

*These notes refer to the Patents Act 2004 (c.16)
which received Royal Assent on 22nd July 2004*

PATENTS ACT 2004

EXPLANATORY NOTES

INTRODUCTION

1. These explanatory notes relate to the Patents Act 2004 which received Royal Assent on 22nd July 2004. They have been prepared by the Department of Trade and Industry in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by Parliament.
2. The notes need to be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section or part of a section does not seem to require any explanation or comment, none is given.

SUMMARY

3. This Act amends the Patents Act 1977 (“the 1977 Act”), which is the statute governing the patents system in the UK. The purpose of the Act is three-fold. Firstly, it is intended to bring the UK patents system into line with the revised European Patent Convention which was agreed by Diplomatic Conference in November 2000. Secondly, it introduces into the 1977 Act some measures designed to assist in the enforcement of patent rights and in the resolution of patent disputes between patent proprietors and third parties. Thirdly, it updates the 1977 Act.

BACKGROUND

The European Patent Convention

4. The 1977 Act reformed the law of patents in the UK. One of its main purposes was to bring into effect in the UK the European Patent Convention (“EPC”), which was a new European-wide patents treaty agreed in 1973. The EPC is not a European Community treaty, but is a treaty agreed between its contracting states – of which there are currently 29.
5. The EPC allows for a single patent application to be made to the European Patent Office (“EPO”). If the European patent is granted, this results in what is, in effect, a bundle of national patents which apply in those countries of the EPC in which the applicant wishes to have patent protection. The EPC also ensures harmonisation of patent law within its

contracting states as regards European patents and applications. In implementing the EPC in UK law, the intention has always been for the substantive law in respect of national patents and applications (that is, patents granted by, and applications to, the UK Patent Office) to follow as closely as possible that in the EPC. There are two main reasons for this. Firstly, it is important to avoid unnecessarily differing standards applying to patents which have come into force in the UK via different routes. Secondly, it is of considerable assistance to the public if they can adopt much the same approach when seeking a UK or a European patent. A function of the 1977 Act was, therefore, to bring domestic patent law into line with the provisions of the EPC, and to recognise the existence of European patents and applications and provide for their effect in the UK.

6. The EPC underwent a revision in 2000. It follows that it is necessary – if the UK is to remain part of the European patents system – for the 1977 Act to be amended to reflect the changes that have been made as part of the revised EPC. This is one of the things that the Act seeks to do. The revised EPC is referred to throughout these notes as “EPC 2000”.

Domestic issues – the enforcement of patent rights and updating of the 1977 Act

7. Patents provide a legally enforceable means by which a person (including a company) who has an innovative solution to a technical problem can prevent others from using this innovation without his permission. Such innovations, when patented, become intellectual property assets which can be exploited in much the same way as physical property assets, such as a house or a factory. The owner of a patent can decide to sell, license or mortgage it and so realise its economic value. Alternatively, he may exploit the invention himself and use the patent to prevent others from doing so. The unauthorised use of a patent is referred to as infringement.
8. The Act amends the 1977 Act to improve and update procedures that patent proprietors use to maintain and enforce their patents. In particular, it contains a number of provisions designed to give patent proprietors more opportunity to benefit from their patents and includes measures to facilitate the early settlement of patent disputes. Improvements related to the process of applying for patents are to be made by a Regulatory Reform Order – see paragraphs 10 and 11 below.

The Patent Co-operation Treaty

9. Alongside the EPC, the 1977 Act also recognises the Patent Co-operation Treaty (“PCT”), an international treaty agreed in 1970. The most recent Regulations under the PCT came into force on 1st January 2004. The PCT, which currently has 123 contracting states, provides a streamlined procedure by which patents in many countries may be acquired by filing a single patent application at one of a number of selected patent offices. The Act makes some minor changes to the 1977 Act in order to clarify the relationship between domestic patent law and the PCT, and to implement a change resulting from the most recent Regulations under the PCT.

The Patent Law Treaty and the Regulatory Reform (Patents) Order 2004

10. The Patent Law Treaty (“PLT”), agreed in 2000, is a treaty which harmonises the procedural requirements which are associated with filing and prosecuting a patent application. The changes to the 1977 Act which are required by this treaty involve the removal or reduction of a number of burdens or constraints on patent applicants. Therefore, the 1977 Act is to be amended by the Regulatory Reform (Patents) Order 2004 (“RRO”) in order to give effect to the PLT. The RRO will also make a number of other deregulatory changes to the 1977 Act. The changes that this Act makes to the 1977 Act are designed to be consistent with the changes to be made by the RRO. A few provisions in the Act relate to or amend provisions inserted into the 1977 Act by the RRO, and these are discussed in detail below.
11. The proposed draft RRO was laid before Parliament for scrutiny by the Regulatory Reform Committees of both Houses on 10th November 2003. The House of Lords Delegated Powers and Regulatory Reform Committee’s report was published on 30th January 2004 (Sixth Report of Session) and the House of Commons Regulatory Reform Committee’s report was published on 17th February 2004 (Second Report of Session). The proposed draft RRO was amended, taking into consideration the questions asked and the report made by the House of Commons Committee, and representations made during the scrutiny period. As a result, some changes were made to the Patents Bill, by Government amendment, in the House of Lords. The RRO, in its amended form, was approved by the House of Commons on 30th June 2004 and by the House of Lords on 13th July 2004.

Consultation on matters in the Act

12. A consultation paper was issued on 29th November 2002, setting out the proposed changes to the 1977 Act to give effect to EPC 2000, and asking for views on a number of other possible changes to the 1977 Act. A document summarising the responses received and the Government's conclusions was published on 14th November 2003. Copies have been placed in the Library of both Houses of Parliament. Both the consultation paper and the response document are available on the Patent Office website at www.patent.gov.uk.

OVERVIEW OF THE ACT

13. The sections set out the major amendments to the 1977 Act, divided into those relating to international obligations and those relating to other matters, and supplemental provisions. Schedule 1 makes further amendments relating to international obligations. Schedule 2 makes minor and consequential changes to the 1977 Act. Schedule 3 lists the repealed provisions of the 1977 Act.

TERRITORIAL APPLICATION

14. The Act extends to the whole of the United Kingdom. Subject to any modifications made by an Order in Council, the Act extends to the Isle of Man. Patents is not a devolved matter. As regards Scotland, intellectual property is (with the exception of the subject matter of Parts I and II of the Plant Varieties Act 1997) a reserved matter under section 30 of the Scotland Act 1998 and Head C4 of Part II of Schedule 5 to that Act. Intellectual property (with the same exception) is a reserved matter under section 4(1) and Schedule 3 of the Northern Ireland Act 1998, paragraph 27. This means that the Northern Ireland Assembly cannot enact legislation in relation to intellectual property without the consent of the Secretary of State under section 8(b) of the Northern Ireland Act 1998. As regards Wales, no functions in relation to patents have been transferred to the National Assembly for Wales under section 22 of the Government of Wales Act 1998. The 1977 Act does not feature in Schedule 1 to the National Assembly for Wales (Transfer of Functions) Order 1999.

COMMENTARY ON SECTIONS

15. References (other than in italics or in a heading) to a numbered section or subsection are to a section or subsection of the 1977 Act. References to "EPC 2000" are to the EPC as revised in 2000, and references to the EPC are to that Convention as originally agreed in 1973.

Section 1 – Methods of treatment or diagnosis

16. This section inserts a new section 4A into the 1977 Act. The new section 4A corresponds to Articles 53(c) and 54(4) and (5) EPC 2000, which deal with the exceptions to patentability and novelty respectively. New section 4A reflects the manner in which inventions of methods of treatment or diagnosis are treated under the provisions of EPC 2000, thus ensuring conformity of practice.
17. New section 4A(1) corresponds to Article 53(c) EPC 2000 and makes clear that an invention which consists of a method of treatment (by surgery or therapy) or a method of diagnosis cannot be patented. The provision replaces existing section 4(2), which corresponds to Article 52(4) EPC. Under existing section 4(2), such inventions are treated as incapable of industrial application, a fiction which EPC 2000 regards as undesirable to uphold since methods of treatment and diagnosis are excluded from patentability in the interests of public health.
18. New section 4A(2) corresponds to Article 53(c) EPC 2000 and replaces existing section 4(3) which corresponds to Article 52(4) EPC. It ensures that the exclusion of

methods of treatment or diagnosis from patentability in section 4A(1) does not extend to inventions consisting of substances or compositions for use in such methods.

19. New section 4A(3) and (4) is concerned with the patentability of inventions consisting of a known substance or composition for use in a method of treatment or diagnosis, and corresponds to Article 54(4) and (5) EPC 2000. While these subsections do not extend the availability of patent protection in respect of an invention consisting of a substance or composition for use in a method of treatment or diagnosis, they simplify and clarify the manner in which patent protection may be obtained for such inventions.
20. To be patentable, an invention must be new. Existing section 2(6), which corresponds to Article 54(5) EPC, provides for the patentability of an invention consisting of a known substance or composition for use in a method of treatment or diagnosis when the substance or composition is first used in any such method. The invention is considered to be new if the use of the substance in any such method is unknown. New section 4A(3) has the same effect, so that such an invention is considered novel where the substance or composition is first used in a method of treatment or diagnosis.
21. Where the substance or composition is subsequently used in a method of treatment or diagnosis which is different from the method in which it was first used, the courts have held, on the basis of existing section 2(6), that the subsequent use may be regarded as new but only if the invention is claimed in the form “Use of X for the manufacture of a medicament to treat Y”, where X is the known substance and Y is the medical condition in question. This is known as the Swiss form of claim, since it was first used in the Swiss Patent Office before becoming embodied in EPO practice.
22. New section 4A(4) enables patent protection to be obtained for the second or subsequent use of a substance or composition in a method of treatment or diagnosis by a direct claim in the form “Substance X for use in treatment of disease Y”. The second or subsequent use, that is, the “specific use” of a known substance or composition in a method of treatment or diagnosis, is treated as new if that specific use was previously unknown. Where patent protection is sought for a substance or composition for specific use in a method of treatment or diagnosis, the Swiss form of claim will still be possible, but inventions may now be claimed in the simpler form.
23. *Paragraph 2 of Schedule 2* amends section 1(1) in order to make clear that the provisions in new section 4A form a part of the definition of patentability. Under section 72(1)(a), a patent may be revoked if the invention is not a patentable one. The change to section 1(1) ensures that it will be possible to revoke a patent on the grounds that it does not meet the requirements of one or more of the provisions in new section 4A. *Paragraphs 3 and 4 of Schedule 2* omit the provisions in sections 2 and 4 that are made redundant by new section 4A.

Section 2 – Amendment of patents after grant

24. *Sections 27(1) and 75(1)* confer on the comptroller and the court a discretion to allow or refuse an amendment to a patent. Article 138(3) EPC 2000 requires contracting states to enable a patent proprietor to amend his patent by limiting the claims in national proceedings for revocation of the patent. Article 105a(1) EPC 2000 confers on the EPO a discretion to allow or refuse an amendment of a European patent by limitation of the claims. The comptroller and the court continue to have a discretion to allow or refuse an amendment, but in exercising that discretion, *subsection (5)* requires the comptroller or court to have regard to any relevant principles which are applicable in amendment or limitation proceedings under the EPC. These may include relevant regulations made under the EPC, any relevant guidelines produced by the EPO, and decisions of the Opposition Division and Boards of Appeal. This should ensure that, as far as possible, there is consistency in approach as regards post-grant amendment in national proceedings and before the EPO.

25. *Subsection (5)* therefore applies to all types of amendment made during any proceedings in which validity may be put in issue (note also the change to section 75 made by *Schedule 2 paragraph 19*). Furthermore, *subsection (1)* makes clear that the new regime applies equally to voluntary amendments under section 27 – that is, amendments proposed by the patent proprietor when no proceedings are under way. This is also intended to ensure closer conformity of approach between amendment under section 27 and the new procedure under EPC 2000 for limitation at the EPO.
26. *Subsections (3) and (4)* amend sections 62 and 63 in order to protect third parties from patent proprietors who act covetously. Under section 62(3) as amended, where a patent proprietor has amended his patent and sues for a pre-amendment infringement, the courts or comptroller may not award damages for that infringement unless they are satisfied that the proprietor is acting in good faith in bringing the infringement proceedings. Therefore, damages may not be awarded if it were shown that the proprietor knew that the infringed claim, before amendment, was invalid. However, damages would be available for infringing acts committed after the amendment was allowed. Similarly, under section 63(2) as amended, damages will only be available for a partially valid patent if the court or comptroller is satisfied that the proprietor has acted in good faith in bringing the infringement proceedings. Therefore damages will not be available if it can be shown that the proprietor knew that the infringed claim was only partially valid.
27. *Subsection (2)* makes the corresponding changes to section 58(6) and (8). These provisions are equivalent to sections 62(3) and 63(2), but apply to Crown use instead of infringement.

