



The Federation's activities

One of the IP Federation's chief lobbying tools is its policy papers. These are all available on the website at:

www.ipfederation.com

The policy papers on the website represent the views of the innovative and influential companies which are members of the Federation. Members are consulted on their views and opinions and encouraged to debate and explore issues of practice and policy. Only after consensus is achieved are external bodies informed of the collective views of industry via the Federation.

The policy papers are also submitted to the relevant third party consultative bodies, e.g. the Standing Advisory Committee before the European Patent Office (SACEPO), and the Patent Practice Working Group (PPWG), at the:

- European Patent Office (EPO)
- European Union Intellectual Property Office (EUIPO)
- World Intellectual Property Organization (WIPO)
- UK Intellectual Property Office (IPO)

as well as, in appropriate cases:

- BusinessEurope
- European Commission
- Ministers
- Judges

Policy papers 2016-2017

Policy papers submitted in 2016 and the first half of 2017 are as follows:

PP 1/16 Consultation on proposal for changes in registered design fees

IP Federation response to consultation on proposal for changes in registered design fees

PP 2/16 Group B+ questionnaire regarding cross-border aspects of client / patent attorney privilege

IP Federation response to Group B+ questionnaire regarding cross-border aspects of client / patent attorney privilege

PP 3/16 *Amicus curiae* brief on the questions referred to the Enlarged Board of Appeal pending as case G1/15

IP Federation observations on the questions referred to the Enlarged Board of Appeal of the European Patent Office on case G1/15 (Partial priority)

PP 4/16 Consultation - proposed changes to the Patents Rules

IP Federation response to IPO consultation dated 29 February 2016 seeking views on proposed amendments to the Patents Rules 2007

PP 5/16 Commission consultation on IP enforcement

IP Federation response to consultation which closed on 15 April 2016 to help assess the functioning of Directive 2004/48/EC on the enforcement of intellectual property rights

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(IPRED) in the online environment, with a view to identify the possible need for adapting such provisions and to propose corrective measures

PP 6/16 BIS open consultation - National Innovation Plan: call for ideas

Response to the Department for Business, Innovation and Skills open consultation 'National Innovation Plan: call for ideas' which closed on 30 May 2016

PP 7/16 Reform of the Boards of Appeal

IP Federation comments on EPO Administrative Council paper CA/43/16 outlining proposals for the reform of the EPO Boards of Appeal (BoA)

PP 8/16 IP Federation Brexit policy position

IP Federation policy position on United Kingdom withdrawal from the European Union

PP 1/17 IP Federation Brexit policy position (updated 20 January 2017)

IP Federation policy position on United Kingdom withdrawal from the European Union (updated 20 January 2017)

PP 2/17 IP Federation Brexit policy position - protection for EU trade marks

IP Federation policy position on protection for EU trade marks following United Kingdom withdrawal from the European Union

PP 3/17 IP Federation Brexit policy position - design rights

IP Federation policy position on protection of design rights following United Kingdom withdrawal from the European Union

PP 4/17 Consultation - proposed changes to statutory patent fees

IP Federation response to UK IPO consultation seeking views on proposed changes to patents fees

PP 5/17 Opting out during the sunrise period at the Unified Patent Court

Letter to Alexander Ramsay, chair of the UPC Preparatory Committee, expressing concerns with the current lack of clarity around how the Unified Patent Court (UPC) opt-out process will work during the sunrise period at a practical level, including how our member companies will be able to register their staff both as official UPC Representatives and as users of the content management system (CMS) for the opt-out process

IP Federation Brexit policy position

On 14 July 2016, the IP Federation issued its policy position on Brexit, as follows:

- Certainty is paramount to industry.
- All accrued and pending intellectual property rights must be preserved in the UK post-Brexit. *This is a top priority issue.*
- The UK must provide for the ability to obtain equivalent UK rights in the UK post-Brexit. *This is a top priority issue.*
- We support the Unitary Patent (UP) and the Unified Patent Court (UPC), **with the UK participating on the current terms**, including the location of the branch of the Central Division in London.
- Without a guarantee of continued UK participation post-Brexit, the UK should not ratify the UPC at present. We consider that ratifying the UPC to bring it into effect and subsequently being forced to leave the system would bring an unacceptable amount of uncertainty to industry across the UK and EU.
- Further, certainty is required to ensure that the UK's ratification would not threaten the validity of the UPC.
- The involvement of non-EU, European Patent Convention Contracting States in the UPC

(e.g. Switzerland, Norway) would be a potential advantage to industry, and it may be advantageous for the UK to promote this.

