

TMPDF

Trade Marks Patents and Designs Federation

Statutory Appeals and Statutory Review – Proposals for rationalising procedures

The Federation* Response to the consultation paper from the Department of Constitutional Affairs dated February 2004.

1. Our comments particularly concern the legislative provisions governing statutory appeal in the Patents Act 1977, the Registered Designs Act 1949, both as amended, and the Trade Marks Act 1994. They also apply to the Patents Bill presently before Parliament. Our main concern is with appeal from decisions taken by or on behalf of the Comptroller General of Patents or the Registrar of Trade Marks or the Registrar of Designs. (The Chief Executive of the Patent Office holds all three positions.)
2. Copyright arises automatically and does not depend on official decisions, but our comments apply *mutatis mutandis* to appeal from decisions of the Copyright tribunal (which usually concern collecting society licenses) under the Copyright Designs and Patents Act 1988.
3. Our comments have a relatively narrow focus and it is therefore convenient to discuss the questions in the consultation paper in groups. Patents, registered trade marks and registered designs will hereafter be referred to as industrial property rights (IPRs).

Summary:

4. We are opposed to proposals to require leave to appeal for statutory appeals in the IPR field.

Detail:

Questions 1 – 2:

1. *Do you agree that the permission filter, which already applies to all appeals between civil courts, should be extended to all those statutory appeals that do not currently have such a requirement in their legislation? If not please say why you think a permission stage is inappropriate.*
 2. *Are there any specific statutory appeal provisions which should not be subject to a permission stage? If so please specify which provisions you consider should not be subject to a permission stage and why.*
5. We do not agree that it should be necessary to seek leave to appeal from decisions of the Comptroller/Registrar (“official decisions”). It should be a basic right of applicants for and owners of IPRs that they can challenge official decisions concerning IPRs before an appropriate court, without first seeking permission to do so.
 6. Official decisions concerning the grant, validity, amendment and interpretation of IPRs have to be taken against a complex background of case law. The requirements in the legislation

concerning what can be patented or registered are expressed in general terms, which have to be interpreted in each individual case. It would be unfair to applicants for and owners of IPRs, and third parties affected by the rights, and detrimental to general confidence in the IPR systems, if official decisions could not be challenged as of right, especially bearing in mind the high commercial importance of IPRs. With the award of new powers to the Comptroller under the Patents Bill presently before Parliament, the right to challenge official decisions may become even more important.

7. The right to challenge official decisions is recognised in the World Trade Organisation TRIPS¹ Agreement, to which the United Kingdom is a party. Article 32 provides that an opportunity for judicial review of any decision to revoke or forfeit a patent must be available, article 41.4 provides that parties to a proceeding shall have the opportunity for judicial review of final administrative decisions and article 62.5 provides that final administrative decisions concerning acquisition, maintenance and revocation of rights shall be subject to judicial review. Article 31(i) requires decisions concerning compulsory use to be subject to review by a higher authority. Official decisions under UK law would count as administrative decisions under TRIPS.
8. Providing an opportunity for review as required under TRIPS Articles 32 and 41.4 clearly implies more than providing an opportunity to seek leave to appeal. If leave to appeal were to be refused, then there would be no opportunity for review of the decision. This is emphasised by the caveat in TRIPS article 41.4, which permits the opportunity for judicial review of initial judicial decisions to be restricted on the basis of the importance of the case. There is no such caveat in relation to judicial review of administrative decisions. Moreover, article 62.5 requires in terms that the administrative decisions that it covers **shall** be subject to review, which is even firmer than the requirement that there should be an opportunity.
9. Other jurisdictions, e.g., the European Patent Office, OHIM (the Office for Harmonisation in the Internal Market, which registers Community trademarks and designs), Germany and the United States appear to provide for an automatic right of appeal from official decisions.
10. It has been suggested that decisions concerning IPRs do not merit special treatment as compared with official decisions in other fields. At present, the treatment is not special. The consultation document records that leave is required in only about 10% of provisions concerning statutory appeal and there are only one or two provisions where leave for statutory review is required. Perhaps in these few situations there may be special reasons to justify a requirement to seek leave, but there is no justification in the case of IPRs. As indicated above, we consider that it should be fundamental that official decisions in the IPR field should be open to challenge, as of right.
11. The consultation document says that there is no intention to alter in any way the fundamental nature of the existing appeal and review provisions and that it is not intended to remove or extend any existing right of appeal. However, the introduction of a requirement to seek leave **does** remove the right. A right to appeal is part of the basic structure of the IPR systems. The right to appeal is a safeguard against arbitrary or inequitable official decisions. Official

¹ Agreement on Trade-Related Aspects of Intellectual Property Rights (1994). Intellectual property includes industrial property.

awareness that the applicant or owner has the right to appeal ensures that applications and rights are dealt with in a uniform way and to a satisfactory standard. It also ensures that official guidelines on and attitudes towards the handling of applications can be tested before a court.

