

Updates on Innovation and Intellectual Property in Europe





**USCIPI - 12th Hong Kong IP Conference
Technology and Legal Frontiers in Global Pandemics: Risk
Management, Capital Mobility and Intangible Assets**

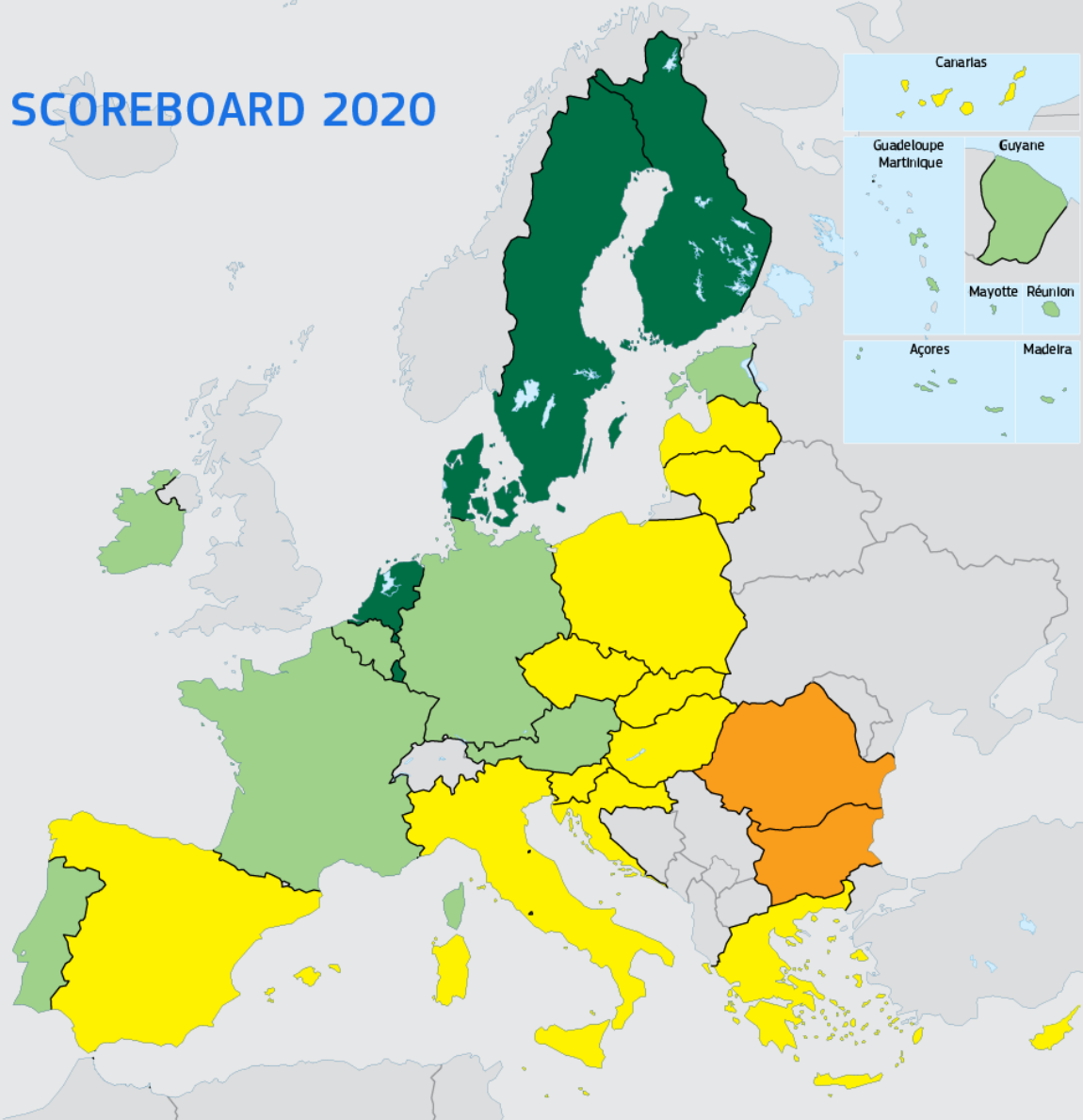
Agenda:

