

Transformation consultation – Potential legislative changes for IPO digital transformation – IP Federation response

Introduction

The IP Federation represents intellectual property (IP) intensive companies in the UK - a list of members is attached. Our members are extensively involved with IP in the UK, Europe and internationally, including IP aspects of innovation policy and trade issues. Not only do our members own considerable amounts of IP in the UK, Europe and elsewhere, but they are affected by the activities and IP rights of competitors. Our cross-sectoral membership of over forty influential IP-intensive companies has wide experience of how IP works in practice to support the growth of technology-driven industry and generate economic benefit.

Transformation consultation

The Government has launched a [consultation](#) on proposed law changes for the IPO's digital transformation programme. It contains a series of proposals for legislative changes that will remove barriers and allow the IPO to be more innovative. The consultation ends on **6 January 2023**.

IP Federation response to Part A – Legal barriers to digital transformation

Automation of IPO systems and processes

Question 1. What are your views on the approach the government wishes to take to support the potential future use of automation in IPO systems and processes?

The IP Federation favours a general enabling provision permitting automation of processes and decisions for IP rights.

We agree that it is important that a corrective mechanism is included, to ensure that remedial action can be taken if an issue is identified. We also acknowledge that such a corrective mechanism should include the option for human intervention to verify the process, with a route to challenge actions or decisions taken by an automated service. We would also like to see thorough testing undertaken, and the output of any automated process should be regularly sampled to ensure quality of decision making.

We believe that it is also important to publish an easily accessible and up-to-date list of those processes which are automated. Further, adequate notice of those decisions which are to be automated should also be published.

Modernising the IP framework

Digital and dynamic media for patent applications

Question 2. Would allowing other types of media to be included in a patent provide any benefits or cause any issues when applying? Would it have an effect on the ability to understand the patent with respect to follow-on innovation?

We support allowing other types of media to be included in a patent, to make inventions easier to understand and describe. This would facilitate examination of the patent application and, potentially, stimulate follow-on innovation.

Applicants should be warned at the point of filing, e.g. with online filing software, that other patent offices may not accept other types of media and therefore that filing with UK-only media may make claiming priority difficult in patent offices that don't accept such media.

We suggest employing a similar system to that already made available by WIPO, which makes available patent applications including colour images. Published patent applications including black and white, one-dimensional, images only are still however used as the basis for filing in other countries.

Certified and uncertified copies of IP rights

Digital service for copies of documents

Question 3. What are your views about moving to digital COCs?

We fully support the proposal to move to digital certified office copies, with the proviso that a reliable mechanism is used to verify the integrity of such documents. Transitioning to a digital format has many benefits. It is both more economical and environmentally friendly. Further it would allow for the automated analysis of priority documents.

Question 4. In what situations might you would still require a paper COC, even if we offered a digital version?

We will still require a paper certified office copy when a country doesn't accept a digital copy. For example, Germany doesn't currently participate in the WIPO DAS document exchange service. Some courts, arbitration and mediation panels, and others involved in assessing patents and patent applications, may also continue to require paper copies.

We would be interested to know about plans regarding translations of priority documents (e.g. for China). Will a digital (verified) translation of the priority document also be accepted?

International priority document exchange service

Question 5. What are your views on the UK extending its participation in WIPO DAS? Would doing so reduce the situations where a paper COC would be required?

We fully support the UK extending its participation in WIPO DAS to all IP rights. This would definitely reduce the situations where a paper certified office copy is required. WIPO DAS works well for patents, and we welcome an extension of the system to include trade marks and designs.

Powers to make directions

Question 6. What are your views on providing the comptroller with more powers to make directions, in particular on the form and content of patent applications? Are there other areas where government could consider seeking the power to make directions, and why?

The comptroller should be given more powers to make directions regarding the form of a patent application. Font sizes, margins etc. are not of particular consequence to the substance of the patent application.

Our members are divided on whether such powers should be extended to include the contents of a patent application.

