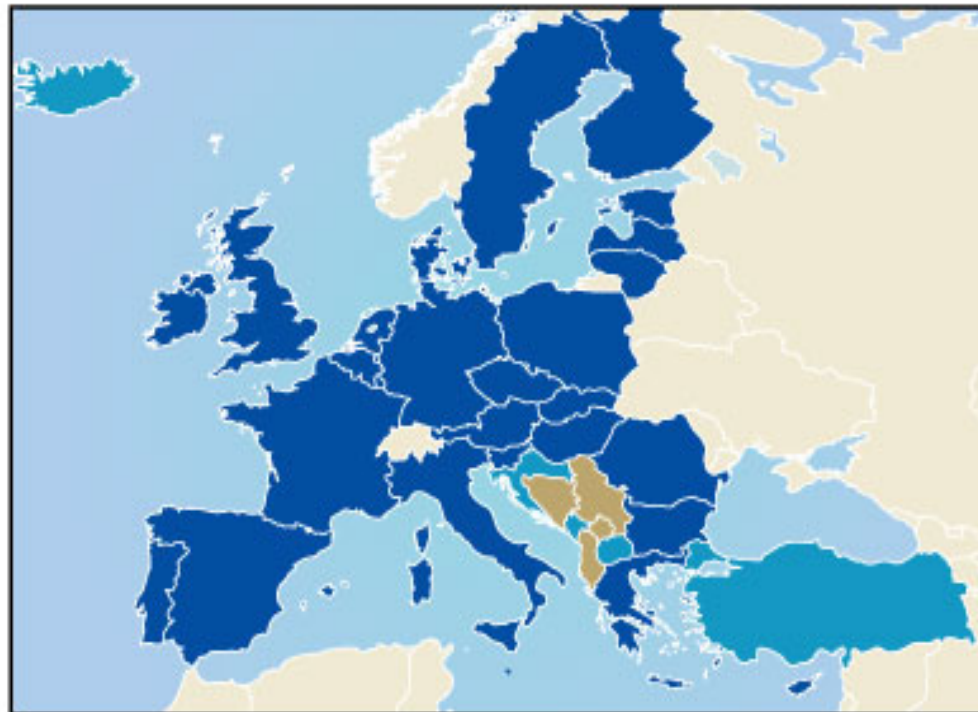

Europe's Role in Global IP Strategies

What to know about Europe

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Introduction



- EU States
- Candidate countries
- Potential candidate countries

- Don't forget politics
- Europe ≠ EU
- Importance of membership to treaties
- Regional cooperation (e.g. Benelux Office for Intellectual Property BOIP or the Eurasian Patent Organisation)

Source: European Commission

Regulatory Overview - Treaties

Network of treaties is crucial, notably adherence to

- Madrid System concerning the international registration of **trademarks**
 - Madrid Agreement 1891 and Protocol 1989
 - Protection in several countries by simply filing one application with national/regional trademark office
- European **Patent** Convention 1973
 - European Patent Organisation (EPO), Munich
 - Unified grant procedure before EPO; the product – the European patent – is not *unitary*, but consists of several national parts

Regulatory Overview (now) – EU (1/5)

EU is very active in the field of intellectual property:

- Regulation on the Community Trade Mark (1993) and on Community Designs (2002)
 - Unitary right (CTM or CID) that is valid and enforceable in all EU Member States
 - National trademarks and designs survive in parallel
- Directive on the Enforcement of Intellectual Property Rights (IPRED; 2004)
 - Applies to all intellectual property rights
 - All Member States have a similar set of measures, procedures and remedies available to defend against infringement

Regulatory Overview (future) – EU (2/5)

Single Market for Intellectual Property Rights:

- Unitary **Patent** Package (UPP; 2012)
 - Consists of two main pieces of legislation: (1) Regulation implementing enhanced cooperation in the area of the creation of **unitary** patent protection, and (2) Agreement on a Unified Patent **Court** (UPC) (not yet final)
 - Enhanced cooperation procedure: all EU Member States except Italy and Spain (for now)
 - Agreement will enter into force on 1 January 2014 or after thirteen contracting States ratify it, provided that UK, France and Germany are among them, whichever is later.
 - Regulation will apply from 1 January 2014 or the date of entry into force of the Agreement, whichever is later.

Regulatory Overview (future) – EU (3/5)

- National/European patents remain available.
- Unitary patent has a unitary character, provides uniform protection and has equal effect in all the participating Member States.
- UP Court Agreement applies to any unitary patent, supplementary protection certificate, European (national) patent (even if already existing), and European patent applications; for European (national) patents, the proprietor/applicant may opt-out from the exclusive competence of the UPC during seven years.

