D YOUNG & CO PATENT NEWSLETTER no.105

February 2025
In this issue:

Also: EU Commission drops SEP Regulation, patenting computer tech in wider product markets at the EPO, UKIPO Manual of Patent Practice Section 1 updates, and UPC & EPO symbiosis (Seoul Viosys v expert klein & expert e-Commerce).

We have lift off
First commercial vertical launch from UK soil gets the green light

Full Story Page 02

Editorial

The UK has long been a hotbed of scientific research and development, so it will be little surprise to our readers that UK innovation also extends vertically into space. The spacetech industry in the UK has taken a further step forward with the first vertical launch licence being awarded for the SaxaVord Spaceport in very far north of the UK in the Shetland Islands. Space-tech truly spans the whole UK, with another UK spaceport located in the very far southwest of the UK in Cornwall. Our leading article outlines interesting aspects of the intersection of spacetech and IP. Meanwhile, with our feet firmly on the ground, we review some of the recent, key decisions issued by the unitary patent courts. The jurisprudence of the UPC is growing and is vital reading for those with Europe-wide commercial interests. Happy reading!

Nicholas Malden, Editor

Events

European biotech patent case law
Webinar, 25 February 2025
Join Simon O'Brien and Matthew Caines to catch up with new and important EPO biotech-related patent case law

UPC case law, observations & analysis
Webinar, 18 June 2025
Our expert speakers, UPC representatives Anthony Albutt, Rachel Bateman and Tom Pagdin, will provide you with the most up to date UPC observations and analysis.

www.dyoung.com/events

Subscriptions

Email subscriptions / mailing preferences:
subscriptions@dyoung.com

Read online and view previous issues:
www.dyoung.com/newsletters

Our privacy policy is published at:
www.dyoung.com/privacy

Follow us

LinkedIn: dycip.com/linkedin
Twitter: @dyoungip

Spacetech

We have lift off
First commercial vertical launch from UK soil gets the green light

The UK's Civil Aviation Authority (CAA) has just granted the first vertical launch licence for a launch site at the SaxaVord Spaceport in the Shetland Islands in Scotland.

The vertical launch licence has been awarded to the German space technology company Rocket Factory Augsburg (RFA). RFA intend to launch a 30 metre tall "RFA ONE" rocket from the north of the island of Unst. This is the northernmost member of the Shetland islands. This represents an extremely exciting development for the UK's space sector.

When you think of space flight, you probably envisage grainy footage of Apollo-style launches; white rockets bound for the stars. Readers of a younger vintage might see in their mind's eye recent launches of the Falcon 9 rocket. These are examples of vertical launches, where rockets are launched vertically. This is as opposed to horizontal launches where an aircraft, requiring less thrust and fuel, launches horizontally and carries, and during flight releases, a payload that has been attached to the aircraft.

The first space launch from UK soil was on 09 January 2023 from Spaceport Cornwall, where a "LauncherOne" rocket carried by Virgin Orbit's "Cosmic Girl" aircraft was transported to space. The aircraft left the spaceport runway and set out towards the Atlantic before releasing the rocket. Since then the UK has gone from strength to strength, now boasting a space sector employing around 50,000 people.

The recent launch operator licence awarded to RFA indicates the UK's growing presence in the space sector. The licence was granted under consideration of some key factors, such as:

- how the safety of the launch would be maintained;
- how international obligations would be met; and
- how the impact of the launch on the environment could be mitigated.

The UK aims to position itself as a reliable, forward thinking, sustainable and highly valuable commercial partner for companies interested in either form of launch (horizontal from an aircraft or vertical from a vertical launch site). This should render the UK as a highly-attractive location for launches for a variety of companies, but particularly for those located in Europe.

The UK sits as third in the world (behind the US and China) as the country with the most satellite launches (including joint launches). The UK's commitment to developing and commercialising space was strengthened in 2024 by the award of £33 million from the UK Space Agency's (UKSA) National Space Innovation Programme.

The UK is therefore openly embarking on a project to make the UK an extremely attractive location for space technology to be developed and launched. As such, your intellectual property for space technologies should ideally include the UK as a territory of high interest. This is doubly so, noting the UK Intellectual Property Office's (UKIPO's) relatively cheap fees for filing and prosecution.

While there is no patent jurisdiction for space, there are provisions for providing protection of space technology relating to the territories in which satellites are registered, or the territories from where they are launched. With a large number of launches taking place in the UK and a large number of satellite registrations in the UK, intellectual property protection in the UK has growing importance for space technology companies.

It is also worth noting that the process of obtaining patent protection in the UK is both fast and economical. UK government fees are very low and there are options to accelerate prosecution, meaning a patent can be obtained really very quickly.

Many of our clients select the UK as their priority filing location and we are able to obtain search and examination results within the first 12 months, before a decision on a PCT filing has to be made.

Rocket Factory Ausburg has been awarded the first vertical launch licence from the UK

There are also potential tax saving opportunities using a system known in the UK as the "Patent Box". The Patent Box allows for a reduction in corporation tax for companies with products covered by intellectual property rights. This is an arrangement that many countries across Europe have with varying levels of corporate tax relief. If you need any more information on the Patent Box please get in touch.

Another interesting and unusual aspect of the UK patent process is the ability to register a UK-granted patent in other jurisdictions around the world without further examination. There are a variety of countries that allow this process and depending on your desired launch site some might be of commercial interest. An advantage of this approach is a reliable examination process before the UKIPO leading to grant and a simple and cost effective re-registration process in your chosen destination country.

A final point of note is something we have been discussing in our programme of lectures in conjunction with the European Space Agency (ESA). When preparing any patent filings, do take some time to consider the potential terrestrial aspects of your technology, alongside the applications for space use. We have found that investors take a very positive view when conducting due diligence (the process of assessing the intellectual assets) if the patent application or indeed granted patent covers a variety of space and terrestrial applications. This will maximise your commercial coverage and optimise your position with potential investors.

As always if you need any advice or assistance with any of the aspects discussed in this article, please get in touch with the authors, or your usual D Young & Co representative.

Authors:
Anthony Albutt & Robert Kelly

European Space Agency learning hub IP and patents lecture series

We are delighted to be working with the ESA to produce a series of IP-related e-learning webinars. You can sign up to attend upcoming webinars via the ESA learning hub, where you will also be able to catch up with recordings of webinars that have taken place in recent months: https://learninghub.esa.int

Webinars coming up

All webinars broadcast at 9am GMT/10am CET.

Oppositions and third party observations: what you can do if you find a commercially blocking patent.
21 February 2025, 9am GMT/10am CET.

Due Diligence: establishing the strength of your position for patenting/ commercialisation and investment.
07 March 2025, 9am GMT/10am CET.

Licencing: things to consider where agreeing to sign or offer a licence.
21 March 2025, 9am GMT/10am CET.

Patent claims dissection: what do patent claims mean?
28 March 2025, 9am GMT/10am CET.

Webinar recordings now available

Preparing for the patent process: what you need to do to reduce costs.
07 February 2025, 9am GMT/10am CET.

Design-arounds: what you can do if you find a commercially blocking patent.
Recorded 24 January 2025.

Litigation: options if going to court is your only route to resolution.
Recorded 10 January 2025.

Trade secrets: things to consider when bringing new technical staff on board/ how to protect yourself from any breach.
Recorded 13 December 2024.

Patent database masterclass: practical advice for searching existing patents.
Recorded 06 December 2024.

UPC crosses borders and breaks boundaries

Long arm jurisdiction questions arise again!

The Düsseldorf Local Division recently handed down a decision that has sent reverberations throughout the EU patent landscape and beyond. In its decision, it was determined that the Unified Patent Court (UPC) has jurisdiction to hear infringement actions concerning European patents validated in non-UPC contracting member states. We delve into the details of the decision to understand its potential implications.

