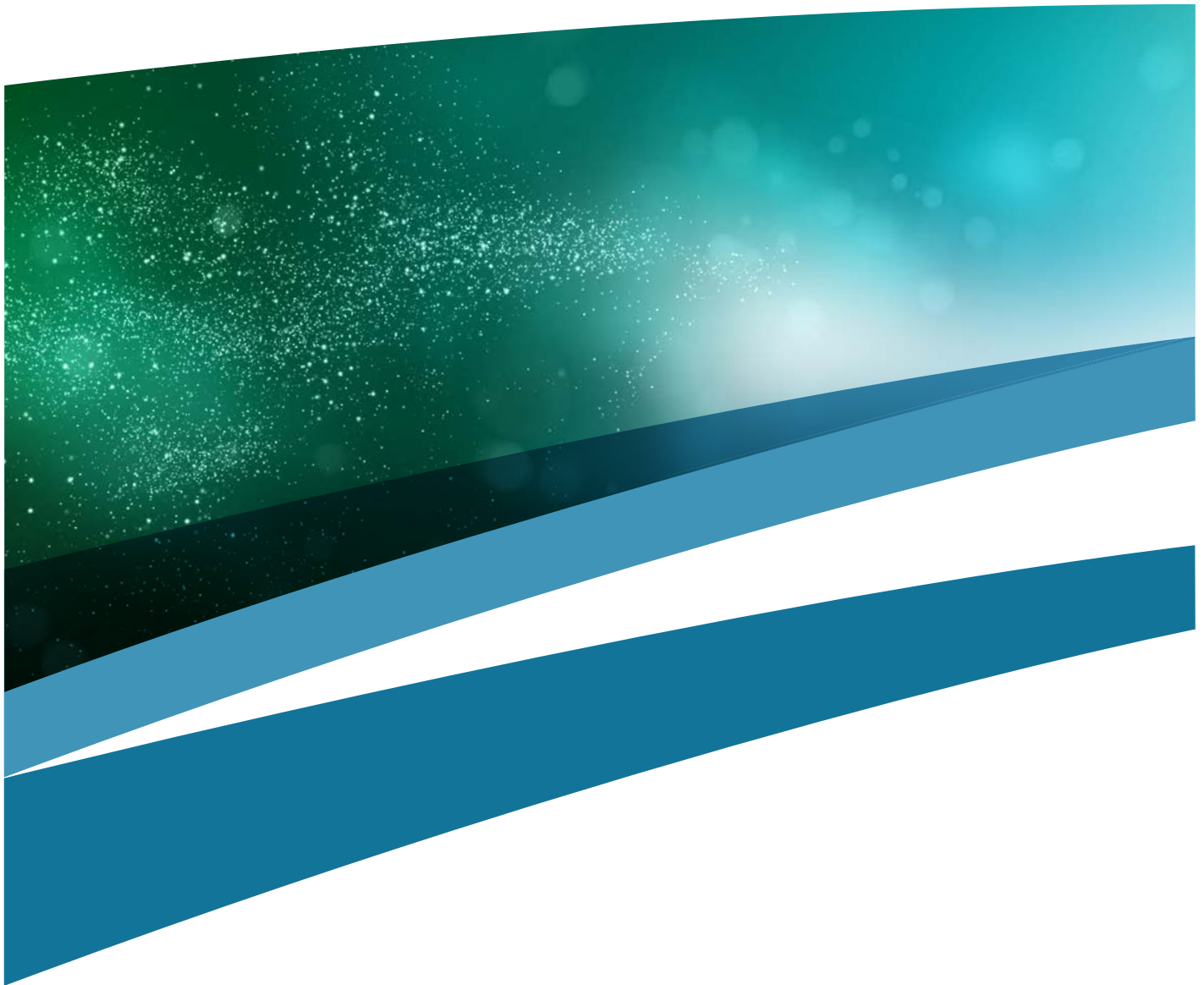




Intellectual
Property
Office

**Amendment of the Patents Rules 2007:
Expansion of the Patent Opinions Service and
Renewal fees for restored European patents (UK)**



