

IP Law Update

Spring/Summer 2010



Welcome to the Withers & Rogers IP Law Update. This e-publication contains links to a number of articles published on our website over the last six months or so. The articles are intended to provide our clients and contacts with a flavour of recent developments and decisions in UK and European IP.

We have seen a variety of interesting, and at times surprising, decisions in the period covered by this edition. A number of issues are dealt with in the reported cases, including the importance of assigning priority rights (*Edwards v. Cook*), the UK courts' approach to selection inventions (*Dr Reddy's v. Eli Lilly*) and the use of third party trade marks in online advertising (*Google AdWords*). We also cover three European Patent Office Enlarged Board of Appeal decisions, including the long-awaited, but ultimately perhaps rather disappointing, outcome of the EPO President's referral on the patentability of software-based inventions.

Change is undoubtedly taking place in the global economy. In the UK, we have the first coalition government for more than two generations and, in the eurozone, worries as to the future of the single European currency have probably never been greater. We have, of course, all seen predictions of a 'double-dip' recession, and it seems clear that the winds of global economic influence are becoming ever more Easterly. There is no doubt in our minds that such periods of flux will present not only challenges but significant business opportunities. The creation, protection and exploitation of IP rights will have a major role in determining the shape of things to come.

As ever, I hope you will find the articles in this IP Law Update enjoyable and informative. We would, of course, be very happy to receive any feedback.



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01



Piercing the corporate veil: when can a director of a company be held jointly liable for patent infringement?

In this case (*Boegli-Gravures v. Darsail-ASP*), patent infringement was found against a company supplying rollers used for the production of packaging foils. Unusually, however, infringement was also alleged against one of the directors of the company. The decision highlights the need for directors who are involved in the day-to-day operations of a company to take particular care in situations where patent infringement may arise.

[For more information click here](#)



02



ECJ ruling in *Google v Louis Vuitton* is a blow for brand owners

Google operates the “AdWords” paid referencing programme which allows advertisers to bid on registered trade marks of third parties. This has the effect that if an internet user enters these keywords into the Google search engine, the advertisement will be displayed in the sponsored links either above or to the right of the natural search results. Advertisers pay Google a fee for this service.

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03



Supplementary Protection Certificates - pitfalls for combination medicinal products

Since the last edition of IP Law Update, a number of decisions of the UK IPO or courts have been given concerning Supplementary Protection Certificates (SPCs). Many of these concerned applications for SPCs for medicinal products containing two or more active ingredients. The decision we report (concerning SPC applications by Medeva), illustrates the importance of ensuring that there is a match between the medicinal products specified in the SPC application and the Marketing Authorisation, and the protection specifically conferred by the patent. In the UK at least, an SPC will not be granted for a combination medicinal product unless the patent actually claims a combination product.

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04



The importance of assigning priority rights

Under the Paris Convention, it is possible to claim the priority date of an earlier patent application when filing a later application within 12 months of the earlier application's filing date. However, this right to priority belongs to the natural or legal person which filed the earlier application, or his successor in title. This decision (*Edwards Life Sciences v. Cook Biotech*) illustrates the importance of ensuring that, if there is a change of applicant between the earlier and later patent applications, the right to claim priority is properly assigned before the later application is filed.

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05



Taking unfair advantage of well-known trade marks - Daimler v. Sany Group

In this case, Daimler alleged that Sany had taken unfair advantage of or caused detriment to the distinctive character and reputation of the famous Mercedes 3-pointed star logo. The court confirmed that establishment of a reputation is not enough to succeed, suggesting that evidence of unfair advantage or detriment is actually required.

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06



Inventor compensation - further guidance from the UK courts

In 2009, the High Court awarded two employee inventors compensation based on the 'outstanding benefit' which their employer had enjoyed from the invention (see our previous article [click here](#)). This was the first successful claim of this type. In late 2009, a further case (Shanks v. Unilever) arose, and the judgement confirmed that, in the event that the employer licenses the invention to a connected third party, the benefit of the patent to the employer should be assessed as if that third party were not connected to the employer. In other words, the amount of compensation due to an employee successfully bringing a claim in such circumstances could be calculated based on the market price of the patent, potentially regardless of the actual licence income garnered by the employer.