Section 3 – Relief for partially valid patent

28. Under section 63(3), the court or comptroller may make it a condition that a partially invalid patent is amended under the 1977 Act before granting relief for infringement. *Subsection (1)* inserts a new subsection so that relief may be granted on condition that the proprietor of a European patent (UK) limits the patent at the EPO. The limitation would have to be done to the satisfaction of the court or comptroller for relief to be granted. *Subsection (2)* makes a corresponding change to section 58. Section 58(9) is equivalent to section 63(3), but applies to Crown use instead of infringement.

Section 4 – Revocation

29. Where the court or comptroller finds that a European patent (UK) is partially invalid, this section provides that they may order revocation of the patent unless the proprietor limits his patent at the EPO under Article 105a EPC 2000. This is an alternative to the existing possibility of the proprietor amending the patent under the 1977 Act. The former option would affect the European patent in all its designated states, whereas the latter would only affect the European patent (UK). Even during revocation proceedings in the UK, the proprietor of a European patent (UK) could independently request limitation before the EPO. In practice, the court or comptroller could, if appropriate, stay the UK revocation proceedings while limitation went ahead.
30. It should be noted that both the new and existing provisions require the amendment or limitation to be done within a specified time and to the satisfaction of the court or comptroller, if revocation is not to take place. This allows the court or comptroller to retake control of proceedings in case of delay as a result of seeking limitation at the EPO. It also allows the court or comptroller to proceed with revocation of the patent if they are not satisfied with the amendment or limitation that has taken place.

Section 5 – Further amendments relating to international obligations

Schedule 1 paragraphs 2, 3 and 4

31. EPC 2000 introduces a new procedure whereby the EPO's Enlarged Board of Appeal may review a decision of the Board of Appeal. However, the Board of Appeal's decision is not suspended for the duration of the review, so a patent or application may be revoked or refused by the Board of Appeal but then subsequently reinstated by the Enlarged Board. In these circumstances it is necessary to protect those who have started in good faith to work the invention (or made serious and effective preparations to do so) in between revocation or refusal of the patent or application and its subsequent reinstatement.
32. *Paragraph 2* therefore amends section 77 to ensure that such protection is available to third parties where a European patent has been revoked and then restored by the review procedure. Existing section 78(6) provides protection for third parties when a European patent application is terminated or refused, but *paragraph 3(3)* amends this provision in order more clearly to provide protection where a European patent application has been refused and then reinstated. This includes reinstatement by the Enlarged Board of Appeal. The provision as amended is consistent with new sections 20B and 117A, which will be inserted by the RRO, on reinstatement and resuscitation of national patent applications. Section 80(4) provides equivalent protection for third parties when a European patent or application has initially been incorrectly translated into English. *Paragraph 4* therefore amends section 80(4) to be consistent with the new section 78(6). These paragraphs therefore clarify the position where a third party begins, in the relevant period, in good faith to do an act which would constitute an infringement of the rights conferred by publication of an application for a patent (i.e. the rights referred to in section 69).
33. The addition to section 78(5A) which is provided by *paragraph 3(2)* ensures that an application for a European patent (UK) has prior art effect under section 2(3) on publication – regardless of whether the UK remains designated at the time of publication. As a result of EPC 2000, every European patent application will designate the UK on filing, and will be treated as an application for a European patent (UK) – see paragraph 42 below. This fact, in combination with the amended section 78(5A), means that every European patent application has prior art effect under section 2(3) on publication. This result is consistent with the operation of Article 54 EPC 2000. The amendment to section 78(5A) complements the existing provision, which makes clear that withdrawal of designation from an application for a European patent (UK) after publication does not affect the prior art effect of that application under section 2(3).

Schedule 1 paragraph 5

34. *Paragraph 5* removes from section 81 certain provisions which concern transitional arrangements connected with the setting up of the EPO in the 1970s. The provisions made it possible for European patent applications in certain areas of technology to be converted to national UK patent applications. This reflected the fact that the EPO did not, initially, process patent applications in all areas of technology. Under EPC 2000, the corresponding provisions in the EPC have been deleted.
35. Furthermore, the paragraph restates the remaining provision in section 81(1), so that the wording is consistent with the corresponding provision of EPC 2000. Therefore, when a European application is deemed to be withdrawn under the EPC, because the application has not been forwarded to the EPO within the required time, it may be converted into a national UK patent application if the conditions set out in section 81(2) are met.

Schedule 1 paragraph 6; Schedule 2 paragraphs 12, 13, 20-22, 25(c), 25(d) and 27

36. These provisions remove redundant provisions in the 1977 Act which relate to the Community Patent Convention (“CPC”) which has never come into force. The effect

on the Act of the CPC (as amended by the 1989 Agreement on the Community Patent) is therefore confined to the interpretation of those provisions of the 1977 Act which correspond to the CPC by virtue of section 130(7).

Schedule 1 paragraph 7 and paragraph 9, sub-paragraphs (2)(a) and (3)

37. *Paragraphs 9(2)(a) and (3)* provide a new section 130(4A) making clear that an international application which is treated under the 1977 Act as an application for a European patent (UK) is not – simply by virtue of the designation “EP(UK)” – also to be treated as an international application for a patent (UK).
38. This provision replaces section 89(4), which is omitted by *paragraph 7*. The approach taken by section 89(4) is no longer meaningful, since that provision assumes that an international application may be filed which designates only “EP(UK)” and not “UK”. As noted in paragraph 43 below, all international applications will now automatically be treated as designating both “UK” and “EP(UK)” on filing.
39. Nevertheless, the effect under new section 130(4A) is essentially unchanged from that under existing section 89(4). Thus if the UK designation on an international application is withdrawn, that application cannot be considered to be an international application for a patent (UK) on the basis that the EP(UK) designation remains.

Schedule 1 paragraph 8

40. Section 89B(2) states that an international application is treated as published under section 16 when it enters the national phase – provided it has already been published as an international application under the PCT. *Paragraph 8* amends section 89B(2) to make it clear that this applies whether the international application enters the national phase early, or enters the national phase at the end of the time period for doing so.
41. If the application has not yet been published under the PCT when it enters the national phase, the new provision makes clear that the application is not treated as published under section 16 until publication under the PCT has taken place.

Schedule 1 paragraph 9, sub-paragraph (2)(b)

42. Under the EPC, the applicant chooses (“designates”) which of the contracting states he wishes the European patent to cover. Under EPC 2000, all the contracting states will automatically be deemed to be designated on filing of the European patent application. *Paragraph 9(2)(b)* amends the definition of “designate” in the 1977 Act in order to make clear that, where a country is deemed to be designated under EPC 2000, that country is treated as designated under the 1977 Act. It follows that every European patent application is treated under the 1977 Act as an application for a European patent (UK), because every European patent application is treated as having designated the UK on filing.
43. The amended definition of “designate” also applies to the designation of states or regions under the PCT. From 1st January 2004, a revision to the Regulations under the PCT means that all the contracting states and regions of the PCT are automatically deemed to be designated on filing of an international application. It follows that every international application for a patent is treated as an international application for a patent (UK), because every international application is treated as having designated the UK on filing.
44. It will continue to be possible under both the EPC and PCT to withdraw the designation of a contracting state or region from an application at any time. Therefore, as in the past, withdrawal of a designation does not change the fact that the country or region concerned was designated on filing. Withdrawing the UK designation at any time will therefore not stop a European or international patent application from being defined under the 1977 Act as an application for a European patent (UK) or an international

application for a patent (UK) respectively. However, withdrawal of the UK designation will, as previously, continue to have the effects set out in section 78 (for European applications) and section 89 (for international applications). Thus withdrawing the UK designation will mean that patent protection is not obtained in the UK.

Schedule 1 paragraph 9, sub-paragraph (4)

45. *Paragraph 9(4)* provides a new section 130(5A), which puts a gloss on the term “amendment” (and cognate forms) wherever they appear in the 1977 Act. However, the gloss only applies to amendment of a patent, and so it does not include references to amendment of a patent application. The paragraph makes clear that amendment of a patent includes an amendment which limits the scope of the claims – and so limits the protection afforded by the patent. A limitation of the claims may be made under the existing provisions of the 1977 Act which allow for post-grant amendment (sections 27 or 75). Also, in the case of a European patent, the provision recognises that the claims may be limited at the EPO (under the new procedure introduced by Article 105a EPC 2000).
46. The reference to amendment of a European patent in section 77(4) therefore applies equally to a European patent which is limited at the EPO. Thus, the limitation of the patent is treated as applying from grant. By virtue of section 77(6)(b) a European patent which has been limited at the EPO will be subject, before it comes into force in the UK, to the same translation requirements which apply to a European patent that has been amended during opposition proceedings. It is also clear that, by virtue of section 77(2), the provisions of the 1977 Act do not affect the operation of the new limitation procedure before the EPO. Furthermore, references in sections 58(6) and 62(3) to amendment under the 1977 Act are to be construed as including amendment or limitation before the EPO.

Section 6 – Remedies in entitlement proceedings

47. In proceedings under existing section 8 of the 1977 Act concerning entitlement to a patent application, one possibility is that the patent application in question will have been withdrawn, or refused under another provision of the 1977 Act, before entitlement has been finally determined. In these circumstances, the comptroller may allow the successful party (if they are not the original patent applicant) to file a new patent application, replacing the original one. The new application will be treated as if it were filed on the filing date of the original application – but only if the original application was published under section 16 before it was refused or withdrawn. If the original application was never published under section 16, the new application must take its own date of filing.
48. *Subsection (1)* amends section 8(3)(c) to allow the new application to be back-dated, regardless of whether the original application was published or not. Thus, where the original application was never published, but the original applicant chose to disclose the contents of that application, this no longer destroys the novelty of the successful party’s later application. (*Paragraph 5 of Schedule 2* makes an equivalent change to section 12, which concerns entitlement disputes over European and international patent applications).
49. *Subsection (2)* amends section 11 to extend the protection available to the original applicant and licensees in the circumstances where a new application has been filed by an applicant who has taken advantage of the rights given by section 8(3). The original applicant and any licensees who have begun to work the invention in good faith are entitled, under existing section 11, to a licence from the successful party to continue to do so. The amendment to section 11 permits them to obtain a licence from the new applicant in respect of the new application.

50. *Subsections (3) and (4)* ensure that any such licence is granted for a reasonable period and on reasonable terms, which in the case of dispute may on request be settled by the comptroller.
51. These amendments also ensure consistency with the remedies available in proceedings concerning entitlement to granted patents under sections 37 and 38. (*Paragraph 10 of Schedule 2* makes an amendment to section 38(3) and (5) to clarify that those provisions apply both when the successful party has opted to continue with the existing patent and when they have chosen to file a fresh application.)

Section 7 – Restrictions on applications abroad by United Kingdom residents

52. This section amends section 23 of the 1977 Act, with the effect that the restrictions on UK residents filing patent applications abroad only apply to a UK resident who files an application abroad, the publication of which might prejudice national security or the safety of the public. The section also limits the existing criminal offence (set out in present section 23(3)) so that a person is only liable where he knows that, or is reckless as to whether, he is contravening the restrictions.
53. *Subsection (1)* amends section 23(1) by limiting its application to situations where new section 23(1A) applies. Existing section 23(1) prohibits a person resident in the UK from filing, or causing to be filed, a patent application abroad without written permission from the comptroller of the Patent Office, unless an application for the same invention has been filed in the Patent Office. If such an application has been filed not less than six weeks earlier, and there are no directions in force prohibiting or restricting publication, or the communication of the information in the application, then the person may file an equivalent application abroad. Such directions are given where publication of the information might be prejudicial to the defence of the realm (although this is changed to “prejudicial to national security” by *paragraph 8 of Schedule 2*) or might be prejudicial to the safety of the public. Thus existing section 23 prevents an application being filed in another country until it has been assessed whether or not this would amount to the communication of sensitive information. If the assessment is that publication or communication of the information would be prejudicial, then directions would be imposed under section 22 and an application could not be filed outside the UK. However, very few applications are assessed to be prejudicial to the defence of the realm (only 100 or so out of 25,000 to 30,000 applications annually). The effect of making existing section 23(1) only apply where new section 23(1A) – having the effect explained below – applies therefore lifts the restrictions in section 23 from the vast majority of UK residents wishing to file a patent application outside the UK.
54. *Subsection (2)* inserts new section 23(1A), which sets out the circumstances in which section 23(1) continues to apply. The first circumstance (section 23(1A)(a)) is where an application contains information which relates to military technology or for any other reason its publication might be prejudicial to national security. The second circumstance (section 23(1A)(b)) is where an application contains information which if published might be prejudicial to the safety of the public. Thus, where applications are not about information relating to national security or the safety of the public, the restrictions in section 23 on filing applications abroad no longer apply.
55. *Subsection (3)* inserts a new section 23(3A) which limits the circumstances in which a person is liable for the criminal offence provided by existing section 23(3). The criminal offence applies where a person files, or causes to be filed, a patent application in contravention of section 23. The scope of this offence is narrowed as a result of the limitation of the scope of section 23 by the changes made by *subsections (1) and (2)* above. However, new section 23(3A) also limits culpability for the offence to only two situations. The first is where a person knows that filing the application, or causing it to be filed, would contravene section 23. The second is where a person is reckless as to whether filing the application, or causing it to be filed, would contravene section 23. This provides a safeguard where a person acting in good faith believes that

the restrictions in section 23 (as amended) do not apply to his patent application, but he is wrong. Thus a person will not be guilty of a criminal offence as a result of a mistake made in good faith.