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Introduction

1. In 2012 and 2013 the IPO conducted public consultations on various proposed changes to the Patents Act 1977. The consultation documents setting out these proposed changes, and the Government's response documents, are available at:

Expansion of the IPO Patent Opinions Service:

www.ipo.gov.uk/consult-2012-opinion.htm

Proposed changes to the Patents Act 1977:

www.ipo.gov.uk/consult-2012-patact.htm

2. The response documents set out how the Government intended to legislate as a result of the consultation responses received. Consequently, various changes to primary legislation were made by the Intellectual Property Act 2014 (hereafter the "IP Act"), which received Royal Assent on 14 May 2014. A copy of the IP Act is available at www.legislation.gov.uk/ukpga/2014/18/contents/enacted.
3. Some of the measures in the IP Act allow for certain matters to be set out in secondary legislation. During the passage of the IP Bill through Parliament, the Government provided Parliament with a [summary](#) of what it expected these secondary regulations to contain.
4. This consultation document now sets out in further detail the Government's planned changes to secondary legislation in relation to two of the patents measures in the IP Act: the expansion of the Patent Opinions Service, and the payment of renewal fees following restoration of a European patent (UK). In drafting this secondary legislation, the Government has taken full account of the outcome of all previous consultations, and the detailed Parliamentary scrutiny of the relevant provisions in the IP Act.

Summary of Proposals

Expansion of the Patent Opinions Service

5. Section 16(1) of the IP Act allows for the matters upon which an opinion can be requested under section 74A of the Patents Act 1977 to be prescribed in rules. As explained in the [Government's response document](#) to the 2012 consultation on the expansion of the IPO Patent Opinions Service, this new power will be used to prescribe wider grounds on which an opinion can be sought. Responses to the 2012 consultation gave overwhelming support for extending the Patent Opinions Service to the following matters:
 - whether the invention in question is not capable of industrial application;
 - whether the invention in question relates to matter excluded by section 1(1)(d) of the Patents Act 1977;
 - whether the specification of the patent does not disclose the invention clearly and completely enough for it to be performed by a person skilled in the art;
 - whether the matter disclosed in the specification of the patent extends beyond that disclosed in the application for the patent as filed;
 - whether the protection conferred by the patent has been extended by an amendment which should not have been allowed;
 - whether a particular act constitutes or (if done) would constitute an infringement of a Supplementary Protection Certificate (SPC); and
 - whether an SPC is valid.
6. This consultation is not intended to re-open questions about the scope of the expanded service, which have been fully consulted upon and debated as part of the scrutiny of the IP Act. However respondents are invited to submit comments on the details to be set out in the proposed secondary legislation.
7. The IP Act also introduces a power which will allow the Comptroller to start the process of revoking a patent if an opinion has been issued indicating that the patent is not novel or lacks an inventive step.

8. The Government does not propose to introduce any secondary legislation in respect of this new power to initiate revocation proceedings. The following safeguards will exist:
 - The patent holder will have the opportunity to apply for a review of the opinion under section 74B of the Patents Act 1977 before any revocation action is commenced (section 73(1B), as inserted by the IP Act).
 - Section 73(1C), as inserted by the IP Act, specifies that the patent holder will have the opportunity to make observations or amend his patent before any revocation takes place.
 - If the patent is revoked, the patent holder will be able to appeal this decision to the courts (section 97 of the Patents Act 1977).
9. In addition, the IPO will only exercise this power in clear-cut cases where the patented invention clearly lacks novelty or an inventive step.

Payment of renewal fees following restoration of a European patent (UK)

10. Section 19 and paragraph 6 of the Schedule to the IP Act make provision for the payment of fees in relation to European patents (UK) where the patent has been revoked and subsequently restored. The Secretary of State can prescribe in rules the period within which the payment of such fees must be made.
11. We propose that the period is two months following the restoration of the patent by the EPO. If the outstanding fees are not paid within this period we propose that the additional six-month period available under section 25(4) for the late payment of renewal fees, and the thirteen-month period for restoration under section 28 should both be available.
12. If the patent holder does not pay the outstanding renewal fees within the prescribed period then the Government's view is that the patent should cease, and that the ceasing of the patent should take effect on the final day of the period prescribed for paying the outstanding fees following the restoration of the patent.
13. Respondents are invited to submit comments on the length of the period and on the proposed consequences in the event the outstanding renewal fees are not paid within the prescribed period.