- If the UK cannot or does not wish to participate in the UPC, we would prefer to see the minimum of amendment to the UPC Agreement (i.e. to remove the UK).
- We encourage the use of the Patent Box and R&D tax credits to support the UK as an innovation-friendly economy.

At the time, this was the position of the vast majority of IP Federation member companies, but not necessarily the position of one member company (Ericsson). The position has been refined since then - see PP 1/17 (updated 20 January 2017).

IP Federation response to the announcement that the UK will ratify the UPCA

On 2 December 2016, we issued the following statement:

The IP Federation notes the UK's intention to ratify the Unified Patent Court Agreement.

The IP Federation recognises the benefits for industry that can come from the Unitary Patent and Unified Patent Court and calls the UK and other contracting states to work together urgently to enable the UK to stay in the system after Brexit and to prepare transitional provisions in case this is not possible.

On 28 November 2016 the UK Government confirmed that it is proceeding with preparations to ratify the Unified Patent Court Agreement.

The IP Federation recognises the aim of the Unitary Patent (UP) and Unified Patent Court (UPC) to improve the ability of industry to obtain patents in a number of EU states at a reasonable cost and to engage in litigation in a single forum across the major markets of the EU. The presence of the Chemistry Division of the Central Court in London is valued as providing an enhanced opportunity to include the UK's rich tradition of effective patent litigation within the system of the UPC.

The members of the IP Federation hold significant numbers of patents and are expected to be major users of the system once it is running smoothly. The IP Federation is therefore concerned that the UPC functions effectively in the long term and is a factor contributing to a positive climate for business in Europe.

It is noted that the Unified Patent Court Agreement does not provide any mechanism for what happens if a contracting state ceases to be part of the EU. The IP Federation therefore recognises that the forthcoming withdrawal of the UK from the EU in 2019 leads to uncertainty for industry over what will happen to the UK part of Unitary Patents and to ongoing litigation at the UPC covering the UK.

There are two options for what will happen.

The first option is for legal instruments to be developed that enable the UK to remain part of the system or for appropriate reassurances to be provided if this is not thought necessary. The IP Federation has already been involved in commissioning the Gordon-Pascoe opinion which considers that an additional agreement would be needed between the UK, the EU and the other contracting states. The IP Federation therefore calls upon the UK and the other contracting states to work together urgently to provide a legally secure route by which the UK can remain in the UPC after Brexit. If this work also makes it possible for other states which are not part of the EU but which are part of the European Patent Organisation to join the UPC this would be welcomed.

The second option relates to the situation where, for whatever reason, the UK cannot remain part of the UPC on Brexit. In that case the UK Government needs to provide assurances that any Unitary Patents will be recognised as UK national patents. The UK and other contracting states will also need to produce transitional arrangements to govern what

will happen to ongoing litigation at the UPC and to ensure the continued functioning of the court.

Given that the clock is now ticking for the commencement of the UP and UPC, the IP Federation calls on both the UK and the other contracting states to commence work on the legal framework that will be needed for both of these options as soon as possible. It will be vital for the UK and other contracting states to provide opportunities for industry to provide input into the shape of this legal framework. The IP Federation looks forward to playing a constructive part in this process.

Opting out during the sunrise period at the Unified Patent Court

On 5 July 2017, we posted the following to our website:

The IP Federation is concerned with the current lack of clarity around how the Unified Patent Court (UPC) opt-out process will work during the sunrise period at a practical level, including how our member companies will be able to register their staff both as official UPC Representatives and as users of the content management system (CMS) for the opt-out process. We expressed our concern to Alexander Ramsay, chair of the UPC Preparatory Committee [see PP 5/17].