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07



DNA patents - interpretation of the European Biotechnology Directive

The Advocate General of the ECJ recently gave an opinion in a case concerning genetically-modified soya plants. The herbicide-resistant plants were grown outside Europe then processed to form soy meal which was imported into Europe. The soy meal contained traces of DNA covered by a patent owned by Monsanto, and infringement was alleged. The Advocate General has opined that the protection provided by a patent relating to genetic information only extends to situations where the genetic information is still performing the function on which the patent protection was based. If this opinion is followed by the ECJ, it could have significant ramifications for the biotechnology industry.

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08



EPO Enlarged Board decides which surgical methods should be cut out

This long-awaited decision of the Enlarged Board of Appeal of the EPO has clarified, to a degree, the scope of the exclusion from patentability for surgical methods practised on the human or animal body. This case arose from a patent application concerning a method of diagnosis comprising the step of administering a particular substance to a patient, optionally by direct injection into the heart. The Enlarged Board had to consider whether a method encompassing such an administration step constituted an excluded method of surgery, even though such a step did not itself have any curative or preventative purpose. In its decision, the Enlarged Board seems to have set out certain criteria which a method must fulfil in order to fall foul of the exclusion from patentability.

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09



Selection inventions - the UK follows the EPO

The Court of Appeal recently held (in the case of Dr Reddy's Laboratories v. Eli Lilly) that the UK approach to selection inventions should now follow the EPO approach. Selection inventions are relatively common, particularly in the chemical and pharmaceutical fields, and hence this decision is expected to be a significant precedent for future litigation. Most UK patent attorneys have, of course, become used to following the EPO's approach since the majority of patents in this field are prosecuted via the EPO route. However, it is interesting to note that the different approaches, although perhaps only subtly distinct, could have led to different outcomes in certain key decisions in the past.

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EPO's medicine has a bitter aftertaste

In this Enlarged Board of Appeal decision, it was considered whether a new and inventive dosage regimen could confer patentability on a use of a known drug in the treatment of a condition already known to be treatable by that drug. The Enlarged Board decided that such dosage regimen claims could indeed be patentable. This decision confirms the EPO's position as being aligned with that of the UK courts. However, the Enlarged Board's decision had a sting in its tail, as it seems effectively to have consigned 'Swiss-type' claims to the history books.

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11



A brick is a brick, not a trade mark

In this Advocate General's opinion, the ECJ has been recommended to refuse Legos's appeal to maintain its 'brick' registration as a Community Trade Mark. Lego had registered its brick as a trade mark in 1999, this registration having been challenged by Mega Brands. The trade mark registration was cancelled on the basis that the trade mark consisted of a shape which performed a technical function. The Advocate General has attempted to make it clear that trade mark protection and design protection have different functions, and that trade mark law cannot be used to obtain an indefinite term of protection for features of shape which do not have any non-functional purpose.

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12



When does repair to an article constitute patent infringement?

The distinction between repair of a patented product, and what might be regarded as manufacture of such a product, is one which only rarely comes before the UK courts. In this decision (*Schutz v. Werit*), it was held that if the part of the product which is retained during the repair of the article 'embodies the whole of the inventive concept of the claim', the act amounts merely to repair. Whilst perhaps not providing a totally definitive test for all cases, this decision should help to focus the assessment of future 'repair v. rebuild' situations.

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Software patents - Enlarged Board provides its opinion

As reported in the Autumn 2009 edition of IP Law Update ([click here](#) to view), the decision of the EPO's Enlarged Board of Appeal concerning a series of questions on the patentability of computer-implemented inventions has been keenly anticipated. Ultimately, the Enlarged Board decided that the questions were inadmissible, since it felt that the alleged divergence in the decisions of the Technical Boards of Appeal of the EPO was not present. Nevertheless, in rejecting the questions, the Enlarged Board considered them in significant detail, and in so doing confirmed its approval of the EPO's current approach to software patents. The so-called 'any hardware' assessment of patentability of computer-implemented inventions therefore looks set to continue in the EPO, and it is possible that this could have implications for the assessment of such inventions in the UK and other national courts.

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