Section 8 – Term of patent and periods allowed for payment of renewal fees

56. *Subsection (1)* substitutes a new section 25(3). Under the existing section 25(3), a patent which expires for non-payment of the renewal fee expires at the end of the period prescribed for payment of the fee. The new section 25(3) permits an expiry date to be prescribed which is different from the last day of the prescribed payment period, provided that it falls within the final month of that prescribed period. It is envisaged that the date prescribed for expiry will continue to be the anniversary of the filing date, but that the period prescribed for payment will run until the end of the month in which that date falls (and begin three months before). For example, if the anniversary of the date of filing is 18th June, the renewal payment period will run from 1st April to 30th June; but if the payment is not made by 30th June the patent will be deemed to have expired on 18th June.
57. *Subsection (2)* makes a consequential change to section 25(4) (which allows a further period of grace for the payment of a renewal fee). Under section 25(4) as amended, the period of grace runs until the last day of the sixth month to begin after the end of the period prescribed for payment. However, given that it is intended that the latter period will run until the end of the relevant month, the period of grace will continue to consist in an additional six-month period. Thus, if the prescribed payment period ends on 30th June, the period of grace for late payment will run until 31st December.
58. *Subsection (3)* makes a similar change to section 28 (which permits the restoration of lapsed patents in certain circumstances).
59. *Subsection (4)* amends section 46 (applications for an entry in the register that licences are available as of right), by substituting a new section 46(3)(d) and inserting a new subsection (3B) after section 46(3A). The effect is that (when the powers to prescribe are exercised as indicated above) it will continue to be the case that a patent must be made available for licences of right before the anniversary of the filing date, if the patent proprietor is to take advantage of the reduction by one half in the renewal fee payable for the following year. For example, if the anniversary date is 18th June, the proprietor will have to make licences of right available prior to that date if the renewal fee (payable by 30th June) is to be halved.

Section 9 – Co-ownership

60. This section amends section 36(3) in order to clarify the rights of co-owners in respect of amendment and revocation of their patent, in the circumstances in which they make no agreement between themselves on these matters. Unless the co-owners have agreed otherwise, they must act jointly if they wish the patent to be amended. Thus one co-owner cannot act unilaterally to amend the patent without the agreement of the others. Similarly, unless the co-owners agree that it should be possible, one co-owner cannot seek revocation of the patent against the wishes of the others.

Section 10 – Compensation of employees for certain inventions

61. Section 40 of the 1977 Act provides for compensation to be awarded to employee-inventors in certain limited circumstances. The invention must have been patented, and must belong to the employer (or rights in the invention or the patent must have been assigned to the employer by the employee). Furthermore, the existing section 40 requires the employee to show that the patent for the invention has been of “outstanding benefit” to the employer (or in the second case that the benefit to the employee is inadequate in relation to benefit derived by the employer from the patent). Thus compensation cannot be awarded unless it is shown that the benefits in question result from the invention having been patented, rather than merely from the intrinsic merits of

the invention itself: see the judgment of the Patents Court in *Memco-Med Ltd's Patent* [1992] RPC 403.

62. *Subsections (1) and (2)* provide a limited extension of the scope to claim such compensation, by substituting a new section 40(1) (and making a corresponding change to section 40(2)(c)). Although, as before, compensation may be awarded only in respect of inventions which have been patented, it will no longer be necessary to show that the benefit in question flows from the patent itself (as opposed to the invention). Such benefits flowing from the patent will continue to be taken into account; however, if the invention has been beneficial for other reasons, those benefits may now also be taken into consideration. What constitutes an outstanding benefit will continue to depend on such factors as the size and nature of the relevant undertaking, which may be the whole or a division of the employer's business.
63. *Subsections (3) to (5)* make consequential changes to section 41, which lays down how the amount of compensation awarded under section 40 is to be assessed. *Subsection (6)* makes consequential changes to section 43.
64. *Subsection (7)* ensures that, for the purposes of assessing benefits under section 40(1) or (2), and for the purpose of calculating the amount of compensation under section 41, those benefits which arise after the relevant patent has ceased to have effect (whether by expiry, surrender or revocation) cannot be taken into account.
65. *Subsection (8)* is a transitional provision which ensures that the amended provisions do not apply to existing patents, nor to a patent for which an application is made before the amendments come into force.

Section 11 – Enforcement of damages

66. This section inserts a new subsection (7) into section 61 of the 1977 Act. This enables any award of damages by the comptroller in infringement proceedings to be recovered through the enforcement mechanism of the county court in England and Wales (or the equivalent mechanisms in Scotland and Northern Ireland). The party to whom damages are owed is therefore able to recover them without having to bring fresh proceedings to enforce the award. This section also makes the mechanism for the recovery of damages consistent with the mechanisms by which an award for compensation may be enforced under section 41, and costs or expenses may be recovered under section 107.

Section 12 – Threats of infringement proceedings

67. **Section 70** provides a remedy for any persons who are aggrieved by groundless threats being made to bring infringement proceedings. In certain circumstances they may bring a claim against the person making the threat (including a claim for damages). **Section 12** amends section 70 to further limit the circumstances in which such a claim may successfully be made.
68. *Subsection (2)* replaces existing section 70(2) with new section 70(2) and (2A). These new subsections essentially restate the existing section 70(2), which lays down the conditions for obtaining the relief claimed, but then provide a limited additional defence for a patent proprietor, or other person, who is being sued for making such groundless threats. Under the existing section 70(2), a patent proprietor (or anyone else) who is sued for making groundless threats may successfully defend themselves by proving that the person threatened was in fact committing an infringing act. However, such a defence will fail if the person threatened can show that the patent is actually invalid in a relevant respect (so that he has a defence to the allegation of infringement).
69. New section 70(2) and (2A) gives the person being sued for making groundless threats an additional defence in these circumstances. Where the patent is found to be invalid, the defendant is not liable if he can show, firstly, that an infringement of the kind alleged was taking place, and secondly, that he did not know or have reason to suspect, at the

time he made the threats, that the patent was invalid. New section 70(2A) makes clear that the onus continues to be on the person bringing the claim to show that the patent is invalid, once the infringing acts have been established. It also makes clear that the onus is on the defendant (e.g. the patent proprietor) to show that such infringing acts were taking place, and that he did not know, and had no reason to suspect, that the patent was invalid.

70. *Subsection (3)* substitutes a new section 70(4) which extends the protection against claims for groundless threats which is available under the existing section 70(4). Firstly, the provisions of the current section 70(4) are retained in the form of new section 70(4) (a). Thus it remains the case that a person (e.g. the patent proprietor) is protected from a claim under section 70 as long as he threatens someone with infringement proceedings only in respect of an act which is alleged to consist of making or importing the patented product for disposal or of using the patented process (sometimes called acts of “primary” as opposed to “secondary” infringement). However, under the new section 70(4)(b) the protection is now extended to threats to bring proceedings in respect of any other act of infringement – such as selling or stocking the patented product or offering the patented process for use – provided that the person being threatened has made or imported that product for disposal (or used that process).
71. Thus where the proprietor is unsure whether the person he has found is manufacturing or importing the product, or using the process, under dispute he can (as before) safely make threats only in respect of alleged acts of primary infringement. However, if the proprietor has found the person who is manufacturing or importing the product for disposal (or using the process) he is now free to raise with that person any alleged infringement (whether primary or secondary). In neither case is it necessary to establish that the behaviour in question actually infringes the patent.
72. *Subsection (4)* substitutes a new section 70(5), thereby enlarging the definition of acts which cannot be construed as a threat to bring proceedings. These now include (a) providing any purely factual information about the patent (and not as before merely the notification of its existence); (b) making enquiries to find out if there has been a primary infringement and, if so, by whom; and (c) making assertions about the patent for the purpose of making such enquiries. Thus it is envisaged that an enquirer will be able to make assertions regarding an alleged primary infringement, as part of his attempt to trace the primary infringer; but assertions regarding an alleged secondary infringement would not necessarily be excluded from the definition of “threat”. Whether an assertion does in fact amount to a threat can of course be decided only by considering all the relevant circumstances.
73. *Subsection (5)* inserts a new section 70(6) which provides a defence to a claim under section 70 in certain limited circumstances, even where a threat is made against an alleged secondary infringer. Thus it may be that someone has already made his best endeavours to discover the identity of the alleged primary infringer, but has not met with success. In those circumstances, it will be possible for the proprietor to approach, for example, a retailer or stockist, in order to get the infringement dispute resolved (and in doing so threaten the latter with infringement proceedings). However, to enjoy such a defence, the person making the threat must have notified the person he threatens of the efforts he has made to trace the alleged primary infringer.

Section 13 – Opinions by Patent Office as to validity or infringement

74. The 1977 Act makes available a number of ways in which disputes regarding patents may be resolved in proceedings brought either before the courts or before the comptroller. For instance, the rights granted by a patent may be enforced in infringement proceedings brought under section 61. The validity of the patent may be challenged either as a defence in such proceedings, or in proceedings for the revocation of the patent under section 72; and issues of both infringement and validity may be decided in the context of proceedings for groundless threats, brought under section 70.

Furthermore, the question whether an act or a proposed act constitutes an infringement of a patent may be decided in proceedings brought under section 71 (and questions of validity may also be raised in such proceedings).

75. In relation to validity, among the points most frequently litigated are the issues of novelty and inventiveness (section 1(1)(a) and (b)), which often involve the assessment of complex and difficult questions of fact. Resolving such issues can be very costly for the parties concerned.
76. This section accordingly makes available a new procedure for exploring issues of infringement and validity, which (while not leading to their final determination) is intended to be of value in resolving actual or potential disputes. The new procedure enables the comptroller to issue, on request, non-binding opinions on questions of validity relating to novelty or inventive step, and on questions of infringement. The ability to request such opinions from a neutral body should be helpful to parties who wish to settle disputes without launching full proceedings. However, it is also possible to seek such opinions where there is no actual current dispute. For example, a person might want an opinion about whether a certain activity would infringe a patent, before investing resources in that activity; and a patent proprietor might want an opinion about whether “prior art” of which he has just become aware is relevant to his patented invention, before he decides whether to amend the scope of his patent. It is envisaged that a fee will be charged for providing an opinion.
77. *Subsection (1)* inserts new sections 74A and 74B into the 1977 Act providing for such a procedure to be put in place. Much of the detail, however, is left to be laid down in rules made under the existing powers to regulate procedural matters given by section 123. It is envisaged that a simple, quick procedure will be prescribed, involving in most cases only the exchange of written submissions. It is intended that a request for an opinion will be notified to the patent proprietor (where he has not himself made the request) and may also be notified to other persons. If the request is granted, notice of that fact will be entered on the register of patents (as will notice of the opinion itself when it is delivered). Any interested person will then be able to submit observations on the issues raised in the request. It is envisaged that the full text of the opinion, once it is delivered, will be open for inspection on the public file. If the findings contained in the opinion are superseded by subsequent litigation (or by a subsequent opinion), appropriate details will be entered on the register.
78. New section 74A(1) and (2) defines the scope of the new procedure. An opinion may be requested as to whether any act constitutes or would constitute an infringement of a patent, and as to whether (or to what extent) the patent is invalid. However, opinions on validity are limited to the question whether or not the invention is patentable, either because it is not new or because it does not involve an inventive step (within the meaning of section 1(1)(a) or (b)). An opinion may be requested in relation to any patent under the 1977 Act, except one which has been revoked. Accordingly, an opinion on infringement can be given even in relation to an act that has not taken place, and an opinion on infringement or validity can be given even in relation to a patent which has expired. Thus an opinion can be requested which will help someone decide whether it is safe to engage in a particular activity, or which concerns activity that might have taken place before a patent has expired. An opinion on validity may also be requested where the patent has been surrendered (for instance if a licensee wishes to argue that licence fees should be repaid).
79. New section 74A(3) requires a request for an opinion to be granted, except in prescribed circumstances or where the comptroller considers that it would be inappropriate to do so; in those cases an opinion may not be issued. It is envisaged, for instance, that a request will not be able to be granted while the issue in question is being litigated in other proceedings, or where the request is considered to be frivolous or vexatious.
80. New section 74A(4) ensures that an opinion does not have binding legal effect for any purposes. As noted above, it is intended that the procedure for delivering opinions

will be as simple and quick as possible. This is intended to increase the likelihood of an opinion being helpful in assisting the early settlement of disputes; but an opinion based on such an abbreviated procedure will not be permitted to make final binding determination of the issues concerned. However, that would not prevent the fact that an opinion had been given from being referred to in subsequent proceedings.

