

Mastering the Global Patent Game

September 10th, 2014



Panellists

Stefanie Greifeneder – Partner, Fieldfisher (Munich)

Hakim Haouideg – Partner, Fieldfisher (Brussels)

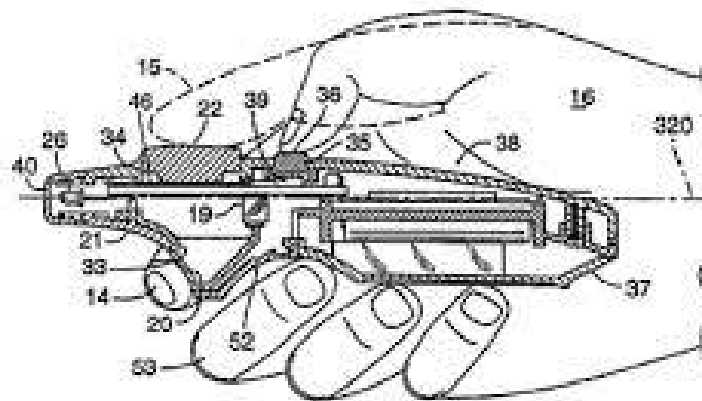
David Knight – Partner, Fieldfisher (London)

Matt Smith – Partner, Turner Boyd (Redwood City)

Overview

1. **Pre-Action / Third-Party Disclosure**
2. **Without Notice Injunctions**
3. **Software patents**
4. **How to and how not to assert a patent right**
5. **Unified Patent Court – an update**

Pre-Action / Third-Party Disclosure



Pre-action discovery

Directive 2004/48

- *“despite the TRIPS Agreement, there are still major disparities as regards the means of enforcing intellectual property rights.” (Recital 7)*
- *“Given that evidence is an element of paramount importance for establishing the infringement of intellectual property rights, it is appropriate to ensure that effective means of presenting, obtaining and preserving evidence are available. The procedures should have regard to the rights of the defence and provide the necessary guarantees, including the protection of confidential information.” (Recital 20)*
- Article 7 [*Measures for preserving evidence*]

Pre-action discovery

Directive 2004/48

- Plaintiff must present “reasonably available evidence” that IPR is (or is about to be) infringed
- Allows to obtain “prompt and effective” provisional measures to preserve evidence
- Such measures may include “detailed description” of the goods or materials used in the production or distribution of the goods
- “if necessary”... without the other party having been heard
- Measures may be subject to “adequate security or an equivalent assurance”
- Measures must be revoked if applicant does not initiate an action on the merits (within 20 working days or 31 calendar days)
- Courts shall have the authority to award “appropriate” compensation for any injury caused to the defendant if
 - Measures are revoked
 - Measures lapse due to act or omission by the applicant
 - There is no infringement.

Pre-action discovery

Implementation of those principles

- Principles leave some margin of appreciation to Member States
 - “May provide...”, “May include...”, “May be subject to...”, etc.
 - “if necessary”, “appropriate”, etc.
- Approach of Member States vary, for example :
 - Type of information (depth and breadth)
 - Access to the information (immediate access v. freeze subject to decision on the merits)
 - Threshold to obtain the measures (esp. ease to obtain the measures *ex-parte*)

Pre-action discovery

Belgium (and to some extent France)

- Tradition of “saisie-contrefaçon”/”beslag inzake namaak” (even long before the directive)
- Specific action
 - ex parte by nature (fast and cheap)
 - Expert is appointed to gather information
 - May be helped by police, IT expert, locksmith
 - Enforceable wherever the goods are (*omnibus*)

Pre-action discovery

- Advantages for right holders :
 - Take infringer by surprise
 - Easy access to all relevant information
 - Sometimes, it is the only way (e.g. patent process claims, database rights)
 - Adds a lot of pressure to negotiate a settlement
 - Can be used to seize the infringing goods

Pre-action discovery

- Two conditions
- IP right that is "in all appearances" valid
 - All IP rights
 - Granted patent is sufficient (even if subject to opposition)
 - Appearance of validity >< valid rights (e.g. copyright)
- Indication of actual or threatened infringement
 - Indication >< proof
 - Indication must be valid (see Brussels 15/09/2011 *Autodesk*)
 - Precise (no fishing expedition)
- No other condition (urgency or extreme urgency, making the case for the defendant, etc...)

Pre-action discovery

Belgium (and to some extent France)

- The court will :
 - Take its decision within 1-2 business days
 - Appoint an expert to
 - Prepare a report describing the counterfeited items, their origin, their numbers and their destination
 - Expert has access to all documents (including accounts), can take samples, pictures etc...
- Decision must be served by a bailiff before the expert may start
 - Sometimes the court will subject the decision to posting of a bond (usually 5 to 15K)
- Expert will file his report within 2 months (and must protect the confidential information of the alleged infringer)
- Defendant may oppose the decision (before the same court) and then has also a right to appeal

Pre-action discovery

Belgium (and to some extent France)

- After the report has been filed, plaintiff has one month to start proceedings on the merits
 - The proceedings can be started before any jurisdiction (not necessarily Belgium)
 - The report can be used before any jurisdiction
 - If the plaintiff fails to do so, the report cannot be used and must remain secret
- No automatic liability if the IP right is later found to be non-infringed/invalid
 - The application for the measures must constitute a fault
- No (clear) possibility “protective briefs” (>< Germany)
- Additional measures : seizure of the goods...

