

# M E W S N E W S

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Welcome to this, the fifth edition of *Mewsnews*. Our aim is to feature a few of the issues and developments that have been making the news in UK and European intellectual property law. If you would like more information on any of the topics covered, or a specific area of interest, please get in touch with your regular Mewburn Ellis contact.

## Biotech Update

### Icos Decision

This published Opposition Division (OD) decision relates to a sequence-based invention: the patent contained few data, but the claimed protein was predicted to be a receptor based on sequence similarity to a large family of known receptors. Apart from revoking the patent for lack of inventive step, the OD also upheld the ground of insufficiency. The claims specified that the protein was a receptor, but the OD considered there to be an undue burden in proving receptor function by identifying the ligand. The OD also upheld the ground of lack of industrial application, on the basis that all proposed uses of the protein were speculative, i.e. they were “not

specific, substantial and credible”, mirroring language used in the US utility guidelines. As the decision has been published, and is generally consistent with the EPO’s policy as stated elsewhere, we think it is likely to be followed in future cases unless it is superseded by a decision by a Board of Appeal.

### The Edinburgh Patent and Stem Cells

An OD decision in July on this controversial patent, EP 695351 B, held that claims that encompass human embryonic stem (ES) cells contravene Rule 23d(c), which

provides that “uses of human embryos for industrial or commercial purposes” are inventions contrary to public order or morality, and are therefore excluded from patentability under Art 53(a) EPC. This is despite Rule 23e(2), which provides that “an element isolated from the human body or otherwise produced by means of a technical process ... may constitute a patentable invention”. Although the written decision has not yet been issued, we are already receiving objections that follow this decision. The EPO is insisting that claims encompassing ES cells be limited to exclude human ES cells.

## Use of a Trade Mark

### Various recent court decisions have considered the concept of “use” of a trade mark for infringement purposes.

The UK court in *Reed Executive plc v Reed Business Information Ltd.* ruled that “invisible” use of a metatag on the Defendant’s website containing the name “Reed” could infringe the Claimant’s trade mark for that word. Although the judgement was limited to instances where the infringing sign was contained in the invisible programming of a website and was locatable by search engines as a visible search result, this opens up a new area of potential infringement.

In *Holterhoff v Sreiesleben*, the case revolved around oral use of the trade

marks in sales negotiations, describing the cut of diamonds as being made “in the style of” the registered marks. The ECJ held that where a party referred to another’s mark in commercial negotiations and that reference was: purely descriptive in context; used in order to describe or reveal the characteristics of the goods on sale; and could not be interpreted as indicating the origin of the goods, there was no infringement.

*Arsenal Football Club plc v Reed* related to use of registered marks on “unofficial merchandise”. The UK court found in Mr Reed’s favour *on the facts*, and appeared to accept his argument that his use of the marks

was merely as a “badge of loyalty” and therefore did not indicate the origin of the goods. The *legal issue* as to whether the use of a trade mark in such circumstances could infringe was “referred” to the ECJ for interpretation. The ECJ appeared to rule in favour of Arsenal, finding it immaterial that in the context of the use the mark could be perceived as a badge of support for the club. However, the UK court found that the ECJ had overstepped its jurisdiction by determining questions of *fact*. Applying the ECJ’s *interpretation of the law* to the already decided facts, the use was found to be non-infringing. Arsenal have appealed to the UK Court of Appeal.

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## Community Designs

Applications for Registered Community Designs are now being accepted. OHIM (which also administers the Community Trade Mark) started accepting applications from 1st January 2003, although any application filed before 1st April 2003 will be considered to have been filed on the latter date.

Registered Community Designs are unitary rights covering the whole of the EU which can be obtained by a single application. The application is only subject to formal examination, and the right lasts for an initial period of five years. This term can be extended to 25 years by payment of renewal fees.

For further information on Community Designs, and for tariff information, please ask your regular Mewburn Ellis contact.

## Community Patents

The European Union is tied up in disagreement over proposals for a Community-wide patent system to run in parallel with the present European patent system. The points of controversy are the language provisions for the proposed system, as well as the nature of the judicial system which will have jurisdiction in disputes involving Community patents. The European Parliament and the EU Council of Ministers (the heads of government of the member states) were unable to agree on these matters last year. Therefore, unless a surprise agreement is reached, the European Commission (which has been proposing the legislation) will drop the proposal entirely.

## Implementation of the Biotech Directive

All the EU member states were required to implement the Biotech Directive by 30th July 2000. Only six have done so. The EU Commission recently officially requested the remaining nine member states (including Germany, France, Italy and the Netherlands) to do so.

## PCT Update

### Revised Examination

For PCT applications filed on or after 1st January 2004, the establishment of an examiner's opinion will be incorporated into the international search procedure under Chapter I. Under the new system, an International Preliminary Report on Patentability (IPRP) will be prepared for every application, addressing the questions of whether the claimed invention appears to be novel, to involve an inventive step and to be industrially applicable. The International Searching Authority (ISA) will prepare both the International Search Report (ISR) and a preliminary and non-binding International Search Opinion (ISO). If a Demand for IPE is not filed, this ISO will form the IPRP. However, further examination can still be carried out under Chapter II PCT following the filing of a Demand.

### Extension of National/Regional Phase Deadline under Chapter I

As previously reported, the deadline for entry into the national/regional phase after the International Phase of the PCT was extended in April 2002. However, notifications are still in effect for several contracting states, including Brazil (BR),

South Korea (KR), Norway (NO), Singapore (SG), Yugoslavia (YU) and South Africa (ZA): the deadline is *not* automatically extended in these countries. It is therefore still necessary to file a Demand for International Preliminary Examination (IPE) to extend this deadline from 20 to 30 months from the priority date in these countries.

The notification for China was withdrawn with effect from 1st February 2003. The new deadline applies only to PCT applications which had not entered the Chinese National Phase by that date and for which the period of 20 months from the priority date had not expired by that date. The notification for South Korea will be withdrawn with effect from 12th March 2003.

### Rationalised Designation System

With effect from 1st January 2004, designation fees will be eliminated and a new flat "international filing fee" will replace the current basic fee and designation fees. The applicant will obtain an automatic and all-inclusive coverage of all designations available under the PCT.

## New EPC States

Two states have recently joined the EPC: Slovenia (SI) from 1st December 2002 and Hungary (HU) from 1st January 2003. New European applications filed after the respective dates can designate Slovenia and/or Hungary. These countries can also be included in the EP designation of PCT applications filed after those dates. Applications under either route designating "all states" will include Slovenia and Hungary as appropriate. However, please note that these countries

*cannot* be included in the European *regional processing* of a PCT application filed before the relevant dates.

Similarly, Romania (RO) joined the EPC on 1st March 2003. The accession of other "candidate" EU members (e.g. Latvia, Lithuania and Poland) to the EPC can be expected to take place in the near future as they harmonise their laws prior to potentially joining the EU.

## Useful Websites

UK Patent Office:	<a href="http://www.patent.gov.uk">www.patent.gov.uk</a>	OHIM:	<a href="http://www.oami.eu.int">www.oami.eu.int</a>
EPO:	<a href="http://www.european-patent-office.org">www.european-patent-office.org</a>	Mewburn Ellis:	<a href="http://www.mewburn.com">www.mewburn.com</a>