The current rules regarding extensions of time limits are also fiendishly complicated. Giving the comptroller power to decide all extensions would enable the rules to be simplified. However, we believe that extensions of time should only be included in this plan if any changes are subject to an external consultation process on a case-by-case basis.

Hours of business and excluded days

Question 7. What would the impact be if the IPO extended its hours of business to seven days a week to match when services are available?

We support the IPO working seven days a week. We do not see that this particularly affects us as in-house attorneys, since we are able to manage our workload appropriately. Outside counsel may levy higher fees for working on current closed days, but working on current closed days may suit some workers.

Further, we note that system upgrades are currently done at the weekend. These would still need to be done out of normal office hours.

National security checks

Option 1: Applicants to self-declare

Option 2: Automated screening

Option 3: Applicants self-declare with automated second check

Question 8. Which of the options presented, if any, would you prefer government to take forward? Please explain why.

Our members are divided on this issue. Those with only a small number of cases relevant to national security would support option 1. They are already able to make a decision on relevance to national security when first filing is

made abroad, and believe that applicants should have similar freedoms when the first filing is at the UK IPO.

Others prefer option 2, believing that automated screening means that all inventions, including dual-use inventions, will be screened by the UK IPO and be treated appropriately.

Option 3 could be used, but such a system would need thorough testing and continuous random sampling to ensure it is working effectively.

Modernising our fee structures

Allowing for removal of some fees

Question 9. What are your views on providing more flexibility in legislation over removing fees?

We fully support legislation to make removal or suspension of fees possible without delay.

Changes to how we provide services

Aligning periods for paying renewal fees and for restoration

Question 10. What are your views on harmonising the period for paying a renewal fee across the rights? Would this have an impact on how you (or your clients) deal with renewals?

We support harmonising the period across all UK rights, but do not consider it will reduce the overall complexity of managing renewal fee payments internationally. The most useful thing the UK IPO could do is introduce an automated debiting arrangement which IP owners could rely on to pay fees across all IP rights. Then, no matter how complicated your deadlines are to calculate, IP owners wouldn't lose rights by missing deadlines for fee payments. The accumulated renewal fees (year 5, 6 and potentially 7) for patents are unduly complex to manage and should be included in such an automated debiting arrangement.

We can see that using the anniversary date spreads the cost. However, IP Federation members typically pay any renewal fees on the last day of the month in which they are due. Patent offices in Europe also tend to also use the last day of the month as the final deadline. Our members pay many renewals each month, and therefore using the last day of the month for both UK and European renewals makes payments easier to administer.

However, we recognise that currently if we pay within the first month of the 6 month late payment window, then no late fees are due. If the plan is to keep this mode of operation, then we will have the option to continue to pay on the last day of the month without incurring any additional fees, in which case we do not have an issue with the proposed harmonisation.

Question 11. What are your views on the idea of aligning the period for requesting restoration?

We are concerned that extending the period for requesting restoration for the other IP rights (trade marks and designs) would create legal uncertainty. We also note (for example) that for trade marks, many countries have settled on 6 months. Therefore, harmonising within the UK would actually create disharmony with respect to many other jurisdictions.

As we understand it, the logic behind having a 13 month period for requesting restoration of patents is that, if a patent owner inadvertently misses the deadline for payment of an annual renewal fee, they don't necessarily pick this up until they try to pay the next fee 12 months later and it is rejected. Giving them one more month allows them to pay the missed fee.

As there is currently no annual fee due on design or trade mark registrations, and we do not wish one to be introduced, there is no logic in having a 13 month period for requesting restoration.

We therefore do not support extending the period for requesting restoration to 13 months for trade marks and designs.

Section 28A (4) to (6) of the Patents Act 1977 gives protection to third parties who take steps to work an invention which is the subject of a lapsed patent before notice of an application for restoration is published. The corresponding provisions relation to designs and trademarks may need to be reviewed if the period for requesting restoration is extended.

At the end of the day, no one wants to rely on restoration and, as noted in the answer to question 10, your efforts would be better spent introducing an automated debiting arrangement.