Regulatory Overview (future) – EU (4/5)

- UPC Court of First Instance: Central divisions in Paris, London (chemistry) and Munich (mechanical engineering).
- UPC Court of Appeal in Luxemburg
- UPC has exclusive jurisdiction over infringements, revocations, damages or compensation, provisional measures and injunctions.
- National courts remain competent for actions relating to patents which do not come into the exclusive competence of UPC, such as national patents.

Regulatory Overview (future) – EU (5/5)

- Instead of creating uniformity, a multiplicity of laws apply under the UPP (≠ CTM or CID)
- Territorial fragmentation. There will be four “kinds” of countries in Europe: (1) Non-EU Member States; (2) EU Member States which did not adhere to the UPP (Spain/Italy); (3) EU Member States which participate in the Regulation on unitary patents, but did not ratify the UPC Agreement; and (4) EU Member States which implemented the UPP
- Substantive fragmentation. There will be four overlapping levels of patent protection: (1) national patents granted nationally; (2) European (national) patents within the UPC system; (3) European (national) patents not subject to the UPC system (opt-out, non-ratification or non-EU Member States); and (4) Unitary Patents.

European Particularities (1/7)

- Common law (UK) vs. civil law (continent)
- Regional exhaustion between EU/EEA member states for trademarks, designs, copyrights and patents; freedom of movement of goods in EU/EFTA (parallel imports); Cassis-de-Dijon.
- First-to-file principle
- Trademarks: Refusal of registration only on absolute grounds; broad identification of goods of services for trademarks, while the U.S. requires specificity.

European Particularities (2/7)

- Utility model (“small patent”, e.g. in Germany, France, Spain, Finland, Austria)
 - Registered without examination – quickly available at little cost
 - Limited prior art, novelty grace period
 - Shorter period of protection
- Opposition procedure (as opposed to reexamination)

European Particularities (3/7)

- Patentability of Software under the EPC
 - Computer programs are in general not patentable (Art. 52 EPC)
 - Computer-implemented inventions (CII) are only patentable if they i) have a technical character and solve a technical problem, ii) are new, iii) are not-obvious, and iv) involve an inventive technical contribution to the prior art
 - Software is protected by copyright (but only for the expression of the idea not the idea itself)

European Particularities (4/7)

- Pharmaceutical and Medical Patents
 - Patentability: Substances, compositions and apparatuses, and their use. → Not methods of medical diagnosis or treatment.
 - SPC for pharmaceuticals and paediatric extension
 - Liberal research (“experimental privilege”) and bolar-type exemption.
 - Specialized court in London under the new UPC regime

European Particularities (5/7)

- IP Litigation in Europe
 - EU Enforcement Directive: Lower level of compensation for damages in IP infringement cases, compared to US. Damages need to be “appropriate to the actual prejudice suffered [...] as a result of the infringement”, punitive damages are prohibited.
 - Involvement of parties (common law) vs. involvement of authorities (civil law)
 - In general, no U.S./UK-style discovery (fishing expeditions).
 - “Loser pays” (no American rule): Costs and expenses are, as a general rule, to be borne by the losing party.

European Particularities (6/7)

- Specialized courts such as the UPC or the German and (more recently) Swiss Federal Patent court.
- Importance of technical experts; cooperation of technically trained patent attorneys and litigators.
- Arbitration (WIPO Arbitration and Mediation Center in Geneva and Singapore; Patent Mediation and Arbitration Centre in Ljubljana and Lisbon under the UPP).

European Particularities (7/7)

- Taxation: IP-Box Model
 - E.g. UK, NL, CH, CY, LUX, FL, BE, etc.
 - Taxation of IP income at a reduced tax rate
 - Definition of “licence income” varies (e.g. Belgium: patents only, no capital gains in Belgium.
Switzerland: any copyright of literary, artistic or scientific work including cinematograph films, any patent, trademark, design or model, plan, secret formula or process, or for information concerning industrial, commercial or scientific experience (Art. 12 OECD Model Tax Convention re capital gains).
 - IP protection (screened from claims against and bankruptcy of operating companies) and facilitation of IP management

Thank you

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Supplemental Materials

Regulatory Overview - Treaties

Overview of the most important treaties:

- General Treaties
- Treaties Relating to Trademarks
- Treaties Relating to Patents
- Treaties Relating to Industrial Designs
- Treaties Relating to Copyright
- Treaties Relating to Appellations of Origin

Regulatory Overview - Treaties

- General Treaties:
 - Paris Convention 1883

General Treaties (1/2)

- Paris Convention for the Protection of Industrial Property 1883
 - Signed by all European countries
 - Applies to industrial property in the widest sense
 - National treatment for nationals of other contracting States and for non-nationals of other contracting States if they are domiciled or have an establishment in a contracting State
 - Right of priority: 12 months for patents and utility models, 6 months for marks and industrial designs

