



## **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](http://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 2017-2018***

Policy papers submitted in the second half of 2017 and the first half of 2018 are as follows:

**PP 6/17 Hague Convention on the Recognition and Enforcement of Foreign Judgments**  
Letter to Tim Moss CBE and Sean Dennehey at the UK Intellectual Property Office recommending that intellectual property should be outside the scope of the proposed draft Convention on the Recognition and Enforcement of Foreign Judgments

**PP 7/17 Consultation on the LSB's approach to reviewing the performance of the legal services regulators**  
IP Federation response to the consultation on the LSB's approach to reviewing the performance of the legal services regulators

**PP 8/17 Consultation of the HM Treasury - Financing Growth in Innovative Firms**  
IP Federation response to consultation of the HM Treasury on Financing Growth in Innovative Firms

**PP 9/17 Hague Convention on the Recognition and Enforcement of Foreign Judgments**  
IP Federation's position in relation to the potential inclusion of intellectual property rights within the scope of the proposed Hague Convention on the Recognition and Enforcement of Foreign Judgments

**PP 10/17 IP Industrial Strategy - Call for Views**

IP Federation response to the UK IPO's consultation on Industrial Strategy: Intellectual Property Call for Views

**PP 11/17 Deferred examination at the EPO - IP Federation comments**

IP Federation letter to Heli Pihlajamaa in response to the European Patent Office announcement on deferred examination

**PP 1/18 UK ratification of the Unified Patent Court Agreement**

Request for the UK to ratify the Unified Patent Court Agreement (UPCA) as soon as possible

**PP 2/18 Trade Secrets Directive - implementation for the UK**

IP Federation response to technical consultation on draft regulations concerning the EU Trade Secrets Directive and its implementation for the UK

**PP 3/18 Consultation on UK implementation of the EU Trade Mark Directive 2015**

IP Federation response to consultation on the UK's implementation of the EU Trade Mark Directive 2015

**PP 4/18 Revision of the Rules of Procedure of the Boards of Appeal**

IP Federation response to consultation on the revision of the Rules of Procedure of the Boards of Appeal at the European Patent Office (EPO)

***Court of Justice case C-340/17P: Alcohol Countermeasure Systems (International) v EUIPO***

We received from the IPO notification of an appeal referred to the Court of Justice of the European Union (CJEU): case C-340/17P, an appeal brought on 7 June 2017 by Alcohol Countermeasure Systems (International) Inc. against the judgment of the General Court (First Chamber) delivered on 29 March 2017 in case T-638/15.

The last of the pleas in law and main arguments reads as follows:

The fifth ground raises a public order issue: a UK earlier right shall not permit the cancellation of a EU mark in light of the Brexit process and article 50 of the European Union Treaty notification sent by the United Kingdom. Permitting such a cancellation would increase expenses and create unnecessary and disproportionate obstacles to unitary trade mark protection, while in 2 years or less, the United Kingdom will no longer be part of the EU unitary trade mark system. The General Court therefore violated the territoriality principle recognized by the 1883 Paris Convention and Article 17 of the Charter of Fundamental Rights of the European Union.

We submitted IP Federation comments on the case as follows on 1 November 2017:

We refer to the fifth ground raised in the above-referenced appeal to the CJEU. This stance raises a significant number of concerns:

- i) the UK remains a fully-functioning member of the EU during the Brexit negotiation phase and therefore part of EU institutions such as the EUIPO with no alteration;
- ii) accordingly, a UK trade mark should be treated no differently to a national trade mark granted in any other member state of the EU;
- iii) speculation on the future relationship between the UK and the EU has no bearing on current trade mark law or its interpretation in the courts; and
- iv) it has not been decided that, after the UK leaves the EU, it will no longer be part of the EU unitary trade mark system.

Whilst we fully anticipate that the CJEU will rebut this position, we are of the view that it was worth commenting on in any event, given how much of a mischaracterisation it presents.

### ***Intellectual Property (IP) law and Brexit – Summary of main requests for the UK government***

A detailed Brexit note was sent on 22 December 2017 by the Law Society, the representative body for solicitors in England and Wales, to UK ministers and officials, including the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Exiting the European Union (DEEU).

The note provides a short list of the biggest areas where UK government action is necessary to ensure continuity and certainty of IP law and to prevent disruption both to undertakings which use IP services and IP service providers. Key recommendations are made in the following areas:

1. Continuation of EU-derived IP rights.
2. Unitary Patent / Unified Patent Court Agreement.
3. Exhaustion of rights.
4. Rights of representation.
5. Mutual recognition of judgments.

