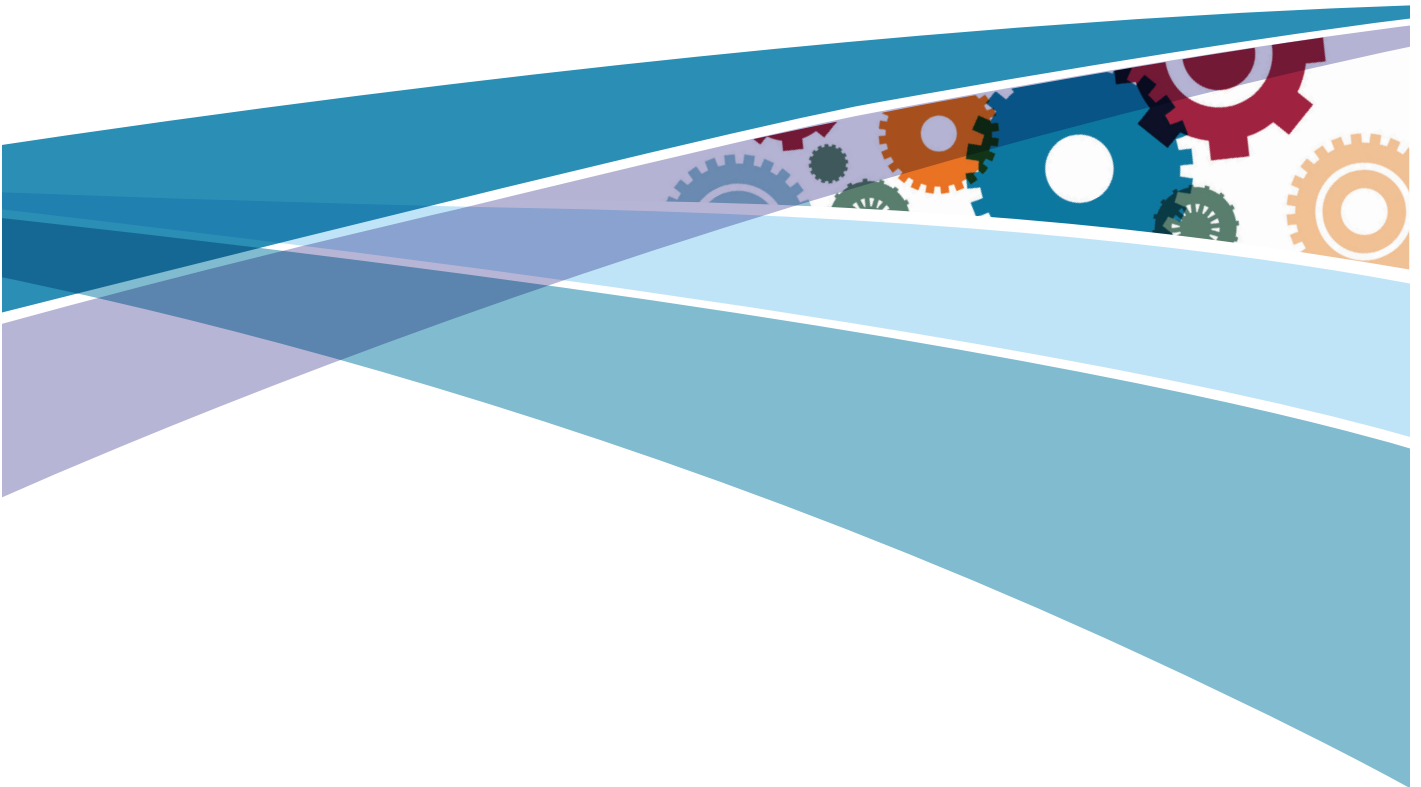




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# Government Response to the Technical Review and Call for Evidence on Secondary Legislation Implementing the Agreement on a Unified Patent Court and EU Regulations Establishing the Unitary Patent



Government Response to the Technical Review and Call for Evidence on Secondary Legislation Implementing the Agreement on a Unified Patent Court and EU Regulations Establishing the Unitary Patent

Published by The Intellectual Property Office Jan 2016

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## Executive Summary

1. The Intellectual Property Office (IPO) ran a Technical Review and Call for Evidence between 10 June 2014 and 2 September 2014 on draft secondary legislation which proposed changes to the Patents Act 1977 to introduce the Unified Patent Court (UPC) and the Unitary Patent. There were twenty responses to the Technical Review and Call for Evidence<sup>1</sup> (a list of respondents is provided in the Annex). Workshops were also hosted by the IPO to discuss specific aspects of the Technical Review. A summary of the responses to each of the twenty questions asked by the Technical Review and Call for Evidence was published on 12 March 2015<sup>2</sup>. The responses received have helped inform the further development of the legislation. The responses have also assisted with updating the Impact Assessments to go with the legislation<sup>3</sup>.