General Treaties (2/2)

- Common rules:
 - Patents: Patents granted in different contracting States for the same invention are independent of each other; Mention of the Inventor in the Patent; Patentability in case of restrictions of sale by domestic law; Compulsory licences
 - Marks: No regulation of the conditions for filing and registration of marks; Independence of same mark in different countries; Protection of marks registered in one contracting State in the other contracting States: where a mark has been duly registered in the country of origin, it must, on request, be accepted for filing and protected in its original form in the other contracting States, except for certain exhaustive reasons; Prohibitions concerning State emblems and the like; Protection of well-known marks; Protection of collective marks
 - Industrial designs: Protection in each contracting State; Protection may not be forfeited on the ground that the articles incorporating the design are not manufactured in a certain State
 - Indications of source: Direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant is prohibited
 - Unfair Competition: Each contracting State is required to assure protection against unfair competition

Regulatory Overview - Treaties

- Treaties relating to trademarks:
 - Madrid Agreement 1891
 - Madrid Protocol 1989
 - Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks 1957
 - Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks 1973

Treaties Relating to Trademarks (1/7)

- Madrid Agreement Concerning the International Registration of Marks 1891 and Protocol 1989
 - Agreement signed by: Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, France, Germany, Hungary, Italy, Latvia, Liechtenstein, Luxembourg, Macedonia, Moldova, Monaco, Montenegro, Netherlands, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Switzerland, Ukraine
 - Protocol signed by: signees of the Agreement, Belarus, Denmark, Estonia, Finland, Greece, Iceland, Ireland, Latvia, Lithuania, Norway, Sweden, United Kingdom
 - Neither, nor: Andorra, Holy See, Malta (through CTM only)

Treaties Relating to Trademarks (2/7)

- Applies to marks
- System of international registration of marks is governed by both the Agreement and the Protocol; the treaties are parallel and independent
- Any State which is party to the Paris Convention may become parties to either the Agreement or the Protocol or both
- Advantage: Instead of filing many national applications in accordance with different procedures and in different languages, one single application with the International Bureau (through the PTO of origin), in one language and paying only one set of fees is sufficient for an international registration

Treaties Relating to Trademarks (3/7)

- International application

- The system of international registration may be used by natural persons and legal entities having a connection with a contracting State (through establishment, domicile or nationality)
- An international application is only possible if the mark has already been registered with the PTO of the contracting State of origin
- The international application must designate one or more contracting States where protection is sought; further designations can be effected subsequently. A contracting State can only be designated if it is party to the same treaty as the State of the PTO of origin
- Where all designations are effected under the Agreement, the application must be in French; Where at least one designation is effected under the Protocol, the applicant may choose between English, French and Spanish (unless restricted by State of origin)
- Fee: consists of basic fee, supplementary fee for each class of goods/services beyond the first three classes, and complementary fee for each contracting State designated

Treaties Relating to Trademarks (4/7)

- International registration
 - Upon receipt of the international application, the International Bureau examines it for compliance with the requirements of the treaties and their common regulations
 - The examination is restricted to formalities; substantive issues are left to each of the designated contracting States to decide
 - If there are no irregularities, the International Bureau records the mark in the International Register, publishes it in the WIPO Gazette of International Marks, and notifies it to each designated Contracting Party

Treaties Relating to Trademarks (5/7)

- Refusal of protection

- The designated contracting States may examine the international registration for compliance with their domestic legislation; if substantive provisions are not complied with, they may refuse protection in their territory
- Any refusal must be communicated to the International Bureau within 12 months (or 18 months, depending on the contracting State concerned) from the date of notification
- Refusal is communicated to the holder, recorded in the register and published in the Gazette
- Any subsequent procedure is carried out between the administration/court of the contracting State and the holder (at the exclusion of the International Bureau); the final decision is communicated to the Bureau, which records and publishes it

- Effects of the international registration

- Same effects (as from the date of the international registration) as if the mark had been deposited directly with the PTO of the designated contracting State
- Term of protection: 20 years, with the possibility of renewal (against payment of a fee)

Treaties Relating to Trademarks (6/7)

- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks 1957
 - Signed by all European countries, except Andorra, Holy See, Malta, San Marino
 - The list is also applied by the International Bureau of WIPO, the Benelux Organisation for Intellectual Property (BOIP) and by the Office for Harmonization in the internal Market (OHIM) of the European Communities
 - The authorities of the contracting States must indicate in the official documents and publications relating to registrations of marks the numbers of the classes of the classification to which the goods or services for which the mark is registered belong

Treaties Relating to Trademarks (7/7)

- Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks 1973
 - Signed by all European countries, except Albania, Andorra, Belarus, Czech Republic, Estonia, Finland, Greece, Holy See, Iceland, Ireland, Latvia, Liechtenstein, Lithuania, Malta, Russia, Slovakia, Spain, United Kingdom
 - The list is also applied by the International Bureau of WIPO, the Benelux Organisation for Intellectual Property (BOIP) and by the Office for Harmonization in the internal Market (OHIM) of the European Communities
 - The authorities of the contracting States must indicate in the official documents and publications relating to registrations and renewals of marks the numbers of categories, divisions and sections of the classification in which figurative elements of those marks are ranged

Regulatory Overview - Treaties

- Treaties relating to patents:
 - European Patent Convention 1973
 - Patent Cooperation Treaty 1970
 - Strasbourg Agreement Concerning the International Patent Classification 1971

Treaties Relating to Patents (1/8)

- European Patent Convention 1973
 - Signed by all European countries, except Andorra, Belarus, Holy See, Moldova, Russia, Ukraine
 - Establishment of the European Patent Organisation (EPO)
 - Advantage: Single European centrally administered procedure to obtain national patent protection in numerous European countries

Treaties Relating to Patents (2/8)

- Substantive patent law

- Patentable inventions, Art. 52(1) EPC: “European patents shall be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.”; and Art. 52(2) EPC: “The following in particular shall not be regarded as inventions within the meaning of paragraph 1: (a) discoveries, scientific theories and mathematical methods; (b) aesthetic creations; (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers; (d) presentations of information.”
- Exceptions for ordre public/morality, plant or animal varieties and essentially biological processes for the production of plants and animals, and methods for treatment of the human or animal body by surgery or therapy, and diagnostic methods practised on the human or animal body, except for products for use in any of these methods (Art. 53 EPC)
- Novelty: state of the art at the date of filing of the European patent application (Art. 54(1) EPC); list of non-prejudicial disclosures (Art. 55 EPC)
- Inventive step: not obvious to a person skilled in the art (Art. 56 EPC)

Treaties Relating to Patents (3/8)

- European patent application
 - European patent application may be filed by any natural or legal person (Art. 57 EPC)
 - All the contracting States of the EPC are deemed to be designated (unless withdrawn)
 - Official languages: English, French and German; application is filed in any other language, the applicant needs to file a translation into one of the official languages within two months of filing the application (extension of two additional months, if not filed within this deadline)
 - Application consists of request for grant of a European patent, description of the invention, one or more claims, any drawings referred to in the description or claims, and an abstract.

Treaties Relating to Patents (4/8)

- Patent Cooperation Treaty 1970
 - Signed by all European countries, except Andorra
 - Applies patents for inventions, inventors' certificates, utility certificates, utility models, patents or certificates of addition, inventors' certificates of addition, and utility certificates of addition
 - Advantage: Makes it possible to seek patent protection in each of a large number of countries by filing an international patent application

Treaties Relating to Patents (5/8)

- International application:
 - May be filed by any resident or national of a contracting State with the national office or the International Bureau of WIPO
 - The PCT prescribes in detail the formal requirements with which any international application must comply; if the application meets these formal requirements, it will be acceptable in all contracting States, so far as the form and contents of the application are concerned
 - Single set of fees: transmittal fee, search fee and international fee
 - Subjected to an international search carried out by a major patent office; this patent office will draw up an international search report and a non-binding opinion on whether the invention appears to meet the patentability criteria
 - Search report and opinion are communicated to the applicant, who may withdraw his application; If application is not withdrawn, it is published by the International Bureau together with the international search report (end of “international phase”)
 - If the applicant decides to continue with a view to obtaining national/regional patents, he can (in most countries) wait until 30 months since the priority date have passed to commence national procedures the designated offices (“national phase”)

Treaties Relating to Patents (6/8)

- Effect of international application
 - International application has the effect, as of the filing date, of a national application in the designated contracting States; it has the effect of a regional patent application in those States which are party to a regional patent treaty, provided they are designated for a regional patent (e.g. European patent)
- Procedure up to grant
 - European Patent Office examines whether the application satisfies the requirements
 - If the office is of the opinion that the European patent application or the invention and which it relates meet the requirements of the EPC, it grants a European patent; otherwise it refuses the application unless the EPC provides for a different consequence
 - Decision takes effect on the date of publication in the European Patent Bulletin

Treaties Relating to Patents (7/8)

– Opposition

- Within nine months of the publication, any person may give notice to the office of opposition to that patent
- Opposition applies to the European patent in all the contracting States in which that patent has effect
- Grounds for oppositions may only be: a) the subject-matter of the European patent is not patentable; b) non-disclosure of the invention in a manner sufficiently clear and complete; or c) the subject-matter of the European patent extends beyond the content of the application
- Examination of the opposition by the office: if at least one ground for opposition seems given, it revokes the patent; otherwise, it rejects the opposition; appeal possible

Treaties Relating to Patents (8/8)

- Strasbourg Agreement Concerning the International Patent Classification 1971
 - Signed by all European countries, except Andorra, Hungary, Iceland, Latvia, Lithuania, Malta, San Marino
 - The authorities of the contracting States must indicate in patents and related publications the complete symbols of the classification to which the patent relates.