- European Innovation Scoreboard 2020
- EIBIS Investment Survey on Digitalization 2020
- Updates on European Patent Office (EPO) Statistics
- Updates on EPO Practice
- Updates on EPO Decisions
- Updates on AI in Europe
- Updates on the UP and UPC
- Updates on Trademarks and Designs in Europe

EUROPEAN INNOVATION SCOREBOARD 2020

Innovation performance groups

-  Innovation Leader
-  Strong Innovator
-  Moderate Innovator
-  Modest Innovator



EIBIS Digitalisation Index

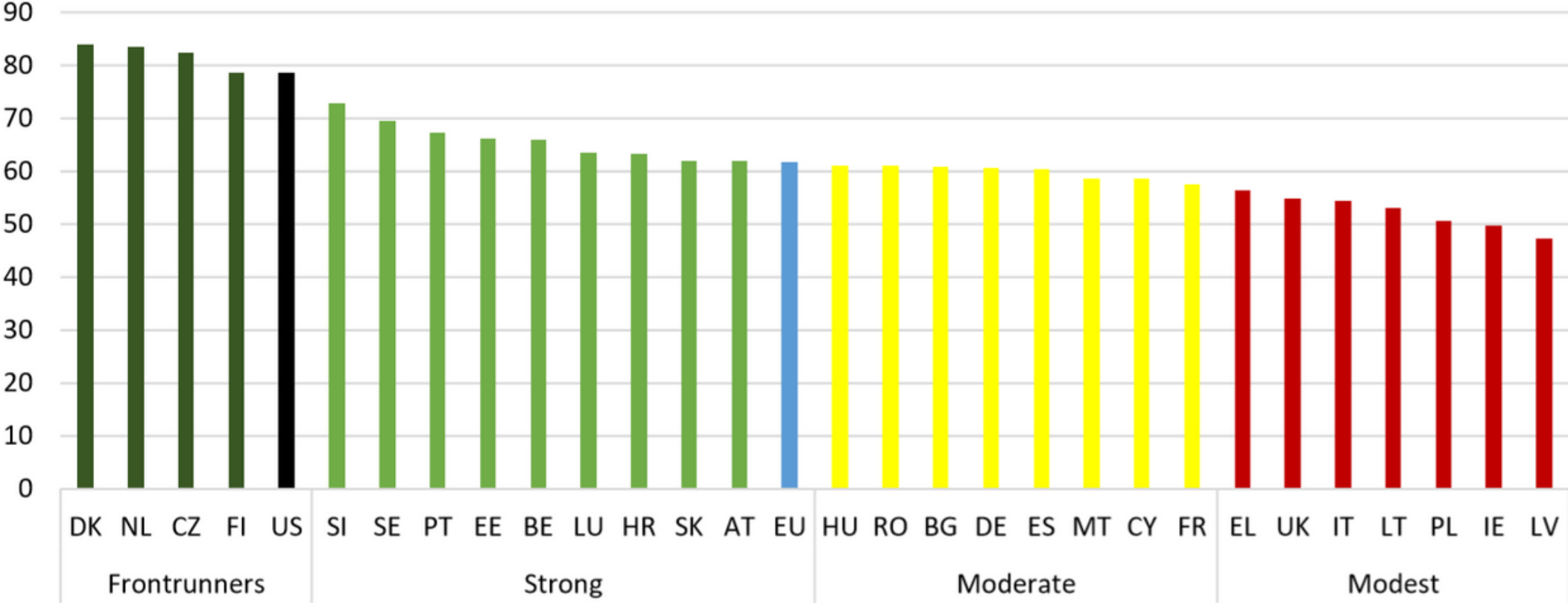
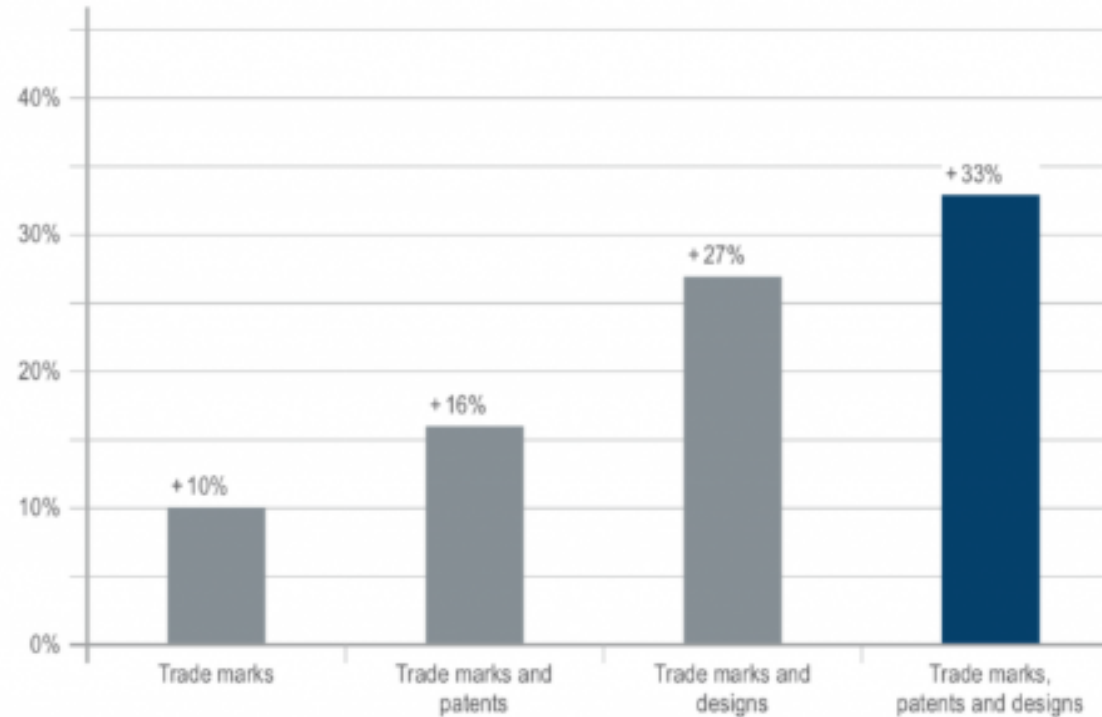
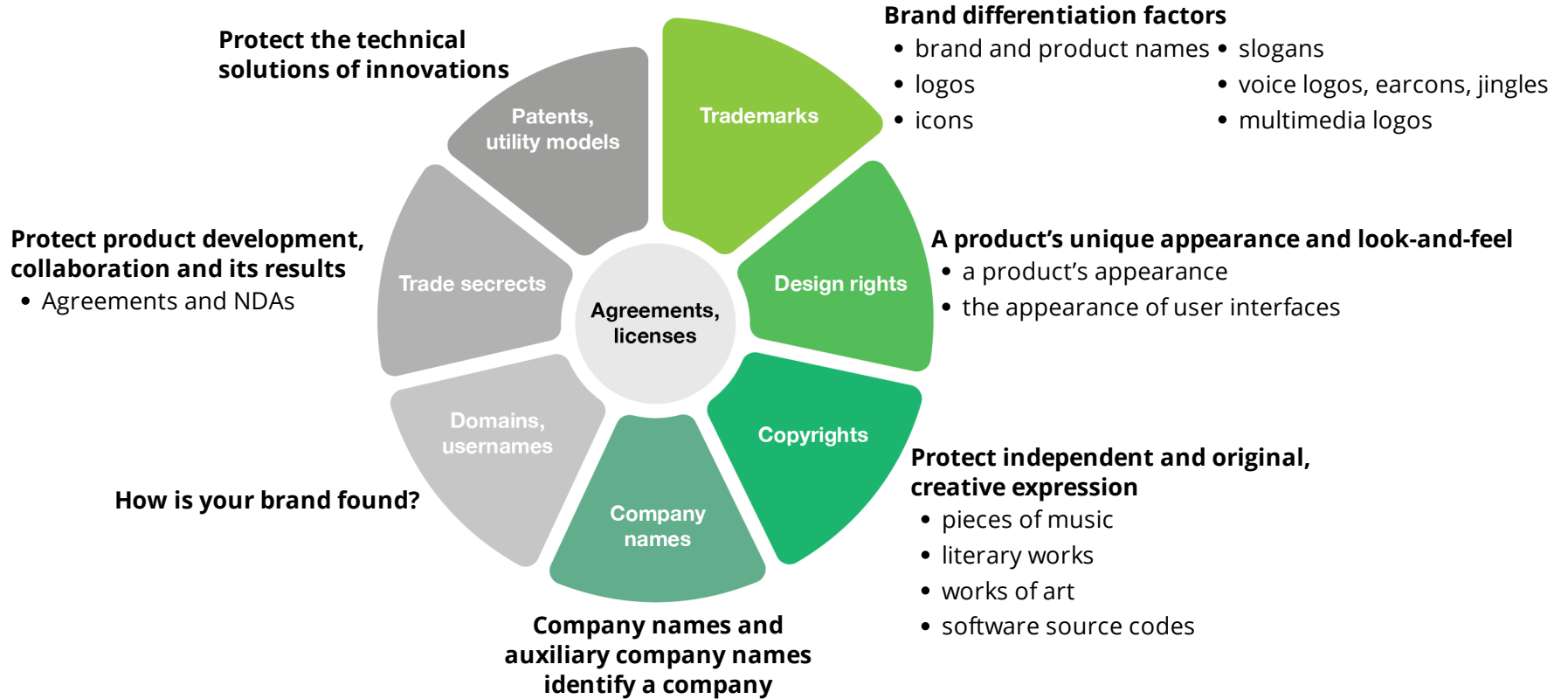