Case background

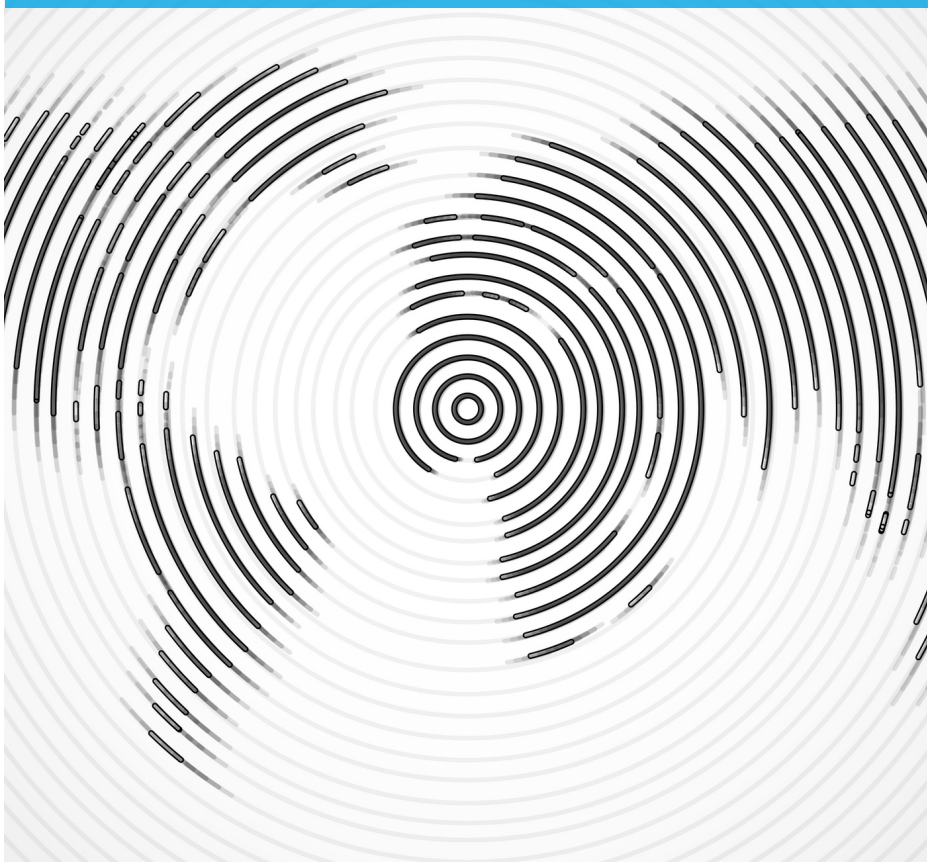
Fujifilm Corporation is pursuing a group of Kodak companies for infringing several European patents relating to offset printing technology. Two infringement actions have been initiated before the UPC's Mannheim Local Division, while a third case (ACT_578607/2023; UPC_CFI_355/2023) was filed at the Düsseldorf Local Division over the alleged infringement of EP3594009. In the latter case, Kodak filed a counterclaim for revocation by way of response. The European patent in question was in force in both Germany and the UK, while all parties to the proceedings were domiciled in Germany (a UPC contracting member state).

Decision of the Düsseldorf Local Division

In its decision, the Düsseldorf Local Division found the European patent to be invalid under the European Patent Convention (EPC), having rejected Fujifilm's request to amend the patent. While the Düsseldorf Local Division recognised that it did not have jurisdiction to revoke the UK part of the patent, which presently remains in force, the German counterpart was revoked. Nevertheless, while no UK-based revocation action had been filed, the Düsseldorf Local Division held that the grounds for invalidity would also apply to the UK part of the patent, but had no jurisdiction to revoke the "UK-part of the patent". However, the Düsseldorf Local Division considered that it did have jurisdiction to determine infringement of the UK part of the patent and therefore apply remedies in respect of the infringing acts conducted in the UK.

One may assume that revoking the patent in suit would negate the need to consider infringement. However, the Düsseldorf Local Division did so anyway, carrying out a legal analysis of whether the UPC had jurisdiction to hear and enforce judgments concerning infringing acts in states that are not UPC contracting member states.

The long arm jurisdiction of the UPC may appeal to parties that have thus far opted-out



> Both Fujifilm and the Kodak presented arguments regarding the jurisdiction of the UPC in relation to the UK.

Fujifilm asserted that the UPC does have jurisdiction over both German and UK parts of the European patent, on the basis that all parties to the proceedings were domiciled in Germany. Notwithstanding this, Fujifilm also argued that the Düsseldorf Local Division should at least consider infringing acts committed whilst the UK was still a member state of the EU, as it was until the end of the transition period which ended in December 2021. Kodak countered that the UPC lacks jurisdiction over the European patent insofar as it relates to the UK, given it is not a contracting member state of the UPC. Thus, the territorial scope of a UPC decision cannot be extended to the UK (neither an EU nor a UPC member state).

In respect of its decision on the question of infringement/enforcement, the Düsseldorf Local Division sided with Fujifilm, rejecting the suggestion that it did not have jurisdiction with respect to the UK. Indeed, the Düsseldorf Local Division held the relevant provision of the UPC Agreement (UPCA) does not exclude decisions having effect beyond the territory of the contracting member states.

Related articles and useful links

Düsseldorf Local Division, UPC_CFI_355/2023 (PDF): dycip.com/upc-cfi-355-2023

EP 3 594 009 (PDF): dycip.com/ep3594009B1

French Supreme Court decision 21-11.085: dycip.com/fr-supreme-21-11-085

CJEU, BSH Hausgeräte, case C-339/22: dycip.com/c-339-22

Advocate General's opinion, C-339/22: dycip.com/ag-c-339-22

Abbott v SiBio UPC Court of Appeal, UPC_CoA_388/2024 (PDF): dycip.com/sibio-abbott-aug24

UPC Court of Appeal corrects course for provisional measures in Abbott v SiBio, 23 August 2024: dycip.com/abott-sibio-aug2024

The Düsseldorf Local Division relied upon the UPCA and Brussels Ibis Regulation in finding that, where defendants were domiciled in a member state (Germany), they shall be sued in the courts of that member state.

In this regard, the Düsseldorf Local Division concluded that the UPC was a court of a member state for purposes of infringement proceedings. Importantly, the Düsseldorf Local Division held this jurisdiction extends to infringement actions concerning member states of the EPC, which are non-EU states, such as the UK.

Distinction was made with other third countries, such as the USA and China, where it was determined that the UPC's jurisdiction did not extend to jurisdictions where a European patent was not valid and in force.

Strategic consideration

For patent proprietors, this decision provides an opportunity to bring all infringement claims before a single court and obtain a comprehensive relief in a single forum, whether or not the claims in question relate to UPC or non-UPC contracting member states. Thus, if this decision is left unchallenged or even upheld by the UPC Court of Appeal, it may become important to consider designating territories, upon granting of European patents, where said territories are EPC contracting states but not UPC contracting states, such the UK, Switzerland, Spain, Poland, Croatia, or Turkey. Infringement actions may be initiated against EU-domiciled defendants, although it appears from this decision that obtaining remedies may be limited to those EU-domiciled states without parallel national validity proceedings.

In light of the decision and potential uptick in infringement claims based on acts carried out in non-UPC contracting member states, it will be interesting to see how the respective national patent offices and courts respond, given the apparent encroachment on their jurisdiction.

Considering the impact on national sovereignty, it will be interesting to see whether national courts or governments seek to proactively counter any perceived threat of the UPC's long arm jurisdiction.

Interestingly, the Düsseldorf Local Division's decision also sets up a potential scenario where infringement proceedings and revocation actions concerning patents in non-UPC contracting member states may become bifurcated between the UPC and national courts of non-UPC member states. While the Düsseldorf Local Division's observation that the UK patent in suit would lack validity in the UK is an interesting one to make, it is by no means assured, particularly given the standard applied was that of the EPC, as opposed to relevant national law. This may result in a reduced quality of outcomes for litigants of bringing infringement actions before the UPC if not carefully considered from the outset. Indeed, risks associated with anti-competitive behaviour in this regard could have detrimental consequences.

UPC jurisdiction

The "long arm jurisdiction" legal concept was discussed long before the UPCA came into force. This concerns the extent to which the jurisdiction of the UPC can be extended to member states of the EPC, which are not contracting member states of the UPC. It is of particular interest because not all member states of the EPC are member states of the UPC, and also in respect of the UK which withdrew from the UPCA in 2021, as well as Spain or Poland which are not contracting member states of the UPC.

> If the UPC's Court of Appeal upholds the First Instance Court's decision, parties may be able to bring infringement actions before the UPC concerning acts that infringe a European patent, irrespective of whether the states in question are UPC contracting member states.

This can only increase the attraction of the UPC for parties which have thus far opted-out of the UPC.

The only conditions would appear to be that the European patent is in force and the infringing parties are themselves domiciled in a UPCA contracting member state. These requirements broadly mirror those of the recent French Supreme Court decision (21-11.085), where it was found that the French courts have jurisdiction to rule on patent infringement matters beyond France's borders, providing the claimant and some of the defendants are based in France.

Moreover, similar questions form the basis of the pending BSH/Electrolux case before the Court of Justice of the European Union (CJEU) (C-339/22), where the opinion of the Advocate General is that the Brussels Ibis Regulation provides sufficient basis for a court to hear an infringement action in relation to a European patent in force outside its territory.

Notwithstanding this, we have also seen the UPC Court of Appeal quash the First Instance Court's appetite to extend the UPC's jurisdiction in the recent Abbott v SiBio case (UPC_CoA_388/2024). In this decision, the Court of Appeal quickly and decisively clarified that the UPC's jurisdiction does not extend to states that have not ratified the UPC Agreement.

It remains to be seen whether Fujifilm or Kodak appeal the Düsseldorf Local Division's decision. Nevertheless, it seems that the CJEU's decision in C-339/22 may prove to be instrumental in reshaping how the UPC and other national courts conduct themselves in relation to European patents in force in other jurisdictions. It goes without saying that the implications could be profound from a legal certainty point of view, but also politically as well.

Naturally, this subject is becoming increasingly interesting and we will report any updates as events unfold.

