

EXPLANATORY MEMORANDUM TO
THE PATENTS ACT 1977 (AMENDMENT) REGULATIONS 2011
2011 No 2059

1. This explanatory memorandum has been prepared by the Department for Business, Innovation and Skills and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The main purpose of the instrument is to enable the Intellectual Property Office (in law, “the Patent Office” and referred to hereafter as “the Office”) to introduce an online patent document inspection service.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 The principal statute on patents is the Patents Act 1977 (c.37) (“the Act”). The Patents Rules 2007 (SI 2007/3291) (“the Rules”) are the main piece of secondary legislation made under the Act, and they regulate the business and procedure of the Office in relation to the grant and maintenance of patents. Amongst other things, the Office examines patent applications, grants patents and is a quasi-judicial body with jurisdiction over certain legal proceedings concerning patents.

4.2 Section 118 of the Act provides that, once a patent application has been published, the documents on the patent file are open for public inspection, subject to prescribed restrictions. These restrictions are prescribed in the Rules. The Patents Act 1977 (Amendment) Regulations 2011 introduce an exception to copyright to provide that making such documents available for inspection on line does not infringe copyright.

4.3 Directive 2001/29/EC (“the Directive”) on the harmonisation of certain aspects of copyright and related rights in the information society harmonised the rights to reproduce, distribute and communicate to the public copyright works. It also set out a finite list of permissible exceptions. It is mainly implemented in the Copyright, Designs and Patents Act 1988 (c.48).

5. Territorial Extent and Application

5.1 The instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

Baroness Wilcox has made the following statement regarding Human Rights:

In my view the provisions of The Patents Act 1977 (Amendment) Regulations 2011 are compatible with the Convention rights.

7. Policy background

- *What is being done and why*

7.1 The Office would like to provide an online inspection service so that customers can inspect patent documents online. Putting copyright works online amounts to communicating them to the public. This is an act restricted under section 16(1)(d) of the Copyright, Designs and Patents Act 1988 (c.48) to the copyright owner. Therefore, to put documents online which are not Crown copyright the Office would either need the permission of the copyright owner or a relevant legislative exception.

7.2 Obtaining the copyright holders' consent would involve writing to all copyright holders whose information is on a patent file. It is unlikely that everyone would respond to those letters and if they did so it would cost them time and money. The Copyright, Designs and Patents Act 1988 sets out a number of exceptions where the permission of the copyright holder is not needed. These include, under section 47, copying the work and issuing copies of the work to the public where material is open to public inspection pursuant to a statutory requirement. However, this does not extend to communicating works to the public, for example by putting them online.

7.3 The Patents Act 1977 (Amendment) Regulations 2011 provide for a new exception to copyright by implementing the exception in Article 5(3)(e) of the Directive. This permits a Member State to provide for exceptions and limitations to the rights of reproduction and communication to the public provided for by the Directive to ensure the proper performance of administrative proceedings. Online inspection will make it easier for patent applicants, third parties and other patent offices to check patent documents more quickly and easily. This will help ensure the proper performance of administrative proceedings for patents.

7.4 The exception will comply with the "three-step test" as set out in Article 5(5) of the Directive. The exception only applies to the special cases of patent documents. The Office will continue its policy of not making available copies of journals, books or articles which are available elsewhere. Therefore, the only documents made available will be those which are already open for inspection in person. Therefore making this limited category of documents available for online inspection will not conflict with the normal exploitation of the work or unreasonably prejudice the legitimate interests of the right holder since such documentation will typically include official forms, correspondence and supporting documentation such as witness statements from the applicant, his legal representative or third parties, .

- *Consolidation*

7.5 As this is only a minor amendment to the Act no consolidation of the legislation is planned at this time. An informal consolidated text of the Act is available to the public for free on the Office's website at www.ipo.gov.uk .

8. Consultation outcome

8.1 The proposals were subject to a full formal consultation from January to April 2011. This involved publishing the consultation document on the Office's website, dissemination to a wide spectrum of users, and discussion of the proposals with key representative organisations. We received 18 responses from professional representative bodies, representatives of copyright holders, attorney firms and individuals. All of the respondents supported the proposal although some were only in favour because of the policy of not making available copies of journals, books or articles available elsewhere. Some respondents suggested that the legislation should be amended to reflect this. However, the new exception, like all of the exceptions in the Copyright, Designs and Patents Act 1988, has to be interpreted in light of the three-step test. This means that the new exception would not allow the Office to put journals, books or articles online.

8.2 Some specific concerns were, however, raised about how an online service will work and the Office will take these into account as it develops the new service.

9. Guidance

9.1 Detailed guidance about the new proposals will be available on the Office's website and via its dedicated Enquiry Unit contactable by email or telephone.

10. Impact

10.1 The impact on business, charities or voluntary bodies is that they will have free online access to published patent documents. Currently anyone wanting to inspect documents about published patent applications has to come in person to the Office or pay for a copy by post, email or CD Rom.

10.2 The impact on the public sector is that the Office will have to develop a system but it is expected to pay for the costs of development within five years due to savings in administrative costs.

10.2 Furthermore, online inspection will also allow other patent offices around the world to look at patent documents. This may help them process patents more quickly which may encourage innovation and help UK businesses who seek patents abroad.

10.3 An Impact Assessment is attached to this memorandum.

11. Regulating small business

11.1 The legislation applies to small businesses that choose to inspect patent documents. Small businesses will get the same benefits as larger businesses.

12. Monitoring & review

12.1 The changes will be continuously monitored through our well-established customer feedback mechanisms and focus group meetings.

13. Contact

Mary Taylor at the IPO/Patent Office (an executive agency of the Department for Business, Innovation and Skills) can answer any queries regarding the instrument.
Tel: 01633 813822 or email: mary.taylor@ipo.gov.uk

THE PATENTS ACT 1977 (AMENDMENT) REGULATIONS 2011

Transposition Note

Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (OJ L17 22/6/2001, p 10)		
This Directive provides for the harmonisation of certain aspects of copyright and rights related to copyright and is concerned with the legal protection of copyright and related rights in the framework of the internal market		
Article	Objectives	Implementation
2, 3 and 5	<p>Articles 2 and 3 require Member States to provide authors with the exclusive right to authorise or prohibit (i) the reproduction of their works and (ii) the communication to the public of their works, by wire or wireless means including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them</p> <p>The only permitted exceptions or limitations to these rights are set out in article 5 of the Directive. Article 5(3)(e) provides that Member States may provide for exceptions or limitations to the rights provided for in Articles 2 and 3 in the case of use for the purposes of public security or to ensure the proper performance or reporting of administrative, parliamentary or judicial proceedings.</p>	<p>Regulation 2 Sections 16(1)(a), 16(1)(d), 17 and 20 of the Copyright Designs and Patents Act 1988 (“the Act”) give copyright owners exclusive rights over the copying and communication to the public of their work . These rights are subject to certain exceptions in the Act. Article 5(3)(e) of the Directive was partially implemented by section 45 of the Act which creates an exception to copyright for anything done for the purposes of parliamentary or judicial proceedings.</p> <p>Regulation 2 of these Regulations further implements the derogation in article 5(3)(e) of the Directive by introducing an exception to copyright for the online system of inspection for documents which are held on the patent file (the purpose of which is to ensure the proper performance or reporting of administrative proceedings).</p>

Note on over-implementation

These regulations do not go beyond what is necessary to implement the Directive, including making consequential changes to domestic legislation to ensure its coherence in the area to which they apply.