Figure 5:
Increase in odds of high growth with prior use of an IPR bundle



EPO and EUIPO, High-growth firms and intellectual property rights, IPR profile of high-potential SMEs in Europe, May 2019

AIMING AT SYNERGY



DIFFERENT FORMS OF PROTECTION SUPPORT EACH OTHER: Case Lovi Oy

LOVI®

- the word mark is protected in terms of a number of products and services
- In China, Chinese transliterations are also protected

The technical solution is protected with **a patent:**

- the product
- a method for assembling the tree



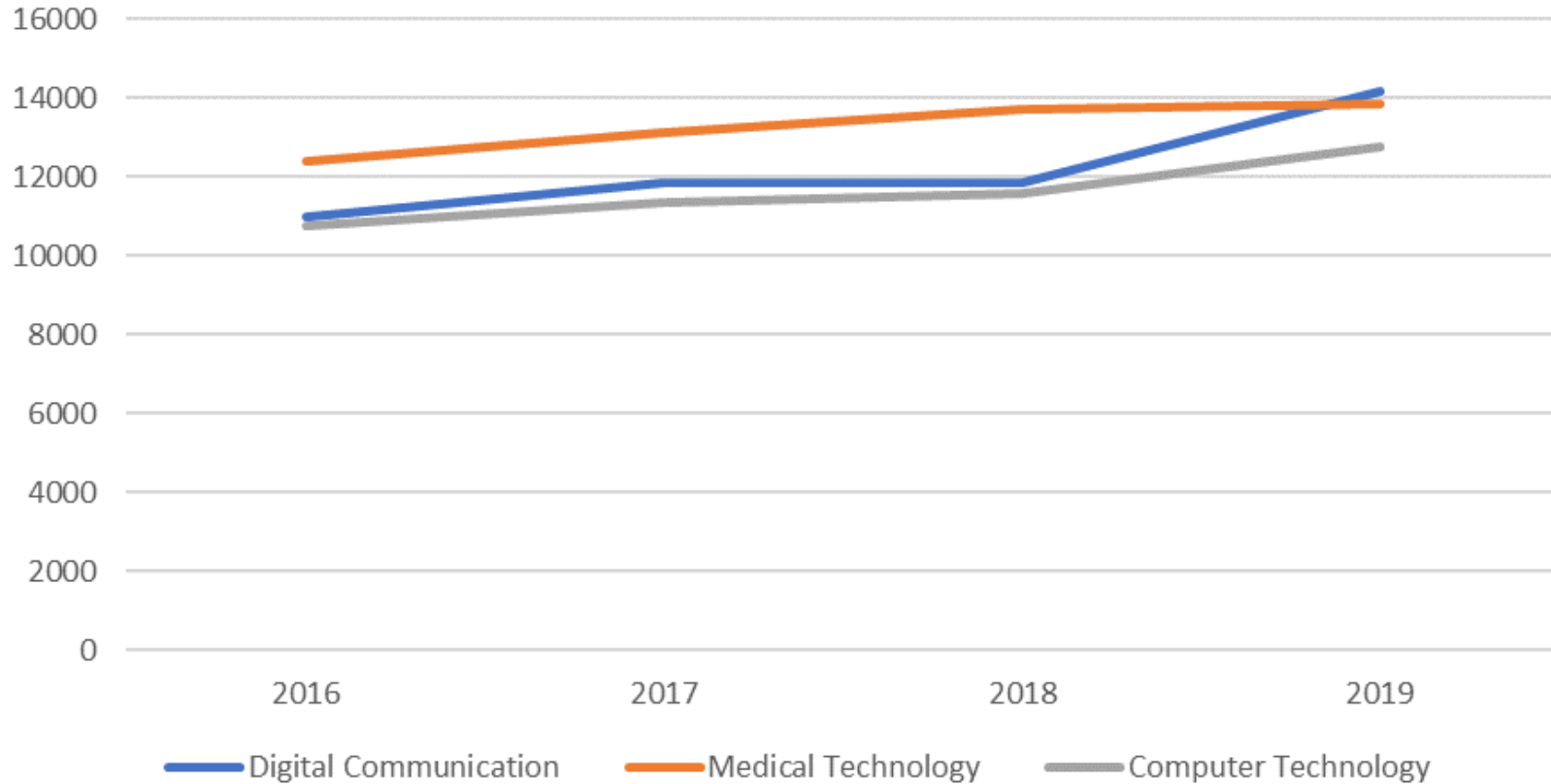
The wood's design is protected with a 3D trademark registration

- In addition, there are copyright registrations in China



UPDATES ON EPO STATISTICS

TOP 3 TECHNICAL FIELDS FOR EPO APPLICATIONS 2020



EPO accelerates digitalisation process

- 1000 oral proceedings in examination phase have been held by video-conference (VICO) since the start of 2020 up to 17 July 2020: since April, all such oral proceedings are scheduled by VICO unless there are serious reasons not to do so.
- over 50 opposition hearings have been held by VICO, with another 50 planned during the summer under the new pilot program. The EPO is further postponing opposition hearings until the end of 2020, unless they can be held by video-conference.

VICO is potentially very useful for Asian applicants and representatives, since they can participate in the hearings!

EPC Article 87 – Priority Rights

- (1) **Any person** who has duly filed in or for
- (a) any State party to the Paris Convention for the Protection of Industrial Property or
 - (b) any member of the WTO,

an application for a patent ... or his successor in title, shall enjoy, for the purpose of filing a European patent application in respect of the same invention, a right of priority during a period of twelve months from the date of filing of the first application.

The ABCs of Priority Rights

Priority Application <-----> PCT Application

A+B+C
applicants

A*+B*+C*
applicants

*or successor in
title

Invalidity of EP2771468 - CRISPR Technology

Priority Application <-----> PCT Application

11 applicants
The Broad Institute
and Rockefeller University

9 applicants
The Broad Institute

Legal Background:

EPC Art. 87 refers to "any applicant" which has been interpreted by the EPO as requiring all applicants.