Authors:
Jonathan DeVile & Stephen Solomon

Forget social media, I can talk to my washing machine!
Patenting computer tech in wider product markets at the EPO

Mention computing or software technology and it's easy to think about today's most popular social media apps, productivity tools or artificial intelligence (AI) assistants. But what about the effects of computing technology on other products? Whether we're talking home appliances, power tools or health and beauty gadgets, innovators are harnessing modern computing power to help deliver products with improved performance, functionality and efficiency.

This article discusses some of the ways computing technology may be used to enhance such products and how patent protection might be obtained for such technology at the European Patent Office (EPO).

Computer-implemented technology at the EPO

A challenge with patenting computer-implemented technology is that, often, the computer hardware which implements the technology is itself not new (for example, it may be an off-the-shelf "system on a chip" (SoC) or similar). What can be new, however, is what the hardware is controlled to do by way of software. This is known as a computer-implemented invention (CII) at the EPO.

The EPO has a well-established approach to assessing the patentability of CIIs. Central to this approach is the determination of whether or not the new thing the hardware is controlled to do provides a "technical effect". Only features providing a technical effect may be taken into account in the assessment of inventive step with respect to the prior art. Demonstrating the presence of a technical effect is therefore essential if a European patent for a CII is to be obtained. We will therefore discuss some examples of how a technical effect might be demonstrated for CIIs associated with different aspects of a product.

Improved mechanical operation

One way of demonstrating that a CII has a technical effect is to show it produces an output usable for controlling a product to mechanically operate in a new or improved way.

For example, it is becoming increasingly common for the action of a mechanical component to be controlled by a suitably programmed chip which takes input data from sensors (for example, measuring temperature, pressure, torque or the like) and processes the input data to generate output data (for example, data indicative of a voltage) for controlling that mechanical component. This allows finer tuning of the action of the mechanical component to different operating or environmental conditions than would otherwise be possible, thereby leading to improved safety, performance or efficiency.

This principle has helped enable everything from washing machines which improve efficiency by automatically adjusting the amount of water used based on the weight of the laundry, to electric toothbrushes which improve user safety by cutting out or slowing down if a user applies too much pressure to their teeth or gums with the brush.

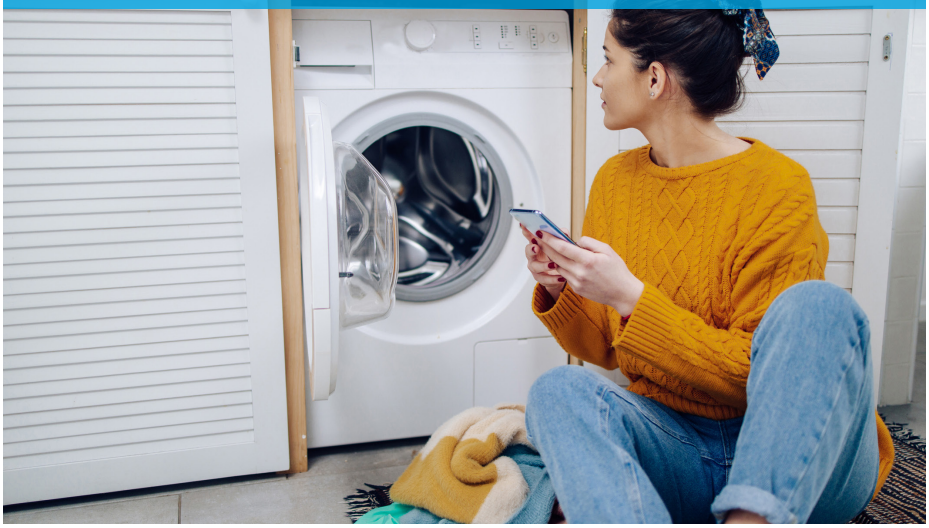
The steps the chip is programmed to carry out to enable such improvements are an example of a CII, and the resulting improvements to safety, performance or efficiency will often be considered technical effects by the EPO.

Innovative controls

Other CIIs that may have a demonstrable technical effect are those enabling improved ways for a user to control a device. Physical buttons, switches and dials are increasingly being replaced with touch screens or controls. There is also a growing demand for connected devices which can be controlled via an app on a user's smartphone or via voice commands issued to a smart speaker. While the touch-sensitive, voice-processing or network hardware which enables such functionality may well be known, the CIIs which control this hardware to operate in new ways leading to easier or more effective methods of controlling an appliance may well be found to exhibit a technical effect.

One example is graphical user interfaces (GUIs). Although it will likely be difficult to patent the mere presentation of information on a screen (even if the way the information is presented is new), a CII may well be found to exhibit a technical effect if it allows a user to interact with information on the screen to control an appliance in a new way which is objectively easier or allows more accurate control (for example, of appliance operations, settings or timers). A technical effect may also be demonstrated if it enables the displayed information to dynamically change to reflect a current operating condition (such as temperature) of the appliance, for example. In a world increasingly saturated with a myriad of GUI designs, a product with a particularly

Computing power is being used to improve performance, functionality and efficiency



effective and accessible GUI can have a big advantage over competitor products.

This principle extends to smartphone apps and smart speaker interactions too. If these are well designed to allow a user to quickly and easily get an appliance to do what they want it to do, any new and innovative CII features enabling this functionality may well exhibit a technical effect. In this case, CII protection not only for the appliance itself but also for new and innovative features of the smartphone app, smart speaker functionality and any remote CII (for example, steps executed on a server) could also be sought through appropriately drafted claims.

Machine learning and AI

With increased data generation, computational power and device connectivity, machine learning and AI are being increasingly deployed to help facilitate better device automation and efficiency. CIIs implementing machine learning are typically assessed as computer-implemented mathematical methods at the EPO. Demonstrating a technical effect therefore requires either a technical **application** or specific technical **implementation** to be shown.

Technical application relates to the purpose of the method and whether or not this is technical. For example, gathering appliance usage data for use with a machine learning model to generate targeted adverts is more likely to be seen as a "business" rather than "technical" purpose. It may therefore be difficult to demonstrate a technical effect in this case. On the other hand, using such data with a machine learning model to predict when a particular appliance is likely to be used to improve energy efficiency may well be seen as a "technical" purpose, making the demonstration of a technical effect easier.

Specific technical **implementation** relates to whether a CII is particularly adapted to take into account technical considerations of the internal functioning of the computer system or network which implements it. Thus, for example, if a machine learning model for processing appliance usage data has been specifically designed to execute

New and innovative CII features enabling functionality may exhibit a technical effect

efficiently on a particular type of hardware (taking into account the architecture and computational resources of the hardware), this may be considered a technical effect.

A further consideration for patenting CIIs using machine learning models is the indication of sufficient detail of an example machine learning model (for example, the model type and architecture) and example training data. Enough information about the model and training data should be provided in the patent application description to enable a skilled person to re-create the claimed CII without undue burden. This is to ensure that the claimed CII is deemed sufficiently disclosed by the EPO.

Machine learning models are thus further examples of CIIs which may be shown to demonstrate a technical effect.

It is noted that a single CII product may perform multiple functions associated with multiple respective technical effects. For example, a smartphone app may both process appliance usage data in a new way to predict future usage patterns for energy saving purposes and provide a new and improved appliance control interface. In this case, protection for the set of features enabling each separate technical effect might be independently pursued through an appropriate filing or claim drafting strategy.

Conclusion and further thoughts

The inclusion of new and useful CIIs is one way of distinguishing mechanically similar products in an increasingly competitive market. If a suitable technical effect can be demonstrated, European-wide patent protection for such innovations via the EPO may be possible to help protect the "creators" from the "copiers".

There may also be other advantages to patent protection. For example, it may help attract investment and can help reduce an organisation's UK corporation tax bill through the UK's Patent Box scheme (thereby offsetting the cost of obtaining patent protection, sometimes many times over).

D Young & Co's patent attorneys are highly skilled in drafting and prosecuting patent applications for CIIs with a view to covering product functionality and demonstrating the required technical effect. If you would like assistance in this area or simply to discuss anything in this article, please contact Arun Roy or your usual D Young & Co representative.

Author:
Arun Roy

Windsor incoming
All change to UK SPCs for human medicines

The provisions of the Windsor Framework regarding Northern Ireland, agreed in 2023 between the UK and EU, entered into force on 01 January 2025.

Although the Windsor Framework does not contain any direct provisions regarding IP rights, its effect on pharmaceutical regulation will change the way the UK handles supplementary protection certificates (SPCs) for human medicines in the future.

SPCs extend the term of patents for medicines (both human and veterinary) and plant protection products (pesticides) which require the grant of a marketing authorisation (MA) before they can be marketed.

Background: Northern Ireland Protocol and split marketing authorisations in UK

Under the Northern Ireland Protocol, which was part of the UK's original withdrawal agreement, EU law on goods, including human and veterinary medicines, continued to apply to Northern Ireland following Brexit. The effect of this was that regulation of medicines in the UK, and the grant of MAs under these regulations, was split.