Responding to the Consultation

14. The Government welcomes responses to the issues raised in this consultation document from any individual, organisation or company. Responses to the specific questions which are raised in this document are particularly welcomed, together with any other comments you may have. It is not necessary to respond to all the questions – you are welcome to provide answers only to those issues of most interest or relevance to you.
15. While the Government will do its best to note responses that are outside the scope of this consultation, it may not be in a position to respond to those points alongside the issues we are asking about.
16. Please email your responses to: consultation@ipo.gov.uk. Alternatively, please use the following postal address:

Sarah Barker
Intellectual Property Office
Room 1R33
Concept House
Cardiff Road
Newport NP10 8QQ

Tel: 01633 814807
Fax: 01633 814491
17. Please let us have your comments by Friday 4th July 2014.
18. A list of organisations being sent this document is given at Annex A.

Complaints

19. Any comments or complaints about the way this consultation has been conducted should be sent to:

John Conway
Consultation Coordinator
Better Regulations Team
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET

Tel: 0207 2156402

Email: john.conway@bis.gsi.gov.uk

Openness/Confidentiality

20. This is a public consultation, the results and conclusions of which may be published. As such, your response may be made public. If you do not want all or part of your response or name made public, please state this clearly in the response. Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in (for example) your email response or fax cover sheet will be taken to apply only to information in your response for which confidentiality has been requested.
21. Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want other information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence.
22. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. The IPO will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Impact Assessments

23. During Parliamentary scrutiny of the IP Act, impact assessments (IAs) were produced for the expansion of the Patent Opinions Service and the change relating to the payment of fees for restored European patents (UK). Both IAs are included alongside this consultation for reference. These IAs set out our assessment of the impact the proposals will have. We do not envisage any changes to these IAs being necessary following the current consultation – which is purely directed to the detail of the secondary legislation.

Our proposals in detail

Expansion of the Patent Opinions Service

24. The IPO launched the Patent Opinions Service in 2005 to help businesses resolve patent disputes by providing a quick and affordable assessment relating to the validity or infringement of patents. An opinion can assist in resolving a dispute before it escalates into full litigation before the courts. Even where litigation is unavoidable, an opinion can help the parties to better focus their cases and thus save time and money.
25. We know from a review of the Patent Opinions Service in 2009 that opinions, although non-binding in nature, help to resolve a significant number of disputes. This review also showed a demand for expanding the range of issues on which an opinion can be issued.
26. Currently, the IPO can only issue opinions on the questions of (a) whether a patent is or would be infringed and (b) whether a patent is invalid because the invention is not novel or does not involve an inventive step.
27. This restriction is lifted by section 16(1) of the IP Act, which allows for the matters upon which an opinion can be requested under section 74A of the Patents Act 1977 to be prescribed in rules.
28. As explained in the [Government's response document](#) to the 2012 consultation on the expansion of the IPO Patent Opinions Service, the new power will be used to prescribe wider grounds on which an opinion can be sought. Responses to the 2012 consultation gave overwhelming support for extending the Patent Opinions Service to the grounds specified in that consultation, which are listed below:
 - whether the invention in question is not capable of industrial application;
 - whether the invention in question relates to matter excluded by section 1(1)(d) of the Patents Act 1977;
 - whether the specification of the patent does not disclose the invention clearly and completely enough for it to be performed by a person skilled in the art;
 - whether the matter disclosed in the specification of the patent extends beyond that disclosed in the application for the patent as filed;
 - whether the protection conferred by the patent has been extended by an amendment which should not have been allowed;
 - whether a particular act constitutes or (if done) would constitute an infringement of a Supplementary Protection Certificate (SPC); and
 - whether an SPC is valid.

