra has a degree in human geography from the University of Sussex. She became a paralegal in the litigation support team after being called to the English Bar in 2012. Alexandra is experienced in conducting legal and technical research; managing the practical aspects of UK and multi-jurisdictional cases; preparing and issuing court documents; and drafting legal documents and notes of advice. She has recently gained experience in a wide range of trademark matters, including anti-counterfeiting work and customs seizures.

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