MAs granted by the UK's human medicines regulator (the MHRA) had effect only in Great Britain, whereas centralised MAs granted by the European Medicines Agency (EMA) continued to have effect in Northern Ireland, but no longer had any effect in Great Britain. The same applied to veterinary medicines, for which the EMA granted centralised MAs effective in Northern Ireland, but the Veterinary Medicines Directorate (VMD) granted MAs for Great Britain.

The UK has largely retained the existing EU legislation on SPCs following Brexit. However, the splitting of MAs caused by the Northern Ireland Protocol also caused the filing of UK SPCs for both human and veterinary medicines to be split into a two-step procedure, as follows.

- The first step of the filing of a UK SPC was based on whichever regulator (MHRA or EMA) granted an MA first, and must be carried out within six months of the grant of that MA (or six months from the grant of the basic patent, if later). At that point, the SPC would only cover either Great Britain or Northern Ireland respectively.
- Once the other regulator had granted an MA, it was then necessary to apply to the UKIPO in a second step, within six months of the grant of that MA to extend the SPC to the rest of the UK. If the second MA was not granted by the time the basic patent expires, the SPC could never cover that part of the UK.

The Windsor Framework effects the way the UK handles SPCs for human medicines

Changes to UK regulation of human medicines

The changes to regulation of human medicines to implement the Windsor Framework came into force on 01 January 2025. These are as follows:

- Centralised MAs for human medicines issued by the EMA will no longer be effective in Northern Ireland. They will also no longer qualify for the award of a paediatric extension. This will apply to both existing MAs and newly granted MAs.
- Existing MAs for human medicines issued by the MHRA will now have effect across the whole of the UK and will become UK MAs.

Changes to newly filed UK SPCs for human medicines

Any new UK SPC applications for human medicines filed after 01 January 2025 can

generally no longer be based on a centralised EMA MA (with the exception of those subject to the transitional provisions below). This is because the MA must be valid on the filing date of the SPC application, and EMA MAs will no longer be effective in Northern Ireland as of that date. Consequently, any new UK SPC applications can now only be based on an MA issued by the MHRA.

As the MHRA MAs are now effective across the whole of the UK, the two-step procedure for filing UK SPCs for human medicines will no longer be required. The SPC must be filed in one step, within 6 months of the grant of the UK MA, and when granted, will cover the whole of the UK.

Transitional provisions: newly filed UK SPCs

Under the transitional provisions, it is still possible to file an SPC application after 01 January 2025 that relies on a centralised EMA MA granted before 01 January 2025, provided that the six-month SPC filing deadline is based on the grant date of that MA (in other words, not by the grant date of the basic patent) and expires after 01 January 2025. This exception may therefore apply to SPCs if the centralised EMA MA was granted between 01 July 2024 and 31 December 2024 and the SPC filing deadline expires no later than 30 June 2025.

Any GB or UK MA granted before the filing date of the SPC must also be filed with the SPC application, and cannot be used as the basis for a separate SPC application filed later. SPCs filed under these provisions will only come into force if a UK MA has been granted for the product, and the applicant has informed the UKIPO of this grant, by the time the basic patent expires.

Changes to existing UK SPCs for human medicines

- For existing granted SPCs based on **both** a centralised EMA MA and a GB MA, no action is required. The centralised EMA MA will no longer be effective in Northern Ireland, but the GB MA taking effect across the whole of the UK will replace it automatically. The territorial scope of the SPC will remain UK-wide. This also applies to UK SPCs filed before the end of the Brexit transition period on 01 January 2021 (on which the EMA MA was "cloned" into a GB MA on expiry of this period).
- For existing **pending** SPC applications filed after 01 January 2021 and based on a centralised MA **only**, the UKIPO has treated the EMA authorisation as being withdrawn on 01 January 2025. This will **not** result in automatic refusal of the pending SPC application, as the UKIPO assesses the conditions for granting an SPC are met as of the date of filing the SPC application: examination will therefore proceed as normal, and the SPC can still be granted. However, a UK MA will need to be granted by the MHRA before the basic patent expires in order for the SPC to come into effect.
- Similarly, for existing granted SPCs filed after 01 January 2021 and based on a centralised EMA MA **only**, the UKIPO has treated the EMA authorisation as being withdrawn on 01 January 2025. This will **not** result in the automatic revocation of the granted SPC. However, a UK MA will need to be granted by the MHRA before the basic patent expires. Otherwise, the SPC will not come into effect.

Changes to paediatric extensions of UK SPCs for human medicines

An extension of six months to the term of UK SPCs is available for human medicines on which paediatric studies have been carried out in accordance with an agreed paediatric investigation plan (PIP). This system will remain in force, but with changes which largely parallel those for SPCs.

Newly-filed requests for a paediatric extension filed on or after 01 January 2025 can no longer rely on a centralised EMA MA. However, requests for paediatric extension filed before 01 January 2025 and either pending or granted will be based on the previous law.

Any granted paediatric extension or pending request based on a Great Britain MA will automatically extend to cover Northern Ireland on 01 January 2025, and no separate request to include Northern Ireland needs to be filed at the UKIPO. However, for granted paediatric extensions or pending request based on a centralised EMA MA, the applicant will still need to file a request to include Great Britain in that extension, based on the PIP studies agreed with the MHRA MA.

No changes to UK SPCs for veterinary medicines

The Windsor Framework contains no provisions regarding veterinary medicines. This means that EU law on veterinary medicines continues to have effect in Northern Ireland and the splitting of UK MAs between the EMA and the VMD continues.

As a consequence of this, the current two-step system for filing UK SPCs, based on each of the two separate MAs, will remain in force for veterinary medicines. Both MAs will still be required for the SPC to have effect in the whole of the UK.

The Windsor Framework contains no provisions regarding vetinary medicines

Author:
Garreth Duncan

Standard essential patents
European Commission drops the EU Regulation on SEPs

Related article
FRAND judgments at the UPC? The latest act in Panasonic's SEP infringement saga with OPPO and Xiaomi, 07 January 2025: dycip.com/frand-sep-xiaomi-panasonic

On 11 February 2025, the European Commission published its workflow for 2025 and in that document identified that it was not going to progress the implementation of the EU Regulation on standard essential patents (SEPs) (the SEP Regulation) because there was no foreseeable agreement on implementing the regulation.

It appears generally that the dropping of the SEP Regulation will be greeted with a sigh of relief, particular from SEP holders. Whilst the SEP Regulation aimed to improve licensing transparency and ease access to licences to the benefit of both SEP owners and implementers alike, there were questions over its practical implementation and whether it would actually achieve these aims. Whilst the SEP Regulation had laudable aims, perhaps it was too revolutionary as opposed to evolutionary. Certainly, there is still a need to improve access to licences for SEPs and to force implementers to agree licencing terms for SEPs.

One of the issues with the SEP Regulation was trying to figure out how it would work in practice for both SEP holders to license their patents and implementers wishing to gain access to technology by licensing SEPs. Without doing a full analysis of the SEP Regulation itself, some of the main points of controversy can be identified as:

- A requirement to declare a patent, which was considered by the owner to be essential to a standard, so that this could be included on a register of SEPs managed by the EUIPO. The Regulation required registration at the EUIPO before that patent could be enforced in a competent court, which could be the UPC or a German court that can grant injunctions. This seems onerous, although it is to be noted that this is not very different to the approach taken by standards bodies such as 3GPP to require patent holders to declare their patents and agree to license on fair reasonable and non-discriminatory (FRAND) terms.

The European Commission has dropped the EU Regulation on SEPs

- With an aim of increasing transparency for licensing SEPs, the SEP Regulation included provision for aggregate royalty rates to be published on the SEP Register, including those settled by a competent court (UPC or national court). Whilst the intention was to promote transparency so that parties were clear on the licensing terms available, typically licensing agreements are confidential and SEP holders are very reluctant to share information about licenses agreed in order to preserve their future negotiating position.
- Once a patent had been declared and appears on the SEP Register, the owner would be bound into an assessment of essentiality of that patent and would agree to binding arbitration via contentious provisions under the SEP Regulation to settle a licence agreement and fix royalty rates.

Some commentators have said that the SEP Regulation made it too generous to implementers to gain licenses for SEPs, whilst others said it could favour large tech companies with significant SEP portfolios. Indeed it was not clear how the SEP Regulation could assist SEP holders in the same way that it could assists implementers. For example, how did the SEP Regulation assist an SME with limited resources to force an implementer to take a licence if that party was holding out because they had greater resources to resist licensing? In other words, whilst the SEP Regulation included provisions for allowing an implementer to obtain a licence from an SEP holder and avoid an injunction from the German courts, where was the balancing provision for an SEP holder to force an implementer to take a licence?

As we reported in our recent review of the decision of Panasonic v Xiaomi and Oppo (*dycip.com/frand-sep-xiaomi-panasonic*), the UPC has now begun to settle licensing conditions for SEPs, which perhaps rivals the UK courts as a venue for a so-called FRAND trials. It will be interesting to see whether the European Commission revisits the SEP Regulation, particularly in light of the operation of the UPC and its willingness to not only hear SEP litigation but also set FRAND licensing terms.