29. This consultation is not intended to re-open questions about the scope of the expanded service, which have been fully consulted upon and debated as part of the scrutiny of the IP Act. However respondents are invited to submit comments on the details to be set out in the secondary legislation, as set out in more detail below.
30. In order to extend the Patent Opinions Service to the above matters, we propose the following amendment is made to rule 93 of the Patents Rules 2007 on 1 October 2014:

Opinions on prescribed matters

Before rule 93(1), insert—

“(A1) The prescribed matters for the purposes of section 74A are as follows—

- (a) whether a particular act constitutes, or (if done) would constitute, an infringement of the patent;
 - (b) whether, or to what extent, an invention for which the patent has been granted is not a patentable invention;
 - (c) whether the specification of the patent discloses the invention clearly enough and completely enough for it to be performed by a person skilled in the art;
 - (d) whether the matter disclosed in the specification of the patent extends beyond that disclosed in the application for the patent as filed or, if the patent was granted on a new application, in the earlier application as filed;
 - (e) whether the protection conferred by the patent has been extended by an amendment which should not have been allowed;
 - (f) whether a supplementary protection certificate is invalid under Article 15 of the Medicinal Products Regulation; and
 - (g) whether a supplementary protection certificate is invalid under Article 15 of the Plant Protection Products Regulation.”
31. Note that the proposed rule set out above is intended to, as far as possible, use consistent wording to that used elsewhere in the patents legislation, such as in section 72 of the Patents Act 1977. The meaning of “patentable invention”, as referred to in proposed rule 93(A1)(b), is as set out in section 1(1) of the Patents Act 1977.
32. In addition, we intend to amend rule 44(5)(a) such that it requires the Comptroller to enter in the register a notice that a request under section 74A(1) has been received. This rule currently refers to requests under “section 74A(1)(a) or (b)” and it is therefore necessary to delete “(a) or (b)” to ensure consistency with section 74A(1) as amended by section 16(1) of the IP Act.

33. The following points of practice, which do not need to be set out in the legislation, may also be of interest.
34. As explained in the IPO's [Opinions Manual](#), if an opinion is sought in respect of more than one patent or more than one infringer, then a separate request must be made for each patent or infringer. A single opinion request can however cover both infringement and validity of a patent. This is a matter of practice which is not set out in legislation. The IPO intends to continue with this practice but to keep the matter under review.
35. The existing provision that the Comptroller should not issue an opinion if the question upon which the opinion is sought appears to him to have been sufficiently considered in any relevant proceedings is unaltered (rule 94(1)(b)). The existing legislation also provides that an opinion request can be refused if for any reason the Comptroller considers it inappropriate in all the circumstances to issue an opinion (section 74A(3)(b)). Whilst each opinion request needs to be considered on its merits, this power has been used on a number of occasions to ensure that patent holders are not required to answer again questions that were sufficiently considered during the examination of the patent. We would expect this practice to apply also to the new grounds on which an opinion can be requested. Further detail on the current practice can be found in the "Refusal or withdrawal" chapter of the Opinions Manual.
36. Section 16(4) of the IP Act introduces a power which will allow the Comptroller to start the process of revoking a patent if an opinion has been issued indicating that the patent is not novel or lacks an inventive step.
37. This is a limited extension of the IPO's existing powers to initiate revocation proceedings: the IPO already has the power to do this under sections 73(1) and 73(2) of the Patents Act 1977, and currently revokes around 50-60 patents a year using these powers. There have also been instances where the IPO has pursued, in the public interest, a revocation action that was launched by a third party who then withdrew from the proceedings, and this practice has been endorsed by the courts¹.
38. It is also important to note that when this new power is commenced, the following safeguards will be available for the patent owner:
 - the patent holder will have the opportunity to apply for a review of the opinion (section 73(1B), as inserted by the IP Act);
 - the power will only be exercised in clear-cut cases where the patented invention clearly lacks novelty or an inventive step;

¹ R. (on the application of Ash & Lacy Building Products Ltd) v Comptroller General of Patents, Designs and Trade Marks [2002] RPC 46; General Motors Corp (Turney & Barr)'s Application, Re [1976] RPC 659

