

# **REDDIE & GROSE**

#### European Routes To Protection: Is too much choice a good thing?

Philip Bates, Nick Reeve, Aidan Robson Partners, for Reddie & Grose LLP July 2013

#### G

### Reddie & Grose LLP

- 100 staff, 30 Patent Attorneys (European & United Kingdom)
- Offices in London & Cambridge
- Patents, Trademarks and Designs: Drafting, Prosecution, Opposition, Litigation Support, Third Party Reports (Freedom to Operate, Patent Audit, Standard Essentiality)
- Tier 1 in the Legal 500 Ratings
- Principal Technical Specialities: Electronics and Software Chemistry and Medical Devices Mechanical Consumer Products

#### The European Unitary Patent

**REDDIE & GROSE** 

LONDON | CAMBRIDGE

# The European Unitary Patent

- A newly proposed system of patent protection for Europe
- Provides protection in participating states under a single Unitary patent right.
- Obtain a Unitary Patent by requesting, within one month of grant of a conventional European patent, that the granted European patent has Unitary effect.
- Some European countries are not participating, so the Unitary Patent will not unify Europe at least for the time being.
  - Participating Member states
    EPC States outside the EU
    Non participating EU states
    Non EU and Non EPC Countries

LONDON | CAMBRIDGE

**REDDIE & GROSE** 



Via the Enhanced Cooperation Procedure

- 「Unitary Patent」: EU Reg. No.1257/2012
- 「Applicable Translation Provisions」: EU Reg No.1260/2012
- Spain and Italy are **NOT** participating

By International Treaty (Not EU Law)

- Agreement on the Unitary Patent Court
- Spain and Poland are **NOT** participating
- <u>Rules of Procedure for the Court</u>
- <u>Rules for litigation</u>

# The European Unitary Patent

- A European Unitary Patent is a patent granted by the EPO, which automatically has effect in all EU countries participating in the Unitary Patent.
- The Patentee must request Unitary effect within 1 month from grant of the European patent by the EPO.
- Initially, the request must accompany a full translation of the patent specification into another EU language (expected to continue until machine generated translations become available).
- EPUEs will be enforced by the Unified Patent Court only.

# The European Unitary Patent

- Will only apply to those European states that sign up to the Unitary Patent. National patents or non-unitary European patent protection, likely still to be necessary.
- Spain and Italy are **NOT** participating due to language concerns.
- Poland did NOT sign the Unitary Patent Court Agreement due to concerns with the cost of the system, and the negative impact on the Polish economy. Thus, EPUEs will not cover Poland and there will be no Polish division of the UPC.
- Non EU states which are outside the new system are Switzerland & Liechtenstein, Albania, Iceland, The Former Yugoslav Republic of Macedonia, Monaco, Norway, San Marino, Serbia, and Turkey.

#### Translations

- Where the language of the EU patent is English, Patentees will have to provide a translation of the patent specification into another EU language.
- For EU patents filed in French or German, translations must be filed in English.
- The translation is required for information purposes only, as the aim of the translations is to train machine translators. The quality of the translation should not therefore be questioned.
- The requirement to file a translation will extend for 6 years after the Unified Patent Court agreement enters into force, with the expectation that the term will be extended to 12 years.
- Translations by the patentee will also be required during disputes.

#### LONDON | CAMBRIDGE

#### Translations

- If a dispute arises, the Patentee is required (at the request of the alleged infringer) to provide a translation of the Unitary Patent into the language of:
  - a) the state where the alleged infringement occurred.b) the state where the alleged infringer is domiciled.
- Where legal proceedings are started, the Patentee will also need to provide a translation to the Court.
- These translations will need to be of a suitable quality to support litigation. At least two translations may need to be filed.
- If you anticipate litigation, should you choose an appropriate language at the grant stage of the Unitary Patent?