Mr Ramsay's reply follows:

We certainly appreciate how important it is for industry that the processes to be made available on the CMS during the sunrise period will operate efficiently and that the procedures to be followed are as clear as possible. We also appreciate that details of the identity authentication procedure, referred to below and the API will be published in good time to allow industry to prepare.

I set out below responses to the specific matters that you have raised. As a general matter however, we appreciate that administrative actions such as the opt-out are very likely to be performed by formalities staff who are neither qualified lawyers or EPA with additional qualifications. We have therefore tried to ensure that such staff will have access as users for the opt-out applications subject to the safeguards which are set out below.

I now deal with the specific matters you have raised.

1. We do not read Rule 12 of the draft Decision of the Administrative Committee as preventing an EPA with an existing alternative qualification from registering during the sunrise period. Our view is that Rule 12 simply provides a cut-off date for these applications.
2. You are correct in your assumption that applications to opt out and to register as a representative will only be possible when the sunrise period opens. We do indeed expect a large number of applications to register as a representative during this period and we have put in hand practical arrangements to deal with these applications efficiently.
3. All users, including formalities staff who are appointed to make applications to opt out, will need to register as users on the CMS. All users will need to have an individual user ID and the proposal is that there shall be a strong authentication procedure. We propose to communicate details of this procedure on the UPC website in a near future, guaranteeing sufficient lead time for preparations before the sunrise period. You are correct in assuming that there is a two stage process. All users must just register with an ID before then registering as a representative.
4. It will be perfectly possible for formalities staff to prepare applications to opt out for a qualifying EPA or representative. However it is the user (staff or EPA or representative) who is actually lodging the application who will be responsible for its content and who must provide user identity. Further of course if the user is not a qualifying EPA or representative then a mandate will also be required.

5. It is not intended that a natural person who is a proprietor of a patent will need a mandate. If necessary we shall make this clear on the CMS. If the proprietor is a company then any member of staff who is not a UPC representative will need to file a mandate. Currently we are considering the form of a mandate and we believe that it will be possible to have a general mandate which will authorise applications by a particular user over a period and therefore avoid mandates to be continually signed.
6. Organisations desiring to interface with the CMS can do so by adapting their internal IT legacy systems to the specifications of the Application Programming Interfaces (API) provided by the UPC IT team.

Up-to-date versions of the API's specifications are regularly published on the Unified Patent Court's website and can be found at the developers section of the site: <https://www.unified-patent-court.org/development>.

The API's are wrapped within a file containing a set of commands enabling external IT systems to write and read in the CMS, therefore, allowing them to connect directly to the CMS for the upload of opt-outs or for searching the list of opted-out patents.

A user-friendly description for guidance through the API's will be published on the website in the near future.

Patent owning organizations requiring external expertise to use the API's will find on the market third-party IP companies specialised in services and IT solutions for seamless integration with the CMS. We shall publish a list of such providers on the UPC website shortly.

7. Please be assured that the Preparatory Committee wishes to have the sunrise period open as soon as practicable but this depends upon all the formalities for ratification in accordance with Article 89 of the UPC being completed.

I hope that the above responds adequately to your questions. Please do not hesitate to let me know if you would like further clarification.

Joint initiatives

Gordon-Pascoe opinion

As mentioned above, the IP Federation was involved in commissioning the Gordon-Pascoe opinion. CIPA, the IP Federation and the Intellectual Property Lawyers' Association instructed Richard Gordon QC of Brick Court Chambers, a recognised expert in Constitutional and EU Law, to advise on legal questions relating to the effect of Brexit on the UK's participation in the Unitary Patent and the Unified Patent Court.