81. New section 74A(5) requires an opinion to be prepared by an officer of the Patent Office holding the position of examiner. These are the officers who carry out the search and examination of patent applications under sections 17 and 18.
82. By virtue of the new section 74A(6)(a), when read with section 101, the requester of an opinion has the right to be heard before the request is refused; but no other person has the right to be heard on the question whether the request should be granted. Similarly, under new section 74A(6)(b), no person other than the requestor has the right to appeal to the court against that decision (under the general right of appeal given by section 97). This is intended to prevent unnecessary delays in a procedure which is designed to be simple and rapid.
83. New section 74B(1) enables provision to be made for the review of an opinion in proceedings before the comptroller. It is envisaged that a review will enable a full hearing to be obtained on the merits of the issues raised by an opinion. Such a review may be requested only by the proprietor or exclusive licensee of the patent. The details of the procedure will be laid down in rules, and new section 74B(2) makes clear that certain matters, in particular, may be prescribed in those rules. Under new section 74B(2)(a), such matters include the circumstances and time period in which an application for a review may be made.
84. New section 74B(2)(b) and (c) enables provision to be made concerning the relationship between such proceedings for review and other proceedings relating to the same issues. In most cases, the existing procedures under the Act will provide a sufficient means of reviewing the conclusions reached in an opinion. Thus where a person disagreed with an opinion that a patent is valid, they would be able to seek revocation of the patent under section 72. Where a person disagreed with an opinion that a certain activity infringes a patent, they would be able to seek a declaration of non-infringement under section 71. A patent proprietor who disagreed with an opinion that certain activity does not infringe a patent would still be able to bring proceedings under section 61, if there is evidence of such activity; and an opinion that a patent is not valid could also be addressed in the proceedings for infringement. In contrast, where there is no such existing or apprehended activity, the proprietor would have available no existing mechanism for seeking a reconsideration of an opinion that the patent is invalid or that a particular act does not infringe the patent. In any event, there is likely to be a substantial overlap between the matters which will be addressed in proceedings for the review of an opinion, and matters which can be addressed in the existing procedures under the Act, or (in the case of a European Patent designating the UK) in proceedings before the European Patent Office.
85. Accordingly, new section 74B(2)(b) makes it clear that rules may lay down the circumstances in which relevant issues are to be decided in proceedings other than those for the review of an opinion (for instance, in proceedings which have been brought under existing provisions of the Act – such as sections 61, 71 or 72). Where no such proceedings have been brought, so that the relevant issues are to be decided in review proceedings, new section 74B(2)(c) will enable the latter to be treated, in appropriate cases, as proceedings brought under existing provisions of the Act. This will, for instance, enable provision to be made for treating proceedings for a review as revocation proceedings brought under section 72 for the purposes of giving relief under that section.
86. Except in the cases specified in section 97(1), there is a right of appeal under that section to the Patents Court (or as the case may be to the Court of Session), from any decision of the comptroller under the Act. A decision consequent upon the review of an opinion

may accordingly be so appealed. In certain cases such an appeal may be inappropriate (for instance where the result of the review was merely to set aside the opinion). The new section 74B(2)(d) therefore enables the right of appeal to be excluded in appropriate cases.

87. *Subsection (2)* amends section 74 to make it clear that proceedings for an opinion or for the review of an opinion are not, as such, to be regarded as proceedings in which the validity of a patent is put in issue. Accordingly, questions of validity may be considered in the context of such proceedings, notwithstanding the exclusive list of proceedings in which the validity of a patent may be put in issue which is laid down by section 74(1) and (2). However, that would not prevent the validity of the patent from being regarded as put in issue where (by virtue of rules made under section 74B(2)(c)) proceedings on a review were treated as proceedings under section 61, 71 or 72.
88. *Subsection (3)* amends section 32(2) to ensure that rules can provide for relevant matters relating to opinions to be entered on the register of patents. By virtue of section 32(2) (e), rules can then also make provision for the publication and advertisement of such matters.

Section 14 – Costs and expenses in infringement proceedings etc

89. **Section 106** requires the court, when making an award of costs (or in Scotland expenses) in certain proceedings under the 1977 Act, to have regard to all the relevant circumstances, including the financial position of the parties. In the existing section 106, that requirement is imposed only in relation to proceedings under section 40 (compensation of employees for certain inventions: see paragraphs 61 – 65 above).
90. **Section 14** amends section 106 to extend the range of proceedings in which the courts are required to take into account the financial position of the parties, as a relevant factor in deciding on an award of costs.
91. *Subsections (2) and (3)* amend the existing section 106(1), and insert a new section 106(1A) setting out the range of proceedings to which section 106 applies. In addition to proceedings under section 40, section 106 now extends to all patent disputes in which infringement is at issue. These are, namely: infringement proceedings (under section 61 or 69); proceedings for a declaration or declarator of non-infringement under section 71; and proceedings for groundless threats under section 70. It is to be noted that the validity of the patent may be put in issue in such proceedings (for instance as a defence to a claim for infringement under section 61). In such a case, section 106 applies also to any award of costs relating to the issue of validity raised in those proceedings. In contrast, it does not extend to any proceedings, such as those under section 72, which do not involve any issue of infringement (but only involve an issue of validity).
92. **Section 106** does not, of course, prevent any other relevant circumstances from being taken into account by the court in exercising its discretion as to costs. This is consistent with the general duty to have regard to all the circumstances of the case (including, for example, the conduct of the parties) in awarding costs in civil proceedings which arises, in England and Wales, under rule 44.3 of the Civil Procedure Rules. However, in the case of proceedings covered by section 106, the financial position of the parties is deemed to be one of those relevant circumstances.
93. *Subsection (4)* is a transitional provision which ensures that these amendments to section 106 apply only to proceedings which are launched on or after the date on which the amendments come into effect.

Section 15 – Security for costs

94. This section substitutes a new section 107(4) of the 1977 Act which makes new provision in respect of the comptroller's power to award security for costs (or expenses in Scotland). Although the new power is expressed in more general terms than the

existing one, it is made subject to “prescribed conditions” being met. In prescribing those conditions, it is intended to impose similar conditions to those applicable to the courts, in England and Wales, under rule 25.13 of the Civil Procedure Rules. In particular this will mean that due account can be taken of the ability to enforce judgments in other jurisdictions under the Brussels and Lugano Conventions, and under Council Regulation (EC) No.44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters. The condition related to residing or carrying on business in the United Kingdom is removed from section 107(4), as is the specific list of proceedings in which security for costs can be sought.

Section 16 – Amendments, repeals and revocations

Schedule 2 paragraph 6

95. *Paragraph 6* amends section 16 of the 1977 Act. This section requires the comptroller to publish a patent application, and (in conjunction with section 118) allows the public to see all the relevant papers on the file of a patent application. The amendment made by *paragraph 6* enables rules to be made setting out the circumstances in which an inventor’s name and address can be withheld from the publicly-available patent application file. Rules may also be made setting out the circumstances in which an inventor’s name may be withheld from the front page of the specification of a published patent application (the ‘A-specification’).

Schedule 2 paragraphs 7 and 23

96. The RRO will insert new provisions into the 1977 Act to provide for the reinstatement (section 20B) or resuscitation (section 117A) of patent applications in certain circumstances. The provisions protect third parties from being sued for infringement if they have, in good faith, started to use the invention between termination or withdrawal of the patent application and its subsequent reinstatement or resuscitation. *Paragraphs 7 and 23* ensure that the Crown is not liable for payment to the patent proprietor if the Crown has, in good faith, started to use the invention between the patent application being terminated and reinstated (under section 20B) or between the patent application being withdrawn and resuscitated (under section 117A).

Schedule 2 paragraph 8

97. The effect of *paragraph 8* is to update some terminology in section 22 of the 1977 Act, and to address an anomaly caused by removal of duties from the United Kingdom Atomic Energy Authority. Section 22 concerns information in patent applications which might be prejudicial to the defence of the realm or the safety of the public.
98. *Sub-paragraphs (2) and (3)* substitute the words “national security” for “defence of the realm” in the existing heading of section 22, in section 22(1) and in paragraphs (a), (c) and (d) of existing section 22(5). This update of the terminology ensures that the comptroller can make directions in any circumstance where there is a need to protect the national security interests of the United Kingdom.
99. *Sub-paragraph (4)* amends existing section 22(6), essentially to maintain the existing requirements, but to remove references to the United Kingdom Atomic Energy Authority (UKAEA), which no longer has particular responsibility regarding patent applications relating to atomic energy. The existing provision permits the Secretary of State to seek a report from the UKAEA in order to decide whether publication or communication restrictions should continue to apply to sensitive information. *Sub-paragraph (4)* replaces references to the UKAEA in section 22(6) with references to a government body with responsibility for the production or use of atomic energy or research.

Schedule 2 paragraph 9

100. This paragraph adds a new subsection (4) to section 24. When a patent is granted, existing section 24(3) requires the comptroller to publish the patent as granted, and (amongst other things) also to publish the inventor's name. The new section 24(4) makes clear that the comptroller will no longer be required to publish the inventor's name, where the inventor has waived his right to be mentioned.

Schedule 2 paragraph 11

101. This paragraph makes a minor amendment to section 41(10), which concerns the enforcement in Scotland of an order, made under section 40, for compensation for an employee-inventor. The wording of section 41(10) is thereby brought into conformity with the existing wording in sections 93(b) and 107(3). It is also made consistent with the wording of new section 61(7)(b), as provided in [section 11](#).

Schedule 2 paragraphs 14, 16, 17 and 28

102. [Paragraphs 14, 16 and 17](#) replace the obsolete word "plaintiff", which appears in the existing sections 61, 63 and 70, with the modern term "claimant" now used in civil proceedings in England and Wales. The new section 70(2) and (2A), provided by [section 12](#), introduces the term "claimant" into the 1977 Act for the first time, and these paragraphs make corresponding amendments to ensure consistency. The Scottish term "pursuer" is left unchanged. [Paragraph 28](#) takes account of the fact that, in Northern Ireland, the term "plaintiff" is still current. It amends section 131 (which deals with the interpretation of the 1977 Act in Northern Ireland) in order to make clear that "claimant" includes "plaintiff" when the Act is applied in Northern Ireland.

Schedule 2 paragraph 15

103. This paragraph makes a minor amendment in order to correct the reference in section 62(2) to the period which is specified in section 25(4).

Schedule 2 paragraph 18

104. This paragraph clarifies the position in relation to revocation of a patent by the patent proprietor. It makes explicit that the reference to "any person" applying for revocation in section 72(1) does include the proprietor of the patent in question. The proprietor would have to show that the patent should be revoked on one or more of the grounds set out in section 72(1). The amended provision operates in conjunction with the amendment to section 36(3) made by [section 9](#), which makes clear that, unless co-owners agree that it should be possible, one co-owner may not seek revocation of the patent against the wishes of the others.

Schedule 2 paragraph 19

105. This paragraph amends section 75 in order to allow a patent proprietor to propose amendments during the course of any proceedings in which it is possible for the validity of his patent to be put in issue. Therefore it is no longer necessary for validity actually to have been put in issue before the proprietor can apply to amend under section 75.
106. This paragraph removes uncertainty in the situation, which arose in *Norling v Eez-Away* [1997] RPC 160, where a proprietor who is involved in proceedings in which validity could be, but has not actually been, put in issue seeks to amend his patent under either section 75 or section 27. The proceedings in which validity may be put in issue are set out in section 74(1): infringement proceedings, proceedings concerning groundless threats, proceedings to obtain a declaration of non-infringement, revocation proceedings and disputes over Crown use.

Schedule 2 paragraph 24 and paragraph 26, sub-paragraph (3)

107. *Paragraph 24* amends section 120 in order to give the comptroller the power to give directions regarding certain procedural matters. In consequence of the amendments made by *paragraph 24*, the Patent Office's hours of business and excluded days (in relation to patents matters) are no longer prescribed by rules made by the Secretary of State. Instead, the comptroller can specify these matters in directions. This includes the ability to give different directions for different classes of business; for example, varying the hours of business which apply to the filing of patent applications. However, the manner in which such directions are to be published will be prescribed by rules. It is the intention that such directions will be published by means of electronic notices, in official journals, and on the Patent Office website.
108. *Paragraph 26(3)* inserts a new subsection (2A) in section 123. This enables the comptroller to specify in directions the content and layout of the Patents Forms, so that the forms need no longer be prescribed by rules. Again, it is intended that the comptroller will be required by rules to publish such directions by means of electronic notices, in official journals and on the Office's website. Rules will continue to require the use of forms when prosecuting a patent application, and when dealing with the Office in other matters.

Schedule 2 paragraphs 25(a) and 25(b)

109. These paragraphs amend section 121 in order to clarify the position with regard to the laying before Parliament of the comptroller's annual report. The effect of article 6 of the *Patent Office Trading Fund Order 1991 (SI 1991 No.1796)* is that the requirement of section 121 is satisfied if a report for each financial year is laid on or before 30th November of the following financial year. This requirement is now on the face of the 1977 Act, and article 6 is revoked by *section 16(3)*.