12. The consultation document also says that the purpose in proposing the introduction of a permission stage is to weed out those cases that have no prospect of success. We accept that there may be a need for frivolous or vexatious appeals with no prospect of success to be weeded out. Bearing in mind the cost and complexity of the appeal process, and the inevitable need for professional involvement, such appeals are likely to be few and should be dealt with in a different way. Rather than requiring prospective appellants to seek leave, proceedings on a case having no prospect of success could be stopped under the inherent jurisdiction of the court to strike out frivolous and vexatious appeals. This would ensure that rights holders and applicants retain the right to appeal and are not put into the positions of supplicants.
13. One aim of the proposals is to reduce costs. In the IPR field, it is unlikely that costs will be significantly reduced, since the preparation involved in seeking leave, in relation to a complex IPR case, will be considerable.

Questions 3 – 4:

3. *Do you agree that the permission stage, which already applies to judicial review applications, should also be applied to statutory reviews? If not please say why you think a permission stage is inappropriate.*
 4. *Are there any specific statutory review provisions, which should not be subject to a permission stage? If so please specify which provisions you consider should not be subject to a permission stage and why.*
14. We are not aware of statutory review provisions specific to the IP field. Permission for judicial review of the Comptroller's/ Registrar's activities under general principles of law has to be obtained from the court, but we do not accept that permission from the Comptroller/Registrar should be needed, for reasons given above in relation to statutory appeal.

Questions 5 – 7:

5. *Do you agree with a common time limit of 28 days for statutory appeals and six weeks for statutory reviews? If not please explain why.*
 6. *If 28 days for statutory appeals and six weeks for statutory reviews are inappropriate for common time limits what do you consider to be more appropriate limits?*
 7. *Are there any specific statutory appeals or reviews for which a different limit might be appropriate? If so which are these, and for each why is a different time limit appropriate and what should it be?*
15. We have no particular objections to the proposals for common time limits, 28 days and six weeks respectively.

Continued

Questions 8 – 9:

8. *Do you agree with the proposals to allow third parties to intervene in statutory appeals provided that the court is satisfied that the third party is a proper person to be heard? If not please explain why not.*
9. *Do you agree that third parties seeking to intervene in a statutory appeal should have the ability to seek a pre-emptive order for costs? If not please explain why not.*
16. We accept that third parties might be permitted to intervene, provided that the Court ensures that they have proper reasons for doing so and that the intervention is not primarily aimed at increasing the cost, delay and complexity for the appellant. With the widening of the functions of the Comptroller, under the Patents Bill currently before Parliament, so that he/she can give opinions concerning validity and infringement, the possible need for 3rd party intervention may increase.
17. It should also be clear that a third party who has brought an action before the Patent Office concerning an IPR, such as an application for revocation, or an opposition to registration, has the right to intervene in a statutory appeal by the right owner. However, as provided by TRIPS Article 62.5, he/she should have no right of statutory appeal in respect of an unsuccessful opposition or application before the Patent Office for revocation.
18. We also accept that it should be possible to seek pre-emptive orders concerning costs.

****The Federation***

TMPDF represents the views of UK industry in matters concerning intellectual property. It has close links with the CBI. Its members include many of the major innovative UK companies, which are represented at meetings of the governing Council and Committees of the Federation by their professional IP managers. Before the Federation takes a position on any issue, official consultation documents and other relevant papers are submitted to the members for debate and dialogue. An appropriate Committee and/or the Council, depending on the issue, then determines the position, taking account of comments.

The published views/opinions/submissions of the Federation are normally approved by consensus. In cases where there is a substantial majority view falling short of consensus, any significant disagreement will be indicated.

This paper has been approved by the Council.

TMPDF

14 May 2004