## Next steps

2. The changes will come into effect once the Unified Patent Court Agreement comes into force; this will be three months after 13 states including France, Germany and the UK have ratified the Agreement. It is expected that the UPC will open in early 2017<sup>4</sup>.

## Background

3. On 19 February 2013, the UK, along with 24 other EU Member States, signed the Unified Patent Court Agreement. This Agreement establishes a court common to the participating states for the settlement of disputes relating to European Patents and European Patents with unitary effect (commonly referred to as Unitary Patents). The two Regulations which establish the Unitary Patent and the translation arrangements for the Unitary Patent were adopted, through enhanced cooperation, in December 2012.
4. Before ratification of the Agreement certain changes to UK law must be made in order that UK law is compliant with both the Regulations and the Agreement. The ability to make the proposed changes to implement the UPC Agreement is provided for through section 88A of the Patents Act 1977, and the changes for the Unitary Patent Regulation through the power in section 2(2) of the European Communities Act 1972.

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1 The Technical Review and Call for Evidence was published on 10 June 2014: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/318769/Consultation\\_Technical\\_Review\\_Unified\\_Patents\\_Court.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/318769/Consultation_Technical_Review_Unified_Patents_Court.pdf)

2 The Summary of Responses is available: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/411912/Technical\\_Review\\_and\\_Call\\_for\\_Evidence\\_Summary\\_of\\_Responses.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/411912/Technical_Review_and_Call_for_Evidence_Summary_of_Responses.pdf)

3 Available here: <https://www.gov.uk/government/consultations/secondary-legislation-implementing-the-unified-patent-court>

4 As announced by the Preparatory Committee on 1 October 2015 <http://www.unified-patent-court.org/news/96-protocol-to-the-upc-agreement>

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## Government response by theme

5. The government has reviewed and given due consideration to the twenty responses received to the Technical Review and Call for Evidence. On some matters it is proposed to amend the drafting of the legislation to take account of the responses. The following sections set out the government's response to this Technical Review and Call for Evidence based on the themes used in that document.

## Territorial scope of the proposed changes

6. As outlined in the Technical Review and Call for Evidence, in spring 2013, the Council of Ministers of the Isle of Man requested<sup>5</sup> that ratification of the UPC Agreement include the Isle of Man.
7. The draft legislation in the Technical Review and Call for Evidence applied to the same territorial extent as the Patents Act 1977 meaning that it extended to the Isle of Man. However, since then it has been agreed that the Statutory Instrument will not include the Isle of Man in its territorial extent. Instead, all the changes needed to ensure compliance with the Unitary Patent Regulation and for the UPC to come into effect in the Isle of Man will be made by using an Order in Council under section 132(2) of the Patents Act 1977.

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5 Summary of the Proceedings of the Council of Ministers for April, May and June 2013 which is published on the Isle of Man Government website at [www.gov.im/media/629447/comin\\_aprilmayjune2013.pdf](http://www.gov.im/media/629447/comin_aprilmayjune2013.pdf).

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## Jurisdiction

### *Conferring jurisdiction on the Unified Patent Court*

8. The proposal in the Technical Review and Call for Evidence was to make changes so that specific sections<sup>6</sup> of the Patents Act were disapplied where the UK courts no longer had jurisdiction for certain actions in relation to the Unitary Patent, or, following the transitional period, to European patents that designate the UK (from now on referred to as EP(UK)s) or supplementary protection certificates (SPCs) based upon those patents. In the consultation, question 1 asked whether the proposed changes to the Patents Act would correctly show the division in competence between the UPC and national courts<sup>7</sup>. Although responses to this question were mixed and no distinct view dominated, a number of responses found this section of the draft legislation unclear – particularly in relation to the transitional period of the UPC.
9. Those that agreed that the proposed changes achieved the aim of giving a correct division of competence between the UK courts and the UPC moderated this support with comments about the lack of clarity in the UPC Agreement. Some responses did not agree that the division of competence was correctly made and made suggestions relating to draft Schedule A4 to the Patents Act, set out in the draft Instrument. Changes have been made to more clearly distinguish between the division of competence and the disapplication of sections of the Patents Act.
10. A number of responses from the patent attorney and legal sectors commented that provisions relating to the transitional period were unclear about whether some aspects would be under UPC or national jurisdiction, in particular due to differences in wording between the draft and the UPC Agreement. There were those that thought there could be a risk of parallel proceedings due to the division of competence and some posed scenarios where some confusion could arise over which court would have competence.
11. Government has taken on board the comments made by respondents and has taken the approach of referring to specific provisions of the Agreement in the legislation itself.