Authors:
David Al-Khalili & Jonathan DeVile

UKIPO Manual of Patent Practice January 2025 Section 1 updates

Useful link
UKIPO Manual of Patent Practice:
dycip.com/ukipo-patent-practice-manual

At the start of January 2025 the United Kingdom Intellectual Property Office (UKIPO) issued an updated version of the Manual of Patent Practice. This is the document which lays out the UKIPO's approach to patent examination. The most significant of the updates are found in Section 1, which relates to the patentability of inventions; defining which inventions can and cannot be successfully patented.

In particular, this revision of the Manual of Patent Practice sees significant updates to sections relating to the patentability of various computer-related inventions. This is partly in response to the outcome of the Court of Appeal's decision in the Emotional Perception artificial intelligence (AI) case in July 2024, in which it was ruled that artificial neural networks should be considered computer programs (and therefore subject to the corresponding exclusions to patentability). A further appeal will be heard in the UK Supreme Court, so it may be the case that further revisions to the Manual of Patent Practice are in the near future if the Court of Appeal's decision is overturned.

What is a computer program?

The definition of a computer program has been updated in the Manual of Patent Practice with reference to the Emotional Perception AI case. A computer is defined as "a machine which processes information", while a computer program is "a set of instructions for a computer to do something". So a computer program is any "set of instructions for processing information". These are rather broad definitions, which can be frustrating for applicants as it means that the corresponding exclusions to patentability can encompass a wide range of inventions.

As a part of the revision to this section of the Manual of Patent Practice, the UKIPO has provided clear guidance and examples of what constitutes a technical contribution (the essential characteristic that is required for a computer-implemented invention to be considered patentable). Cases are cited in respect of the five indicators (the so-called AT&T signposts, from [2009] EWHC 343 (Pat)) for determining whether a computer-implemented invention is patentable, with the relevance of each of these cases being discussed in greater detail than previously.

What about artificial intelligence?

The Manual of Patent Practice considers that because practical implementations of AI inventions typically rely on computers, they should be interpreted as computer-implemented inventions. This is the topic at the heart of the Emotional Perception AI case, in which it was argued that an artificial neural network (ANN) was not a computer program as there are no instructions to be executed by a computer. Instead, learned weights are used to convert an input into an output. However, the Manual of Patent Practice has now been updated to indicate the UKIPO's position that the learned weights are the computer program, as it is these which instruct a machine executing the ANN on how to convert an input into a particular output.

As such, the patentability of AI inventions are to be judged against the criteria for computer-implemented inventions. The guidance also indicates that AI inventions are considered to be mathematical in nature, offering the UKIPO another avenue for rejection in the event that its position changes on whether AI should be treated as a computer-implemented invention.

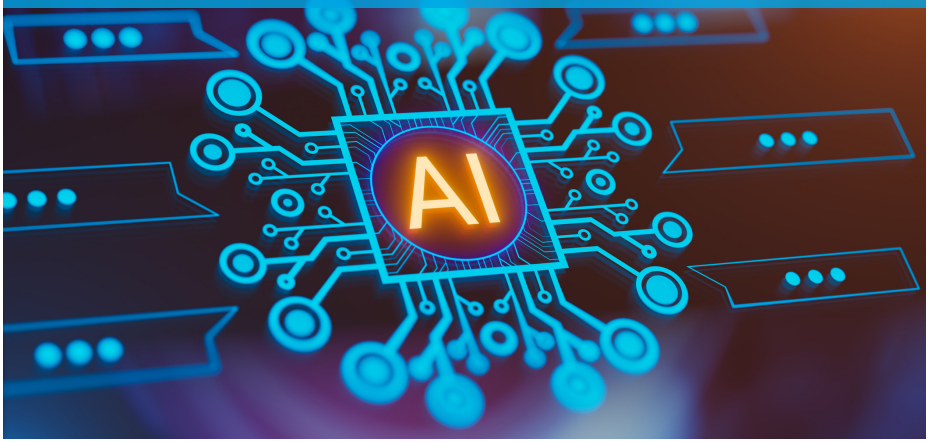
Are quantum computers treated differently?

The Manual of Patent Practice now provides more detail about how quantum computing inventions are to be treated; in short, they are to be treated in the same manner as any other computer-implemented invention. This is because although the manner in which the computer executes the instructions is different, a quantum computer is still "a machine which processes information". It is therefore necessary to identify a technical effect resulting from the execution of a program by a quantum computer in order to obtain a patent in this area. Given the relative novelty of this field, there are few positive examples provided which are able to guide applicants on quantum-specific matters (although the detection and correction of errors is referenced as a relevant technical effect). Instead, three decisions are cited in which it was concluded that no technical contribution was made.

Conclusion

While this update does not represent a significant change in practice at the UKIPO, the updates to the Manual of Patent Practice are welcome as they offer a clearer insight into the examination of computer-implemented inventions. We expect further updates to these topics in the Manual of Patent Practice in due course, in response to the decision of the Supreme Court in respect of the Emotional Perception AI case.

Manual of Patent Practice updates concern computer-related invention patentability



Author:
Ryan Lacey

SPC eligibility for combination products
Clarification at last?

The Court of Justice of the European Union (CJEU) has issued its long-awaited judgment on how Articles 3(a) and 3(c) of the EU Supplementary Protection Certificate (SPC) Regulation are to be interpreted in the joined cases C-119/22 and C-149/22.

Legal background

This case relates to the interpretation of Articles 3(a) and (c) of the EU SPC Regulation, which set two of the criteria for SPC protection in the EU. Article 3(a) requires that the product is protected by a basic patent in force; and Article 3(c) that the product has not already been the subject of an SPC.

Prior CJEU case law has provided some guidance on interpretation of these provisions. Three possible tests for compliance with Article 3(a) have been considered by the courts:

1. **The "infringement" test**
   Wherein it is sufficient that the approved product falls within the claims of the basic patent.
2. **The "specifically identifiable" test**
   Wherein the approved product must not only fall within the claims of the basic patent, but be sufficiently identifiable (preferably expressly, as a specific compound) within the claims and/or description of the basic patent.
3. **The "inventive advance" (or "falls under the invention" test)**
   Wherein the approved product must also reflect the inventive contribution made by the patent.

See our related article "Can we finally advance? CJEU asked once again to consider SPC eligibility of patents for combination products", 14 March 2022: dycip.com/spc-irish-supreme-court-questions

Clarification as to which test or tests is applicable for the assessment of Article 3(a) to combination SPCs has been long overdue. The CJEU's decision in these joined cases appears to provide some much-needed clarity in this regard, by indicating that both tests 2 and 3 are applicable.

Case C 149/22

In brief, based on EP1412357, Merck was granted a first SPC in Ireland to a medicinal product comprising ezetimibe as the sole active ingredient. Subsequently, Merck obtained a second SPC based on the same basic patent, granted to a medicinal product comprising a combination of ezetimibe and simvastatin.

During infringement proceedings, the Irish courts relied on test 3 (the inventive advance or falls under the invention test) and held that the combination of ezetimibe and simvastatin did not "fall under the invention" of the basic patent and thus did not meet the requirements of both Articles 3(a) and 3(c). This decision was appealed by Merck, which submitted that test 3 is only relevant if the basic patent fails to expressly mention the product in question (if test 2 is not met). Merck also highlighted that test 3 was no longer relevant since it was rejected by the CJEU in C-650/17 (Royalty Pharma Collection Trust v DPMA).

Case C 119/22

The issues in C-119/22 are largely aligned with those in C-149/22. In short, based on EP1412357, Merck was granted a first SPC in Finland to a medicinal product comprising sitagliptin as the sole active ingredient. Subsequently, Merck obtained a second SPC based on the same basic patent, to a medicinal product comprising the combination of sitagliptin and metformin.

Teva sought to invalidate the second combination SPC on the grounds that the first SPC to sitagliptin precluded grant of the second combination SPC, contrary to Article 3(c), and that the combination was not protected by the basic patent, contrary to Article 3(a).

Questions referred

In view of the uncertainty in the current case law, specifically regarding the applicable tests for the assessment of Articles 3(a) and 3(c), the questions referred by the Irish and Finnish courts largely addressed the same points. These were essentially combined by the CJEU in its decision, which ruled on the following three questions.

1. **Does Article 3(c) preclude the grant of an SPC for a product consisting of two active ingredients where one of those active ingredients has already been the subject of an earlier SPC as a sole active ingredient (the second active ingredient being already known at the filing or priority date of the patent)?**

In answer to this question, the court concluded that an SPC application to a product consisting of active ingredients A+B **cannot** be refused under Article 3(c) on the ground that a product consisting of only A or B has already been the subject of an SPC. The court confirmed that the combination A+B represents a different product to that consisting of only one of A or B.

In answering this question, the CJEU also clarified whether Articles 3(a) and 3(c) are to be considered in light of each other or independently. In this regard, the CJEU highlighted that Article 3(a) seeks to delimit the scope of the SPC by reference to the basic patent, whereas Article 3(c) seeks to limit the temporal scope of the supplementary protection conferred on a given product.