Standardising evidence requirements for IP transactions

Option 1: Require evidence for all transactions

Option 2: Require evidence only to support requests made by unverified users

Question 12. Have you experienced any problems with the current system such as someone fraudulently claiming IP rights?

No, our members have not reported any problems. However, we have come across one instance of the UK IPO changing the address to a different agent, apparently because of an error on the part of UK IPO staff in transcribing a patent number.

Question 13. What sort of evidence do you think should be required by the IPO before a transaction is registered?

We think that any legislation should follow the approach taken for patents in that supporting evidence should be required, without being specific as to what this should encompass.

We would expect to see evidence such as an assignment document, or a change of name or mergers certificate. Another option is the seller's signature, but this should not be mandatory.

The evidence could include online consent from the person currently registered as the owner to the requested change of ownership. This could be initiated by the requestor of the change, who might be the new owner or his representative.

Question 14. Which of the options presented would you prefer us to take forward? Please explain why.

We support option 1, which would require evidence for all transactions.

Option 2 allows verified users to register transactions without any proof. We are not convinced that a user should be trusted simply because they have dealt with the UK IPO before. Does one transaction with the UK IPO qualify or is there a threshold to be met? Allowing a request from anyone purporting to be a new owner without involvement of the current owner seems to open the way for abusive behaviour.

If the UK IPO proceeded with option 2, we would be concerned about -

- 1) the prospect of fraudulent activity; and*
- 2) human error when inputting an IP right number into a self-service system.*

Providing represented customers with greater control over their representation

Option 1: Represented customers cannot deal directly with the IPO

Option 2: Represented customers and representatives can carry out all tasks

Option 3: Represented customers can delegate specific tasks to their representative via their customer account

Option 4: Represented customers can perform certain administrative tasks

Question 15. If you are a represented customer, what administrative tasks do you typically delegate to your representative? If you are a representative, what administrative tasks do you typically perform on behalf of your clients?

Practice among our members varies. Some members deal with the filing and prosecution of patent applications. Others may choose to send theses to outside counsel, who do everything except perhaps for the payment of renewals.

For trade marks, the substantive work might be done by outside counsel, with our members doing the administrative work themselves.

Question 16. Are these administrative tasks ones which could be performed as effectively, or that would provide a benefit in terms of time and/or cost, if carried out through self-service?

Yes. Tasks such as recording a change of name or address, requesting a further search, requesting acceleration and requesting an extension could be

self-service by the applicant or, in the case of multinational company with in-house IP professionals in multiple regions and countries, by its UK group company.

For those patent cases which our members send out to outside counsel, they are normally happy to let the outside counsel perform all tasks on their behalf, except perhaps for payment of renewals.

For trade marks, our members would like to be able to perform the administrative tasks in house and through self-service.

Question 17. Do you have a preference as to which option we should take forward? Please explain why.

We would be in favour of option 3, but with the enhancement that a “represented customer” means not only the applicant but an affiliate of the applicant, i.e. another company in the same group of companies as the applicant.

It would be very useful for our members to selectively authorise our outside counsel to perform certain tasks on their behalf without the need to submit a change of representative form. Option 3 would allow them to still retain overall control, whilst authorising outside counsel to perform certain tasks on their behalf.

IP Federation response to Part B – Improving the IPO Tribunal Function

We support harmonising hearings and tribunals practice across the different IP rights where it makes sense to do so. We have not been able to put together detailed answers to the questions in this part of the consultation. However, we can provide a single answer below.

Copying the other party into Tribunal correspondence

Question 21. What are your views on creating a statutory obligation to copy the other party into correspondence? Has this caused you issues in the past, and what impact has that had?

We favour creating a statutory obligation.

IP Federation
6 January 2023



IP Federation members 2023

The IP Federation membership comprises the companies listed below. The UK Confederation of British Industry (CBI), although not a member, is represented on the IP Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. The IP Federation is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

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Arm Ltd
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BAE Systems plc
BP p.l.c.
British Telecommunications plc
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Johnson Matthey PLC
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Microsoft Limited
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