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6 The draft legislation found in the consultation document proposed that the following sections would not apply to Unitary Patents, or European Patents following the transitional period: sections 61 to 63 and 65 to 69 of the Patents Act relating to infringement proceedings, section 71 on declarations for non-infringement, and sections 72, 73(1), 74 and 75 on revocation.

7 There were 11 responses to question 1: 3 agreed that the changes correctly ensured the division of competence between UK courts and the UPC; 4 found that the changes partly achieved this aim; and 4 disagreed that the division of competence was correctly made.

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### Comptroller's powers

12. The Technical Review and Call for Evidence proposed that the powers the Comptroller has to decide on questions of validity/revocation and infringement needed to be amended for patents that would be subject to the UPC's jurisdiction. Although no specific question was asked about the Comptroller's powers, the issue was raised in a couple of responses to question 1 and was also discussed in workshops hosted by the IPO. Some responses said that it could be advantageous if the Comptroller retained power to make decision in disputes involving Unitary Patents, especially for SMEs. However, another respondent suggested that it would be incorrect for the Comptroller to retain powers over Unitary Patents, but urged caution in making changes to UK law until the actions of other Signatory States were known. One respondent expressed similar caution, but suggested that, if national patent offices were considered to be an administrative forum rather than a judicial one, it could be argued that the Comptroller would be able to retain its powers.
13. The government has not changed its view from the position set out in the consultation document that where actions are under the exclusive competence of the UPC, the Comptroller cannot retain jurisdiction as a tribunal. In addition, the IPO's function as a patent tribunal has been found to qualify as a 'court' under the Brussels I Regulation<sup>8</sup>, as stated in *Future New Developments v B & S Patente Und Marken GmbH* [2014] EWHC 1874 (IPEC). This supports the view that the Comptroller carries out a judicial role in deciding issues of validity and infringement, and so cannot retain jurisdiction over these matters.

### Opinions

14. The Technical Review and Call for Evidence also sought views on the prospect of the Comptroller providing a non-binding opinions service for Unitary Patents<sup>9</sup>. The majority of responses to question 3 said that they agreed with the principle, although some were unsure how it might work in practice.
15. The small number that did not support this proposal thought that it could give the IPO a role beyond that appropriate for a national office, and also commented that it might create an additional step in litigation.
16. Overall, the extension of opinions to Unitary Patents was supported by the majority of responses to the question and the government intends to maintain its proposal. However, the Comptroller's power to revoke a patent on the basis of an opinion finding a lack of novelty or inventive step will not apply to Unitary Patents or EP(UK)s which have not been opted out, because the revocation of those patents will be part of the exclusive jurisdiction of the UPC. As discussed above, it is the government's view that the Comptroller will not be able to retain such powers.

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<sup>8</sup> Council Regulation (EC) No [44/2001](#) of 22 December 2000 as amended on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters

<sup>9</sup> There were 12 responses to question 3 about the provision of an opinions service for the Unitary Patent, with 9 showing support for the proposal to provide non-binding opinions for Unitary Patents.

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### *Transitional period*

17. Many responses to the question asking about the implementation of the transitional period (question 2)<sup>10</sup> suggested that the approach taken in the proposed legislation was not the best way to address the transitional period. The proposed changes to the Patents Act copied out the provisions of Article 83 of the UPC Agreement; however, the suggestion from respondents was that the government should instead directly reference Article 83 of the Agreement.
18. The government agrees that there may be benefits to directly referencing relevant sections of the Agreement rather than copying them into UK law. Consequently the implementing legislation adopts a direct referencing approach towards implementing Article 83 of the UPC Agreement.