From this, the CJEU clarified that the conditions laid down in Article 3(a) cannot be regarded as being relevant for the purpose of interpreting Article 3(c), and that the content of the basic patent is therefore irrelevant in the context of Article 3(c).

2. **Must Article 3(a) be interpreted as meaning that it suffices that a product is expressly mentioned in the claims of the basic patent in order for that product to be protected by that patent?**

This question raises the issue of which test is applicable for the assessment of Article 3(a) and specifically, whether test 2 is sufficient or whether a combination of tests 2 and 3 is required.

Related articles

"Can we finally advance? CJEU asked once again to consider SPC eligibility of patents for combination products", 14 March 2022: dycip.com/spc-irish-supreme-court-questions

"CJEU thickens the fog on SPC eligibility", 26 July 2018 (C-121/17, Teva and others v Gilead): dycip.com/c121-17

This is as presented in the two-step test provided for in the Teva judgment. For more information see our related article "CJEU thickens the fog on SPC eligibility", 26 July 2018 (C-121/17, Teva and others v Gilead): dycip.com/c121-17

The CJEU confirmed that in order for a product to be "protected by a basic patent', it is always necessary that the product "fall under the invention" protected by that patent. As a result, the CJEU confirmed that test 3 is relevant, regardless of whether the product is expressly mentioned in the basic patent.

The CJEU noted that if the mere mention of a product in the claims of a basic patent were to suffice, without the patent disclosing how that product constitutes a technical feature required for the solution of the technical problem disclosed by that patent, an SPC could be obtained for a product which is not the result of the research leading to the invention protected by the basic patent. This was considered contrary to the intended objective of the SPC Regulation, which is to encourage pharmaceutical research. Such an objective-based (teleological) interpretation is commonly used by the CJEU to interpret EU law, including on SPCs, even if it conflicts with the literal wording of the legislation.

3. **Must Article 3(a) be interpreted as meaning that a product consisting of A+B is protected by a basic patent where A and B are expressly mentioned in the claims of that patent and the patent teaches that A may be used as a medicinal product for human use alone or in combination with B which is an active ingredient in the public domain at the effective date of that patent?**

This question acts to align the CJEU's comments provided for question 2 to the situation of combination products. The CJEU confirmed that for a product consisting of two active ingredients (A+B) expressly mentioned in the claims of the basic patent to meet the requirements of Article 3(a), that product must necessarily "fall under the invention" covered by that patent. The

Three possible tests for compliance with Article 3(a) have been considered by the courts

CJEU thus clarified that the express mention of the two active ingredients comprising the product at issue is insufficient for that product to be compliant with Article 3(a).

Interestingly, the CJEU indicated that if the basic patent discloses that the combination of the two active ingredients provides a synergistic effect contributing to the solution of the technical problem, it may be concluded that the combination product necessarily falls under the invention covered by that patent.

Implications

The CJEU's decision will have wide-ranging implications for SPC cases involving combination products. In particular, the decision acts to confirm that an assessment of whether a combination product "falls under the invention" of the basic patent is required in all situations when considering Article 3(a). The CJEU relied on this language from the Teva judgment, rather than the "core inventive advance" language of the Actavis I decision.

The CJEU's decision seemingly places a higher bar for the assessment of Article 3(a) for combination products, suggesting that if a basic patent discloses both single active ingredients and combinations, the combinations must themselves "**fall under the invention**" and must be necessary for solving the technical problem. As a result, the common practice of simply listing combinations in a patent is unlikely to be sufficient for the requirements of Article 3(a).

Nevertheless, how to assess whether a combination "falls under the invention" of the patent remains somewhat unclear. Whilst the decision of the CJEU suggests that a synergistic effect between two active ingredients would justify an SPC, it is not clear whether this will be essential. However, the implication that some form of data directed to the combination may be required suggests that delaying the disclosure of combinations within patent filings may be appropriate until data supporting a technical effect for that combination has been established. This is particularly since the CJEU's decision is silent on whether the evidence supporting the combination must be present at the time of filing or whether post-filing data can be taken into account.

We look forward to seeing how the referring courts implement the CJEU's decision in the context of assessing Article 3(a). The D Young & Co SPC team would be pleased to answer any queries you have on this decision.

Author:
Oliver Cartwright

Cause and effect of bifurcation at the UPC?
Edwards v Meril review

In the ongoing heart valve saga between Edwards Lifesciences and Meril Life Sciences, the Unified Patent Court's (UPC) Munich Local Division refused to stay infringement proceedings, pending an appeal of the Paris Central Division's finding on validity of the patent in question in these bifurcated proceedings. The Munich Local Division subsequently found the patent to be infringed by Meril (UPC_CFI_15/2023).

Background

Edwards Lifesciences' patent (EP3646825) relates to prosthetic heart valves and is part of a broader dispute between Edwards and Meril. A two-pronged revocation attack was launched by Meril Life Sciences after Edwards Lifesciences instigated its infringement action: revocation counterclaims were initiated by Meril Life Sciences Ltd and Meril GmbH before the Munich Local Division, while a standalone revocation action was also initiated by Meril Italy before the Paris Central Division. The Munich Local Division ultimately referred the counterclaims for revocation to the Paris Central Division for consolidation with the separate action filed by Meril Italy. However, the Munich Local Division remained adjudicator in the infringement claim brought by Edwards Lifesciences. A single hearing for the revocation actions took place on 07 June 2024 (see "related articles" for more on this). The patent was upheld in amended form, which formed the basis for the infringement proceedings held in Munich.

Bifurcated proceedings: when is a hexagon not a hexagon?

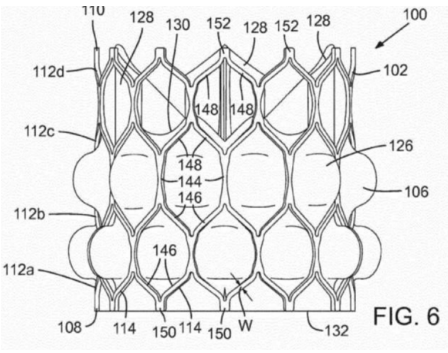


Figure 6. Image source UPC_CFI_15/2023: dycip.com/upc-cfi-15-2023

The patent in question relates to prosthetic heart valves comprising a collapsible and expandable annular frame made up entirely of hexagonal cells. This is depicted by the patent illustration figure 6, below left).

According to the granted claims, the cells are formed from six "struts", configured in an appropriate hexagonal shape, where opposing side struts (144) extend parallel to a flow axis of the valve (in a "vertical" orientation). The ability to reduce crimping profile, maintain stability during crimping and expansion, and provide increased radial strength are said to be a key advantages of the invention.

> With respect to the decision of the Paris Central Division and that of the Munich Local Division, the key questions concerned the interpretation of hexagonal "cells" and whether other cells functioned in the same manner.

In the revocation proceedings, the Paris Central Division took a fairly literal approach to interpreting the claims, defining the hexagonal cells as comprising six struts configured as per the express terms specified in the claims. However, the Munich Local Division took a seemingly broader, functional approach to defining the hexagonal cells. While broadly following the Paris Central Division's approach, the Munich Local Division held that the claims do not exclude the presence of other openings in the cellular framework (in addition to the hexagonal openings). The relevance of the Munich Local Division's interpretation is pertinent to Meril Life Sciences' allegedly infringing "Myval Octacor" heart valve, which Meril Life Sciences argued essentially comprises two different types of opening: overlapping octagon-shaped cells (marked in red and green) and rhombic or diamond-shaped cells (marked in yellow) formed within the overlapping portions of the eight struts (see image below).

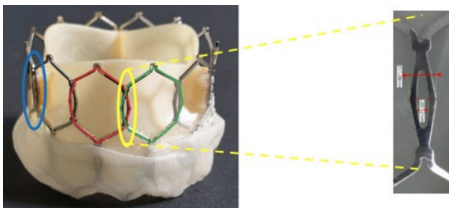


Image source: UPC_CFI_15/2023L dycip.com/upc-cfi-15-2023

The Munich Local Division considered how the Octacor cells and overlapping portions functioned, but it ultimately found that the framework behaved in a manner that was consistent with a framework formed entirely of hexagonal cells. The Munich Local Division therefore concluded that the "side strut apertures" do not form discrete cells in themselves and can be considered to form part of a hexagonal cell as per the claim.

In a further, yet unusual move, the Munich Local Division also referenced one of Meril Life Sciences' post-filed patent applications (IN202121047196) in support of its interpretation of the hexagonal cell. While this did not alter the division's final decision, it is noteworthy that a post-filed, third-party patent application was referenced by the division to support its interpretation of a claimed feature. This is particularly striking given that Article 69 EPC stipulates that only the description and drawings shall be used to interpret the protection conferred by a European patent.

> The Munich Local Division's approach appears more expansive than that adopted by the Paris Central Division, which took a more literal interpretation of the term "hexagonal" in the claim.