- the patent holder will have the opportunity to make observations or amend his patent before any revocation takes place (section 73(1C), as inserted by the IP Act); and
 - if the patent is revoked, the patent holder will be able to appeal this decision to the courts (section 97 of the Patents Act 1977).
39. The Government recognises the importance of these safeguards in order to preserve the non-binding nature of an opinion. In addition, the decision to initiate revocation proceedings will be made by a senior officer independent of the opinions examiner. That senior officer will make a fresh, independent re-assessment of the facts of the case and will not be bound by the conclusions of the opinions examiner.
40. Section 16(4) of the IP Act does not provide the Secretary of State with any specific rule-making powers relating to the new power to initiate revocation proceedings. The Government has, in any case, general rule-making powers provided in the Patents Act 1977. However, in our view there is no need for changes to the Patents Rules in respect of the new revocation power. Section 16(4) of the IP Act inserts in section 73 of the Patents Act 1977 provisions which mirror the legislation already in place for revocation under section 73(1). No rules are provided for the existing revocation process under section 73(1). Consequently, the new process of revocation will mirror the existing process of revocation under section 73(1).

Implementation

41. We propose that the above changes to the Patents Rules 2007 are made on 1 October 2014, subject to it being possible to finalise the details in light of the responses to this consultation, and gain the relevant Ministerial agreement and Parliamentary approval.
42. Consequently, the expanded Patent Opinions Service will be available to any opinion requests made on or after 1 October 2014. In addition, for transitional purposes we propose that the Comptroller should only be able to exercise the new revocation power in relation to those opinions issued where the opinion request was filed on or after 1 October 2014.

Q1 : Do you have any comments about the proposed secondary legislation in relation to the expansion of the Patent Opinions Service?

Payment of renewal fees following restoration of a European patent (UK)

43. In 2007 the European Patent Convention (EPC) was amended with the effect that a European patent can be revoked by the Boards of Appeal under the EPC if the patent is found to be invalid but can subsequently be restored through a petition for review by the Enlarged Board of Appeal under Article 112a of the EPC. In these particular circumstances the patent remains revoked whilst any such petition for review is being considered, and consequently renewal fees are not payable. If and when the patent is restored, renewal fees will once again be required to maintain the patent.
44. This change to the EPC created a gap in UK patent law as there is currently no requirement for the payment of any outstanding renewal fees which would have been due in the period between a European patent (designating the UK) being revoked and subsequently being restored on appeal under the above circumstances.
45. Respondents to the [consultation on proposed changes to the Patents Act 1977](#) felt that it would be non-contentious and sensible to clarify when it is necessary to pay UK renewal fees in these circumstances.
46. Consequently, section 19 and paragraph 6 of the Schedule to the IP Act amend the Patents Act 1977 to require the payment of those fees which would have become due whilst the European patent (UK) was revoked, within a time period following restoration of the patent under the EPC. The Secretary of State can prescribe in rules the period within which the payment of such fees must be made.
47. The fees payable include any renewal fees which fell due, together with any prescribed additional fees for late payment which were already due (under section 25(4) and rule 5 of the Patents (Fees) Rules 2007) at the time the patent was revoked.
48. The Government wishes to ensure that the length of the prescribed period is in line with other similar periods, and that it provides sufficient time for the patent owner to pay the fees whilst also providing certainty to others as to whether or not a patent is in force in the UK.
49. We therefore propose that the period is two months following the restoration of the patent by the EPO. This is a similar length of time to that provided when a UK patent has lapsed through failure to pay renewal fees and is later restored under section 28 of the Patents Act 1977.
50. If the outstanding fees are not paid within the prescribed period we propose that the additional six-month period (plus to the end of the month) available under section 25(4) for the late payment of renewal fees would be available upon payment of additional fees, calculated in the same way as currently. Following this six-month period, a thirteen-month period (plus to the end of the month) would be available during which it will be possible to apply for restoration under section 28.

51. It should be borne in mind that the IPO may not have, within the proposed two-month period, been notified by the EPO that the patent has been restored. The onus will therefore be on the patent owner to pay the necessary fees at the IPO without any reminder being sent to them. However, the patent owner will have been notified by the EPO that the patent has been restored.
52. If the patent holder does not pay the outstanding renewal fees within the prescribed period then the Government's view is that the patent should cease, and that the ceasing of the patent should take effect on the final day of the period prescribed for paying the outstanding fees following the restoration of the patent (see section 25(3) of the Patents Act 1977). Section 25(4) would allow late payment to be made within a further six-month period (see above) such that the patent would be treated as if it had never expired.
53. Respondents are invited to submit comments on the length of the period for paying the outstanding fees – and for any evidence they can provide to support arguments that the period should be of a different length. At the same time we invite views on the proposed consequences in the event the outstanding renewal fees are not paid within the prescribed period.