### *Jurisdiction of the UPC and SPCs*

19. One respondent considered in detail how the draft changes may apply to SPCs. The key criticism made by this respondent was that it was not sufficiently clear how the proposed legislation may apply to SPCs. The response outlined how the provisions found in Schedule A4 could be improved upon to ensure that it is clear how SPCs are affected by the UPC's jurisdiction.
20. The government agrees that improvements could be made to show where the UPC has exclusive jurisdiction over SPCs and where, if the patent on which the SPC is based is opted out, this would not apply. Changes have been made to Schedule A4 to reflect this.

### *Court provisions*

21. No responses were received on the matter of court provisions. Therefore, the government has continued with the approach proposed in the Technical Review and Call for Evidence.

### *Enforcement of UPC court orders*

22. At consultation, it was proposed that no changes were needed to primary legislation in order to give effect to the enforceability of UPC decisions and orders. It was considered that changes to the Civil Procedure Rules in England and Wales, the Rules of the Court of Session in Scotland, and their equivalent in Northern Ireland would be sufficient to allow UK courts to recognise decisions and orders of the UPC that need to be enforced in the UK. Changes to these rules will be addressed at a later date.

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10 Question 2 was in two parts, the first asked if the proposed legislation clearly implemented the transitional period provisions. This received 10 responses, 8 of which did not think the proposed legislation was clear in its implementation. The second part of the question asked how it could be improved; there were 9 responses to this – most of which recommended direct referencing of the Agreement.

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23. However, the government has reconsidered this position and conducted further analysis of the decisions and orders of the UPC. In light of further analysis the government has concluded that it would be prudent to provide for the enforcement of UPC orders and decisions in primary legislation in order to make it clear that such orders and decisions are enforceable in the UK.
24. Therefore, a new section on enforcement will be included in Schedule A4, modeled on sections 4(3) and 4A(2) of the Civil Jurisdiction and Judgments Act 1982. The section now takes account of the fact that, in Northern Ireland, some enforcement is through the Enforcement of Judgments Office.

### ***Financial provisions and the UPC***

25. No comments were received in relation to the proposed amendment of section 95 of the Patents Act 1977 to recognise the UPC Agreement. However, upon further consideration and analysis, the government has concluded that the proposed amendment is not needed.

### ***Consequential changes to the Patents Act***

26. Whilst the general issue of groundless threats was discussed by respondents (and is covered later in this response), no comments were received on the other consequential amendments. However, a change to how the legislation adds the UPC to the definition of “court” in section 130(1) of the Patents Act means that it is no longer necessary to amend section 27(2) to make specific reference to the UPC.
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## Unitary Patent

### *Changes relating to the Unitary Patent Regulation*

27. The Technical Review and Call for Evidence asked if the proposed changes were sufficient in order to comply with the Unitary Patent Regulation<sup>11</sup>. The majority of responses agreed that the changes were sufficient, although there were some detailed comments about the approach taken. One response specifically mentioned that the approach taken was too prescriptive, and that it may be better to reference the Regulation directly. Another suggested that the changes may go further than needed (in relation to the proposed changes to infringement exceptions – dealt with later in this document under the heading *Infringement*). Two responses from the legal sector commented that the proposals were confusing and difficult to follow.
28. Question 9 asked whether it was suitable to apply provisions of the Patents Act to Unitary Patents in the same way as they are applied to EP(UK)s unless expressly modified<sup>12</sup>. All responses to this question agreed with the approach given in the draft legislation. One response to this question came from the generic pharmaceuticals sector and commented on SPCs, this is covered under *SPCs and the Unitary Patent*, below.
29. As the majority of responses agreed that the proposed changes were sufficient, there are no significant changes to this part of the draft legislation. Additional analysis of the legislation means that there are some minor changes to the draft which was consulted on in order to give greater clarity and to help ensure that the Patents Rules are applied correctly (the Patent Rules will be amended by separate legislation). There are also some changes relating to what will be held on the EPO's register of Unitary Patents and its Patent Bulletin, versus what is currently reported in the IPO's register and Patents Journal.

### *Double patenting*

30. The matter of double patenting and the Unitary Patent was something that the government wished to explore with patent holders and users. The responses to the Technical Review and Call for Evidence were evenly divided on whether or not it should be possible to have a Unitary Patent and a national patent for the same invention<sup>13</sup>.

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<sup>11</sup> Question 8 received 8 responses

<sup>12</sup> Question 9 received 9 responses.