# Unified Patent Court (UPC)

- A new court system, the Unified Patent Court, will be set up to provide a central alternative to national courts.
- It will be established under an International agreement between participating states.
- The Court will have exclusive jurisdiction over Unitary Patents.
- The Court will also have jurisdiction over conventional European Patents (including those granted before the Court is set up)
- The Court is not an EU body, but there is a desire to include the court within the framework of the Court of Justice of the European Union.

# Unified Patent Court (UPC)

- A new court system set up by International Agreement between the participating parties
- The UPC will have exclusive jurisdiction in disputes relating to both EPUEs and traditional European patents granted at the EPO.
- However, during an initial transitional period of 7 years, patentees of conventional European patents may opt out of the UPC.
- The rules and structure are complicated
- The CJEU will remain as the highest authority for addressing questions of European law. For some, this is an area of concern.
- The usual remedies available: damages, injunctions, delivery up etc.
- Opportunities for forum shopping.
- Many questions still remain over how effectively the court will/can perform.

PATENT ARBITRATION AND MEDIATION CENTER (Lisbon & Ljubljana)

REGISTRY (Luxembourg)

#### COURT OF FIRST INSTANCE

#### CENTRAL DIVISION:

Multinational panel of 3 Judges (2 legal, 1 technical). Patent Infringement, Revocation, and Declarations of Non-Infringement; SPCs Revocation, Declaration of non infringement and SPC Claims

#### PARIS LONDON MUNICH Physics and Mechanical Chemistry, Electricity; Human Engineering; Transportation, Lighting & Necessities, Textiles & paper: Consumables; Heating; Metallurgy

CJEU (Luxembourg)

COURT OF APPEAL (Luxembourg) Multinational panel of 5 judges: 3 legal, 2 technical.

> <u>LOCAL/REGIONAL</u> <u>DIVISIONS (Other</u> <u>Participating Member</u> states)

Multinational panel of 3 judges; 4<sup>th</sup> technically qualified judge may be requested. Set up upon request; up to 4 per Member State depending on number of patent cases heard. Largely intended to hear infringement claims.

**REDDIE & GROSE** 

LONDON | CAMBRIDGE

### Which Division Is Competent?

#### Infringement

- The Local/Regional Division where the alleged infringement takes place; or the Local /Regional Division where the alleged infringer has his residence or place of business.
- The Local/Regional Division may pass cases to the Central Division; the parties may also agree to proceed before the Central Division.
- If the Defendant does not have a place of business in a participating member state, then the Patentee can bring an action before the Local/Regional Division in which infringement has occurred, or before the central division.

#### **Revocation and Declarations of Non Infringement**

- Must be brought in the Central Division.
- If an alleged infringer has already brought such actions, the Patentee can bring an infringement claim in the Central Division.

#### SPCs

Claims relating to SPCs must be issued at the Central Division.



- Central revocation
- Forum shopping
- Bifurcation
- Injunctions
- Quality of decisions
- Uncertainty



#### G

# Opting out of the UPC

- Only applies to European patents (including those already granted and in force)
- Possible to opt out for up to 7 years from commencement of the new system. This term is likely to be extended to 14 years. Believed to apply for the life of the patent
- Must file a request to opt out for EACH patent at the Registry. New Draft Rules of Procedure (15th edition) allow users to opt out on a provisional register set up before the official registry and the court are set up.
- Can opt back in up to 1 month before the end of the term.
- State of affairs when litigation started (revocation or infringement) will determine which court hears the case.

# Will The New System Be Cheaper?

- The publicity for the European Unitary Patent claims that the new system will lead to an 80% reduction in costs.
- However, this figure is based on the assumption that patentees validate in all of the participating member states.
- According to reports by the European Commission, the majority of applicants actually validate in only 3 to 5 member states.
- Cost effectiveness will depend on the level of renewal fees, and whether litigation costs under the new system are lower.