The opinion issued in September 2016 by Richard Gordon QC and his colleague Tom Pascoe made clear that the major obstacles to the UK joining and remaining part of the UPC are political not legal. In summary, it was Counsel's opinion that:

- The UK may only continue to participate in the Unitary Patent by entering into a new international agreement with the participating EU member states.
- It is legally possible for the UK to continue to participate in the UPC after 'Brexit' and to host the Life Sciences / Chemistry section of the court, but changes would have to be made to the UPC Agreement.
- The UK's continued participation would require it to submit to EU law regarding proceedings before the Court. It would also need to sign up to an appropriate jurisdiction and enforcement regime.
- It would only be possible to obtain a pre-emptive opinion from the Court of Justice of the EU on the legality of the UPC Agreement if the Union became a party to the Agreement.

- If the UK ratified the Agreement, without amendment, and subsequently left the EU, the UK division would have to close.

IP Inclusive

IP Inclusive was launched on 30 November 2015 with more than 12 firms and organisations initially signing up to its charter, a public commitment to the IP Inclusive principles of equality, diversity and inclusion. The aims of IP Inclusive are to improve access to the intellectual property professions, regardless of disability, age, gender, sexual orientation or social, economic and cultural background, race, religion and belief, and pregnancy and maternity. The 40-strong taskforce leading IP Inclusive are from CIPA, the Institute of Trade Mark Attorneys (ITMA), the IP Federation, FICPI-UK, the IPO, and *Managing Intellectual Property* magazine.

Since its launch, the IP Inclusive initiative has been very active in all its workstreams: awareness-raising upstream of the IP professions; best practice charter and accreditation schemes within the professions; diversity training within the professions; and support within the professions. In March 2017 it won the *Managing IP* award for Corporate Social Responsibility.

As an aside, we were very pleased to learn that Andrea Brewster, Leader of IP Inclusive, was awarded an OBE in this year's Queen's Birthday Honours for services to intellectual property.

The Federation's campaigns

An important point to understand is that in general IP lobbying and influencing is a long-term activity - especially as we do not tend to get involved in short-term single-issue items of a sectoral nature. However, some of the more specific campaigns in which the Federation has lobbied and enjoyed various key successes in 2016 and the first half of 2017 are set out below. These are all cases of success or partial success in which the Federation had a role.

UPC (Unified Patent Court) and Brexit

1. The UK Intellectual Property Office (IPO) consulted on proposed secondary legislation, namely a statutory instrument (SI), to implement the UPCA (Unified Patent Court Agreement) into UK domestic legislation. The IP Federation responded to that consultation, providing general comments in three key areas, namely (1) Jurisdiction (UK alignment, transitional provisions, IPO Opinions service); (2) Unitary Patent (threats and double patenting); and (3) Infringement Exceptions (specifically software interoperability, Article 27(k) UPCA). The SI was subsequently re-drafted so as not to apply Article 27(k) to GB national patents and issued as The Patents (European Patent with Unitary Effect and Unified Patent Court) Order 2016.
2. The IP Federation pressed for zero opt-out fees in the UPC (Unified Patent Court). The Rules on Court fees and recoverable costs for the UPC were agreed by the UPC Preparatory Committee on 24 and 25 February 2016. The Preparatory Committee removed the fee to opt-out of the UPC (and to withdraw an opt-out), noting that if there is no fee to be paid there is no additional cost to the Court associated with the opt-out process.
3. The IPO has looked to the IP Federation for advice on Brexit. We have input considerably to the IPO's deliberations on representation, registered trade marks, registered designs and unregistered designs. We have also input to the ongoing discussions on whether or not the UK should ratify the UPCA, and ensured that the opinions of IP owners active in the UK are taken into account. This includes views on how SPCs (Supplementary Protection Certificates) should be handled.
4. The IP Federation was part of the initiative to get Counsel's opinion on the UPC post-Brexit. We were advised that the UK may only continue to participate in the unitary patent by entering into an international agreement with the EU and member states. The legality of such an agreement would depend on the same matters as the legality of the UK's continued participation in the UPCA.