<sup>13</sup> Question 12 asked for views on permitting double patenting for Unitary Patents. 14 responses were received to the question about double patenting, of which 6 supported allowing double patenting for Unitary Patents, 5 did not want it to be allowed, 2 had no firm view and 1 considered that there were problems with the proposed legislation. This subject was also discussed in stakeholder workshops.

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31. Some of the arguments in favour of double patenting, in responses and also at the workshops, were that it could provide patent holders with a safety net if there was a procedural issue that resulted in the Unitary Patent being revoked. Some argued that if they were permitted to double patent this would make Unitary Patents more popular. There were also those that suggested that someone owning both a Unitary Patent and a national patent could then choose whether to litigate in national courts or the UPC. There were some comments that queried what other countries may choose to do. Some respondents mentioned that double patenting may permit them to allow a Unitary Patent to lapse, but maintain a national patent.
32. Those that favoured the proposed approach to not allow double patenting suggested that permitting double patenting for Unitary Patents could increase litigation, with multiple actions being taken for the same invention. There were some respondents who noted that allowing double patenting may require extending the Comptroller's powers beyond the Comptroller's jurisdiction. There was also the suggestion that double patenting could create additional complexity for third parties. It was also noted that the nature of the Unitary Patent was for it to give coverage across multiple states, and that a patent owner would still be able to maintain a selection of European Patents in different countries, and allow some patents to lapse in territories the patent holder may no longer like to hold the patent in – they argued that this made it unnecessary to double patent.
33. Many of the responses in favour of double patenting also acknowledged that there were good reasons why double patenting is not usually permitted.
34. The government is unchanged in its view that, on balance, the best policy is to prohibit double patenting. The law will be consistent for all European Patents valid in the UK whether they benefit from unitary effect or not.

### ***Removal of status of EP(UK)***

35. There was one response that raised particular concerns about the aspect of the proposed legislation relating to the removal of the status of an EP(UK) on registration of unitary effect. The response suggested that the EP(UK) could be 'deemed not to have taken effect for as long as the unitary effect is registered', so providing the patent owner with the ability to revert to the EP(UK) if there were an administrative error on behalf of either the EPO or the patentee which led to the Unitary Patent not being registered, or revoked on that basis. However, the Unitary Patent Regulation does not provide for this - Article 4(2) is clear that the EP(UK) cannot remain in effect, or be resurrected, once a request for unitary effect has been granted.
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## ***Groundless Threats***

36. Question 11 asked about extending the groundless threats provision to include Unitary Patents<sup>14</sup>. The responses to this question showed that although respondents generally welcomed extending groundless threats to the Unitary Patent, there were a number of questions about the way the legislation had been drafted. Specifically, some raised concerns that the wording could result in UK courts making decisions on groundless threats that may not be within UK jurisdiction.
37. It is clear from responses that the original proposal did not ensure that only alleged threats which had a connection to the UK would be caught. The government has considered a number of options to ensure that there is a sufficient link to the UK for any groundless threats action and has discussed these with the Law Commission. The government is separately considering primary legislation to take forward the Law Commission's recommendations for reform of the law on groundless threats across patent, trade mark and design law<sup>15</sup>. The Law Commission's second and final report specifically recommended that the law on unjustified threats applies to the Unitary Patent and that a new test for a threat of infringement proceedings be provided, to ensure that it only covers alleged threats relating to an act done or which, if done, would be done in the UK. The government is considering how best to take the Law Commission's recommendations forward and this means that this Statutory Instrument for the UPC does not include changes relating to groundless threats.

## ***SPCs and the Unitary Patent***

38. None of the responses suggested that the proposed approach, whereby national SPCs would be granted by the IPO based on a Unitary Patent, was wrong or undesirable. However, one respondent did comment on the relationship between SPCs and the Unitary Patent, suggesting that legislative changes to allow national SPCs to be granted based on a Unitary Patent be delayed as it is anticipated that the European Commission will be considering how the Unitary Patent Regulation and UPC Agreement apply to SPCs.
39. The Government notes the ongoing work of the European Commission in this area. However, it remains essential that SPCs based on unitary patents will be available upon entry into force of the Unitary Patent Regulation. Therefore, it is considered necessary to ensure this legislation makes provision for national SPCs based on unitary patents.

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14 Question 11 received 13 responses. 3 respondents were opposed to the proposal. Others were supportive, although 6 of these were critical of the way the draft sought to achieve the aim.

