

**EXPLANATORY MEMORANDUM TO  
THE PATENTS, TRADE MARKS AND DESIGNS (ADDRESS FOR SERVICE  
AND TIME LIMITS, ETC) RULES 2006  
2006 No. 760**

1. This explanatory memorandum has been prepared by the Department of Trade and Industry and is laid before Parliament by Command of Her Majesty.

**2. Description**

2.1 These Rules amend the Design Right (Proceedings before Comptroller) Rules 1989, the Patents Rules 1995, the Registered Designs Rules 1995 and the Trade Marks Rules 2000.

**3. Matters of special interest to the Joint Committee on Statutory Instruments**

None.

**4. Legislative background**

4.1 These Rules are made under section 36 of the Registered Designs Act 1949, the Patents Act 1977, section 250 of the Copyright, Designs and Patents Act 1988 and section 78 of the Trade Marks Act 1994.

**5. Extent**

5.1 This instrument extends to all of the United Kingdom. The Patents Rules 1995, the Registered Designs Rules 1995 and the Trade Marks Rules 2000 all also apply to the Isle of Man.

**6. European Convention on Human Rights**

As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

**7. Policy Background**

7.1 These Rules liberalise the requirements imposed on applicants for registered intellectual property rights. At present an applicant must file an address for service in the United Kingdom. The amendments made by these Rules will permit an address to be filed which is in the United Kingdom, another EEA State or in the Channel Islands.

7.2 In relation to parties involved in proceedings before the comptroller, in relation to patents or unregistered designs, or before the registrar, in relation to trade marks or registered designs, these Rules make amendments to permit the comptroller or registrar to direct that a particular party may file an address for service outside the United Kingdom.

7.3 In the Registered Designs Act 1949, the Patents Act 1977 and the Trade Marks Act 1994, the "United Kingdom" includes the Isle of Man.

7.4 These amendments are being made to ensure to ensure that the Patent Office's practice complies with Article 49 of the EC Treaty.

7.5 These Rules also make amendments to permit the extension of certain time limits imposed in relation to patents, trade marks and registered designs (but not in relation to design right). These amendments, which replace similar provisions in the present Rules, extend any time limit where there has been an interruption in the normal operation of the Patent Office or a general interruption or dislocation in the postal service. When either of these events occurs, the comptroller or registrar will advertise the fact in the Journal and post a notice in the Patent Office. In addition, these Rules require the comptroller or registrar to extend a time limit where a person's failure to do something under the Registered Designs Act 1949, Patents Act 1977 or the Trade Marks Act 1994 was caused by a delay in a communication service (for example, an email failure).

7.6 Finally, these Rules amend the Trade Marks Rules 2000 to facilitate electronic communications made by the registrar to any person.

## **8. Impact**

8.1 Attached to this memorandum is a Regulatory Impact Assessment which assesses the impact of these Rules and the Trade Marks (International Registration) Order 2006.

## **9. Contact**

Paul Twyman at the Patent Office: tel: 01633 814454 or e-mail Paul.Twyman@patent.gsi.gov.uk can answer any questions on the Rules.

# **REGULATORY IMPACT ASSESSMENT**

## **The Patents, Trade Marks and Designs (Address For Service and Time Limits, etc) Rules 2006; and The Trade Marks (International Registration) (Amendment) Order 2006**

### **Purpose and Intended Effect**

#### **Objectives**

1 For address for service (AFS), the objective is to liberalise patents, trade marks and registered designs rules to conform with Article 49 of the Treaty of Rome (the Treaty). This means that in most circumstances the Patent Office will no longer require an address for service in the UK, but would accept one in the European Economic Area (EEA) or in the Channel Islands. This will ensure that, on the face of the Rules, there is no discrimination against residents of other EEA states.

2 In relation to communication delays, the objective is to broaden the provisions to allow time limits to be extended where there are delays in communication services. Current rules cover only grant extensions where delays are caused by an interruption of the services at the Patent Office or by a disruption in the normal postal services within the UK. The changes will allow time limits to be extended in a wider range of circumstances, reflecting the increased use of non-postal means of communicating.

#### **Background and Rationale for Intervention**

3. The Patents Rules 1995, the Registered Designs Rules 1995 and the Trade Marks Rules 2000 set out the requirements for applicants and proprietors to provide an AFS. These Rules require applicants and proprietors, and every person concerned in any proceedings under the Act or Rules, to provide an AFS in the UK. This requirement is contrary to Article 49 of the Treaty which provides that we may not discriminate against members of other European Community (EC) states. Article 49 has direct effect and overrides any incompatible national legislation. A provision equivalent to Article 49 of the Treaty is also contained in Article 36 of the Agreement on the European Economic Area. To conform to those requirements the rules have been amended to provide that applicants, or those involved in ex parte cases, may provide an address for service anywhere in the EEA. The countries currently members of the European Economic Area are as follows: Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, the Netherlands and the United Kingdom.

4 An AFS in any of these countries will be accepted for new and existing applications and for ex parte cases.

5 An AFS in the Channel Islands will also be accepted to avoid a geographical anomaly for these dependent territories which are closely associated with the UK.