Implementation

54. We intend the proposed changes to the Patents Rules 2007 to be made on 1 October 2014, subject to it being possible to finalise the details in light of the responses to this consultation, and gain the relevant Ministerial agreement and Parliamentary approval.
55. Consequently, we propose that the new requirement for the payment of outstanding fees within a time period following restoration of the patent under Article 112a EPC be introduced for all such restorations taking place on or after 1 October 2014.

Q2: Do you have any comments about the proposed length of the period for paying outstanding renewal fees following restoration of a European patent (UK)?

When commenting, please include any evidence you can provide and please let us know whether your views are as a patent holder or as another interested party.

Q3: Do you have any comments about the proposed consequences in the event the outstanding renewal fees are not paid within the prescribed period?

When commenting, please let us know whether your views are as a patent holder or as another interested party.

Annex A

List of Organisations Consulted

A copy of this consultation has been sent to the following organisations:

- Agricultural Engineers Association
- Alliance against IP theft
- Allvoice
- Anti-Counterfeiting Group
- Ashurst
- Association for University Research & Industry Links
- Association of the British Pharmaceutical Industry
- Aston Business School
- AstraZeneca
- Babcock International Ltd
- Baker & McKenzie
- Bar Council
- Beresford & Co
- BBSRC
- Bio-industry Association (BIA)
- Boulton Wade Tennant
- Bournemouth University
- BP International Ltd
- BPI
- BPP Leeds IP Group
- Bristows
- British Generics Manufacturers Association Ltd
- British Geological Society
- British Library
- British Retail Consortium
- CBI Company Affairs
- Chartered Institute of Patent Attorneys
- Chemical Industries Association
- Competition Law Association
- Confederation of British Industry
- Consumer Electronics Association
- Copyright Licensing Agency
- Cruikshank & Fairweather
- Davenport Lyons
- Potter Clarkson LLP
- Eureka Manufacturing Co. Ltd
- Europe Analytica
- Federation of Small Businesses
- FICPI
- Frank B Dehn
- Gallafents LLP
- Gibbs Technology Limited
- Gill Jennings & Every
- GlaxoSmithKlein
- Harbottle & Lewis
- Howery Simon Arnold & White
- Huntleigh Technology PLC
- Ideas 21
- Institute of Trademark Attorneys
- Intellectual Property Law Advisors

International Association for the Protection of Intellectual Property (AIPPI)	Simmons & Simmons
International Chambers of Commerce IP21	SME Innovation Alliance (SMEIA)
IP Federation	Smith Kline Beecham Plc
Jones Day	State Patent Bureau of the Republic of Lithuania
Lancaster University	Tarlo Lyons
LES Britain & Ireland – EC Laws Committee	Taylor & Meyer
Linklaters	The Law Society
Lodestar Translations	The Law Society of Scotland
Loughborough University Enterprises Ltd	The Patent Judges
Lovells	The Whitehouse Consultancy Ltd
Magister Ltd	Thompsons Solicitors
Marks & Clerk	Treasury Solicitors
Mewburn Ellis	UK Hydrographic Office
Microsoft Ltd	Unilever plc
Milbank Tweed Hadley & McCloy	University of Cambridge
Ministry of Defence	University of Dundee
Olswang	University of Hull
Practical Law Company	University of Oxford
Queen Mary, University of London	University of Plymouth
Royal Mail Group PLC	University of Reading
RWS Group	Urquhart-Dykes & Lord
S.J. Berwin LLP	Vereenigde
Sagittarius Intellectual Property Consultants Ltd	Wedlake Bell
SCRIPT	Westminster Forum Projects
Serjeants	Wyatt & Wang Ltd
SIBLE University of Sheffield	

Concept House
Cardiff Road
Newport
NP10 8QQ

Tel: 0300 300 2000
Fax: 01633 817 777

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