

EXPLANATORY MEMORANDUM TO
THE PATENTS (AMENDMENT) RULES 2016

2016 No. 517

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Intellectual Property Office, an Executive Agency of the Department for Business, Innovation and Skills, and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 This instrument makes changes to the Patents Rules 2007, which set out procedural and administrative requirements applying to patents and patent applications.
- 2.2 The changes are consequential to the amendments made to the Patents Act 1977 by the Patents (European Patent with Unitary Effect and Unified Patent Court) Order 2016, and are necessary to clarify aspects of the operation of the Patent Opinions Service in respect of European patents with unitary effect.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Other matters of interest to the House of Commons

- 3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

- 4.1 The Patents Act 1977 (c. 37, “the Patents Act”) is the principal statute governing the patents system in the UK; it gives the Comptroller-General of Patents Designs and Trade Marks, and the Patent Office (operating as the Intellectual Property Office, “the IPO”), certain powers and duties in relation to the running of the patents system.
- 4.2 The Patents Rules 2007 (SI 2007/3291, “the Patents Rules”) are the main piece of secondary legislation made under the Patents Act, and they regulate the business and procedure of the IPO in relation to the grant and maintenance of patents.
- 4.3 The Patents (European Patent with Unitary Effect and Unified Patent Court) Order 2016 (SI 2016/0388, “the Unitary Patent Order”), made on 12 March 2016, made a number of amendments to the Patents Act to accommodate the new European patent with unitary effect. Most of these amendments carry through to the Patents Rules without needing modification of the Patent Rules themselves.

5. Extent and Territorial Application

- 5.1 The extent of this instrument is to all of the United Kingdom, and the Isle of Man.

- 5.2 The territorial application of this instrument is to all of the United Kingdom and the Isle of Man.
- 5.3 The provisions of the Patents Act extend to the Isle of Man, subject to modifications made by Order in Council. An Order in Council will be made in relation to the Isle of Man and the European patent with unitary effect and the Unified Patent Court to mirror the Unitary Patent Order. While the Patents Rules, including the amendments in this instrument, relate solely to procedures at the IPO, they apply to the Isle of Man.

6. European Convention on Human Rights

- 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

- 7.1 The European patent with unitary effect will be a single patent that will have uniform effect in up to 26 EU Member States. It will be granted and administered by the European Patent Office, and litigated at the Unified Patent Court, a specialised international court common to the participating Member States. The Unified Patent Court is established by an intergovernmental Agreement, signed by the UK in February 2013, which is expected to enter into force in early 2017. The Court will have jurisdiction to deal with certain disputes relating to European patents and will provide a single judgment enforceable in the participating European countries. This is intended to provide a more cost effective option for innovative businesses that want to protect and market their inventions across much of Europe.
- 7.2 The IPO launched the Patent Opinions Service in 2005 to help businesses resolve patent disputes by providing a quick and affordable assessment relating to the validity or infringement of patents. An opinion, although non-binding in nature, can assist in resolving a dispute before it escalates into full litigation. Where litigation is unavoidable, an opinion can help the parties to better focus their case and thus save time and money.
- 7.3 One of the amendments made by the Unitary Patent Order extends the service to enable opinions to be issued on the new European patent with unitary effect. This approach was supported by a majority of respondents to the Technical Review carried out on a draft version of the Unitary Patent Order¹.
- 7.4 Certain parts of the administrative process for the service need to be adapted to account for differences in how the European patent with unitary effect will be administered – primarily, that responsibility for maintaining a register of these patents will fall to the European Patent Office, and not the IPO. For the same reason, information on opinions will not form part of the IPO's statutory register.

Consolidation

- 7.5 No consolidation of the Patents Rules is planned at present. An informal consolidated text is publically available for free on the gov.uk website².

¹ <https://www.gov.uk/government/consultations/secondary-legislation-implementing-the-unified-patent-court>

² <https://www.gov.uk/government/publications/the-patents-rules-2007-and-patents-fees-rules-2007>

8. Consultation outcome

- 8.1 The proposal to extend the Opinions Service to European patents with unitary effect was consulted on as part of the development of the Unitary Patent Order. Because the Patents (Amendment) Rules make consequential technical modifications only, no formal consultation on these specific changes has taken place.

9. Guidance

- 9.1 Guidance will be provided for businesses on using the Opinions Service for requesting opinions on European patents with unitary effect. Internal guidance will also be provided to parts of the IPO affected by these specific changes.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies beyond that previously assessed for the Unitary Patent Order.
- 10.2 The impact on the public sector is restricted to the implementation of the changes at the IPO, and is considered to be minimal.
- 10.3 An Impact Assessment has not been prepared for this instrument, as no specific impact on business is foreseen. The impact of extending the opinions service to European patents with unitary effect is covered on pages 9 and 10 of the Impact Assessment on jurisdiction which was prepared for the Unitary Patent Order and is available on the legislation.gov.uk website³. The assessment remains up-to-date.

11. Regulating small business

- 11.1 The legislation does not apply to activities that are undertaken by small businesses. Whilst small businesses may use the opinions service to gain a low-cost assessment of a dispute, these changes do not affect the operation of the service from the perspective of the external user.

12. Monitoring & review

- 12.1 There are no plans for monitoring or review of the changes made – these are minor technical changes only with no effect on business.

13. Contact

- 13.1 Michael Warren at the Intellectual Property Office Telephone: 01633 813988 or email: Michael.Warren@ipo.gov.uk can answer any queries regarding the instrument.

³ http://www.legislation.gov.uk/ukia/2016/14/pdfs/ukia_20160085_en.pdf