Regulatory Overview - Treaties

- Treaties relating to industrial designs:
 - Hague Agreement 1934/1960/1999
 - Locarno Agreement 1968

Treaties Relating to Designs (1/4)

- Hague Agreement Concerning the International Deposit of Industrial Designs
 - Signed by all European countries, except Andorra, Austria, Belarus, Czech Republic, Ireland, Malta, Portugal, San Marino, Slovakia, United Kingdom
 - Applies to industrial designs
 - Three Acts: 1934, 1960 and 1999; the international deposit may be governed by either or any combination of these depending on the contracting State of origin

Treaties Relating to Designs (2/4)

- International application and registration
 - The system of international registration may be used by natural persons and legal entities having a connection with a contracting State (through establishment, domicile or nationality, or residence under the 1999 Act)
 - Either directly or through the PTO of the contracting State of origin if the law of that State so permits or requires
 - International application must contain at least one graphic representation of the design, list the articles in which the design is intended to be incorporated, and designate the contracting States in which international registration is sought
 - Within 6 months (under the 1999 Act: 12 months), the designated contracting States may refuse protection in their territory if substantive provisions are not complied with

Treaties Relating to Designs (3/4)

- Effects of the international registration
 - The international registration has at least the same effect in each designated contracting State as a regularly-filed application under the law of that contracting State
 - Term of international registration: five years, renewable; term of protection: not less than ten years if the deposit has been renewed and five years in the absence of renewal (under the 1999 Act: not less than 15 years provided that the international registration is renewed)
- Particularities of the 1934 Act
 - Registration extends automatically to all States party to the 1934 Act, unless protection in any of those States is expressly renounced; publication does not comprise a reproduction of the design; term of protection is 15 years, divided into an initial five-year period and, subject to renewal, a second period of 10 years; registration must be made in French

Treaties Relating to Designs (4/4)

- Locarno Agreement Establishing an International Classification for industrial Designs
 - Signed by all European countries, except Albania, Andorra, Lithuania, Malta, San Marino
 - The list is also applied by the Benelux Organisation for Intellectual Property (BOIP) and by the Office for Harmonization in the internal Market (OHIM) of the European Communities
 - The authorities of the contracting States must indicate in the official documents reflecting the deposit/registration of industrial designs the numbers of the classes/subclasses of the classification into which the goods incorporating the designs belong

Regulatory Overview - Treaties

- Treaties relating to copyright:
 - Berne Convention 1886

Treaties Relating to Copyright (1/2)

- Berne Convention for the Protection of Literary and Artistic Works 1886
 - Signed by all European countries except San Marino
 - Applies to literary and artistic works
 - Three basic principles
 - 1) National treatment for works originating in another contracting States (authored by a national or a resident of that State or first published in that State);
 - 2) Such protection is not subject to any formality; and
 - 3) Such protection is independent on the protection in the country of origin (principle of the “independence” of protection, except for the term of the protection).

Treaties Relating to Copyright (2/2)

- Minimum standards of protection
 - As to the works to be protected: “every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression”
 - As to the rights to be protected: Subject to certain reservations, the right of translation, of reproduction, to make adaptations and arrangements of the work, to perform or recite in public, to broadcast, to make reproductions in any manner or form (exceptions for developing countries with regard to the right of translation and reproduction)
 - As to the duration of protection: in general 50 years after the author’s death

Regulatory Overview - Treaties

- Treaties relating to appellations of origin:
 - Lisbon Agreement 1958

Treaties Relating to Appellations of Origin (1/2)

- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958
 - Signed by Bulgaria, Czech Republic, France, Greece, Hungary, Italy, Macedonia, Montenegro, Moldova, Portugal, Romania, Serbia, Slovakia, Spain, Turkey
 - Applies to geographical denominations of a country, region, or locality, which serve to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors

Treaties Relating to Appellations of Origin (2/2)

- Registration by the International Bureau of WIPO at the request of the authorities of a contracting State, in the name of any natural person or legal entity, public or private, having, according to the national legislation, the right to use such appellations
- International Bureau notifies the authorities of the other contracting States; within one year, any contracting State may declare that it cannot ensure the protection of an appellation of origin
- A registered appellation may not be presumed to have become generic in a contracting State as long as it is protected in the country of origin

Regulatory Overview – EU (1/23)

Regulation in the area of the creation of unitary patent protection:

- Article 3 – European patent with unitary effect

1. A European patent granted with the same set of claims in respect of all the participating Member States shall benefit from unitary effect in the participating Member States provided that its unitary effect has been registered in the Register for unitary patent protection.