Schedule 2 paragraph 26, sub-paragraph (2)

110. This sub-paragraph modifies one of the existing powers to make rules in section 123(2) of the 1977 Act. Section 123(2)(i), as amended by *paragraph 26(2)*, allows rules to set out the way in which an inventor may be identified in respect of a patent or patent application. The new section 123(2)(i) also enables rules to be made subjecting the waiver of the inventor's rights to be mentioned (in section 13(1) of the 1977 Act) to acceptance by the comptroller.

Schedule 2 paragraph 26, sub-paragraph (4)

111. *Paragraph 26(4)* repeals section 123(4) and (5) of the 1977 Act. The effect is that the Treasury's consent is no longer required for the making by the Secretary of State of rules prescribing Patent Office fees or for the determination by the Secretary of State of the remuneration of advisers appointed to assist the comptroller in proceedings under the 1977 Act. Rules prescribing fees will continue to be made by the Secretary of State and be subject to annulment in accordance with a resolution of either House of Parliament.

Section 17 – Commencement etc

112. *Subsection (1)* of this section allows the provisions of the Act to be brought into force by commencement orders. However, *subsection (2)* ensures that the provisions in Schedule 2 which relate to the RRO come into force automatically on the commencement of the RRO itself.
113. *Subsection (3)* allows a commencement order to bring a provision into force on different days for different purposes, and *subsection (4)* permits an order to make (a) supplementary, incidental or consequential provision, or (b) transitory, transitional or saving provision.

*These notes refer to the Patents Act 2004 (c.16)
which received Royal Assent on 22nd July 2004*

114. *Subsection (5)* ensures that an order which contains any supplementary, incidental or consequential provision is subject to the negative procedure – but an order which contains only transitory, transitional or saving provision is not subject to such a procedure. *Subsection (6)* makes clear that the provision made under *subsection (4)* may amend or repeal any existing primary or secondary legislation. However, *subsection (7)* ensures that an order which adds to, replaces or omits any part of an Act must be subject to the affirmative procedure.

Section 18 – Short title and extent

115. This section ensures that the Patents Act 2004 has the same territorial extent as the Patents Act 1977. As made clear in paragraph 14 above, this means that the 2004 Act extends to the whole of the United Kingdom and, subject to any modifications made by Order in Council, it will also extend to the Isle of Man.

COMMENCEMENT

116. The provisions of this Act will come into force in accordance with the provisions of one or more commencement orders made by the Secretary of State. The aim is to bring the provisions which align the 1977 Act with EPC 2000 into force at the same time as the coming into force of that Convention. The provisions relating to the RRO will come into force with the commencement of the RRO.

HANSARD REFERENCES

117. The following table sets out the dates and Hansard references for each stage of this Act's passage through Parliament.

<i>Stage</i>	<i>Date</i>	<i>Hansard reference</i>
House of Lords		
Introduction	15th January 2004	Vol. 656 Col. 682
Second Reading	26th January 2004	Vol. 657 Cols 32-47
Grand Committee	8th March 2004	Vol. 658 Cols GC345-GC386
Report	23rd March 2004	Vol. 659 Cols 662-675
Third Reading	6th April 2004	Vol. 659 Cols 1723-1727
House of Commons		
Introduction	19th April 2004	Votes and Proceedings
Second Reading	7th June 2004	Vol. 422 Cols 39-72
Committee	15th June 2004	Hansard Standing Committee D
Report and Third Reading	14th July 2004	Vol. 423 Cols 1415-1430
House of Lords		
Consideration of Commons Amendments	19th July 2004	Vol. 664 Cols 12-15
Royal Assent – 22nd July 2004		House of Lords Hansard Vol. 664 Col. 333
		House of Commons Hansard Vol. 424 Col. 514

ANNEX TO EXPLANATORY NOTES: PATENTS ACT 2004:AMENDMENTS TO THE PATENTS ACT 1977

SECTION 1 – PATENTABLE INVENTIONS

- “(1) A patent may be granted only for an invention in respect of which the following conditions are satisfied, that is to say –
- (a) the invention is new;
 - (b) it involves an inventive step;
 - (c) it is capable of industrial application;
 - (d) the grant of a patent for it is not excluded by subsections (2) and (3) or section 4A below;
- and references in this Act to a patentable invention shall be construed accordingly.”

[*Subsections (2) to (5) are unchanged*]

SECTION 2 – NOVELTY

- “(6) In the case of an invention consisting of a substance or composition for use in a method of treatment of the human or animal body by surgery or therapy or of diagnosis practised on the human or animal body, the fact that the substance or composition forms part of the state of the art shall not prevent the invention from being taken to be new if the use of the substance or composition in any such method does not form part of the state of the art.”

SECTION 4 – INDUSTRIAL APPLICATION

- “(1) Subject to subsection (2) below, An invention shall be taken to be capable of industrial application if it can be made or used in any kind of industry, including agriculture.
- (2) An invention of a method of treatment of the human or animal body by surgery or therapy or of diagnosis practised on the human or animal body shall not be taken to be capable of industrial application.
- (3) Subsection (2) above shall not prevent a product consisting of a substance or composition being treated as capable of industrial application merely because it is invented for use in any such method.”

SECTION 4A – METHODS OF TREATMENT OR DIAGNOSIS

- “(1) A patent shall not be granted for the invention of –
- (a) a method of treatment of the human or animal body by surgery or therapy, or
 - (b) a method of diagnosis practised on the human or animal body.
- (2) Subsection (1) above does not apply to an invention consisting of a substance or composition for use in any such method.
- (3) In the case of an invention consisting of a substance or composition for use in any such method, the fact that the substance or composition forms part of the state of the art shall not prevent the invention from being taken to be new if the use of the substance or composition in any such method does not form part of the state of the art.
- (4) In the case of an invention consisting of a substance or composition for a specific use in any such method, the fact that the substance or composition forms part of the state of the art shall not prevent the invention from being taken to be new if that specific use does not form part of the state of the art.”

SECTION 8 – DETERMINATION BEFORE GRANT OF QUESTIONS ABOUT ENTITLEMENT TO PATENTS, ETC

- “(3) Where a question is referred to the comptroller under subsection (1)(a) above and –
- (a) the comptroller orders an application for a patent for the invention to which the question relates to be so amended;
 - (b) any such application is refused under subsection 2(c) above before the comptroller has disposed of the reference (whether the reference was made before or after the publication of the application); or
 - (c) any such application is refused under any other provision of this Act or is withdrawn before the comptroller has disposed of the reference, but after the publication of the application (whether the application is refused or withdrawn before or after its publication)

the comptroller may order that any person by whom the reference was made may within the prescribed period make a new application for a patent for the whole or part of any matter comprised in the earlier application or, as the case may be, for all or any of the matter excluded from the earlier application, subject in either case to section 76 below, and in either case that, if such a new application is made, it shall be treated as having been filed on the date of filing the earlier application.”

SECTION 11 – EFFECT OF TRANSFER OF APPLICATION UNDER SECTION 8 OR 10

- “(3A) If, before registration of a reference under section 8 above resulting in the making of an order under subsection (3) of that section, the condition in subsection (3)(a) or (b) above is met, the original applicant or any of the applicants or the licensee shall, on making a request within the prescribed period to the new applicant, be entitled to be granted a licence (but not an exclusive licence) to continue working or, as the case may be, to work the invention so far as it is the subject of the new application.
- (4) Any such licence A licence under subsection (3) or (3A) above shall be granted for a reasonable period and on reasonable terms.
 - (5) Where an order is made as mentioned in subsection (2) or (3A) above, the person in whose name the application is to proceed or, as the case may be, who makes the new application or any person claiming that he is entitled to be granted any such licence may refer to the comptroller the question whether the latter is so entitled and whether any such period is or terms are reasonable, and the comptroller shall determine the question and may, if he considers it appropriate, order the grant of such a licence.”

SECTION 12 – DETERMINATION OF QUESTIONS ABOUT ENTITLEMENT TO FOREIGN AND CONVENTION PATENTS, ETC

- “(6) In the following cases, that is to say –
- (a) where an application for a European patent (UK) is refused or withdrawn, or the designation of the United Kingdom in the application is withdrawn whether before or after publication of the application but before a question relating to the right to the patent has been referred to the comptroller under subsection (1) above or before proceedings relating to that right have begun before the relevant convention court;
 - (b) where an application has been made for a European patent (UK) and on a reference under subsection (1) above or any such proceedings as are mentioned in paragraph (a) above the comptroller, the court or the relevant convention court determines by a final decision (whether before or after publication of the application) that a person other than the applicant has the right to the patent, but that person requests the European Patent Office that the application for the patent should be refused; or

- (c) where an international application for a patent (UK) is withdrawn, or the designation of the United Kingdom in the application is withdrawn, whether before or after the making of any reference under subsection (1) above but after or the publication of the application;

the comptroller may order that any person (other than the applicant) appearing to him to be entitled to be granted a patent under this Act may within the prescribed period make an application for such a patent for the whole or part of any matter comprised in the earlier application (subject, however, to section 76 below) and that if the application for a patent under this Act is filed, it shall be treated as having been filed on the date of filing the earlier application.”

SECTION 16 – PUBLICATION OF APPLICATION

- “(1) Subject to section 22 below and to any prescribed restrictions, where an application has a date of filing, then, as soon as possible after the end of the prescribed period, the comptroller shall, unless the application is withdrawn or refused before preparations for its publication have been completed by the Patent Office, publish it as filed (including not only the original claims but also any amendments of those claims and new claims subsisting immediately before the completion of those preparations) and he may, if so requested by the applicant, publish it as aforesaid during that period, and in either event shall advertise the fact and date of its publication in the journal.”

[*Subsection (2) is unchanged*]

SECTION 20B – EFFECT OF REINSTATEMENT OF APPLICATIONS

(to be inserted by the RRO)

- “(6A) The above provisions apply in relation to the use of a patented invention for the services of the Crown as they apply in relation to infringement of the rights conferred by publication of the application for a patent (or, as the case may be, infringement of the patent).

“Patented invention” has the same meaning as in section 55 below.”

SECTION 22 – INFORMATION PREJUDICIAL TO DEFENCE OF REALM NATIONAL SECURITY OR SAFETY OF PUBLIC

- “(1) Where an application for a patent is filed in the Patent Office (whether under this Act or any treaty or international convention to which the United Kingdom is a party and whether before or after the appointed day) and it appears to the comptroller that the application contains information of a description notified to him by the Secretary of State as being information the publication of which might be prejudicial to the defence of the realm national security, the comptroller may give directions prohibiting or restricting the publication of that information or its communication to any specified person or description of persons.”

[*Subsections (2) to (4) are unchanged*]

- “(5) Where the comptroller gives directions under this section with respect to any application, he shall give notice of the application and of the directions to the Secretary of State, and the following provisions shall then have effect -
 - (a) the Secretary of State shall, on receipt of the notice, consider whether the publication of the application or the publication or communication of the information in question would be prejudicial to the defence of the realm national security or the safety of the public;
 - (b) if the Secretary of State determines under paragraph (a) above that the publication of the application or the publication or communication of that information would be prejudicial to the safety of the public, he shall notify the

- comptroller who shall continue his directions under subsection (2) above until they are revoked under paragraph (e) below;
- (c) if the Secretary of State determines under paragraph (a) above that the publication of the application or the publication or communication of that information would be prejudicial to the defence of the realm national security or the safety of the public, he shall (unless a notice under paragraph (d) below has previously been given by the Secretary of State to the comptroller) reconsider that question during the period of nine months from the date of filing the application and at least once in every subsequent period of twelve months;
 - (d) if on consideration of an application at any time it appears to the Secretary of State that the publication of the application or the publication or communication of the information contained in it would not, or would no longer, be prejudicial to the defence of the realm national security or the safety of the public, he shall give notice to the comptroller to that effect; and
 - (e) on receipt of such a notice the comptroller shall revoke the directions and may, subject to such conditions (if any) as he thinks fit, extend the time for doing anything required or authorised to be done by or under this Act in connection with the application, whether or not that time has previously expired.
- (6) The Secretary of State may do the following for the purpose of enabling him to decide the question referred to in subsection (5)(c) above –
- (a) where the application contains information relating to the production or use of atomic energy or research into matters connected with such production or use, he may at any time do one or both of the following, that is to say, inspect and authorise the United Kingdom Atomic Energy Authority to inspect the application and any documents sent to the comptroller in connection with it
 - (i) inspect the application and any documents sent to the comptroller in connection with it;
 - (ii) authorise a government body with responsibility for the production of atomic energy or for research into matters connected with its production or use, or a person appointed by such a government body, to inspect the application and any documents sent to the comptroller in connection with it;
- and
- (b) in any other case, he may at any time after (or, with the applicant's consent, before) the end of the period prescribed for the purposes of section 16 above inspect the application and any such documents;

and where that Authority are authorised under paragraph (a) above they shall as soon as practicable report on their inspection to the Secretary of State a government body or a person appointed by a government body carries out an inspection which the body or person is authorised to carry out under paragraph (a) above, the body or (as the case may be) the person shall report on the inspection to the Secretary of State as soon as practicable.”

