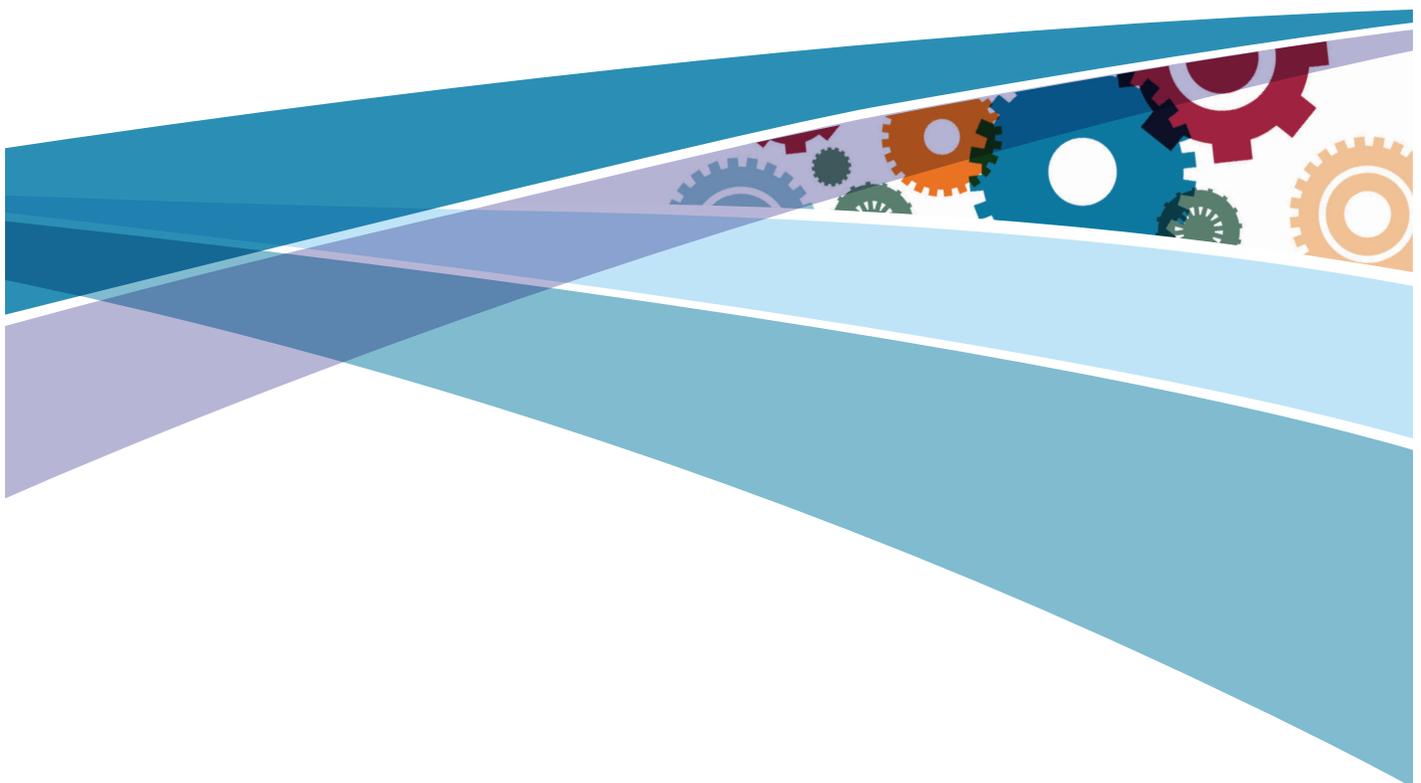




Intellectual  
Property  
Office

# Technical Review and Call for Evidence Summary of Responses



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# Technical Review and Call for Evidence Summary of responses

1. The Intellectual Property Office consulted on proposed changes to the Patents Act 1977 to introduce the Unified Patent Court (UPC) and the Unitary Patent between 10 June 2014 and 2 September 2014.
2. The Government received twenty responses to the Technical Review and Call for Evidence. These came from businesses which may own patents or use patented inventions, legal firms and patent attorney practices, and also some organisations representing particular business/technology sectors. Responses went into varying levels of detail, with some looking at the fine detail of the proposed legislation, and also those which looked at high level principles. Different sectors had different concerns and priorities. A list of responders is provided in the Annex.