This is of note, given the Paris Central Division was seemingly not persuaded by

Related articles & useful links

UPC_CFI_15/2023 (PDF): dycip.com/upc-cfi-15-2023

WO 2012/48035: dycip.com/WO2012048035

Meril v Edwards: inventive step at the UPC, 08 October 2024: dycip.com/ord-25123-2024

Rules of Procedure of the UPC (PDF): dycip.com/upc-rulesofprocedure

UPC_CoA_22/2024 (PDF): dycip.com/upc-coa-22-2024

UPC_CFI_263/2023 (PDF): dycip.com/upc-carrier-bitzer-jul24

Lessons from Carrier v Bitzer, parallel proceedings at the EPO and UPC, 08 October 2024: dycip.com/upc-ord-25123-2024-carrier-bitzer

expert opinion that argued a skilled person would consider intermediate rows of diamond-shaped cells, as disclosed in the prior art ("Levi"; see below), as hexagonal cells.

FIG. 11

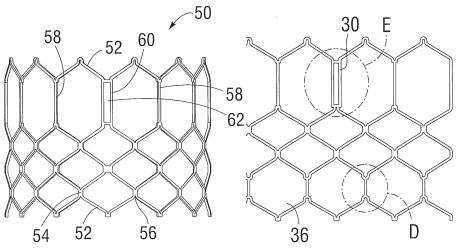


Image source: WO 2012/48035, dycip.com/WO2012048035

While the expert opinion may have been based on a functional consideration of the prior art figures, the Paris Central Division found that the illustrations in question distinguished between hexagonal cells and rhombic or diamond-shaped cells. Thus, in its concluding remarks, the Paris Central Division held that the rhombic or diamond-shaped cells were not comparable to hexagonal cells.

It is noteworthy that, in spite of the seemingly different interpretation, the Munich Local Division concurred with this assessment when providing its assessment on validity in the context of answering Meril Life Science' question of whether the decision of the Paris Central Division was manifestly erroneous (see below).

To stay, or not to stay: that is the question

Another interesting aspect of the bifurcated nature of these proceedings is that Meril Life Sciences had requested a stay of the infringement proceedings pending an appeal of the revocation decision. According to Rule 295 UPC Rules of Procedure, the UPC may stay its proceedings where an appeal is brought before the Court of Appeal against a decision or order of the Court of First Instance disposing of the substantive issues in part only and in any other case where the proper administration of justice so requires (Rule 295(c)(i) and (m) UPC Rules of Procedure).

Meril Life Sciences argued that the proceedings should be stayed because the decision of the Paris Central Division regarding validity of the patent was manifestly and *prima facie* erroneous.

Meril Life Sciences also argued that the proceedings should be stayed on the grounds that the Paris Central Division had not considered all matters put before it and thus its right to be heard has been infringed. However, the Munich Local Division rejected Meril Life Sciences' requests, stating it had failed to demonstrate that the Paris Central Division's decision was manifestly erroneous. The court also considered that there had been no violation of the right to be heard, as the arguments that Meril Life Sciences considered had been omitted by the Paris Central Division were in fact referred to in the decision.

While the decision indicated that a stay of the infringement proceedings may be based on specific provisions of the UPC Rules of Procedure, there is no obligation to stay the proceedings as such. The core reason for allowing stays only in such limited circumstances appears to be due to the UPC's focus on delivering expedient decisions.

With respect to bifurcated proceedings, the Munich Local Division did consider the Paris Central Division's revocation decision in detail, stating that it was its belief that the assessment will "hold water" in the appeal proceedings. It will be interesting to see how the Court of Appeal decides on both infringement and revocation matters, following on from these bifurcated proceedings before the respective Courts of First Instance.

Backdated damages

In a number of jurisdiction-based requests raised by Meril Life Sciences, one of particular note was that the UPC did not have jurisdiction to decide on acts of infringement committed before the entry into force of the Agreement on a Unified Patent Court on 01 June 2023. The Munich Local Division rejected this request in full. In particular, the division rationalised its decision on the hypothetical basis that, following the conclusion of the transition phase, the UPC will have exclusive jurisdiction over all European patents designated to UPC participating European Union (EU) member states (unless these European patents have been opted out of its jurisdiction during the transitional phase). Thus, the national courts of the UPC member states will no longer have competence in this regard.

As a result, if Meril Life Sciences' arguments were to be accepted, no court would be able to adjudicate claims for infringements committed prior to 01 June 2023 after the UPC transition phase finishes, which would not be viable.

Conclusion

Without commenting on the merits of either decision handed down by the Paris Central Division or Munich Local Division, there are possible risks of bifurcating proceedings at the UPC that are evident to see in this decision. Here, it is particularly noteworthy that the divisions adopted different interpretations to one another when reviewing the same claim. It will be interesting to see how the Court of Appeal assesses validity and infringement of Edward Lifesciences' patent in due course, and in particular how a single interpretation of the claim by the Court of Appeal impacts the outcome for validity and infringement.

With respect to stays of proceedings, it seems as though it would be difficult to have revocation/infringement proceedings stayed simply because the proceedings have been bifurcated and there is an appeal pending in respect of one of the matters. Indeed, it seems that UPC cases are rarely stayed (see more on this subject in our recent article "Lessons from Carrier v Bitzer, parallel proceedings at the EPO and UPC": *dycip.com/upc-ord-25123-2024-carrier-bitzer*).

We will continue to monitor these proceedings and report on their progress in due course.

Author:
Stephen Solomon

UPC & EPO symbiosis
Seoul Viosys v expert klein & expert e-Commerce

Case details at a glance
Decision level: Court of First Instance, Düsseldorf (DE) Local Division
Parties: Seoul Viosys Co Ltd v expert klein GmbH, expert e-Commerce GmbH
Order: ORD_598458/2023
Date: 10 October 2024
Decision: dycip.com/ord-598458-2023

Since its start in June 2023, the Unified Patent Court (UPC) has continued to gather momentum with an increasing number of cases producing judgments that provide the sort of legal and technical analysis that can provide increasing confidence to European patent rights holders. Perhaps a good example is the judgments by the Düsseldorf Local Division of the UPC in respect of Seoul Viosys Co Ltd v expert klein and expert e-Commerce, which resulted in Seoul Viosys being awarded an injunction covering eight UPC contracting states.

Ultra-thin LEDs

The technology concerned primarily smartphone light-emitting diodes (LEDs) used on camera flash modules. Seoul Viosys held several European patents in a family including divisional applications from a grandparent relating to "no wire technology", which enables miniaturisation and provides light extraction efficiency by improving light reflection and current spreading. The LEDs are a so-called flip chip process in which one of the layers of the LEDs include a metallic reflection layer and light is reflected through a substrate. The LEDs also include a current spreading layer, which has an effect of enhancing light generation efficiency. These features are essential for high-performance LEDs in applications such as mobile phone flashes, automotive headlamps and high-power lighting systems. Particularly, the technology includes techniques relating to wafer integrated chip on PCB (WICOP) technology, which allows the chip to be mounted directly on a substrate without using wires or packages for connection. This eliminates a traditional step of adding wires to the chip so that the energy device can be slimmer.

UPC judgments

The judgments issued by the Düsseldorf Local Division on 10 October 2024 were UPC_CFI_363/2023 related to EP 3 926 698 and UPC_CFI_483/2023 related to EP 3 223 320, both of the patents being divisionals from a grandparent. Whilst EP 3 223 320 was considered by the Düsseldorf Local Division to be invalid on the ground of added subject matter, which could not be remedied by amendment without impermissibly broadening the scope of the claims, the Düsseldorf Local Division found EP 3 926 698 both valid and infringed. Accordingly, the Düsseldorf Local Division granted an injunction requiring delivery up and destruction of infringing articles by the defendant in eight contracting states of the UPC. This represents one of the highest number of countries covered in an injunction granted by the UPC, which illustrates its potential power. Moreover, this remedy was granted to a Korean patent owner against a German party.

Legal aspects of the judgments

A recurring theme in recent judgments of the UPC is the use of Article 69 of the European Patent Convention (EPC) to interpret the scope of the claims using the description, and both of these judgments were no exception. The Düsseldorf Local Division dived into the technical detail and conducted a thorough analysis of the claim of EP 3 926 698 to interpret its scope.

Two interesting aspects of the judgment which upheld the validity of EP 3 926 698 were the Düsseldorf Local Division's approach to inventive step and added subject matter.

In respect of inventive step, the Düsseldorf Local Division applied the problem and solution approach in light of the technical effect of the claim of EP 3 926 698. This was related to the three-layer sequence of a reflective layer, stress relief layer and metal barrier layer selected with regard to a thermal coefficient of expansion of these material, which prevented ion migration between layers. As ever, the starting point for determining inventive step was key in the analysis and a suggestion of the solution from other prior art. However, rather than considering other solutions, which fell within the claim, the Düsseldorf Local Division limited solutions determined from other prior art to those which fell outside the scope of the claim, and accordingly determined that the claim was not obvious. This is a little like the "would not could" test, but we are down to nuance here. It is difficult to draw a general conclusion about any difference in approach with respect to that used by the European Patent Office (EPO), particularly because the Boards of Appeal at the EPO can choose a different starting point of that used by an Examining Division/Opposition Division and ultimately the solution can be a subjective test, which can result in different conclusions. However, perhaps it could be said that the Düsseldorf Local Division was more generous in respect of inventive step assessment to the patentee.

