

Welcome to the latest edition of *Mewsnews*, which features highlights of a few of the items of news and developments in European and UK intellectual property. If you would like more information on any of the topics covered, or on a specific area of interest, please get in touch with your regular Mewburn Ellis contact.

Changes to the UK Patents Act

A number of proposed changes to the UK Patents Act are currently before Parliament. These changes are directed towards removing a number of burdens on applicants by easing certain formal requirements and removing some of the “red tape” presently found in the system. The changes are expected to come into effect in December 2004.

There are too many changes to discuss individually here, but we believe that the following will have the greatest impact on applicants.

Date of Filing

The proposed changes no longer require the applicant to file a full description of the invention to receive a filing date. Instead, either

“something which appears to be a description” or a reference to a previous application can be supplied. In particular, this will allow applicants to obtain a filing date based on a description in a foreign language, provided a translation is filed before a later date.

Time Limits

Under the new law, the applicant will have the right to extend once *any* time limit set by the Comptroller, so long as the original time limit is still pending when the extension is requested. The proposed extension is of two months and is likely to be subject to a fee. In particular this will apply to time limits for responding to Examination Reports.

National Security

The burden of deciding whether an invention is prejudicial to national security will be shifted to the applicant, with the requirement on UK resident applicants to file first in the UK being removed. Overall this is expected to ease the burden on most applicants, although the exact scope of the proposed list of technical fields in which applications must still be filed first in the UK is uncertain at the moment.

Transactions

Only the signature of the person assenting to a transaction involving a patent will be required. This brings patent law into line with other UK intellectual property laws.

New EU Technology Transfer Block Exemption Regulation

European competition law prohibits agreements which have as their object or effect the prevention, restriction or distortion of competition within the common market. This means that certain terms which parties may wish to include in technology licences are in fact prohibited.

However, the Commission has issued several regulations which provide exemption for certain types of agreement, provided that the effect is promotion rather than restriction of competition. A new draft technology transfer regulation has been published and is expected to come into force in May 2004.

The proposed regulation is less rigid than the previous version, and exemption in the future looks likely to depend to a greater extent on the market shares of the parties. There will no longer be a “white list” of expressly permitted obligations, although the “black list” of

prohibited restraints will remain. The new regulation will also cover design and some software licences, provided they are primarily for manufacturing purposes.

For *non-competitors*, the new block exemption will only apply if neither party's share of the technology or product market exceeds 30%. For *competitors*, the parties' *combined* share must not exceed 20% of the relevant market. Defining markets and market shares is a complex issue, and it is also likely that these shares will change over time, potentially causing initially exempted licences to fall outside the regulation during their lifetime.

It is therefore important that any new proposed licence provisions are either non-restrictive of competition or satisfy the new requirements, and that existing licences are reviewed when the new regulation comes into force. Please do not hesitate to contact us if you have any queries or concerns regarding this.

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PCT Changes

Significant procedural changes have come into effect which affect PCT applications filed on or after 1st January 2004.

Examination

All PCT applications will now be subject to examination, with an International Preliminary Report on Patentability (IPRP) being prepared for every application. This examination will either occur without interaction between the applicant and the examiner or, if a Chapter II Demand is filed, following arguments and/or amendments submitted by the applicant.

The EPO has increased the International Search Fee for applications filed with European national offices or at the EPO directly by almost 65%, apparently to reflect the additional work required to prepare the IPRPs.

Designations

A PCT application will now provide automatic coverage for all member states and for all types of protection available. It is no longer necessary (or possible) to choose which member states or which types of protection you wish. It is possible to withdraw any designations at the time of filing, or later.

Madrid Protocol Expands

Two highly significant steps in the expansion of the Madrid Protocol for international registration of trade marks have occurred in recent months.

On 2nd November 2003 the USA ratified and acceded to the Protocol, thus allowing proprietors or applicants in existing Protocol countries the opportunity to extend their international application or registration to the US, as well as opening up the Protocol system to US applicants/proprietors.

On 27th October 2003 the European Union decided to ratify the Protocol and to deposit its instrument of accession with WIPO. Formal accession is expected some time in 2004, at which point CTM applications and registrations will be available under the Protocol.

These events will make two of the most significant worldwide trade mark jurisdictions available under the Protocol and can only serve to increase the attractiveness of the Protocol to its users.

Stop Press

Shortly before going to press, the President of the EPO referred questions to the Enlarged Board of Appeal on the allowability of claims relating to methods of diagnosis. This follows decision T964/99 in which a Technical Board of Appeal stated that claims to methods which were "of value for diagnosis" should be excluded, apparently overturning established case law. We will keep you updated on any developments in this case.

European Software Directive in Difficulty

In September 2003, the European Parliament debated a proposed directive on the patentability of computer-implemented inventions. This has long been a contentious topic in Europe, with case law from the EPO Boards of Appeal recognising the possibility of patentable inventions that are implemented using computer programs despite the statutory exclusion on the patentability of computer programs as such.

The Software Directive was intended to give the current practice of the EPO (to refuse patents for computer-implemented inventions unless the invention provides a new "technical effect" which is non-obvious and must be more than the typical interaction between a piece of software and a computer) explicit statutory basis by harmonising national law in this area.

However a large number of amendments were introduced by the Parliament, principally as a result of highly effective lobbying by the open source community. In general the amendments rule out or further limit patentability for computer programs, and many are highly controversial. The result is viewed by many as being effectively unworkable. Although the amendments are too numerous to discuss in detail here, some have potential consequences in fields as diverse as agriculture and printing.

Although a meeting of the member states to review the proposed amendments is scheduled for May 2004, it seems likely that the directive will be dropped altogether.

New EPC Contracting State

Poland (PL) has acceded to the EPC, becoming the 28th contracting state. The EPC will enter force for Poland as from 1st March 2004.

European applications filed on or after that date will be able to designate Poland. PCT applications filed on or after that date will automatically designate Poland as part of a European Patent.

Please note that PCT applications filed before 1st March 2004 will *not* be able to designate Poland when entering the regional phase before the EPO, and separate protection in Poland should be sought.

In-House News

Nicholas Sutcliffe joined the partnership on 1st October 2003. Nick has worked with Mewburn Ellis since 1997 and specialises in patents in the fields of biotechnology, immunology, genetics and biochemistry.

Richard Clegg, Graham Forrest, Daniel Holt and Wilhelmus Wytenburg have qualified as European Patent Attorneys: Daniel and Wilhelmus also as UK Patent Attorneys.