15 The Law Commission's Report on groundless threats is available at: <http://www.lawcom.gov.uk/reforming-intellectual-property-law-balancing-the-right-to-enforce-with-the-need-for-innovation/>

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## Infringement

### *General approach on infringement*

40. The consultation asked about the approach taken of making only minimal changes in order to implement the UPC infringement provisions<sup>16</sup>. Responses to this question were mixed. Some suggested there could be conflict with the UK's "Bolar" exception (contained in section 60(5)(i) of the Act) if the wording from the UPC Agreement were copied out, so a minimalist approach was considered preferable. This means that changes to the Patents Act are only proposed where there are material differences between the Act and the UPC Agreement, this means that for many existing provisions there are no changes to the wording if it is not deemed essential.
41. Those that were critical of the approach noted small differences between wording in the proposed legislation and wording in the Agreement and remarked that this could be problematic as it could lead to a lack of clarity. However, the approach proposed in the Technical Review has been maintained.

### *New exceptions to infringement*

42. The proposed legislation offered two different approaches to the introduction of two new exceptions found in the UPC Agreement; to copy across the wording found in the Agreement, or to use a reference the relevant Article of the Agreement<sup>17</sup>. Responses showed a strong preference for referencing the Agreement rather than copying out the text or seeking to interpret the text of the Agreement. There was also a preference for using the same approach for both exceptions.
43. A few respondents gave reasons why this approach was preferred. A couple of respondents talked of ensuring that UK law was on a level playing field with others in Europe. There was a concern that, through seeking to write out sections of the Agreement, any slight deviance from the Agreement's text could result in the sections being interpreted differently in the UK than in the other European countries. There were also those that suggested that direct referencing could go some way to 'future-proof' UK law if there were to be any future revisions to the UPC Agreement.
44. In light of the majority of responses received that recommended making reference to specific sections of the Agreement, the government has done this wherever possible. However, the government is still of the view that minimal changes are required to implement Articles 25-27 of the UPC Agreement. Consequently, the government intends to only amend section 60 of the Patents Act 1977 to the extent that it is necessary to introduce the exceptions to infringement which do not currently exist in UK law.

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<sup>16</sup> Question 14 asked about the potential consequences of taking a minimal approach to the infringement provisions: of the 9 responses received, 4 responded with negative comments whilst the remainder were positive, supporting the minimalist approach to drafting.

<sup>17</sup> Question 15 asked about preferences for direct referencing, or copied out provisions: there were 10 responses to this, 8 of which preferred to see direct referencing used.

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45. The proposed alignment of new infringement exceptions was of interest to many of those that responded to the consultation. The Technical Review and Call for Evidence asked about potential impacts on business and whether the exceptions should take effect from enactment of the legislation, or if they should apply earlier. The comments relating to the different exceptions differed – with support for the plant breeding exception (Article 27(c)) and no support for the alignment with the software exception (Article 27(k)).

### *Plant breeding exception*

46. Two respondents to the Technical Review and Call for Evidence were from the plant breeding sector; one of which was from an organisation which represents the UK plant breeding industry. These respondents explained that they were in favour of the introduction of a new exception allowing for the use of patented biological material in the development of new varieties. It was acknowledged that the number of plant varieties in Europe with patent protection is currently relatively low. However, the respondents also advised that maintaining confidence in using biological material without concern of prosecution was important; as was the potential benefit of having the same exception as in competing European markets (France, Germany and the Netherlands) where there is at present an exception similar to Article 27(c) of the UPC Agreement. There was an expectation that patenting in the plant breeding field may increase, and if there were to be any changes with regard to the regulatory framework for GM produce this would increase rapidly.
47. Those outside of the plant breeding industry that responded on this issue commented that there would be small impacts due to the narrow and specific nature of the field. There was no consistent view in the responses about the clarity of the proposed exception. Some felt that the proposed introduction of a new exception with effect for national patents was undesirable and unnecessary, and that it may have an impact on the perceived value of a national patent (or European patent) in this area of technology, and may mean that unitary protection becomes more desirable in that sector.
48. The government believes that the plant breeding exception may bring benefits to the plant breeding industry in the UK. Introducing a new exception to infringement for plant breeding which implements Article 27(c) of the UPC Agreement will produce the most benefits for users and also ensure consistency as it will apply to all patents whether European or national.
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## Computer programs