The attack on the patent by the defendants of added subject matter in the case of the EP 3 926 698 patent failed. One of the attacks concerned the connection of the LED device to the substrate using a mesa-etched area. The claim only included reference to mesa-etched areas, which could include a single mesa, which meant that the alleged infringement fell within the terms of the claim. The grandparent application referred to a plurality of mesas in combination with the other claimed features. However, this was considered not to be sufficient to conclude that subject matter had been added, partly because the Düsseldorf Local Division considered that the technical effect of the claim lay in the three-layer combination mentioned above. It was not the mesas but the mesa-etched areas which were important. In contrast, the Düsseldorf Local Division concluded in the second decision UPC_CFI_483/2023 that EP 3 223 320 was invalid for added subject matter because this explicitly recited a mesa (single), which could not be remedied by amendment.

Symbiotic relationship between the UPC and EPO

Use of the description to interpret the claims according to Article 69 EPC is beginning to have effects on the way examiners are stricter on amending the description so that this conforms more explicitly to the scope of the claims at grant. In the same way, assessment of inventive step and added subject matter by the UPC may also affect the way that the EPO assesses inventive step and added subject matter as further judgments of the UPC produce an increasing body of case law. It appears to be important therefore that we monitor the direction of these aspects of the UPC as this begins to influence the view of the EPO.

Author:
Jonathan DeVile

IP strategies
The impact of changes and trends in the European household appliance market

Useful link
Statistics referenced in this article were obtained from recent Statista market analysis, "The Evolving UK Domestic Appliance Market - Key Insights & Trends": dycip.com/statista-uk-domestic-appliances

The size of the household appliance market is huge. In 2024, the combined revenue in the household appliance market in the UK, France and Germany amounted to $35.3 billion. This revenue is forecast to increase to $38.9 billion by 2027.

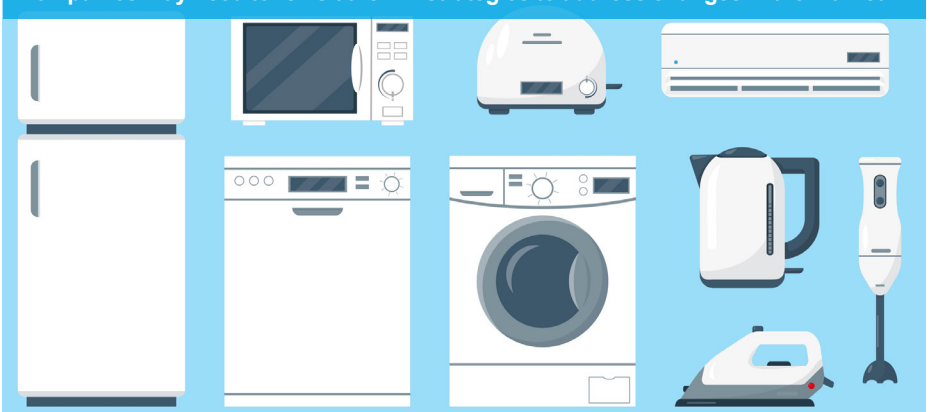
In this article, we examine recent trends in the household appliance market in Europe and see how the market is changing. These changes and trends may impact intellectual property strategies for companies acting in this area.

The term "household appliance" covers a large range of domestic appliances from small appliances such as coffee machines, air fryers and hair dryers, through to larger appliances such as dishwashers, domestic air conditioners and refrigerators. The combined revenue for small appliances is set to grow from $15.8 billion in 2024 to $17.4 billion in 2027, with vacuum cleaners making up around 25% of this revenue. The revenue for larger appliances is predicted to grow from $19.5 billion in 2024 to $21.5 billion in 2027, with refrigerators and washing machines predicted to account for a massive 70% of this market.

It is really important to consider the market when devising and implementing an IP strategy. This includes areas of growth within a particular market so that IP protecting the differentiators in the growth areas is generated and asserted as necessary.

One interesting area of growth for household appliances is in the area of smart appliances. Smart appliances are gaining popularity driven by convenience and energy saving and the wider adoption of a "smart home'" by consumers. There is a predicted growth of around 26% in the smart appliance market between 2022 and 2027. With such predicted growth, the "smart" features of a household appliance are becoming important differentiators between products. This has meant household appliance manufacturers are increasing innovation in this area and patents towards these smart differentiators are becoming increasingly important.

Companies may need to revisit their IP strategies to address changes in the market



In terms of smart features, one of the areas of most importance to consumers is in reducing energy consumption of the household appliance. In particular, in the UK, when 5,000 people were surveyed recently, 80% of consumers said that they were concerned about rising energy costs. This means that innovation in the area of energy efficiency and time shifting energy usage to times when energy prices are lower (for example, at night) is of particular importance to consumers.

The fast pace of innovation in smart features means that household appliances are being replaced more regularly by consumers. In a recent survey, 26% of consumers in the UK said that they were planning to buy household appliances within the next 12 months. However, this desire to change household appliances more regularly means that durability may be less important and instead lower prices are becoming increasingly important for consumers. In fact, 25% of UK based consumers in a recent survey of 35,000 consumers from across various markets indicated that a low price is of particular importance for them. The figure was even higher for French consumers, where 31% of consumers indicated that a low price was important for them. This means that household appliance manufacturers may need to focus on reducing costs where possible as opposed to manufacturing products that last for many years.

This drive for reduced costs has also shifted consumers' buying habits. In 2020, roughly 50% of purchases of household appliances were made online. However, by 2027, with the reduced overhead for online retailers and the increased adoption of online purchasing by consumers, it is predicted that around 60% of household appliance purchases will be made online with only 40% being made in person.

Consumers also really consider brands to be of particular importance when purchasing a household appliance. In a recent survey of 110,000 consumers from across the world, around 35% of them considered brand to be of particular importance. Within this, there was some large regional variation with nearly half of respondents in Poland saying brand was important while only a quarter of Swedes felt that brand was important. This means that it is important that manufacturers consider their brand strategy (and IP associated with that, especially trade mark protection) when operating in any particular market.

As can be seen from this analysis, the household appliance market is changing and companies may need to re-visit their IP strategy to place themselves in a strong position.

Author:
Jonathan Jackson

And finally...

D Young & Co events

Event invitations
Biotech & UPC webinars

Sign up to secure your webinar seat at www.dyoung.com/events

European Biotech Patent Case Law
9am, noon & 5pm GMT, 25 February 2025

Join European Patent Attorneys Simon O'Brien and Matthew Caines to catch up with new and important EPO biotechnology-related patent case law.

The webinar will run at 9am, 12pm and 5pm (UK time) on Tuesday 05 November 2024. Early booking is advised to secure your webinar seat: **dycip.com/webinar-biotech-feb2025**

UPC Case Law, Observations & Analysis
1pm BST, 18 June 2025

Our ongoing series of webinars, dedicated to analysing the Unified Patent Court's decisions, continues with our 18 June 2025 webinar. Our expert speakers, UPC representatives Anthony Albutt, Rachel Bateman and Tom Pagdin, will provide you with the most up to date UPC observations and analysis.

Registration is now open: **dycip.com/webinar-upc-jun2025**

Subscriptions
Sign up to receive email invitations to future D Young & Co webinars by visiting our website **www.dyoung.com/subscriptions**. Alternatively you can send us your contact details by email at **subscriptions@dyoung.com**.

Contact details

London
Munich
Southampton

T +44 (0)20 7269 8550
F +44 (0)20 7269 8555

mail@dyoung.com
www.dyoung.com

Contributors

Partner, Patent Attorney
Editor
Nicholas Malden
nmm@dyoung.com
www.dyoung.com/nicholasmalden

Partner, Patent Attorney
Anthony Albutt
aja@dyoung.com
www.dyoung.com/anthonyalbutt

Patent Attorney
Oliver Cartwright
occ@dyoung.com
www.dyoung.com/olivercartwright

Partner, Patent Attorney
Jonathan DeVile
jdv@dyoung.com
www.dyoung.com/jonathandevile

Partner, Patent Attorney
Garreth Duncan
gad@dyoung.com
www.dyoung.com/garrethduncan

Partner, Patent Attorney
Jonathan Jackson
jaj@dyoung.com
www.dyoung.com/jonathanjackson

Senior Associate, Patent Attorney
Robert Kelly
rtk@dyoung.com
www.dyoung.com/robertkelly

Senior Associate, Patent Attorney
Ryan Lacey
rjl@dyoung.com
www.dyoung.com/ryanlacey

Senior Associate, Patent Attorney
Arun Roy
axr@dyoung.com
www.dyoung.com/arunroy

Technical Assistant
Stephen Solomon
sys@dyoung.com
www.dyoung.com/stephensolomon