Other specific issues

5. The EU Trade Secrets Directive was adopted in 2016. The IP Federation proactively supported this, resulting in key improvements for industry.
6. The serious lacuna in Canadian law on privilege for lawyers/patent counsel (which the IP Federation had lobbied to address) has now been dealt with.
7. A pilot involving the IP5 Offices on collaborative search and examination, which the IP Federation has been advocating, is being taken up.
8. We have been called to give evidence to a House of Lords Select Committee on the unjustified threats provisions. We have been advocating for industry that a harmonised evolutionary approach for different IP rights in this area is appropriate.
9. We wrote to the Supreme Court of the United Kingdom to ensure that it was aware of the importance to industry of the *Warner-Lambert Company LLC v Generics (UK) Limited* [2016] EWCA Civ 1006 case. We advocated the importance of a review of the legal approach adopted by the Court of Appeal by the Supreme Court, in order to strike the correct balance between incentivising research and innovation and ensuring healthy competition in the economy. Leave to appeal was granted on 6 March 2017.

General issues

10. More generally, we have been building strong relationships with key policy stakeholders on a domestic level and European/international level through regular engagements, visits and discussions. This includes the UK Intellectual Property Office (IPO); Baroness Neville-Rolfe and Jo Johnson MP at the Department for Business, Energy and Industrial Strategy (BEIS); and the Commission, United Kingdom Permanent Representation to the European Union (UKRep) and MEPs in Brussels.

Work in progress

Work in progress is inevitably focused on Brexit.

1. Remaining part of the EU trade mark system would be ideal for brand owners. If this is not available, the Montenegro option (automatic transfer of EU trade marks on to the UK register, maintaining original priority dates) is the unilateral option that comes closest to satisfying the above tenets as well as being the most practical and efficient to implement for all parties concerned. We consider that it would also be beneficial to provide an opportunity for EU trade mark owners to opt out of the otherwise automatic transfer of rights on to the UK register, to reduce cluttering.
2. We recognise the practical difficulties in securing a suitable bilateral arrangement with the EU which would effectively keep the UK in the European Community design system after Brexit. Assuming therefore that Community designs will cease to have effect in the UK at Brexit, our strong preference is for all Community registered design right automatically to be transferred across to the UK register at the time of Brexit.
3. On unregistered designs, we acknowledge that the loss of a Community unregistered design right is a particular concern for certain sectors of the UK design industry. A new Community-style UK UDR which 'mirrors' the existing Community unregistered design right would go part way to addressing those concerns. Existing UK unregistered design rights should nonetheless be maintained following Brexit. UK UDR is a well-established and valuable IP right.
4. Any newly created Community-style UK unregistered design right should sit alongside the existing UK unregistered design right and should mirror the existing Community unregistered design right exactly. The three-year term of protection for Community unregistered design rights should not be increased in the UK.

5. The UK should make it a priority to secure an agreement with the EU that disclosure in the UK after Brexit would still qualify for Community unregistered design right in the remaining states of the EU.
6. Any potential wider review of the UK law on unregistered design should only be undertaken after Brexit.
7. Brexit should not be seen as a reason to introduce criminal sanctions for infringement of unregistered design rights. We strongly oppose such sanctions.
8. Many IP Federation members require protection for their designs throughout the European Community and therefore use the Community registered design system rather than the UK national system. We continue to urge the UK IPO to press the EUIPO to consider making similar reductions to the fees charged in respect of Community Registered Designs so that designers throughout the Community are encouraged to register more of their designs.

See also the Activities tab on the IP Federation website for the latest news.

Benefits of being in the IP Federation

As set out on the IP Federation's website, membership benefits include:

- Authoritative representation at national and international level
- Access to legislators and officials
- A non-sectoral forum to exchange ideas and opinions on key intellectual property issues as they relate to IP
- Excellent networking and learning opportunities, for new and established IP attorneys
- Advance notice of forthcoming legislative proposals and practice changes
- Monitoring service for all consultations, both at national and at EU Commission level
- Regular alerting service, newsletters and policy papers

Social networking

As well as having its own website, the Federation has web presence through social networking sites, with a page on Facebook, a profile on LinkedIn and a Twitter feed - @ipfederation. Over the last year and a half, we have once again increased the number of people who follow us on Twitter and now have nearly 600 followers, including some notable figures in the IP world, and this is the easiest way to be notified of any new policy papers and other news items on our website.

David England, 20 July 2017