## Next Steps

3. There were a number of technical comments about the drafting of the proposed legislation. It has been useful to receive these comments from respondents and they will assist with the drafting of the final instrument.
4. A Government Response to the Technical Review and Call for Evidence is expected to be published in advance of the legislation being laid Parliament.

## Jurisdiction

5. There were comments about the way that the transitional period (Article 83 of the UPC Agreement) was dealt with in the proposed Schedule A4 in the draft legislation (found in Annex C of the Technical Review and Call for Evidence). In particular, there were concerns about copying out the text of Article 83 (which covers the opt out) of the UPC Agreement, with a number of respondents suggesting that cross-referencing might offer more flexibility. These comments argued that cross-referencing would ensure consistency of UK law with UPC interpretation of the UPC Agreement.
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6. There were some additional comments about the transition period which criticised the lack of clarity over the opt-out provisions in the Agreement. Although these did not relate to the proposed legislation, the comments have been fed up to the Legal Working Group of the Preparatory Committee. The importance of the opt-out provisions—both in the UPC Agreement and in UK law—was emphasised by a number of respondents, who suggested that potential users may adopt a ‘wait and see’ approach until judgments had begun to be given by the UPC and the quality of decisions seen.
7. The Technical Review and Call for Evidence asked for views on extending the IPO Opinions Service to cover Unitary Patents. The majority of responses were in favour of this, although some queried how it would work in practice because the IPO will not have competence to revoke Unitary Patents.

## Unitary Patent

8. There were mixed views on whether the draft legislation proposed in the Technical Review and Call for Evidence was sufficient to ensure compliance with the Unitary Patent Regulation. Although none suggested that the proposed legislation did not work, some felt that there may be better ways of drafting the legislation which could improve clarity; with one commenting that cross-referencing could improve upon textual copy out, which was perceived to be prescriptive. Those that commented on the proposal supported the approach that all provisions of the Patents Act should apply to Unitary Patents in the same way as EP(UK)s, unless expressly modified.
  9. There was a high level of interest in the drafting of the section concerning groundless threats, with many noting that the change would not be effective due to a lack of clarity over the location of an alleged threat or where the alleged infringing act takes place. In spite of this, there were those who were in favour of extending groundless threats to Unitary Patents.
  10. The Technical Review and Call for Evidence specifically asked whether ‘double patenting’ should be permitted for Unitary Patents. Views of respondents were evenly divided on this subject. Those in favour of double patenting suggested that this would mean that take-up of Unitary Patents would be higher. Others were supportive of allowing double patenting because they felt it would provide a safety net in case a Unitary Patent were revoked because of procedural issues. A third group of respondents felt being able to hold a national patent in parallel with a Unitary Patent might offer companies the option of using a national route to litigate which may be cheaper than solely relying on the Unitary Patent and UPC litigation. Also, those considering long-term patenting strategies noted that double patenting would permit them to allow a Unitary Patent to lapse whilst still retaining the protection of a national patent.
  11. Many of those opposed to introducing double patenting for Unitary Patents did so because they considered that allowing double patenting would increase litigation, with multiple actions being taken for the same invention. Amongst the problems that this could cause, some mentioned the risk of ‘double recovery’ (recovering damages
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more than once), of getting different outcomes, and having to rerun an already-successful argument in a different court. There were comments that double patenting could create additional complexity for third parties by affecting what they are entitled to do based on what patents they are licensed for.