2. A European patent with unitary effect shall have a unitary character. It shall provide uniform protection and shall have equal effect in all the participating Member States. It may only be limited, transferred or revoked, or lapse, in respect of all the participating Member States. It may be licensed in respect of the whole or part of the territories of the participating Member States.

Regulatory Overview – EU (2/23)

– Article 5 – Uniform protection

1. The European patent with unitary effect shall confer on its proprietor the right to prevent any third party from committing acts against which that patent provides protection throughout the territories of the participating Member States in which it has unitary effect, subject to applicable limitations.
2. The scope of that right and its limitations shall be uniform in all participating Member States in which the patent has unitary effect.
3. The acts against which the patent provides protection referred to in paragraph 1 and the applicable limitations shall be those defined by the law applied to European patents with unitary effect in the participating Member State whose national law is applicable to the European patent with unitary effect as an object of property in accordance with Article 7.

Regulatory Overview – EU (3/23)

- Article 6 – Exhaustion of the rights conferred by a European patent with unitary effect

The rights conferred by a European patent with unitary effect shall not extend to acts concerning a product covered by that patent which are carried out within the participating Member States in which that patent has unitary effect after that product has been placed on the market in the Union by, or with the consent of, the patent proprietor, unless there are legitimate grounds for the patent proprietor to oppose further commercialisation of the product.

Regulatory Overview – EU (4/23)

- Article 7 – Treating a European patent with unitary effect as a national patent
 1. A European patent with unitary effect as an object of property shall be treated in its entirety and in all the participating Member States as a national patent of the participating Member State in which that patent has unitary effect and in which, according to the European Patent Register: (a) the applicant had his residence or principal place of business on the date of filing of the application for the European patent; or (b) where point (a) does not apply, the applicant had a place of business on the date of filing of the application for the European patent.

Regulatory Overview – EU (5/23)

- 2. Where two or more persons are entered in the European Patent Register as joint applicants, point (a) of paragraph 1 shall apply to the joint applicant indicated first. Where this is not possible, point (a) of paragraph 1 shall apply to the next joint applicant indicated in the order of entry. Where point (a) of paragraph 1 does not apply to any of the joint applicants, point (b) of paragraph 1 shall apply accordingly.

- 3. Where no applicant had his residence, principal place of business or place of business in a participating Member State in which that patent has unitary effect for the purposes of paragraphs 1 or 2, the European patent with unitary effect as an object of property shall be treated in its entirety and in all the participating Member States as a national patent of the State where the European Patent Organisation has its headquarters in accordance with Article 6(1) of the EPC.

Regulatory Overview – EU (6/23)

- Article 18 – Entry into force and application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

2. It shall apply from 1 January 2014 or the date of entry into force of the Agreement on a Unified Patent Court (the "Agreement"), whichever is the later.

Regulatory Overview – EU (7/23)

Agreement on a unified Patent Court:

- Article 3 – Scope of application

This Agreement shall apply to any:

- (a) European patent with unitary effect;
- (b) supplementary protection certificate issued for a product protected by a patent;
- (c) European patent which has not yet lapsed at the date of entry into force of this Agreement or was granted after that date, without prejudice to Article 83; and
- (d) European patent application which is pending at the date of entry into force of this Agreement or which is filed after that date, without prejudice to Article 83.

Regulatory Overview – EU (8/23)

– Article 5 – The Court of First Instance

1. The Court of First Instance shall comprise a central division as well as local and regional divisions.

3. A local division shall be set up in a Contracting Member State upon its request in accordance with the Statute. A Contracting Member State hosting a local division shall designate its seat.

5. A regional division shall be set up for two or more Contracting Member States, upon their request in accordance with the Statute. Such Contracting Member States shall designate the seat of the division concerned. The regional division may hear cases in multiple locations.

Regulatory Overview – EU (9/23)

– Article 25 – Right to prevent the direct use of the invention

A patent shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from the following:

- (a) making, offering, placing on the market or using a product which is the subject matter of the patent, or importing or storing the product for those purposes;
- (b) using a process which is the subject matter of the patent or, where the third party knows, or should have known, that the use of the process is prohibited without the consent of the patent proprietor, offering the process for use within the territory of the Contracting Member States in which that patent has effect;
- (c) offering, placing on the market, using, or importing or storing for those purposes a product obtained directly by a process which is the subject matter of the patent.