[*Subsequent subsections are unchanged*]

SECTION 23 – RESTRICTIONS ON APPLICATIONS ABROAD BY UNITED KINGDOM RESIDENTS

- “(1) Subject to the following provisions of this section, no person resident in the United Kingdom shall, without written authority granted by the comptroller, file or cause to be filed outside the United Kingdom an application for a patent for an invention if subsection (1A) below applies to that application, unless –
- (a) an application for a patent for the same invention has been filed in the Patent Office (whether before, on or after the appointed day) not less than six weeks before the application outside the United Kingdom; and

- (b) either no directions have been given under section 22 above in relation to the application in the United Kingdom or all such directions have been revoked.
- (1A) This subsection applies to an application if –
 - (a) the application contains information which relates to military technology or for any other reason publication of the information might be prejudicial to national security; or
 - (b) the application contains information the publication of which might be prejudicial to the safety of the public.
- (2) Subsection (1) above does not apply to an application for a patent for an invention for which an application for a patent has first been filed (whether before or after the appointed day) in a country outside the United Kingdom by a person resident outside the United Kingdom.
- (3) A person who files or causes to be filed an application for the grant of a patent in contravention of this section shall be liable –
 - (a) on summary conviction, to a fine not exceeding the prescribed sum; or
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.
- (3A) A person is liable under subsection (3) above only if –
 - (a) he knows that filing the application, or causing it to be filed, would contravene this section; or
 - (b) he is reckless as to whether filing this application, or causing it to be filed, would contravene this section.
- (4) In this section –
 - (a) any reference to an application for a patent includes a reference to an application for other protection for an invention;
 - (b) any reference to either kind of application is a reference to an application under this Act, under the law of any country other than the United Kingdom or under any treaty or international convention to which the United Kingdom is a party.”

SECTION 24 – PUBLICATION AND CERTIFICATE OF GRANT

- “(1) As soon as practicable after a patent has been granted under this Act the comptroller shall publish in the journal a notice that it has been granted.
- (2) The comptroller shall, as soon as practicable after he publishes a notice under subsection (1) above, send the proprietor of the patent a certificate in the prescribed form that the patent has been granted to the proprietor.
- (3) The comptroller shall, at the same time as he publishes a notice under subsection (1) above in relation to a patent publish the specification of the patent, the names of the proprietor and (if different) the inventor and any other matters constituting or relating to the patent which in the comptroller's opinion it is desirable to publish.
- (4) Subsection (3) above shall not require the comptroller to identify as inventor a person who has waived his right to be mentioned as inventor in any patent granted for the invention.”

SECTION 25 – TERM OF PATENT

- “(3) A patent shall cease to have effect at the end of the period prescribed for the payment of any renewal fee if it is not paid within that period.
- (3) Where any renewal fee in respect of a patent is not paid by the end of the period prescribed for payment (the “prescribed period”) the patent shall cease to have effect at the end of such day, in the final month of that period, as may be prescribed.

- (4) If during the period of six months immediately following the end of the prescribed period the period ending with the sixth month after the month in which the prescribed period ends the renewal fee and any prescribed additional fee are paid, the patent shall be treated for the purposes of this Act as if it had never expired, and accordingly –
- (a) anything done under or in relation to it during that further period shall be valid;
 - (b) an act which would constitute an infringement of it if it had not expired shall constitute such an infringement; and
 - (c) an act which would constitute the use of the patented invention for the services of the Crown if the patent had not expired shall constitute that use.”

SECTION 27 – GENERAL POWER TO AMEND SPECIFICATION AFTER GRANT

- “(6) In considering whether or not to allow an application under this section, the comptroller shall have regard to any relevant principles applicable under the European Patent Convention.”

SECTION 28 – RESTORATION OF LAPSED PATENTS

(showing the amended [section 28\(3\)](#) to be made by the RRO)

- “(3) If the comptroller is satisfied that the failure of the proprietor of the patent –
- (a) to pay the renewal fee within the prescribed period; or
 - (b) to pay that fee and any prescribed additional fee within the period of six months immediately following the end of that period within the period ending with the sixth month after the month in which the prescribed period ended,
- was unintentional, the comptroller shall by order restore the patent on payment of any unpaid renewal fee and any prescribed additional fee.”

SECTION 32 – REGISTER OF PATENTS ETC

- “(2) Without prejudice to any other provision of this Act or rules, rules may make provision with respect to the following matters, including provision imposing requirements as to any of those matters –
- (a) the registration of patents and of published applications for patents;
 - (b) the registration of transactions, instruments or events affecting rights in or under patents and applications;
 - (ba) the entering on the register of notices concerning opinions issued, or to be issued, under section 74A below;”

[subsequent sub-paragraphs are unchanged]

SECTION 36 – CO-OWNERSHIP

- “(3) Subject to the provisions of sections 8 and 12 above and section 37 below and to any agreement for the time being in force, where two or more persons are proprietors of a patent one of them shall not without the consent of the other or others –
- (a) amend the specification of the patent or apply for such an amendment to be allowed or for the patent to be revoked, or
 - (b) grant a licence under the patent or assign or mortgage a share in the patent or in Scotland cause or permit security to be granted over it.”

SECTION 38 – EFFECT OF TRANSFER OF PATENT UNDER SECTION 37

- “(3) Where an order is so made that a patent shall be transferred as mentioned in subsection (2) above or that a person other than an old proprietor may make a new application for a patent and before the reference of the question under that section resulting in the making of any such order is registered, the old proprietor or proprietors or a licensee of the patent, acting in good faith, worked the invention in question

in the United Kingdom or made effective and serious preparations to do so, the old proprietor or proprietors or the licensee shall, on making a request to the new proprietor or proprietors or, as the case may be, the new applicant within the prescribed period, be entitled to be granted a licence (but not an exclusive licence) to continue working or, as the case may be, to work the invention, so far as it is the subject of the new application.”

[*Subsection (4) is unchanged*]

“(5) The new proprietor or proprietors of the patent or, as the case may be, the new applicant or any person claiming that he is entitled to be granted any such licence may refer to the comptroller the question whether that person is so entitled and whether any such period is or terms are reasonable, and the comptroller shall determine the question and may, if he considers it appropriate, order the grant of such a licence.”

SECTION 40 – COMPENSATION OF EMPLOYEES FOR CERTAIN INVENTIONS

“(1) Where it appears to the court or the comptroller on an application made by an employee within the prescribed period that the employee has made an invention belonging to the employer for which a patent has been granted, that the patent is (having regard among other things to the size and nature of the employer’s undertaking) of outstanding benefit to the employer and that by reason of those facts it is just that the employee should be awarded compensation to be paid by the employer, the court or the comptroller may award him such compensation of an amount determined under section 41 below.

- (1) Where it appears to the court or the comptroller on an application made by an employee within the prescribed period that –
- (a) the employee has made an invention belonging to the employer for which a patent has been granted,
 - (b) having regard among other things to the size and nature of the employer’s undertaking, the invention or the patent for it (or the combination of both) is of outstanding benefit to the employer, and
 - (c) by reason of those facts it is just that the employee should be awarded compensation to be paid by the employer,

the court or the comptroller may award him such compensation of an amount determined under section 41 below.

- (2) Where it appears to the court or the comptroller on an application made by an employee within the prescribed period that –
- (a) a patent has been granted for an invention made by and belonging to the employee;
 - (b) his rights in the invention, or in any patent or application for a patent for the invention, have since the appointed day been assigned to the employer or an exclusive licence under the patent or application has since the appointed day been granted to the employer;
 - (c) the benefit derived by the employee from the contract of assignment, assignation or grant or any ancillary contract (“the relevant contract”) is inadequate in relation to the benefit derived by the employer from the patent the invention or the patent for it (or both); and
 - (d) by reason of those facts it is just that the employee should be awarded compensation to be paid by the employer in addition to the benefit derived from the relevant contract;

the court or the comptroller may award him such compensation of an amount determined under section 41 below.”

SECTION 41 – AMOUNT OF COMPENSATION

“(1) An award of compensation to an employee under section 40(1) and (2) above in relation to a patent for an invention shall be such as will secure for the employee a fair share

(having regard to all the circumstances) of the benefit which the employer has derived, or may reasonably be expected to derive, from the patent or from the assignment, assignation or grant to a person connected with the employer of the property or any right in the invention or the property in, or any right in or under, an application for that patent.

- (1) An award of compensation to an employee under section 40(1) or (2) above shall be such as will secure for the employee a fair share (having regard to all the circumstances) of the benefit which the employer has derived, or may reasonably be expected to derive, from any of the following –
- (a) the invention in question;
 - (b) the patent for the invention;
 - (c) the assignment, assignation or grant of –
 - (i) the property or any right in the invention, or
 - (ii) the property in, or any right in or under, an application for the patent, to a person connected with the employer.”

[Subsections (2) and (3) are unchanged]

- “(4) In determining the fair share of the benefit to be secured for an employee in respect of a patent for an invention which has always belonged to an employer, the court or the comptroller shall, among other things, take the following matters into account, that is to say –”

[sub-paragraphs are unchanged]

- “(5) In determining the fair share of the benefit to be secured for an employee in respect of a patent for an invention which originally belonged to him, the court or the comptroller shall, among other things, take the following matters into account, that is to say –
- (a) any conditions in a licence or licences granted under this Act or otherwise in respect of the invention or the patent for it;”

[subsequent sub-paragraphs are unchanged]

[Subsections (6) to (9) are unchanged]

- “(10) In Scotland an order made under section 40 above by the comptroller for the payment of any sums may be enforced in like manner as a recorded decree arbitral an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.”

[Subsequent subsections are unchanged]

SECTION 43 – SUPPLEMENTARY

- “(5) For the purposes of sections 40 and 41 above the benefit derived or expected to be derived by an employer from a patent an invention or patent shall, where he dies before any award is made under section 40 above in respect of the patent it, include any benefit derived or expected to be derived from the patent it by his personal representatives or by any person in whom it was vested by their assent.
- (5A) (5A) For the purposes of sections 40 and 41 above the benefit derived or expected to be derived by an employer from an invention shall not include any benefit derived or expected to be derived from the invention after the patent for it has expired or has been surrendered or revoked.”

SECTION 46 – PATENTEE’S APPLICATION FOR ENTRY IN REGISTER THAT LICENCES ARE AVAILABLE AS OF RIGHT

- “(3) Where such an entry is made in respect of a patent –”

[sub-paragraphs (a) to (c) are unchanged]

- “(d) the renewal fee payable in respect of the patent after the date of the entry shall be half the fee which would be payable if the entry had not been made.
- (d) if the expiry date in relation to a renewal fee falls after the date of the entry, that fee shall be half the fee which would be payable had the entry not been made.”

“(3A) An undertaking under subsection (3)(c) above may be given at any time before final order in the proceedings, without any admission of liability.

(3B) For the purposes of subsection (3)(d) above the expiry date in relation to a renewal fee is the day at the end of which, by virtue of section 25(3) above, the patent in question ceases to have effect if that fee is not paid.”

SECTION 53 – COMPULSORY LICENCES; SUPPLEMENTARY PROVISIONS

“(1) Without prejudice to section 86 below (by virtue of which the Community Patent Convention has effect in the United Kingdom), sections 48 to 51 above shall have effect subject to any provision of that convention relating to the grant of compulsory licences for lack or insufficiency of exploitation as that provision applies by virtue of that section.”

SECTION 58 – REFERENCES OF DISPUTES AS TO CROWN USE

“(6) Where an amendment of the specification of a patent has been allowed under any of the provisions of this Act, the court shall not grant relief by way of compensation under this section in respect of any such use before the decision to allow the amendment unless the court is satisfied that –

- (a) the specification of the patent as published was framed in good faith and with reasonable skill and knowledge, and
- (b) the relief is sought in good faith.

(8) Where in any such proceedings it is found that a patent is only partially valid the Court shall not grant relief by way of compensation, costs or expenses except where the proprietor of the patent proves that –

- (a) the specification of the patent was framed in good faith and with reasonable skill and knowledge, and
- (b) the relief is sought in good faith,

and in that event the court may grant relief in respect of the part of the patent which is valid and has been so used, subject to the discretion of the court as to costs and expenses and as to the date from which compensation should be awarded.

(9) As a condition of any such relief the court may direct that the specification of the patent shall be amended to its satisfaction upon an application made for that purpose under section 75 below, and an application may be so made accordingly, whether or not all other issues in the proceedings have been determined.

(9A) The court may also grant such relief in the case of a European patent (UK) on condition that the claims of the patent are limited to its satisfaction by the European Patent Office at the request of the proprietor.”

SECTION 60 – MEANING OF INFRINGEMENT

“(4) Without prejudice to section 86 below, subsections (1) and (2) above shall not apply to any act which, under any provision of the Community Patent Convention relating to the exhaustion of the rights of the proprietor of a patent, as that provision applies by virtue of that section, cannot be prevented by the proprietor of the patent.”