In contrast, in the United States a valid priority claim only requires at least one inventor in common.

Which law should apply - European law or US law?

Invalidity of EP2771468 - CRISPR Technology

Priority Application <-----> PCT Application

Significance of loss of priority: Without a valid priority claim, publications between the filing date of a priority application and the filing date of a PCT application would be considered novelty-destroying prior art to the extent such publication(s) disclosed the claims of a European patent.

In the CRISPR case such a publication occurred shortly after the filing date of the priority application.

Decision of the EPO Opposition Division in January 2018: The Opposition Division held that European patent law should apply (which requires all applicants) and therefore the patent was invalid since the effective filing date was the filing date of the PCT application and the scientific article was published earlier.

Decision of the EPO Board of Appeal on 16 January 2020: the Decision of the EPO Opposition Division was upheld

EPO UPDATES

ENLARGED BOARD OF APPEALS OPINIONS



G 3/19 (THE "PEPPER" CASE) of 14 May 2020

- The previous position of the EPO was set forth in two famous Enlarged Board of Appeal (EBA) decisions (G 2/12 "Tomatoes II" and G 2/13 "Broccoli II"): the non-patentability of essentially biological PROCESSES for the production of plants or animals did not extend to PRODUCTS exclusively obtained in that way;
- In July 2017 a new version of EPO Rule 28 was introduced which states that European patents shall not be granted for claims related to plants or animals exclusively obtained by means of an essentially biological process".

EPO UPDATES

ENLARGED BOARD OF APPEALS OPINIONS



G 3/19 (THE "PEPPER" CASE) of 14 May 2020

The EBA decision of May 14 extended the prohibition of patentability to include plant and animal products themselves which are exclusively obtained by essentially biological processes.

... or to put it another way, the decision in the Pepper case overrules Tomatoes II and Broccoli II even while taken together they sound more like a salad!

The 4th Industrial Revolution

Lots of activity over the last 2+ years:

- December 2017: EPO published a report on "Patents and the Fourth Industrial Revolution"
- 1 November 2018: the EPO issued new guidelines which include a new section on patentability of AI and machine learning
- 31 January 2019: WIPO published its first "Technology Trends" study on Artificial Intelligence
- June 2019: EPO published an academic study on AI inventorship (authored by Dr. Noam Shemtov of Queen Mary University of London)
- 1 November 2019: the EPO issued a new version of the guidelines providing further examples in the field of CII

General Part

[Part A – Guidelines for Formalities Examination](#)

[Part B – Guidelines for Search](#)

[Part C – Guidelines for Procedural Aspects of Substantive Examination](#)

[Part D – Guidelines for Opposition and Limitation/Revocation Procedures](#)

[Part E – Guidelines on General Procedural Matters](#)

[Part F – The European Patent Application](#)

[Part G – Patentability](#)

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[Index for Computer-Implemented Inventions](#)

Guidelines for Examination

Table of Contents - Guidelines for Examination

[Index for Computer-Implemented Inventions](#)



Index for Computer-Implemented Inventions

A computer-implemented invention (CII) is one which involves the use of a computer, computer network or other programmable apparatus, where one or more features are realised wholly or partly by means of a computer program.

The following collection of hyperlinks is provided in order to facilitate access to the sections of the Guidelines for Examination in the EPO which give instructions particularly useful for the search and examination of CII's.

It is noted that this collection is not a separate publication about CII's. Instead, following a hyperlink will lead to the section of the most recent and applicable version of the Guidelines which has the stated number and title.

The collection of sections essentially comprises the teaching about assessing patentability requirements, in particular in case of claims comprising a mix of technical and non-technical features, which are common in CII. Sections providing teaching about how to evaluate features related to the list of [Article 52\(2\)](#) are included as well as sections describing the search practice and requirements of [Articles 83](#) and [84](#).



CAN AI BE NAMED AS AN INVENTOR?