The note has been written or supported by the following office-holders of organisations that represent the main UK IP professions, including IP solicitors, IP barristers, chartered patent attorneys and chartered trade mark attorneys:

<b>Name</b>	<b>Office held</b>	<b>Organisation represents</b>
Mark Anderson	Chairman, IP Law Committee, Law Society of England and Wales	IP solicitors, both in private practice and in-house
Daniel Alexander QC	Chairman, Intellectual Property Bar Association	IP barristers
Stephen Jones	President, Chartered Institute of Patent Attorneys	Chartered patent attorneys, both in private practice and in-house
Kate O'Rourke	President, Chartered Institute of Trade Mark Attorneys	Chartered trade mark attorneys, in private practice and in-house
James Horgan	President, IP Federation	UK IP intensive industry

### ***Hague Convention on the Recognition and Enforcement of Foreign Judgments***

The IP Federation became aware last year of an on-going debate as to whether the proposed draft Convention on the Recognition and Enforcement of Foreign Judgments, if it proceeds, should include intellectual property within its scope (which would mean that IP judgments from participating states would become enforceable internationally, at least in certain circumstances). We wrote to Tim Moss CBE and Sean Dennehey at the UK Intellectual Property Office on 11 September 2017 recommending that intellectual property should be outside its scope.

The EU negotiators' view of the place of IP in this Convention appeared to be to favour the inclusion of IP. We had meetings in October 2017 with the EU and others on this topic. As a result of these meetings, we produced a policy paper on 23 October 2017. For the reasons set out in the paper, the IP Federation believes that all intellectual property rights should be excluded from the scope of the convention.

### ***Trade Secrets Directive – implementation for the UK***

The IP Federation responded to the IPO's technical consultation on draft regulations concerning trade secrets on 16 March 2018.

The IP Federation was grateful for the opportunity to comment on the draft Regulation and commends the UK Intellectual Property Office for their work to date in relation to the Directive. We have however identified a number of points relating to the draft Regulations that have the potential to create significant uncertainty for UK industry in an area of law that has

been settled for many decades. Our concerns with the Regulation fall into two broad categories, as set out in the response:

1. Unnecessary and overly complex provisions
2. Lack of clarity as to interplay with existing law

We commented on the individual provisions of the draft Regulation in the annex to the paper.

### ***The IP Federation has moved!***

Since 11 June 2018, our new address is:

60 Gray's Inn Road, London WC1X 8AQ

Our phone number and e-mail address remain the same.

### ***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 the second half of 2017 and the first half of 2018 are set out below. These are all cases of success or partial success in which the Federation had a role.

1. Our sustained lobbying has contributed to SIPO introduction of accelerated patent examination available to foreign applicants in China on 1 August 2017. We have made strong submissions on this at the UK IPO's IP attachés meeting (at which China representatives were present). However, unless they have first-filed in China, applicants will still need endorsement from the Chinese government or a provincial IP office.
2. On a European level, the IP Federation has been active in providing submissions to the Commission as part of the review of pharmaceutical incentives.
3. We arranged meetings in Brussels on 27 February 2018 with DG Grow, European Parliament and the UK Representation to the EU (UKRep). Everyone we met was keen to understand the position of UK industry on:
  - the Unified Patent Court and Unitary Patent, including the effect of Brexit on UK ratification;
  - accrued rights and Brexit;
  - the draft Hague Convention on the Recognition and Enforcement of Foreign Judgments;
  - the EU's approach to standard-essential patents (SEPs) following the Commission's SEP Communication on 29 November 2017; and
  - the pharmaceutical sector's strong opposition against a manufacturing waiver under SPCs.
4. The European Commission published its draft Withdrawal Agreement on 28 February 2018. The IP provisions largely follow the so called "Montenegro" model, whereby existing protection of unitary IPR is continued automatically with equivalent separate UK protection granted to unitary IPR rights holders at no cost to them. This is what the IP Federation lobbied for.
5. We argued for full consultation on deferred examination by the EPO. It was announced on 8 March 2018 that the EPO will not be launching User Driven Early Certainty (UDEC) on 1 July 2018 as originally planned.
6. For some time, the IP Federation has been pressing for a proper consultation on the proposed revised Rules of Procedure of the Boards of Appeal at the European Patent Office (EPO). An online consultation was launched in February 2018 and remained open until 30 April 2018. The IP Federation responded to this before the deadline.