SECTION 61 – PROCEEDINGS FOR INFRINGEMENT OF PATENT

“(4) Except so far as the context requires, in the following provisions of this Act –

- (a) any reference to proceedings for infringement and the bringing of such proceedings includes a reference to a reference under subsection (3) above and the making of such a reference;
- (b) any reference to a plaintiff claimant or pursuer includes a reference to the proprietor of the patent; and
- (c) any reference to a defendant or defender includes a reference to any other party to the reference.”

[Subsections (5) and (6) are unchanged]

- “(7) If the comptroller awards any sum by way of damages on a reference under subsection (3) above, then –
- (a) in England and Wales, the sum shall be recoverable, if a county court so orders, by execution issued from the county court or otherwise as if it were payable under an order of that court;
 - (b) in Scotland, payment of the sum may be enforced in like manner as an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland;
 - (c) in Northern Ireland, payment of the sum may be enforced as if it were a money judgment.”

SECTION 62 – RESTRICTION ON RECOVERY OF DAMAGES FOR INFRINGEMENT

- “(2) In proceedings for infringement of a patent the court or the comptroller may, if it or he thinks fit, refuse to award any damages or make any such order in respect of an infringement committed during any further period specified under the further period specified in section 25(4) above, but before the payment of the renewal fee and any additional fee prescribed for the purposes of that subsection.
- (3) Where an amendment of the specification of a patent has been allowed under any of the provisions of this Act, no damages shall be awarded in proceedings for an infringement of the patent committed before the decision to allow the amendment unless the court or the comptroller is satisfied that –
- (a) the specification of the patent as published was framed in good faith and with reasonable skill and knowledge, and
 - (b) the proceedings are brought in good faith.”

SECTION 63 – RELIEF FOR INFRINGEMENT OF PARTIALLY VALID PATENT

- “(2) Where in any such proceedings it is found that a patent is only partially valid, the court or the comptroller shall not grant relief by way of damages, costs or expenses, except where the plaintiff claimant or pursuer proves that –
- (a) the specification for the patent was framed in good faith and with reasonable skill and knowledge, and
 - (b) the proceedings are brought in good faith,
- and in that event the court or the comptroller may grant relief in respect of that part of the patent which is valid and infringed, subject to the discretion of the court or the comptroller as to costs or expenses and as to the date from which damages should be reckoned.
- (3) As a condition of relief under this section the court or comptroller may direct that the specification of the patent shall be amended to its or his satisfaction upon an application made for that purpose under section 75 below, and an application may be so made accordingly, whether or not all other issues in the proceedings have been determined.

- (4) The court or the comptroller may also grant relief under this section in the case of a European patent (UK) on condition that the claims of the patent are limited to its or his satisfaction by the European Patent Office at the request of the proprietor.”

SECTION 70 – REMEDY FOR GROUNDLESS THREATS OF INFRINGEMENT PROCEEDINGS

- “(1) Where a person (whether or not the proprietor of, or entitled to any right in, a patent) by circulars, advertisements or otherwise threatens another person with proceedings for any infringement of a patent, a person aggrieved by the threats (whether or not he is the person to whom the threats are made) may, subject to subsection (4) below, bring proceedings in the court against the person making the threats, claiming any relief mentioned in subsection (3) below.
- (2) In any such proceedings the plaintiff or pursuer shall, if he proves that the threats were so made and satisfies the court that he is a person aggrieved by them, be entitled to the relief claimed unless –
- (a) the defendant or defender proves that the acts in respect of which proceedings were threatened constitute or, if done, would constitute an infringement of a patent; and
 - (b) the patent alleged to be infringed is not shown by the plaintiff or pursuer to be invalid in a relevant respect.
- (2) In any such proceedings the claimant or pursuer shall, subject to subsection (2A) below, be entitled to the relief claimed if he proves that the threats were so made and satisfies the court that he is a person aggrieved by them.
- (2A) If the defendant or defender proves that the acts in respect of which proceedings were threatened constitute or, if done, would constitute an infringement of a patent –
- (a) the claimant or pursuer shall be entitled to the relief claimed only if he shows that the patent alleged to be infringed is invalid in a relevant respect;
 - (b) even if the claimant or pursuer does show that the patent is invalid in a relevant respect, he shall not be entitled to the relief claimed if the defendant or defender proves that at the time of making the threats he did not know, and had no reason to suspect, that the patent was invalid in that respect.
- (3) The said relief is –
- (a) a declaration or declarator to the effect that the threats are unjustifiable;
 - (b) an injunction or interdict against the continuance of the threats; and
 - (c) damages in respect of any loss which the plaintiff claimant or pursuer has sustained by the threats.
- (4) Proceedings may not be brought under this section for a threat to bring proceedings for an infringement alleged to consist of making or importing a product for disposal or of using a process.
- (4) Proceedings may not be brought under this section for –
- (a) a threat to bring proceedings for an infringement alleged to consist of making or importing a product for disposal or of using a process, or
 - (b) a threat, made to a person who has made or imported a product for disposal or used a process, to bring proceedings for an infringement alleged to consist of doing anything else in relation to that product or process.
- (5) It is hereby declared that a mere notification of the existence of a patent does not constitute a threat of proceedings within the meaning of this section.
- (5) For the purposes of this section a person does not threaten another person with proceedings for infringement of a patent if he merely –
- (a) provides factual information about the patent,

- (b) makes enquiries of the other person for the sole purpose of discovering whether, or by whom, the patent has been infringed as mentioned in subsection (4)(a) above, or
 - (c) makes an assertion about the patent for the purpose of any enquiries so made.
- (6) In proceedings under this section for threats made by one person (A) to another (B) in respect of an alleged infringement of a patent for an invention, it shall be a defence for A to prove that he used his best endeavours, without success, to discover –
- (a) where the invention is a product, the identity of the person (if any) who made or (in the case of an imported product) imported it for disposal;
 - (b) where the invention is a process and the alleged infringement consists of offering it for use, the identity of a person who used the process;
 - (c) where the invention is a process and the alleged infringement is an act falling within section 60(1)(c) above, the identity of the person who used the process to produce the product in question;
- and that he notified B accordingly, before or at the time of making the threats, identifying the endeavours used.”

SECTION 72 – POWER TO REVOKE PATENTS ON APPLICATION

- “(1) Subject to the following provisions of this Act, the court or the comptroller may on the application of any person by order revoke a patent for an invention on the application of any person (including the proprietor of the patent) on (but only on) any of the following grounds, that is to say –”

[*sub-paragraphs are unchanged*]

[*Subsections (2) and (3) are unchanged*]

- “(4) An order under this section may be an order for the unconditional revocation of the patent or, where the court or the comptroller determines that one of the grounds mentioned in subsection (1) above has been established, but only so as to invalidate the patent to a limited extent, an order that the patent should be revoked unless within a specified time the specification is amended under section 75 below to the satisfaction of the court or the comptroller, as the case may be.
- (4A) The reference in subsection (4) above to the specification being amended is to its being amended under section 75 below and also, in the case of a European patent (UK), to its being amended under any provision of the European Patent Convention under which the claims of the patent may be limited by amendment at the request of the proprietor.”

SECTION 74 – PROCEEDINGS IN WHICH VALIDITY OF PATENT MAY BE PUT IN ISSUE

- “(8) It is hereby declared that for the purposes of this Act the validity of a patent is not put in issue merely because –
- (a) the comptroller is considering its validity in order to decide whether to revoke it under section 73 above, or
 - (b) its validity is being considered in connection with an opinion under section 74A below or a review of such an opinion.”

Opinions by Patent Office

SECTION 74A – OPINIONS AS TO VALIDITY OR INFRINGEMENT

- “(1) The proprietor of a patent or any other person may request the comptroller to issue an opinion –
- (a) as to whether a particular act constitutes, or (if done) would constitute, an infringement of the patent;

- (b) as to whether, or to what extent, the invention in question is not patentable because the condition in section 1(1)(a) or (b) above is not satisfied.
- (2) Subsection (1) above applies even if the patent has expired or has been surrendered.
- (3) The comptroller shall issue an opinion if requested to do so under subsection (1) above, but shall not do so –
 - (a) in such circumstances as may be prescribed, or
 - (b) if for any reason he considers it inappropriate in all the circumstances to do so.
- (4) An opinion under this section shall not be binding for any purposes.
- (5) An opinion under this section shall be prepared by an examiner.
- (6) In relation to a decision of the comptroller whether to issue an opinion under this section –
 - (a) for the purposes of section 101 below, only the person making the request under subsection (1) above shall be regarded as a party to a proceeding before the comptroller; and
 - (b) no appeal shall lie at the instance of any other person.”

SECTION 74B – REVIEWS OF OPINIONS UNDER SECTION 74A

- “(1) Rules may make provision for a review before the comptroller, on an application by the proprietor or an exclusive licensee of the patent in question, of an opinion under section 74A above.
- (2) The rules may, in particular –
 - (a) prescribe the circumstances in which, and the period within which, an application may be made;
 - (b) provide that, in prescribed circumstances, proceedings for a review may not be brought or continued where other proceedings have been brought;
 - (c) make provision under which, in prescribed circumstances, proceedings on a review are to be treated for prescribed purposes as if they were proceedings under section 61(1)(c) or (e), 71(1) or 72(1)(a) above;
 - (d) provide for there to be a right of appeal against a decision made on a review only in prescribed cases.”

SECTION 75 – AMENDMENT OF PATENT IN INFRINGEMENT OR REVOCATION PROCEEDINGS

- “(1) In any proceedings before the court or the comptroller in which the validity of a patent is may be put in issue the court or, as the case may be, the comptroller may, subject to section 76 below, allow the proprietor of the patent to amend the specification of the patent in such manner, and subject to such terms as to advertising the proposed amendment and as to costs, expenses or otherwise, as the court or comptroller thinks fit.”

[Subsections (2) to (4) are unchanged]

- “(5) In considering whether or not to allow an amendment proposed under this section, the court or the comptroller shall have regard to any relevant principles applicable under the European Patent Convention.”

SECTION 77 – EFFECT OF EUROPEAN PATENT (UK)

- “(5) Where –
 - (a) under the European Patent Convention a European patent (UK) is revoked for failure to observe a time limit and is subsequently restored or is revoked by

the Board of Appeal and is subsequently restored by the Enlarged Board of Appeal; and

- (b) between the revocation and publication of the fact that it has been restored a person begins in good faith to do an act which would, apart from section 55 above, constitute an infringement of the patent or makes in good faith effective and serious preparations to do such an act;

he shall have the rights conferred by section 28A(4) and (5) above, and subsections (6) and (7) of that section shall apply accordingly.”

SECTION 78 – EFFECT OF FILING AN APPLICATION FOR A EUROPEAN PATENT (UK)

“(5A) The occurrence of any of the events mentioned in subsection (5)(a) or (b) shall not affect the continued operation of section 2(3) above in relation to matter contained in an application for a European patent (UK) which by virtue of that provision has become part of the state of the art as regards other inventions; and the occurrence of any event mentioned in subsection (5)(b) shall not prevent matter contained in an application for a European patent (UK) becoming part of the state of the art by virtue of section 2(3) above as regards other inventions where the event occurs before the publication of that application.

- (6) Where between those subsections ceasing to apply to any such application and the re-establishment of the rights of the applicant a person begins in good faith to do an act which would, apart from section 55 above, constitute an infringement of the application if those subsections then applied, or makes in good faith effective and serious preparations to do such an act, he shall have the rights conferred by section 28A(4) and (5) above, and subsections (6) and (7) of that section shall apply accordingly.

- (6) Where, between subsections (1) to (3) above ceasing to apply to an application for a European patent (UK) and the re-establishment of the rights of the applicant, a person –
 - (a) begins in good faith to do an act which would constitute an infringement of the rights conferred by publication of the application if those subsections then applied, or
 - (b) makes in good faith effective and serious preparations to do such an act,he shall have the right to continue to do the act or, as the case may be, to do the act, notwithstanding subsections (1) to (3) applying again and notwithstanding the grant of the patent.

(6A) Subsections (5) and (6) of section 20B above have effect for the purposes of subsection (6) above as they have effect for the purposes of that section and as if the references to subsection (4) of that section were references to subsection (6) above.

(6B) Subject to subsection (6A) above, the right conferred by subsection (6) above does not extend to granting a licence to another person to do the act in question.

(6C) Subsections (6) to (6B) above apply in relation to the use of a patented invention for the services of the Crown as they apply in relation to an infringement of the rights conferred by publication of the application (or, as the case may be, infringement of the patent).

“Patented invention” has the same meaning as in section 55 above.”

SECTION 80 – AUTHENTIC TEXT OF EUROPEAN PATENTS AND PATENT APPLICATIONS

“(4) Where a correction of a translation is published under subsection (3) above and before it is so published a person begins in good faith to do an act which would not constitute an infringement of the patent or application as originally translated but would (apart from section 55 above) constitute an infringement of it under the amended translation,

or makes in good faith effective and serious preparations to do such an act, he shall have the rights conferred by section 28A(4) and (5) above, and subsections (6) and (7) of that section shall apply accordingly.