EPO RECEIVING SECTION
DABUS DECISION ON 27 January 2020

The patents:

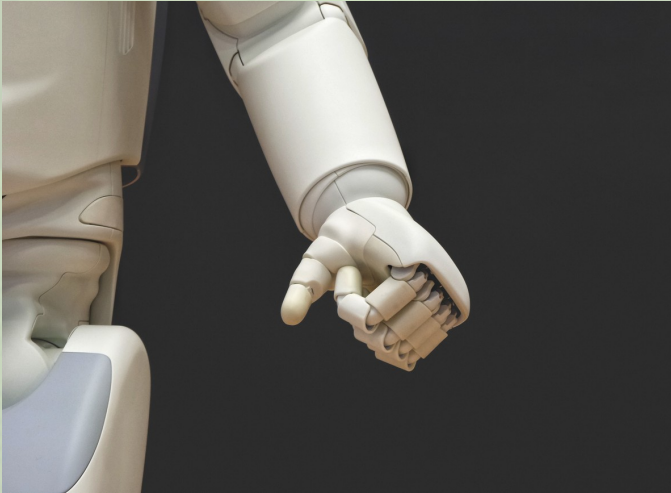
- EP 18.275.163 (entitled “Food Container”) and
- EP 18.275.174 (entitled “Devices and Methods for Attracting Enhanced Attention”)

The inventor:

DABUS, which is “a type of connectionist artificial intelligence” was named as the inventor of these two patents

CAN AI BE NAMED AS AN INVENTOR?

EPO RECEIVING SECTION
DABUS DECISION ON 27 January 2020



The decision: *The EPC does not provide for non-persons, i.e. neither natural nor legal persons, as applicant, inventor or in any other role in the patent grant proceedings. In the context of inventorship reference is made only to natural persons.*

AI systems or machines have at present no rights because they have no legal personality comparable to natural or legal persons. Legal personality is assigned to a natural person as a consequence of their being human, and to a legal person based on a legal fiction. [...] In the case of AI inventors, there is no legislation or jurisprudence establishing such a legal fiction.

UPDATES ON THE UNITARY PATENT

Recent events affecting the UP and UPC

- 20 March 2020: the German Federal Constitutional Court held that the Act of Approval of the Unified Patent Court Agreement (UPCA) is void, insofar it has not been approved by the *Bundestag* with the required two-thirds majority;
- 26 March 2020: the German minister of Justice and Consumer Protection, Ms. Christine Lambrecht, reaffirmed her commitment to remedy the formal deficits found by the Federal Constitutional Court;
- 3 July 2020: consultation launched by the German government on the German draft ratification bill closed. Some concerns were expressed over the re-allocation of one of the Central Divisions of the Unified Patent Court and other substantial issues.

What is Brexit's impact on the UP and UPC?

15 July 2020: the European Commission answers to German MEP Patrick Breyer's question about Germany's entitlement to ratify the UPCA after Brexit:

The Unitary Patent will further boost innovation in Europe, which will be key for the economic recovery following the COVID pandemic.

The Commission is of the view that the withdrawal of the UK from the EU does not affect the ratification process of the Unified Patent Court Agreement (UPCA) in Germany. The UK signed and ratified the UPCA when it was still an EU Member State and in its capacity of Member State.

The UK has ceased to be an EU Member State and, therefore, will not participate in the unitary patent system after the end of the transition period, given that participation in that system, including the UPCA, is only open to EU Member States. The Commission would welcome a swift ratification of the UPCA by Germany.

UPDATES ON THE UNITARY PATENT

What is Brexit's impact on the UP and UPC?

... Last, but not least:

UK has formally withdrawn the ratification of the Unified Patent Court Agreement on 20 July 2020. The withdrawal was effective on the same day.

Excerpt from Amanda Solloway's parliamentary written statement about the withdrawal:

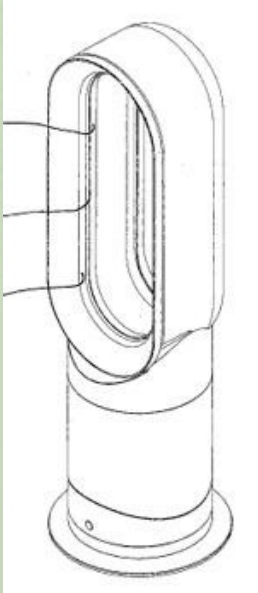
"Participating in a court that applies EU law and is bound by the CJEU would be inconsistent with the Government's aims of becoming an independent self-governing nation."