Regulatory Overview – EU (10/23)

- Article 26 – Right to prevent the indirect use of the invention

1. A patent shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from supplying or offering to supply, within the territory of the Contracting Member States in which that patent has effect, any person other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or should have known, that those means are suitable and intended for putting that invention into effect.

2. Paragraph 1 shall not apply when the means are staple commercial products, except where the third party induces the person supplied to perform any of the acts prohibited by Article 25.

3. Persons performing the acts referred to in Article 27(a) to (e) shall not be parties to exploit the invention within the meaning of paragraph 1.

Regulatory Overview – EU (11/23)

– Article 27 – Limitations of the effects of a patent

The rights conferred by a patent shall not extend to any of the following:

- (a) acts done privately and for non-commercial purposes;
- (b) acts done for experimental purposes relating to the subject matter of the patented invention;
- (c) the use of biological material for the purpose of breeding, or discovering and developing other plant varieties;
- (e) the extemporaneous preparation by a pharmacy, for individual cases, of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared;

...

Regulatory Overview – EU (12/23)

– Article 32 – Competence of the Court

1. The Court shall have exclusive competence in respect of:
 - a) actions for actual or threatened infringements of patents and supplementary protection certificates and related defences, including counterclaims concerning licences;
 - b) actions for declarations of non-infringement of patents and supplementary protection certificates;
 - c) actions for provisional and protective measures and injunctions;
 - d) actions for revocation of patents and for declaration of invalidity of supplementary protection certificates;
 - e) counterclaims for revocation of patents and for declaration of invalidity of supplementary protection certificates;

Regulatory Overview – EU (13/23)

- f) actions for damages or compensation derived from the provisional protection conferred by a published European patent application;
- g) actions relating to the use of the invention prior to the granting of the patent or to the right based on prior use of the invention;
- h) actions for compensation for licences on the basis of Article 8 of Regulation (EU) No 1257/2012; and
- i) actions concerning decisions of the European Patent Office in carrying out the tasks referred to in Article 9 of Regulation (EU) No 1257/2012.

2. The national courts of the Contracting Member States shall remain competent for actions relating to patents and supplementary protection certificates which do not come within the exclusive competence of the Court.

Regulatory Overview – EU (14/23)

- Article 68 – Award of damages

1. The Court shall, at the request of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in a patent infringing activity, to pay the injured party damages appropriate to the harm actually suffered by that party as a result of the infringement.

2. The injured party shall, to the extent possible, be placed in the position it would have been in if no infringement had taken place. The infringer shall not benefit from the infringement. However, damages shall not be punitive.

Regulatory Overview – EU (15/23)

- 3. When the Court sets the damages:
 - a) it shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the injured party by the infringement; or
 - b) as an alternative to point a), it may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of the royalties or fees which would have been due if the infringer had requested authorisation to use the patent in question.

- 4. Where the infringer did not knowingly, or with reasonable grounds to know, engage in the infringing activity, the Court may order the recovery of profits or the payment of compensation.

Regulatory Overview – EU (16/23)

– Article 69 – Costs

1. Reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless equity requires otherwise, up to a ceiling set in accordance with the Rules of Procedure.
2. Where a party succeeds only in part or in exceptional circumstances, the Court may order that costs be apportioned equitably or that the parties bear their own costs.
3. A party should bear any unnecessary costs it has caused the Court or another party.
4. At the request of the defendant, the Court may order the applicant to provide adequate security for the legal costs and other expenses incurred by the defendant which the applicant may be liable to bear, in particular in the cases referred to in Articles 59 to 62.

Regulatory Overview – EU (17/23)

- Article 89 – Entry into force

1. This Agreement shall enter into force on 1 January 2014 or on the first day of the fourth month after the deposit of the thirteenth instrument of ratification or accession in accordance with Article 84, including the three Member States in which the highest number of European patents had effect in the year preceding the year in which the signature of the Agreement takes place or on the first day of the fourth month after the date of entry into force of the amendments to Regulation (EU) No 1215/2012 concerning its relationship with this Agreement, whichever is the latest.

Regulatory Overview – EU (18/23)

Further legislation on intellectual property includes:

- Copyright and related rights
 - Directive on the term of protection of copyright and certain related rights (2006)
 - Term of protection of copyright is set at 70 years, and for related rights at 50 years
 - Harmonisation of calculating terms
 - Directive on rental and lending right and on certain rights related to copyright in the field of intellectual property (2006)
 - Harmonisation of the legal situation regarding rental right, lending right and certain related rights

Regulatory Overview – EU (19/23)

- Directive on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission(2006)
 - Purpose is to promote free cross-border satellite broadcasting and cable retransmission
- Directive on the legal protection of databases (1996)
 - Protection of databases (collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means)
 - Does not apply to the software used in the making or operation of the database, or the works and materials contained therein

Regulatory Overview – EU (20/23)

- Directive on the legal protection of computer programs (2009)
 - Member states shall protect computer programs by copyright
 - The holder of the rights to a computer program may do or authorise the permanent or temporary reproduction of the program, or a part thereof, the translation, adaptation and any other alteration of the program, and the distribution of the program
- Directive on the harmonisation of certain aspects of copyright and related rights in the information society (2001)
 - Member States are to provide authors with the exclusive right to authorise or prohibit direct or indirect, temporary or permanent reproduction , to authorise or prohibit any communication to the public of copies of their works, to distribute to the public their works, etc.