- (4) Where a correction of a translation is published under subsection (3) above and before it is so published a person –
- (a) begins in good faith to do an act which would not constitute an infringement of the patent as originally translated, or of the rights conferred by publication of the application as originally translated, but would do so under the amended translation, or
 - (b) makes in good faith effective and serious preparations to do such an act,
- he shall have the right to continue to do the act or, as the case may be, to do the act, notwithstanding the publication of the corrected translation and notwithstanding the grant of the patent.
- (5) Subsections (5) and (6) of section 28A above have effect for the purposes of subsection (4) above as they have effect for the purposes of that section and as if –
- (a) the references to subsection (4) of that section were references to subsection (4) above;
 - (b) the reference to the registered proprietor of the patent included a reference to the applicant.
- (6) Subject to subsection (5) above, the right conferred by subsection (4) above does not extend to granting a licence to another person to do the act in question.
- (7) Subsections (4) to (6) above apply in relation to the use of a patented invention for the services of the Crown as they apply in relation to an infringement of the patent or of the rights conferred by the publication of the application.

“Patented invention” has the same meaning as in section 55 above.”

SECTION 81 – CONVERSION OF EUROPEAN PATENT APPLICATIONS

(shown with the amendment of [section 81\(2\)\(c\)](#) to be made by the RRO)

- “(1) The comptroller may direct that on compliance with the relevant conditions mentioned in subsection (2) below an application for a European patent (UK) shall be treated as an application for a patent under this Act in the following cases –
- (a) where the application is deemed to be withdrawn under the provisions of the European Patent Convention relating to the restriction of the processing of applications;
 - (b) where under the convention the application is deemed to be withdrawn because it has not, within the period required by the convention, been received by the European Patent Office
- where the application is deemed to be withdrawn under the provisions of the European Patent Convention relating to the time for forwarding applications to the European Patent Office.
- (2) The relevant conditions referred to above are that –
- (a) in the case of an application falling within subsection (1)(a) above, the European Patent Office transmits a request of the applicant to the Patent Office that his application should be converted into an application under this Act, together with a copy of the files relating to the application;
 - (b) in the case of an application falling within subsection (1)(b) above that –
 - (i) the applicant requests the comptroller within the relevant prescribed period (where the application was filed with the Patent Office) to give a direction under this section, or

- (ii) the central industrial property office of a country which is party to the convention, other than the United Kingdom, with which the application was filed transmits within the relevant prescribed period a request that the application should be converted into an application under this Act, together with a copy of the application; and
- (c) in either case that the applicant within the relevant prescribed period pays the application fee and if the application is in a language other than English, files a translation into English of the application and of any amendments previously made in accordance with the convention.”

SECTION 86 – IMPLEMENTATION OF COMMUNITY PATENT CONVENTION

- “(1) All rights, powers, liabilities, obligations and restrictions from time to time created or arising by or under the Community Patent Convention and all remedies and procedures from time to time provided for by or under that convention shall by virtue of this section have legal effect in the United Kingdom and shall be used there, be recognised and available in law and be enforced, allowed and followed accordingly.
- (2) The Secretary of State may by regulations make provision –
 - (a) for implementing any obligation imposed by that convention on a domestic institution or enabling any such obligation to be implemented or enabling any rights or powers conferred on any such institution to be exercised; and
 - (b) otherwise for giving effect to subsection (1) above and dealing with matters arising out of its commencement or operation.
- (3) Regulations under this section may include any incidental, consequential, transitional or supplementary provision appearing to the Secretary of State to be necessary or expedient, including provision amending any enactment, whenever passed, other than an enactment contained in this Part of this Act, and provision for the application of any provision of the regulations outside the United Kingdom.
- (4) Sections 12, 73(2), 77 to 80, 82 and 83 above shall not apply to any application for a European patent which under the Community Patent Convention is treated as an application for a Community patent, or to a Community patent (since any such application or patent falls within the foregoing provisions of this section).
- (5) In this section “domestic institution” means the court, the comptroller or the Patent Office, as the case may require.”

SECTION 87 – DECISIONS ON COMMUNITY PATENT CONVENTION

- “(1) For the purposes of all legal proceedings, including proceedings before the comptroller, any question as to the meaning or effect of the Community Patent Convention, or as to the validity, meaning and effect of any instrument made under or in implementation of that convention by any relevant convention institution shall be treated as a question of law (and if not referred to the relevant convention court, be for determination as such in accordance with the principles laid down by and any relevant decision of that court).
- (2) In this section –
 - “relevant convention institution” means any institution established by or having functions under the Community Patent Convention, not being an institution of the United Kingdom or any other member state, and
 - “relevant convention court” does not include –
 - (a) the European Patent Office or any of its departments; or
 - (b) a court of the United Kingdom or any other member state.”

SECTION 89 – EFFECTS OF INTERNATIONAL APPLICATION FOR PATENT

“(4) For the purposes of the above provisions an application shall not be treated as an international application for a patent (UK) by reason only of its containing an indication that the applicant wishes to obtain a European patent (UK), but an application shall be so treated if it also separately designates the United Kingdom.”

SECTION 89B – ADAPTATION OF PROVISIONS IN RELATION TO INTERNATIONAL APPLICATIONS

“(2) If the application, not having been published under this Act, is published in accordance with the Treaty it shall be treated, for purposes other than those mentioned in subsection (3), as published under section 16 above when the conditions mentioned in section 89A(3)(a) are complied with national phase of the application begins or, if later, when published in accordance with the Treaty.”

SECTION 91 – EVIDENCE OF CONVENTIONS AND INSTRUMENTS UNDER CONVENTIONS

“(1) Judicial notice shall be taken of the following, that is to say –

- (a) the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty (each of which is hereafter in this section referred to as the relevant convention);
- (b) any bulletin, journal or gazette published under the relevant convention and the register of European or Community patents kept under it patents kept under the European Patent Convention; and
- (c) any decision of, or expression of opinion by, the relevant convention court on any question arising under or in connection with the relevant convention.”

SECTION 95 – FINANCIAL PROVISIONS

“(1) There shall be paid out of moneys provided by Parliament any sums required by any Minister of the Crown or government department to meet any financial obligation of the United Kingdom under the European Patent Convention, the Community Patent Convention or the Patent Co-operation Treaty.

(2) Any sums received by any Minister of the Crown or government department in pursuance of either of those conventions that convention or that treaty shall be paid into the Consolidated Fund.”

SECTION 103 – EXTENSION OF PRIVILEGE FOR COMMUNICATIONS WITH SOLICITORS RELATING TO PATENT PROCEEDINGS

“(2) In this section –

“legal proceedings” includes proceedings before the comptroller;

the references to legal proceedings and pending or contemplated proceedings include references to applications for a patent or a European patent and to international applications for a patent; and

“the relevant conventions” means the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty”

SECTION 105 – EXTENSION OF PRIVILEGE IN SCOTLAND FOR COMMUNICATIONS RELATING TO PATENT PROCEEDINGS

“(2) In this section –

“patent proceedings” means proceedings under this Act or any of the relevant conventions, before the court, the comptroller or the relevant convention court, whether contested or uncontested and including an application for a patent; and

“the relevant conventions” means the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty.”

SECTION 106 – COSTS AND EXPENSES IN PROCEEDINGS BEFORE THE COURT UNDER SECTION 40

“(1) In proceedings before the court under section 40 above (whether on an application or on appeal to the court) proceedings to which this section applies, the court, in determining whether to award costs or expenses to any party and what costs or expenses to award, shall have regard to all the relevant circumstances, including the financial position of the parties.

- (1A) This section applies to proceedings before the court (including proceedings on an appeal to the court) which are –
- (a) proceedings under section 40;
 - (b) proceedings for infringement;
 - (c) proceedings under section 70; or
 - (d) proceedings on an application for a declaration or declarator under section 71.”

[*Subsection (2) is unchanged*]

SECTION 107 – COSTS AND EXPENSES IN PROCEEDINGS BEFORE THE COMPTROLLER

- “(4) If any of the following persons, that is to say –
- (a) any person by whom a reference is made to the comptroller under section 8, 12 or 37 above;
 - (b) any person by whom an application is made to the comptroller for the revocation of a patent;
 - (c) any person by whom notice of opposition is given to the comptroller under section 27(5), 29(2), 47(6) or 52(1) above, or section 117(2) below;

neither resides nor carries on business in the United Kingdom, the comptroller may require him to give security for the costs or expenses of the proceedings and in default of such security being given may treat the reference, application or notice as abandoned.

- (4) The comptroller may make an order for security for costs or expenses against any party to proceedings before him under this Act if –
- (a) the prescribed conditions are met, and
 - (b) he is satisfied that it is just to make the order, having regard to all the circumstances of the case;

and in default of the required security being given the comptroller may treat the reference, application or notice in question as abandoned.”

SECTION 117A – EFFECT OF RESUSCITATING APPLICATIONS

(to be inserted by the RRO)

“(7) The above provisions apply in relation to the use of a patented invention for the services of the Crown as they apply in relation to infringement of the rights conferred by publication of the application for a patent (or, as the case may be, infringement of the patent).

“Patented invention” has the same meaning as in section 55 above.”

SECTION 120 – HOURS OF BUSINESS AND EXCLUDED DAYS

- “(1) Rules may specify The comptroller may give directions specifying the hour at which the Patent Office shall be taken to be closed on any day for purposes of the transaction by the public of business under this Act or of any class of such business, and may specify and the directions may specify days as excluded days for any such purposes.
- (2) Any business done under this Act on any day after the hour so specified in relation to business of that class, or on a day which is an excluded day in relation to business of that class, shall be taken to have been done on the next following day not being an excluded day; and where the time for doing anything under this Act expires on an excluded day that time shall be extended to the next following day not being an excluded day.
- (3) Directions under this section shall be published in the prescribed manner.”

SECTION 121 – COMPTROLLER’S ANNUAL REPORT

“Before 1st June 1st December in every year financial year the comptroller shall cause to be laid before both Houses of Parliament a report with respect to the execution of this Act and the discharge of his functions under the European Patent Convention, the Community Patent Convention and the Patent Co-operation Treaty, and every such report shall include an account of all fees, salaries and allowances, and other money received and paid by him under this Act, those conventions that convention and that treaty during the previous year financial year.”

SECTION 123 – RULES

“(2) Without prejudice to the generality of subsection (1) above, rules may make provision —”

[paragraphs (a) to (h) are unchanged]

- “(i) giving effect to the right of an inventor of an invention to be mentioned in an application for a patent for the invention;
- (ii) giving effect to an inventor’s rights to be mentioned conferred by section 13, and providing for an inventor’s waiver of any such right to be subject to acceptance by the comptroller;”

[subsequent paragraphs are unchanged]

“(2A) The comptroller may set out in directions any forms the use of which is required by rules; and any such directions shall be published in the prescribed manner.”

[Subsections (3) and (3A) are unchanged]

- “(4) Rules prescribing fees shall not be made except with the consent of the Treasury.
- (5) The remuneration of any adviser appointed under rules to assist the comptroller in any proceeding shall be determined by the Secretary of State with the consent of the Treasury and shall be defrayed out of moneys provided by Parliament.”

SECTION 130 – INTERPRETATION

“(1) In this Act, except so far as the context otherwise requires –”

[only those definitions which have been changed are shown]

““application for a European patent (UK)” and (subject to subsection (4A) below) “international application for a patent (UK)” each mean an application of the relevant description which, on its date of filing, designates the United Kingdom;

“Community Patent Convention” means the Convention for the European Patent for the Common Market and “Community patent” means a patent granted under that convention;

“designate” in relation to an application or a patent, means designate the country or countries (in pursuance of the European Patent Convention or the Patent Co-operation Treaty) in which protection is sought for the invention which is the subject of the application or patent and includes a reference to a country being treated as designated in pursuance of the convention or treaty.

“relevant convention court”, in relation to any proceedings under the European Patent Convention, the Community Patent Convention or the Patent Co-operation Treaty, means that court or other body which under that convention or treaty has jurisdiction over those proceedings, including (where it has such jurisdiction) any department of the European Patent Office;”

[*Subsections (2) to (4) are unchanged*]

“(4A) An international application for a patent is not, by reason of being treated by virtue of the European Patent Convention as an application for a European patent (UK), to be treated also as an international application for a patent (UK).”

[*Subsection (5) is unchanged*]

“(5A) References in this Act to the amendment of a patent or its specification (whether under this Act or by the European Patent Office) include, in particular, limitation of the claims (as interpreted by the description and any drawings referred to in the description or claims).”

SECTION 131 – NORTHERN IRELAND

“In the application of this Act to Northern Ireland –

- (a) “enactment” includes an enactment of the Parliament of Northern Ireland and a Measure of the Northern Ireland Assembly;
- (b) any reference to a government department includes a reference to a Department of the Government of Northern Ireland;
- (c) any reference to the Crown includes a reference to the Crown in right of Her Majesty’s Government in Northern Ireland;
- (d) any reference to the Companies Act 1985 includes a reference to the corresponding enactments in force in Northern Ireland; and
- (e) [repealed]
- (f) any reference to a claimant includes a reference to a plaintiff.”