49. The Technical Review and Call for Evidence asked about the impacts for businesses of aligning UK law with Article 27(k)<sup>18</sup>. Many responses were concerned about how the exception would be interpreted by courts. As the exception does not currently exist in UK patent law, or in other European countries, there is no case law to show how it may be interpreted. A few respondents commented that it was unclear how the exception would relate to patents as it refers to a copyright Directive. Some respondents acknowledged that if the exception were to be interpreted narrowly, there may be only low levels of impact.
50. Some responses commented that the exception would probably be interpreted narrowly and that this was what had been intended by the Signatory States of the Agreement. However, many were concerned that the courts may interpret the exception broadly, leaving them unable to enforce patents as third parties may be able to claim that their use would be permitted by the exception. This was seen to potentially harm revenues from affected patents, with one respondent commenting that there was the potential to make patents covered by this exception ‘worthless’. There were those that said the extent to which this would affect UK patentees could be wider than was outlined in the Consultation Stage IA, noting that increasingly industries outside of pure software/ICT fields make use of interoperable digital technology (for example automotive, healthcare and finance industries).
51. The government notes that there is serious concern about the software decompilation and interoperability exception especially in relation to how it may be interpreted by the national courts and the UPC. Some respondents suggested that Article 27(k) should not be implemented into national law in any way. This is not possible, as the government must ensure that UK law is compliant with the UPC Agreement.
52. The exception has no history in the patent law of any European state, so it is difficult to assess how it would be used by businesses or how it may be interpreted by courts. The uncertainty of a new, untested exception to infringement will affect patentees, who may find themselves unsure of the extent of protection their patent affords them. For third parties, it may mean that people act with greater caution when undertaking research as there may be uncertainty as to whether particular actions may be in scope or out of scope of the exception.
53. Some respondents suggested that it would be desirable to create a “safe haven” by not applying the software exception to GB patents. Extending the exception to GB patents is optional. At consultation, it was considered that extending to GB patents would create a consistent system where the same law applies to all patents in the UK. However, responses to the consultation made it clear that the overriding concern for many in the industry was over introducing a new, as yet untested exception, rather than the issue of consistent law being applied to all patents in the UK.

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18 Question 19 asked about the impacts of introducing the exception in 27(k) into UK law. There were 10 responses to this question, all of which disagreed with the introduction of this exception, with many raising concerns of negative impacts.

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54. The government has done further work since consultation to explore the implications of the approach proposed at consultation with stakeholders involved with the software industry. Much consideration has been given to this issue and on balance the government finds that in this instance it may be best to treat the implementation of the exception in two stages. Initially implementation will be for European patents only (encompassing Unitary Patents, as well as bundle patents – whether or not they are opted out of the UPC), with a view to extending the exception to domestic GB patents following a review of its performance in practice.
55. The government notes that some respondents commented that the software exception will more than likely be interpreted narrowly, and agrees with the view that Article 27(k) is intended to be narrow in scope. It is the government's view that the provision is merely intended to ensure that the existence of a patent would not interfere with the lawful use of a computer program under copyright law. The government also notes that there are strict limitations in copyright law as to what constitutes a permitted use. Government is considering how to provide users with greater certainty about the interpretation of the software exception.

### ***Changes to UK law to define infringement for the Unitary Patent***

56. No comments were received for this section of the consultation; however, work done in the intervening period has shown that the amendments to reflect the larger territorial scope of the Unitary Patent need to be extended further. The draft legislation included changes so that references to the United Kingdom in sections 60(2) and 60(7) would be taken as referring to the Member States who are party to the UPC Agreement instead. Further analysis indicated that similar references in sections 60(1) and 60(5)(d)-(f) also needed to be read in this way, so these will also be changed. This will ensure that all of the infringement provisions apply correctly for the entire territory covered by the Unitary Patent; the earlier approach could have resulted in infringement only being found if the act occurred in the UK.

### ***Transitional arrangements***

57. The Technical Review and Call for Evidence noted that transitional arrangements were planned, so that the law on infringement that applied in a particular case would be the law in force at the time the infringing act took place. The government has now included provisions in the legislation that set this out.
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## Annex: List of respondents

Private individual (Patent Attorney)  
Private individual (Lawyer)  
The Law Society of Scotland  
Scottish Government  
British Society of Plant Breeders Ltd  
Lion Seeds Ltd  
AIPPI (International Association for the Protection of Intellectual Property)  
IPLA (Intellectual Property Lawyers' Association)  
BGMA (British Generic Manufacturers Association)  
LES Britain and Ireland (Licensing Executive Society – Britain and Ireland)  
The Software Alliance  
TechUK  
TEVA  
IP Federation  
Gill Jennings & Every LLP  
BT  
Potter Clarkson  
Mathys & Squire  
IBM  
CIPA (Chartered Institute of Patent Attorneys)