Regulatory Overview – EU (21/23)

- Protection of inventions
 - Directive on the legal protection of biotechnological inventions (1998)
 - Inventions which are new, involve an inventive step and are susceptible of industrial application are patentable even if they concern a product consisting of or containing biological material. Biological material which is isolated from its natural environment or produced by means of a technical process may also be the subject of an invention.
 - Not patentable: plant and animal varieties; essentially biological processes for the production of plants or animals (not if a microbiological process is concerned); the human body and the simple discovery of one of its elements (e.g. a sequence of a gene: an element isolated from the human body or produced by means of a technical process may, however, be patentable); further inventions where their exploitation would be contrary to public policy or morality (cloning, use of embryos for industrial purposes, etc.)

Regulatory Overview – EU (22/23)

- Directive on the legal protection of topographies of semiconductor products (1986)
 - Member States are obliged to adopt legislation to protect topographies in so far as they are the result of their creator's own intellectual effort and are not commonplace in the semiconductor industry
- Trademarks
 - Directive to approximate the laws of the Member States relating to trade marks (2008)
 - Approximation relating to the signs of which a trade mark may consist, the grounds for refusal of a trademark (not distinctive, descriptive, signs are customary in the current language of the trade in question, contrary to public policy or morality, misleading, contrary to Paris Convention, and, at the Member States discretion, infringement of a right to a name, of personal portrayal, a copyright, or an industrial right, and the rights conferred by a trademark.

Regulatory Overview – EU (23/23)

- Community design or models
 - Directive on the legal protection of designs (1998)
 - To qualify for protection, a design has to be new and have individual character; maximum duration of 25 years, and harmonisation of the rights conferred by registration
- Counterfeit goods and piracy
 - Regulation concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights (2003)
 - Clarification of the means and conditions for customs action against goods

European Particularities (1/5)

European Patent Convention:

- Art. 52 – Patentable Inventions

1. European patents shall be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.

2. The following in particular shall not be regarded as inventions within the meaning of paragraph 1:

- (a) discoveries, scientific theories and mathematical methods;
- (b) aesthetic creations;
- (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers;
- (d) presentations of information.

(3) Paragraph 2 shall exclude the patentability of the subject-matter or activities referred to therein only to the extent to which a European patent application or European patent relates to such subject-matter or activities as such.

European Particularities (2/5)

- Article 53 – Exceptions to patentability

European patents shall not be granted in respect of:

- (a) inventions the commercial exploitation of which would be contrary to "ordre public" or morality; such exploitation shall not be deemed to be so contrary merely because it is prohibited by law or regulation in some or all of the Contracting States;
- (b) plant or animal varieties or essentially biological processes for the production of plants or animals; this provision shall not apply to microbiological processes or the products thereof;
- (c) methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body; this provision shall not apply to products, in particular substances or compositions, for use in any of these methods.

European Particularities (3/5)

- Article 54 – Novelty

(1) An invention shall be considered to be new if it does not form part of the state of the art.

(2) The state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application.

(3) Additionally, the content of European patent applications as filed, the dates of filing of which are prior to the date to in paragraph 2 and which were published on or after that date, shall be considered as comprised in the state of the art.

European Particularities (4/5)

- (4) Paragraphs 2 and 3 shall not exclude the patentability of any substance or composition, comprised in the state of the art, for use in a method referred to in Article 53(c), provided that its use for any such method is not comprised in the state of the art.
- (5) Paragraphs 2 and 3 shall also not exclude the patentability of any substance or composition referred to in paragraph 4 for any specific use in a method referred to in Article 53(c), provided that such use is not comprised in the state of the art.

European Particularities (5/5)

- Licence Box Nidwalden, Switzerland
 - Taxation of IP income at a reduced tax rate (effective corporate income tax rate of 8.8% on net licence income)
 - Very wide definition of licence income compared to the rules in other countries (art. 12 OECD-MC, old and new IP, capital gains, not limited to self-developed IP)
 - Treaty network (double taxation conventions)
 - IP protection (screened from claims against and bankruptcy of operating companies) and facilitation of IP management
 - Business friendly, a repository of confidential information and an attractive R&D location (R&D costs are tax deductible)