6 For contested cases only, the requirement on all parties to provide a UK AFS remains unchanged unless the Comptroller directs otherwise in a particular case. This is because in such cases a UK AFS can be objectively justified as it will avoid delays, reduce the cost of serving evidence and increase the certainty of delivery of documents.

7 There are certain restrictions imposed by section 23 of the Patents Act 1977 on residents of the United Kingdom whose patent applications contain information which relates to military technology, or would be prejudicial to national security or the safety of the public.

8 If a suitable AFS is not provided the Office will write to both AFS and applicant highlighting the need for an EEA AFS (or for a UK AFS in contested cases). If a suitable AFS is still not provided, the application or reference will be treated as withdrawn or refused.

9 Provisions allowing for time limits to be extended where there has been a breakdown in communications are being extended in two ways. First, geographically to remove the restriction that the delay must have occurred in the UK, reflecting the changes to AFS provisions; and that with the increasing of various forms of electronic communications it may often not be clear where a service was disrupted. Second, to extend coverage from postal services to any form of communication, again reflecting changes in technology and the increasing use of non-postal means of communication.

## **Consultation**

10 A formal consultation was carried out covering both AFS and postal delay, closing in January 2004. The consultation document is available at <http://www.patent.gov.uk/about/consultations/afspost/index.htm> and the response document analysing the responses to the consultation is at <http://www.patent.gov.uk/about/consultations/afspostconclusions/index.htm>. At the time it was proposed to make no unilateral changes to the AFS rules, but support the liberalisation of AFS across the EU; to extend the provisions relating to postal delay, to cover undue delays to any means of communication and to delays anywhere within the EU; and to amend the postal interruption provisions so that only those communications affected by the interruption would qualify for extended time limits; and to seek the abolition of the postal deeming rules for patents and registered designs. The present proposals address the first three of these issues, but do not extend to the abolition of the postal deeming provisions.

## **Options**

11 Doing nothing is not an option. It is clear that the current requirements for a UK AFS conflict with Article 49 of the Treaty and cannot be justified for routine administrative matters or for uncontested cases. The proposals bring the relevant Rules into line with the requirements of the Treaty.

### **Sectors Affected**

12 Any individual, or any organisation of any size in any area of business could be affected by the changes.

### **Costs and benefits**

13 The changes extend applicants' freedom to choose an AFS. The proposals give applicants for, or proprietors of, any of the rights concerned greater choice without incurring any additional costs or imposing any new requirements. Applicants and proprietors may benefit from being able to choose a cheaper, more local or more familiar AFS. The penalties for failing to provide a suitable AFS remain unchanged, but will apply less often. We do not know how many will take advantage of the more liberal proposals, but there has been no substantial demand for change from applicants or proprietors and we expect the take-up to be low.

14 Customers will also benefit from being able to request an extension of time in a wider variety of circumstances than at present, again at no additional cost.

15 It is possible the UK based agents or others who provide AFS services may lose some of their AFS business to non-UK EEA competitors. As noted at 13 above, we expect that few will opt for a non-UK AFS. We also expect that the European Commission would require all national IP offices to adopt similar regimes so that UK agents or others could act as AFS for applicants or proprietors before other national offices in the EU.

### **Small Firms Impact Test**

15 Intellectual property rights may be applied for by any individual or organisation of any size, and in any sector or market. The proposals would apply equally to all applicants for, or owners of, intellectual property rights. There is no evidence that the proposals would affect market structures, or change the number or size of firms. The proposed changes would apply equally to new or established firms, and so there would not be higher set-up or ongoing costs for new or potential firms that existing firms did not have to meet.

16 We believe that no firm has more than 10% market share in the broad market for intellectual property rights. Consequently, no firm has more than 20% of the market share and no three firms together have 50% of the market share.

17 Intellectual property rights are all concerned with innovation, so there will be some sectors affected which are characterised by rapid technological change. However, the proposals do not affect the nature or scope of any of those rights.

18 The proposals will not in any way restrict the ability of firms to choose the price, quality, range or location of their products. The nature and extent of the various intellectual property rights will remain exactly the same under the proposals as under the existing regime.

### **Enforcement, sanctions and monitoring**

19 Nobody has to apply for any form of intellectual property and so the proposals will not be enforced. Applicants who wish to obtain patents or registered trade marks or designs, or to maintain their rights once granted will have to pay the fees required. The only sanction is that if applicants or proprietors do not provide a suitable AFS then their applications be deemed to have been withdrawn. The proposals do not change any existing enforcement, sanctions or monitoring.

20 There are well established mechanisms for customers to comment about any aspect of Patent Office service (including a feedback form at <http://www.patent.gov.uk/about/relationship/feedback/form.htm> and a dedicated e-mail account at [customer.feedback@patent.gov.uk](mailto:customer.feedback@patent.gov.uk)) which will remain in place. Feedback of all types is regularly collated and checked to ensure that individual complaints are dealt with and any underlying problems are identified and addressed.

### **Declaration**

I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.

Signed *Sainsbury of Turville*

Date **14th March 2006**

Lord Sainsbury of Turville  
Parliamentary Under-Secretary of State for Science and Innovation  
Department of Trade and Industry