

PATENTS ACT 2004

EXPLANATORY NOTES

BACKGROUND

The European Patent Convention

4. The 1977 Act reformed the law of patents in the UK. One of its main purposes was to bring into effect in the UK the European Patent Convention (“EPC”), which was a new European-wide patents treaty agreed in 1973. The EPC is not a European Community treaty, but is a treaty agreed between its contracting states – of which there are currently 29.
5. The EPC allows for a single patent application to be made to the European Patent Office (“EPO”). If the European patent is granted, this results in what is, in effect, a bundle of national patents which apply in those countries of the EPC in which the applicant wishes to have patent protection. The EPC also ensures harmonisation of patent law within its contracting states as regards European patents and applications. In implementing the EPC in UK law, the intention has always been for the substantive law in respect of national patents and applications (that is, patents granted by, and applications to, the UK Patent Office) to follow as closely as possible that in the EPC. There are two main reasons for this. Firstly, it is important to avoid unnecessarily differing standards applying to patents which have come into force in the UK via different routes. Secondly, it is of considerable assistance to the public if they can adopt much the same approach when seeking a UK or a European patent. A function of the 1977 Act was, therefore, to bring domestic patent law into line with the provisions of the EPC, and to recognise the existence of European patents and applications and provide for their effect in the UK.
6. The EPC underwent a revision in 2000. It follows that it is necessary – if the UK is to remain part of the European patents system – for the 1977 Act to be amended to reflect the changes that have been made as part of the revised EPC. This is one of the things that the Act seeks to do. The revised EPC is referred to throughout these notes as “EPC 2000”.

Domestic issues – the enforcement of patent rights and updating of the 1977 Act

7. Patents provide a legally enforceable means by which a person (including a company) who has an innovative solution to a technical problem can prevent others from using this innovation without his permission. Such innovations, when patented, become intellectual property assets which can be exploited in much the same way as physical property assets, such as a house or a factory. The owner of a patent can decide to sell, license or mortgage it and so realise its economic value. Alternatively, he may exploit the invention himself and use the patent to prevent others from doing so. The unauthorised use of a patent is referred to as infringement.
8. The Act amends the 1977 Act to improve and update procedures that patent proprietors use to maintain and enforce their patents. In particular, it contains a number of provisions designed to give patent proprietors more opportunity to benefit from their

*These notes refer to the Patents Act 2004 (c.16)
which received Royal Assent on 22nd July 2004*

patents and includes measures to facilitate the early settlement of patent disputes. Improvements related to the process of applying for patents are to be made by a Regulatory Reform Order – see paragraphs 10 and 11 below.

The Patent Co-operation Treaty

9. Alongside the EPC, the 1977 Act also recognises the Patent Co-operation Treaty (“PCT”), an international treaty agreed in 1970. The most recent Regulations under the PCT came into force on 1st January 2004. The PCT, which currently has 123 contracting states, provides a streamlined procedure by which patents in many countries may be acquired by filing a single patent application at one of a number of selected patent offices. The Act makes some minor changes to the 1977 Act in order to clarify the relationship between domestic patent law and the PCT, and to implement a change resulting from the most recent Regulations under the PCT.

The Patent Law Treaty and the Regulatory Reform (Patents) Order 2004

10. The Patent Law Treaty (“PLT”), agreed in 2000, is a treaty which harmonises the procedural requirements which are associated with filing and prosecuting a patent application. The changes to the 1977 Act which are required by this treaty involve the removal or reduction of a number of burdens or constraints on patent applicants. Therefore, the 1977 Act is to be amended by the Regulatory Reform (Patents) Order 2004 (“RRO”) in order to give effect to the PLT. The RRO will also make a number of other deregulatory changes to the 1977 Act. The changes that this Act makes to the 1977 Act are designed to be consistent with the changes to be made by the RRO. A few provisions in the Act relate to or amend provisions inserted into the 1977 Act by the RRO, and these are discussed in detail below.
11. The proposed draft RRO was laid before Parliament for scrutiny by the Regulatory Reform Committees of both Houses on 10th November 2003. The House of Lords Delegated Powers and Regulatory Reform Committee’s report was published on 30th January 2004 (Sixth Report of Session) and the House of Commons Regulatory Reform Committee’s report was published on 17th February 2004 (Second Report of Session). The proposed draft RRO was amended, taking into consideration the questions asked and the report made by the House of Commons Committee, and representations made during the scrutiny period. As a result, some changes were made to the Patents Bill, by Government amendment, in the House of Lords. The RRO, in its amended form, was approved by the House of Commons on 30th June 2004 and by the House of Lords on 13th July 2004.

Consultation on matters in the Act

12. A consultation paper was issued on 29th November 2002, setting out the proposed changes to the 1977 Act to give effect to EPC 2000, and asking for views on a number of other possible changes to the 1977 Act. A document summarising the responses received and the Government’s conclusions was published on 14th November 2003. Copies have been placed in the Library of both Houses of Parliament. Both the consultation paper and the response document are available on the Patent Office website at www.patent.gov.uk.