#### G

### **Renewal Fees**

- Art 12(3) of the Unitary Patent regulation states that the level of renewal fees will be "<u>equivalent to the level of the renewal fees to</u> <u>be paid for the average geographical coverage of current European</u> <u>patents</u>".
- This would appear to be 5 states so based on renewal fees, for proprietors seeking protection in fewer than 5 states, the Unitary Patent is probably not cost effective.
- In how many European states do you really want protection?



#### **Pros And Cons**

- Easier administration: treated as a single unitary right for enforcement and assignment.
- Its Unitary nature means that a Unitary patent could be revoked in a single action before the Unified Court
- The Unitary Patent will only be available in those European states that sign up to the Unitary Patent. Patentees will still need to consider national patents or patent protection via validated European patents.
- Renewal fees for Unitary Patent are cheaper than renewal fees for validation in all participating EPC state (assuming a sufficient number ratify).
- But cannot allow particular states to lapse, maintaining only in key markets.

## When will the Unitary Patent happen?

- Ratification of the Agreement on the Unified Patent Court required by at least 13 member states: must include the UK, France and Germany. Many countries expected to review economic impact.
- If ratification occurs in 2013, the agreement and regulations will come into force 1 January 2014.
- If ratification occurs later, regulations come into force 4 months after ratification of agreement.
- European Parliament declaration anticipated that agreement and ratification would be concluded in 2013. First unitary Patents granted in 2014 and in effect by in April 2014
- Somewhere between 2015 and 2017 more likely (assuming remaining legal challenges can be overcome).

# **Obstacles to Implementation**

- Ratification?
- Brussels Regulation will need amendment
- Compatibility with European Treaties (TEU and TFEU)
- Legal challenges by Spain and Italy to the legality of using Enhanced Cooperation (Cases C-274/11 and C-295/11). Legal challenge on these grounds failed.
- Further challenges by Spain (Cases C-146/13 and C-147/13) on the legality of the regulations (March 2013)

# What Should You Do?

- Are you interested in Europe wide protection? Where are your significant markets?
- Can you wait for Unitary Protection to come into effect? Can you delay pending European applications, or file a divisional application?
- Is filing national patent applications a better option for you?
- If you have European patents, should you opt out of the Unitary Patent Court?

#### **Different Routes to Protection**

**REDDIE & GROSE** 

LONDON | CAMBRIDGE

#### G

# **Three Types Of Patent Protection**

- The Unitary patent provides an additional choice for patent protection in Europe.
  - European Unitary Patents or European Patents having Unitary Effect (EPUE)
  - Conventional European patents (EP) (with non Unitary Effect)
  - National patents filed at the patent office of respective countries
- For states in the Unitary Patent, the Patentee must choose EITHER a European Patent with Unitary effect for ALL states, OR no Unitary Patent and protection granted in separate states via validation of the European Patent.
- The most appropriate form of protection will vary depending on the applicant.

#### G

# The Current European Patent System

- Patents are granted by the EPO under the European Patent Convention.
- This is an international agreement between European and non-European countries
- A granted European patent is a "bundle" of national rights requiring validation in each respective country.
- Separate renewal, enforcement, and handling required in each country.
- The costs of obtaining a granted European patent and of maintaining it in each country is seen as being as high.
- National enforcement results in separate (potentially conflicting) court decisions in each state

LONDON | CAMBRIDGE

# European & National Routes To Protection

#### **European Patent Office**

- Expensive & Slow
- High Quality Examination
- Central Attack with Opposition
- Limitations on strategic options

#### **National Patent Offices**

- Mostly Quicker
- More Applicant Friendly?
- 3 Countries similar cost to EPO
- Diverse Strategic Options

E

#### **European Patent Office**

- Limitation on Claims Numbers
- Pre Examination stage response to objections
- Limitation on Divisional Applications
- Clarity and Added Subject Matter Objections can be problematic
- High Fees for additional searches
- Opposition and Appeal can extend uncertainty for Patentee
- Renewal Fees while pending
- High Quality Search and Examination
- Central/Familiar Procedure