Main advantages of a Registered Community Design



- **Speed:** (the registration certificate can be obtained in approximately one week).
- **There is no limitation as to the number of designs that can be filed in a single application:** as long as they belong to the same Locarno class.
- **Cost effective:** bulk discount is already given to the second design filed in the same application. EUIPO filing fees for the 1st design are EUR 230, for the 2nd to 10th design are EUR 115 per design and for the 11th and beyond they drop to EUR 50 per design.
- **Longer duration of protection compared to patents:** the maximum duration of protection of a Community Design is 25 years, if renewed every 5 years.

Additional advantages of a Registered Community Design



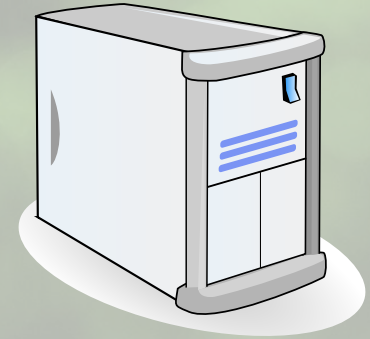
- **Secrecy:** the application can be kept secret for up to 30 months.
- **Grace period:** although we highly recommend filing the Community design application before the design has become public, there is a 12-month grace period in which the application can be filed without having losing absolute novelty.
- **Use is not compulsory** (unlike trademarks): this allows applicants to protect variations of the designs without having to use the product in every variations.
- **It is not limited to goods and services**, therefore the protection is for all sorts of products.

CJEU: Sky vs. SkyKick (C-371/18)

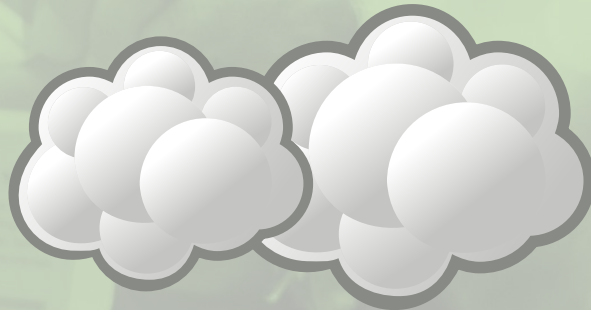
The trademark owner:

The TV broadcasting company Sky owns several EU and UK trademarks which include the word 'Sky' and were registered for a large number of goods and services in a number of classes of the Nice Classification, in particular:

- Class 9 (computer software) and
- Class 38 (telecommunication and computer services).



Importantly, Sky only used these trademarks in class 38, not class 9.



The alleged infringer:

Sky sued SkyKick, which is active in the cloud migration services, for the infringement of its UK and EU trademarks including the word "Sky"

CJEU: Sky vs. SkyKick (C-371/18)

CJEU's decision of 29 January 2020:

The Court of Justice held that **a trade mark application made without any intention to use the trade mark** in relation to the goods and services covered by the registration constitutes **bad faith**.

When the absence of the intention to use the trade mark according to the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that application constitutes **bad faith only in so far as it relates to those goods or services**. In other words there was bad faith with respect to the registration in class 9 but not class 38.



Italian Supreme Court, Wycon v KIKO - 30 April 2020



The Italian Supreme Court held that an interior design project or work is protectable by **copyright** (as an architectural work) when it shows the personal touch of the author, such as:
"A unitary project showing a visually relevant scheme, having a clear stylistic key, of the individual elements, which are organized and coordinated to make the environment functional and harmonic".

The Court also clarified that other IP rights may protect an interior design project:

- 3D trademark, provided that it has distinctive character
- Design registration of the individual elements, provided that they have individual character

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