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## List of questions

### Questions on changes relating to Jurisdiction

1. The aim of the proposed changes to UK law is to ensure the correct division of competence between UK courts and the UPC, in accordance with the UPC Agreement.
    - a. Do you think these changes achieve this aim?
    - b. Why do you think this?
  2. The draft legislation aims to reflect the transitional period set out in the UPC Agreement.
    - a. Does the draft legislation clearly implement the transitional period provisions of the UPC Agreement?
    - b. What, if any, improvements would you suggest?
  3. What is your view on the provision of an opinions service for a Unitary Patent? If possible, please provide evidence in support of your views.
  4. The proposed changes will mean that UK courts will not have jurisdiction for certain disputes related to EP(UK)s, Unitary Patents or related SPCs.
    - a. What, if any, impact do you think the changes to jurisdiction introduced by the legislation will have on your business?
    - b. What, if any, impact would there be on you as a patent owner, a person wishing to challenge the validity of another's patents, a patent attorney, lawyer, a translation service provider, or other (please define)? If possible, please provide evidence in support of your views.
  5. There will be a section of the central division in London which will deal with revocation cases on life sciences.
    - a. How will the presence of the central division in London affect you?
    - b. Do you anticipate using it?
    - c. If possible, please provide evidence in support of your views.
-

6. The UK can have a local division which will deal with infringement cases.
  - a. How important is it to your business to have access to a local division of the UPC within the UK and why?
  - b. Is the location within the UK important to you?  
If possible, please provide evidence in support of your views.
7. Patent owners and applicants will be able to register an opt out of the UPC during the transition period, which will apply for the lifetime of the patent.

What factors will influence you in choosing to opt-out or not of the UPC's jurisdiction?

### Questions on changes relating to the Unitary Patent

8. The aim is that UK law is compliant with the Unitary Patent Regulation.
  - a. Are the proposed changes sufficient to ensure compliance of UK law with the Unitary Patent Regulation?
  - b. If not, why not?
9. We propose that all the provisions of the Patents Act 1977 which apply to Unitary Patents should apply in the same way as they apply to EP(UK)s, except where they are expressly modified.

What is your view of this approach?

10. What is your view on whether double patenting should be allowed for Unitary Patents?
11. What is your view on extending the groundless threats provisions to threats made in the UK in relation to Unitary Patents?
12.
  - a. What, if any, impacts on your business do you foresee of the proposal to extend the restriction on double patenting to Unitary Patents?
  - b. How might this affect your likelihood of seeking unitary patent protection?

### Questions on changes relating to Infringement

13. The proposed changes to infringement include the modification of some provisions to account for the territory of the Unitary Patent and the introduction of two new exceptions.

Are the proposed changes sufficient to give effect in UK law to the infringement provisions of the UPC Agreement?

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14. We have taken an approach of making only minimal changes to implementing the infringement provisions. This means that the exact wording of the infringement provisions found in the UPC Agreement is not replicated in section 60 of the Patents Act.

What do you think the consequences are of this approach?

15. At this stage we have taken two different approaches to the way the two new exceptions to infringement are drafted. For the plant breeders exception, we have copied out the wording as found in the UPC Agreement; whereas the software exception makes a direct reference to the UPC provisions.

- a. What is your view on which form of words works best?
- b. Should the same approach be adopted for the two new exceptions or is it preferable to adopt different approaches?

16. a. What is your view of the proposed changes to align the exceptions to infringement in the Patents Act with those of the UPC Agreement?

- b. Would you be affected by these changes, if so, what impact might this have?

17. When should the new provisions on infringement apply and why?

18. We propose changing section 60(5) of the Patents Act to include an exception from infringement for the use of biological material for the purposes of breeding, or discovering and developing another plant variety.

What, if any, would be the impact on your business of doing this?

19. We propose changing section 60(5) of the Patents Act to include an exception from infringement for an act permitted under Articles 5 and 6 of Directive (EC) No 2009/24 on the legal protection of computer programs and the use of information obtained by such an act.

What, if any, would be the impact on your business of doing this?

20. a. How might the proposed new exceptions affect your business in terms of licensing of patents relating to biological material or computer programs?

- b. What evidence can you provide in support of your view?
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