## **United Kingdom Patent Office**

- English language applications (usually already accounted for in Patent strategy)
- Relatively Quick: acceptance term of 4.5 years from Priority Date
- No limitations on claim number
- Cost to file around 1200 Euro
- Applicant Friendly
- Combined Search and Examination possible providing further acceleration. Usually issues within 4 months of filing.
- Useful for Patent Prosecution Highway in Other Countries
- Divisionals allowed until internal allowance
- No renewal fees until granted
- Patent Box (Tax Relief)
- Not as flexible for Computer Implemented Inventions

### Inventive Step at the EPO

- Article 56 EPC: An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art.
- This is based on the problem-solution approach which involves
  - 1. determining the closest prior art
  - 2. establishing the objective technical problem to be solved

3. considering whether or not the claimed invention, starting from the closest prior art and the technical problem, would have been obvious to the skilled person.

- The question of obviousness in step 3 requires a technical solution to a problem or a tangible advantage to be identified and argued. This must be more than a mere difference or a statement that the prior art in combination does not result in the claimed invention.
- It also has to be in a technical field. Can be an issue with software and business method cases.

### Inventive Step at the UK IPO

- A different structure to the EPO, based on case law from the UK Court of Appeal in Windsurfing International Inc v Tabur Marine (Great Britain) Ltd [1985] RPC 59, and as re-stated in Pozzoli v BDMO SA [2007] EWCA Civ 588, [2007]
- 1a) Identify the notional 'person skilled in the art', and the relevant common general knowledge of that person.
- 2) Identify the inventive concept of the claim in question
- 3) Identify what differences exist between the matter cited as forming part of the 'state of the art' and the inventive concept of the claim
- 4) Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?"
- No requirement for technical problem or technical solution, but must still not be obvious. UK examiners do appear to take a more lenient view.

### Non patentable subject matter

- In Europe, and the UK, the features of the claim, not the category, determine whether a claim will be considered to be excluded subject matter. So, claims to "A computer program" are acceptable. G3/08 and T1173/97 (IBM)
- In Europe, the computer program must solve a technical problem (be inventive). Non technical claim features are ignored for the purpose of inventive step.
- UK IPO test similar but still slightly stricter. AT&T defines a series of signposts for indications.



### AT&T & CVON 'Signposts' -[2009] EWHC 343 (Pat)

- "Useful signposts to a relevant technical effect are:"
- i. whether the claimed technical effect has a technical effect on a process which is carried on outside the computer;
- ii. whether the claimed technical effect operates at the level of the architecture of the computer; that is to say whether the effect is produced irrespective of the data being processed or the applications being run;
- iii. whether the claimed technical effect results in the computer being made to operate in a new way;
- iv. whether there is an increase in the speed or reliability of the computer;
- v. whether the perceived problem is overcome by the claimed invention as opposed to merely being circumvented.
- If there is a technical effect in this sense, it is still necessary to consider whether the claimed technical effect lies solely in excluded matter.
- See HTC v Apple Court of Appeal later.

### **European Restrictions on Claim Number**

- European Applications Excess Claims fees over 15 claims.
- No restrictions in the UK
- Both EPO and UK require unity of invention, and one claim per category.



# **European Restrictions on Claim Number**

6. A computer program for performing the method of any of claims 1 to 5



**REDDIE & GROSE** 

LONDON | CAMBRIDGE

# Clarity and Added Subject Matter

- Increasing number of clarity objections to claim wording for electronic and software applications.
- <u>EPO Guidelines Part F, Chapter IV, Claims, 4.1</u> The clarity of the claims is of the utmost importance in view of their function in defining the matter for which protection is sought. Therefore, the meaning of the terms of a claim should, as far as possible, be clear for the person skilled in the art from the wording of the claim alone.
- Amendments: Rule 137(4) EPC Must provide basis (page and line numbers, or claim numbers) for:
  - a) each feature added to the claims
  - b) each feature removed from the claims
  - c) each new combination of features (multiply dependent claims included).
- Basis for amendment features must be clearly and unambiguously derivable from the application as filed. Features can be taken from both the description and drawings, But the features cannot be implicit.

