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Patents/Filing

European Patent Filing Strategies in the Age of Brexit



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The United Kingdom is in the process of leaving the European Union. The duration of this separation process is unknown. However, it is likely to be shorter than the time needed to have a patent application grant from the European Patent Office (the EPO). Therefore, applicants filing for rights today, may find that in a few years the EPO will be ready to grant them a European patent just as the U.K. is finishing its separation from the EU.

Given this timing, it is worth considering filing strategies one may take today to best account for the coming reorganization of Europe.

The Impact of Brexit.

Many articles have been written explaining the impact of Brexit on IP rights. Trademark and design rights practice in the U.K. will change. Additionally the scheme the U.K. employs to extend rights on medicinal innovations, as now offered through Supplementary Protection Certificates, will also change. However, it is expected that the U.K. will remain a member of the European Patent Convention (EPC) allowing applicants to file for U.K. patent rights through the EPO.

More uncertain is whether the U.K. will participate in

the Unified Patent Court (UPC), which is a court being established by most European countries through an agreement made outside of the EU.

There is uncertainty about whether a post-Brexit U.K. can participate in the UPC. Many believe that only EU countries may be part of the UPC Agreement, but some, such as an opinion paper prepared at the request of the IP Federation, the Chartered Institute of Patent Attorneys and the Intellectual Property Lawyers Association argue otherwise (30 WIPR 8, 10/1/16).

Under these uncertainties, applicants still must file for patent rights in the U.K. and the rest of Europe. This article considers some options for filing and securing patent rights as the U.K. separates from the European Union.

What Remains the Same.

The U.K. will remain a member of the EPC. The EPC is an agreement among European nations. It is the treaty that sets up the EPO. The EPC harmonizes many core issues of patent law among the European countries. These core issues include the law on patentable subject matter, what constitutes prior art, inventive step, and the process for claim interpretation.

Patents granted by the EPO are rights that the patent holder can use to require a national patent office, including the U.K. Intellectual Property Office, to validate the patent as a national patent. What results are separate individual patents in each country where the European patent was validated.

Additionally, the EPC sets up the opposition process that allows the EPO to revoke national patents arising from a patent granted by the EPO, including a national U.K. patent granted from a European patent.

The EPC gives considerable authority to the EPO, as a European agency, to set IP law and policy. It may be that those who wish to use Brexit “to take back control” of national law will argue for also exiting the EPC. But this seems unlikely and the U.K. IPO has stated an intent for the U.K. to stay in the EPC. By remaining in the EPC, patent applicants can continue to secure patent rights in the U.K. by filing patent applications through the EPO.

Growing Differences.

As the U.K. separates from the EU, its interests and ability to keep its national patent laws aligned with those of the other member states of the EPC will weaken.

Today, U.K. court decisions on patent matters often cite the statutory language of the EPC as opposed to that of the U.K. Patents Act and often refer to judgments of the EPO. This degree of European harmonization may be difficult for U.K. courts to continue in the post-Brexit era. This may lead to a growing gap between the patent laws of the U.K. and the patent laws of other EPC member states, including Germany, France, the Netherlands and Italy. This gap is most likely to occur around areas related to interpretation of patent rights, such as supplemental rights on medicinal products and monetary damages.

Addressing the Coming Differences.

As differences grow, the patents granted by the EPO will be granted under interpretations of laws that are increasingly different from the interpretations applied by the U.K. courts. This suggests that use of the EPO to secure rights in the U.K. may be a less reliable path, or one that requires careful attention to differences between EPO and U.K. law to ensure that the granted patent right in the U.K. aligns with how the U.K. courts will interpret and honor a patent right.

Pursue Rights Through the UKIPO.

An option is to pursue rights directly from the U.K. Intellectual Property Office (UKIPO). The UKIPO will be more capable than the EPO of addressing the differences between U.K. law and the law of continental Europe. The UKIPO and applicants acting before the UKIPO can focus on granting patents that align with the patent law of the U.K.

File With an Eye Toward the Court.

Most EU member states have agreed to establish the UPC to hear disputes involving patents granted from the EPO. The UPC has jurisdiction only over patents granted by the EPO and lacks jurisdiction over patents granted from the national patent offices, such as the U.K. or German national patent offices. Those nationally granted patents must be adjudicated by the national courts of that state.

The UPC offers itself as an optional court for those who wish to bring a single enforcement action with effect throughout all member states of the UPC Agreement. The benefit of the UPC is that it is an excellent use of the European Common Market and puts the power of that market, which is close to \$17 trillion, behind the patents granted by the EPO.

If the U.K. withdraws from the UPC, disputes arising from U.K. patents granted from European patent applications will be decided by the U.K. patent courts, as is done today. Those decisions of the U.K. court will only cover activities in the U.K. and will not extend to infringing activity beyond the borders of the U.K.

The ‘Canadian Approach’.

If the U.K. does not participate in the UPC, a good model for a filing strategy follows from the considerations often addressed when considering filings in the US and Canada. Like the U.K., Canada has an excellent legal system, with an expert patent office and well run courts. However, even though the Canadian legal system is attractive, the Canadian economy is notably smaller than the US economy, about one tenth the size, and highly integrated with the U.S. economy. The U.S. is by far Canada’s largest trading partner.

These facts favor securing patent rights only in the larger market, the U.S., over paying for patent rights in both Canada and the U.S. The practical point is that successful products that are sold in Canada are sold throughout North America and that having patent

rights in the U.S. is sufficient as there are few products that can be successful in North America if the U.S. market is excluded.

Similarly, the U.K. has an excellent patent office and court system. However, the U.K. economy is about one fifth that of the European Union (with the U.K. excluded) and the markets are highly integrated. Given this, it would be difficult for an infringing competitor to sell a product successfully in Europe if the EU market is excluded. It would be the rare company that could do well in the U.K. without access to the other European states. Additionally, patent rights allow for the exclusion of making and using an infringing product. A product rightfully sold in the U.K. but brought into the EU or made within the EU may give rise to an action at the UPC.

These practical market-based factors suggest that the patent protected by the UPC is sufficient and companies can avoid having to secure and manage separate U.K. patent rights.

One Strategy if the U.K. Chooses to Participate in the UPC.

Although the U.K. is leaving the EU, it may choose to maintain a role in some agencies and programs established with European partners. For example, as earlier noted, it is highly likely that the U.K. will continue in the EPO, even though the EPO is a European agency with offices exclusively outside of the U.K. and which sets law and policy for the grant and revocation of patent rights

within the U.K. But membership in the EPC and the UPC is done outside of the EU and lack some of the concerns that drove Brexit, such as an obligation to allow the free movement of EU citizens in the U.K.

As of this writing, Europe seems interested in moving the UPC to completion. Recent published letters of support from various European industry groups support creation of the UPC and for participation in the UPC by the U.K.

If the U.K. participates in the UPC, the jurisprudence of the U.K. and judges from the U.K. will have role in the formation of the court and its interpretation of its laws and procedures. Moreover, under the present UPC Agreement, one seat of the main court of the UPC is in London and that court would have a preferential jurisdiction over disputes related to pharmaceutical and medical device patents.

Unlike decisions from the U.K. national patent courts, decisions from the London seat of the UPC would have effect throughout the U.K. and throughout other European countries that are members of the UPC.

Given this, if the U.K. remains in the UPC, it strongly suggests filing European patent applications, especially those for life science inventions, and having the U.K. as the forum of choice, likely globally, for resolving patent disputes.

The authors are part of Ropes & Gray's intellectual property rights management practice.