7. The IP Federation was at the forefront of mobilising comments from innovative industry on the draft Hague Convention on the Recognition and Enforcement of Foreign Judgments. This involved meetings with the Commission and the UK IPO, and resulted in supportive comments from BusinessEurope and the BDI against including IP within the draft. Proactive involvement with the UK Government, sister associations and BusinessEurope continues.
8. We wrote to the Supreme Court of the United Kingdom to ensure that they were aware of the importance to industry of the case *Actavis Group PTC EHF and others v ICOS Corporation*. There is a general point of principle on the law of obviousness which may be applicable across all research-based industries. Leave to appeal was granted on 12 March 2018.
9. IP Inclusive won the award for the best equality and diversity campaign at this year's MemCom Conference Awards on 16 May 2018. This was clearly achieved with the strong support of the IP Federation, CIPA, CITMA and others.
10. The IP Federation issued in 2012 a statement in support of the WIPO pilot projects on collaborative search and examination (CS&E). The official notice of the CS&E IP5 search and examination pilot has been published in the *Official Journal of the European Patent Office*, and the pilot for the "PCT-IP5" search will commence on 1 July 2018.
11. We have put together a paper setting out the IP Federation's position as to the appropriate regime of intellectual property rights exhaustion to be adopted by the UK, in the event that the UK leaves the European Union. In brief, the IP Federation's position is given as follows:
  - a. If possible, the UK should continue to operate the current system of regional exhaustion covering the UK and the European Economic Area (EEA). We expect that this approach would be necessary, at a political level, for the UK to remain part of a customs union or free trade arrangement. However, maintaining the status quo will also minimise disruption for business and hence is generally desirable in its own right.
  - b. If an alternative is needed, however, we are **strongly against the UK adopting a system of *international* exhaustion** and hence are in favour of a system of *national* exhaustion. For the reasons explained in this paper, we believe international exhaustion would be detrimental to businesses and consumers in the UK, whilst also harming those in less developed countries.
12. Throughout the period, the IP Federation has had meetings on various aspects of Brexit with DExEU, DIT, BEIS and the UK IPO. Topics addressed have included trade policy, exhaustion regimes, the UPC and SPCs.
13. Addressing IP challenges is not the prerogative of any one country. The IP Federation has therefore held meetings with sister associations from Italy, France, Germany, the Netherlands and Sweden to discuss items of mutual interest and to improve communication.
14. The IP Federation has regularly sent a representative to meetings of BusinessEurope's Patent Working Group on behalf of the CBI with whom we have a close working relationship.
15. The IP Federation is growing as an organisation, with three new applications for membership in the first five months of 2018.

### **Work in progress**

Work in progress continues to focus on Brexit.

1. The IP Federation policy position on Brexit is as follows:
  - Certainty is paramount to industry.

- All accrued and pending intellectual property rights must be preserved in the UK post-Brexit.
  - The UK must provide for the ability to obtain equivalent UK rights in the UK post-Brexit.
  - We recognise the benefits for industry that can come from the Unitary Patent and Unified Patent Court and call on the UK and other Contracting States to work together urgently to enable the UK to stay in the system after Brexit, and to give consideration to transitional arrangements in case the UK or any other Contracting State is unable or unwilling to remain in the system.
  - Once the UPC is established, the involvement of non-EU, European Patent Convention Contracting States (e.g. Switzerland and Norway) in the UPC could be an advantage to industry, and should be explored.
  - We encourage the use of the Patent Box and R&D tax credits to support the UK as an innovation-friendly economy.
  - Exhaustion of IP rights needs to be dealt with actively upon Brexit. We do not support full International Exhaustion as this would be highly detrimental to the UK's IP-intensive industries.
2. On the Unified Patent Court and Unitary Patent, including Brexit and the UPC, we wish to emphasise Europe-wide industry support for the UK to ratify the UPC agreement as soon as possible and desire for the UK to remain within the system post-Brexit. UK ratification was a necessary important first step.
  3. On accrued rights and Brexit, namely SPCs, trade marks and design rights, our members wish for the existing rights and applications to continue operating post-Brexit without compromising IP right holder's rights.
  4. 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.
  5. We recognise the practical difficulties in securing a suitable bilateral arrangement with the EU which would effectively keep the UK in the 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 rights automatically to be transferred across to the UK register at the time of Brexit.
  6. On unregistered designs, we acknowledge that the loss of Community unregistered design rights 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.
  7. 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 3-year term of protection for Community unregistered design rights should not be increased in the UK.
  8. 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.

9. Brexit should not be seen as a reason to introduce criminal sanctions for infringement of unregistered design rights. We strongly oppose such sanctions.
10. We are opposed to IP rights being within scope of the draft Hague Convention for the Recognition and Enforcement of Foreign Judgments. Inclusion of IP rights (such that a foreign court can determine infringement of an IP right) would only lead to nullity suits in the corresponding jurisdiction, complicating the dispute further.
11. On the EU's approach to standard-essential patents (SEPs) following the Commission's SEP Communication on 29 November 2017, our members believe that it looked balanced but the specific implementation of the principles and the impact of that would need to be closely monitored.
12. Our members in the pharmaceutical sector are strongly opposed to a manufacturing waiver under SPCs. A manufacturing waiver erodes the IP right significantly. SPC law has been interpreted narrowly leading to denial of extended patent protection resulting in insufficient rewards for the innovators.
13. We continue to press for accelerated patent examination to be available to foreign applicants as of right in China, irrespective of whether they have first-filed in China.

See also the Activities tab on the IP Federation website (under "Our Work") 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, we have once again increased the number of people who follow us on Twitter and now have 760 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, 30 July 2018