# Patent Prosecution Highway and PACE

- PPH is available in EPO, but is entirely unnecessary in view of the pre-existing PACE procedure.
- PPH involves a complicated application procedure, including filing office action and allowed claims from allowed another jurisdiction. But the result is then prosecution under the PACE procedure.
- PACE requires a simple form. No fee and no reason must be given.
- PPH in other countries based on a favourable combined search and examination report from the UKIPO is beneficial.
- In the UK, acceleration possible on request.



### **Other National Offices**

- France and Italy perform a limited examination. In France, a search is performed and the applicant must respond with remarks if the documents cited in the report are relevant to patentability. The patent specification is then published with the novelty search and the applicants remarks.
- Italy: since 1 July 2008, Italian applications are searched by the EPO and receive a preliminary written opinion on patentability. A response is required usually by 21 months. If allowable, grant usually occurs by 30 months.
- The Netherlands Patent Office no longer examines national patents and applications are granted at the 18 month stage following a novelty search.
## **Other National Offices**

- Germany, and the UK perform a substantive examination. German inventive step procedure largely follows that of the EPO. Can delay examination for up to 7 years. UK Patent Office is influenced by EPO decisions, but follows its own rules.
- Consider national applications in parallel with EPO application. Recent Supreme Court case in the UK "Virgin v Zodiac" confirmed that the Patentee is no longer entitled to damages awarded under an overturned EPO Patent (UK), and indicated that a stay (while EPO opposition or appeal is pending) might be likely. The situation for a national patent might be different.

#### UK Courts & Trends in Litigation

**REDDIE & GROSE** 

LONDON | CAMBRIDGE



#### **UK Courts**

- Like Europe, dominated by Smart Phone cases and Pharmaceuticals.
- 82 patent decisions in 2012 based on 17 trials
- 56% valid & 53% infringed (first instance or on appeal)
- Normally hovers around the 50% mark.
- Fast Procedure aimed at reaching a fair decision based on the facts
- Technically specialized courts the Judge has been a patent lawyer
- Infringement and validity are considered in the same proceedings
- Meaning 'squeeze arguments' are often used
- Discovery and Cross-examination part of the process
- Focus on common general knowledge established by experts

#### Patents County Court (October 2010)

- Specialist Court offering a streamlined procedure, primarily intended for SMEs. However offers same level and expertise as Patents High Court and has been used by large entities: Unilever v SC Johnson and Son dispute over two patents.
- Active Case management by the judge. Allows principles of witness cross examination and document disclosure to be maintained.
- Where both parties agree, the judge may provide non binding opinion.
- Damages limited to a total of £500,000, and costs to £50,000. (irrespective of number of claimants or defendants).

## **Bolar exemptions in Europe**

- The "EU Bolar provision" exempts from patent infringement studies, tests and trials on generic medicines required to show that the generic product is bioequivalent to an approved patented product, where these acts are required to obtain marketing authorisation.
- All EU countries have laws that include at least the provisions of the "Bolar Directive". Iceland, Norway Liechtenstein and Switzerland have amended their laws to make similar provisions.
- Narrow interpretation: permitted acts are in respect of obtaining marketing authorisation for a generic product.
- Some countries adopted a broad interpretation of the directive. This includes exempting from infringement, experiments done to gain marketing authorisation for any drug.

## **Bolar exemption - UK**

#### Section S60(5) UK Patents Act

An act which, apart from this subsection, would constitute an infringement of a patent for an invention shall not do so if [...] (i) it consists of -

(i) an act done in conducting a study, test or trial which is necessary for and is conducted with a view to the application of paragraphs 1 to 5 of article 13 of Directive 2001/82/EC or paragraphs 1 to 4 of article 10 of Directive 2001/83/EC, or

(ii) any other act which is required for the purpose of the application of those paragraphs.