## Infringement

12. Answers to the infringement section of the Technical Review and Call for Evidence focused particularly on the introduction of a new exception to infringement implementing Article 27(k) (relating to software decompilation) of the UPC Agreement into national law. There were no comments about the provisions on contributory infringement or changes relating to vehicles.
  13. The proposal to only make minimal changes to the Patents Act was generally supported by most respondents. In terms of the way that the proposed amendments to Section 60 of the Patents Act were drafted, most respondents said that they would prefer to see cross-referencing of the UPC Agreement provisions, rather than textually copying them out. Cross-referencing was considered to offer more flexibility in terms of implementing the UPC Agreement.
  14. Those representing the plant breeding industry were supportive of the proposed inclusion of Article 27(c) of the UPC Agreement relating to plant breeding; comments from these respondents said that the exception would put them on a par with major competing sections of the industry in other parts of Europe, so benefiting the UK industry. Although those in the industry felt that Article 27(c) was clear and narrow in scope, a response from the legal sector perceived it to be unclear. There were also comments from those outside the plant breeding sector that queried the voluntary extension of the exception to patents outside the jurisdiction of the UPC.
  15. A majority of respondents to the section on infringement felt that the UPC Agreement lacked clarity about the meaning of Article 27(k) – giving many respondents cause for concern as it would be difficult to anticipate how courts would interpret the exception. There were concerns that the courts may interpret the exception broadly, which some thought could render some software patents unenforceable. Some from the software industry expressed the view that Article 27(k) may harm the potential for licensing of their patent and may therefore decrease the value of existing patents in the field.
  16. There was an acknowledgment from some of those who had discussed the risk of a broad interpretation that a narrow interpretation of the scope of the exception was more likely, in which case the impacts on patent holders may be limited. Others raised a question as to whether the exception would have any impact on patents at all. The majority of respondents with concerns about this exception placed themselves in the position of someone owning a patent that may find it more difficult to prove infringement due to this exception. Few responses considered how this exception would work for third parties.
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17. In the main, respondents did not think that the UK should implement the exception found in Article 27(k) of the UPC Agreement for national patents (GB patents), with some proposing that this would mean that a GB patent could be seen as a 'safe haven' where the scope of a patent would not be limited by the software decompilation exception (Article 27(k)). Some felt that it would be best if the exception did not apply to European Patents opted out of the UPC. There was however a comment that harmonisation with the rest of Europe would be beneficial, and that it would be best to wait until it was clear how other states would be applying this exception before unilaterally applying it to national patents in the UK.

## Evidence

18. Throughout the Technical Review and Call for Evidence, questions were asked in order to gather evidence to inform the development of the legislation and assist with the Government's Impact Assessments as well as inform Government of the views of UK users in relation to aspects of the UPC which are being discussed at the Preparatory Committee.
  19. In relation to the change in jurisdiction, some responses commented on the impact that this would have on small business. There were comments which praised the role of the Intellectual Property Enterprise Court in the UK, which has a cap on the level of damages that litigants can claim and also caps the amount of recoverable costs. This is seen to benefit smaller companies. There was a general attitude of uncertainty as to the impact the court may have on UK businesses whilst information such as the makeup of the judiciary is still unknown. A couple of respondents noted that if the court was cost-effective, predictable and time-efficient then in the long-term it would be a success.
  20. The Technical Review and Call for Evidence also specifically asked a question about the location of the Central Division, and another about the need for a local division in the UK. These questions were designed to prompt responses which would assist in the determination of a location for the court. A few respondents commented on the reputational benefits that hosting a Central Division would bring to the UK. A couple of responses spoke about the need to host the Central Division in a location with good transport links, and one commented that accessibility to an airport was important for international users. Some responses noted that if UK businesses delay take-up of the UPC in the early years, through opting out for example, then use of the Central Division by UK firms may initially be limited.
  21. Many responses commented on the importance of hosting a local division so that UK businesses had local access to justice. A large number of respondents favoured a London-based local division, in part due to the infrastructure and also due to the concentration of legal firms. A couple of respondents supported a division being based in Scotland, due to the expertise in patent law based there. Some commented that more than one local division would be desirable, and there were also those that supported a travelling division as this would offer greater access to justice.
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# 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

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