Without Notice Injunctions



Belgium

Two options

- Relatively rare : extreme urgency and very strong case (relatively rare)
- Seizure of the allegedly infringing goods within a saisie-contrefaçon (quite common)
 - No need to show extreme urgency (ex parte by nature)
 - Conditions (higher than for mere description)
 - IP right that is "in all appearances" valid (idem description)
 - Infringement may not reasonably be doubted (>< indication of infringement)
 - Balance of interests (incl. interest of the public)
 - The Court may still decide to summon the other party (but after warning of the applicant)
 - Posting of a bond is often required

Patentability of software implemented inventions



The position in the US?

Alice Corp. Pty. Ltd. v. CLS Bank Int'l

- US Supreme Court case changing the landscape for US software patents?

Background:

- Alice corp. own four patents concerning computer-implemented escrow services.
- CLS Bank challenged the patents on the basis they did meet fundamental conditions under 35 USC Section 101.

The US law

35 USC Section 101 (Inventions Patentable):

- *Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.*

The only exclusions to patentability come from case law:

- *“laws of nature, physical phenomena and **abstract ideas**”*

Diamond v Chakrabarty, 447 US 303

Alice v CLS Bank – just an ‘abstract idea’?

Court used two step framework in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.* to determine patentability:

1. Are the method claims directed to a **patent-ineligible concept**?

YES: “the claims at issue amount to ‘nothing significantly more’ than an instruction to apply the abstract idea of intermediated settlement using some unspecified, generic computer.”

2. Do Alice's claims contain **additional elements** that transform the claims into something more than a patent on the ineligible concept itself?

Computer-implemented inventions in Europe

Context

- Article 52 of the EPC “Patentable inventions”
- “2.... *shall not be regarded as inventions : ... programs for computers*”
- “3.... *only to the extent to which a European patent application or European patent relates to such subject-matter or activities as such*”
- Old provision (1973):
 - ratio is unclear (protection only by copyright or difficulty to search/assess patentability conditions) ?
 - Inspired from PCT (1970) : *No International Searching Authority shall be required to search an international application if, and to the extent to which, its subject matter is any of the following : (vi) computer programs to the extent that the International Searching Authority is not equipped to search prior art concerning such programs.*

Computer-implemented inventions in Europe

Controversy

- 1994 : EPO Board of Appeal (Sohei, T 92/0769) : allows computer system claims : “An invention comprising functional features implemented by software is not excluded from patentability if technical considerations concerning particulars of the solution of the problem the invention solves are required in order to carry out that same invention”.
- 1998 : EPO Board of Appeal (IBM, T 1173/97) : allows computer program claims "a computer program product is not excluded from patentability if, when it is run on a computer, it produces a further technical effect which goes beyond the "normal" physical interactions between program (software) and computer (hardware)".
- 2000 : Revision of the EPC (Munich Conference) : “proposal to delete the exclusion of computer programs, which is really only intended to codify existing practice.”
 - No agreement...
- 2002 : Proposal of Directive (>< EPO Members) : “Member States shall ensure that it is a condition of involving an inventive step that a computer-implemented invention must make a technical contribution.” + “Member States shall ensure that a computer-implemented invention may be claimed as a product”
 - Strong opposition from Open Source Community
 - Blocked by the EU Parliament
- No political initiative at all since then... and none stands on the agenda...
- The UPC Agreement doesn't touch upon the patentability criteria

Computer-implemented inventions in Europe

Meanwhile... at the EPO

- EPO has granted over 30,000 “software patents” officially called “computer-implemented inventions”
- Current test for computer system/method claims : “any hardware” (Hitachi T 0258/03)
 - *“It is sufficient to it comprises clearly technical features such as a ‘server computer’, ‘client computers’ and a ‘network’.”*
- Current test for computer software claims : “further technical effect” (IBM, T 1173/97 and Enlarged Board of Appeal G 3/08) :
 - *“The identified further technical effect need not be new or inventive”*
 - See EPO Guidelines for examination (2013) :
 - *“A computer program claimed by itself is not excluded from patentability if it is capable of bringing about, when running on or loaded into a computer, a further technical effect going beyond the “normal” physical interactions between the program (software) and the computer (hardware) on which it is run”.*

Computer-implemented inventions in Europe

Meanwhile... at the EPO

- But then... the conditions of novelty and inventive steps apply (Hitachi T 0258/03)
 - *“The Board is aware that its comparatively broad interpretation of the term “invention” in Article 52(1) EPC will include activities which are so familiar that their technical character tends to be overlooked, such as the act of writing using pen and paper. Needless to say, however, this does not imply that all methods involving the use of technical means are patentable. They still have to be new, represent a non-obvious technical solution to a technical problem, and be susceptible of industrial application.”*
 - *“The invention will be assessed with respect to the requirement of inventive step by taking account of only those features which contribute to a technical character.”*

Computer-implemented inventions in Europe

Meanwhile... at the EPO

- *Problem-and-solution approach:*
 - (i) determining the "closest prior art",
 - (ii) establishing the "objective technical problem" to be solved, and
 - (iii) considering whether or not the claimed invention, starting from the closest prior art and the objective technical problem, would have been obvious to the skilled person.
- Non technical aspects are not taken into consideration
 - They are moved from the "solution" back to the "problem"
 - "The invention can therefore be regarded as a mere automation of the non-technical activity of performing a Dutch auction in the absence of bidders. Any ingeniousness required to develop the rules for the hypothetical auction cannot be considered for inventive step" (Hitachi T 0258/03)

Computer-implemented inventions in Europe

Conclusion

- Do not be afraid of the exclusion of computer programs “as such” (largely circumvented by the EPO)
- But non-technical aspects of the invention will be disregarded when considering obviousness.
- EPO approach is applied by EPO
 - In prosecution matters
 - In opposition matters
- Based on identical provisions, Member states may take a different approach when assessing the validity, for their jurisdiction, of a EPO granted patent (cf. UK)