- Narrow Interpretation in UK law.
  - Permitted acts are in respect of obtaining marketing authorisation for a generic product.
  - Would probably not be a defense for infringement if the product was an innovative pharmaceutical.
  - Formal consultation (2012/2013) Concluded that there was a need to amend the UK Patent law to give broad interpretation.
  - Unitary patent acts relating to obtaining marketing authorisation for a generic medicine are exempt.
  - The current draft wording of the UPC suggests a narrow interpretation of Bolar, but where will the UPC decide to draw the line?

#### Actavis v Lily - [2012] EWHC 3316 (PAT)

- Does a UK Court have jurisdiction over claim for declaration of non infringement for UK and non UK designations of a European patent?
- Actavis applied for declaration covering UK, France, Germany, Italy and Spain. Actavis did not challenge validity (pending EP Opposition)
- Allowed If validity not at issue, UK court has jurisdiction over UK and other designations. Cost saving and consistency outweighs difficulties in applying foreign law.
- Upheld at Appeal

#### Merck v Teva - [2012] EWHC 627 (PAT)

- Merck had a patent for Efavirenz. Teva granted Marketing Authorisation 22 months before SPC expiry, but refused to say when they would launch.
- Merck took out interim injunction, because of threat of infringement. Teva applied to strike out the injunction.
- Injunction maintained
  - Teva's track record marred by Warner-Lambert v Teva
  - Teva had not "cleared the way"
- UK decision inconsistent with other European Courts

## **Supplementary Protection Certificates**

- Seven pending referrals to the Courts of Justice of the European Union (CJEU)
- Judge in GSK Biologicals: "This is the third time in six months that I have had to refer questions of interpretation of the SPC Regulation to the CJEU. I do so with considerable regret. That this should be necessary demonstrates the dysfunctional state of the SPC system at present. This is primarily due to the poor drafting of the SPC Regulation and to the failure of the European Commission, Council and Parliament to revise it to address the problems which have emerged. Matters have not been assisted, however, by the fact that the Court of Justice's recent case law interpreting the SPC Regulation has not provided the level of clarity and consistency that is required."

## Neurim Pharmaceuticals CJEU C-130/11

- Neurim basic patent for Circadin melatonin for use to treat sleep disorders in humans
- SPC rejected earlier Marketing Authorisation (MA) for Regulin melatonin to advance breeding season in sheep.
- CJEU the relevant MA is that "which comes within the limits of the [...] basic patent" – SPC allowed.
- Possibility of SPCs for second medical use patents (change in direction).
- UK and French patent offices (at least) interpret narrowly.

# HTC v Apple UK Court Of Appeal

- Court of Appeal found that Apple's Touch Event Model was not invalid for being a computer program as such.
- HTC had applied for revocation in the UK over 4 European patents, concerning : Multi Touch, Slide To Unlock, Photo Bounce Back, and Multi-text Language functions. At first instance, only the Multitouch patent was found invalid on the grounds that it merely made a contribution to programming.
- Multitouch patent related to the control of touch sensitive screens capable of responding to more than one touch at a time. The invention allowed each view within a window to be controlled using flags, a first flag setting the possibility of receiving a multi touch input (in comparison to a single touch input), and a further flag designating a view as exclusive or non-exclusive. The CofA held that this was "in a real practical sense, an improved device".
- UK High Court Decision in Halliburton Energy Services. Narrow interpretation of Mental Act Exclusion "Drill bit design is not a business method, nor a scheme for playing a game nor ... a scheme for performing a mental act."

#### Nokia v IPCOM - [2013] EWHC 1178 (Pat)

- IPCOM are a Non Practicing Entity "A Troll" who in 2007 purchased a portfolio of patents from Robert Bosch GmbH concerning mobile telephone technology.
- Many of the patents were found to be invalid or not infringed. However, the UK Court of Appeal did find that Nokia infringed one patent concerning "providing preferential access to cellular networks for emergency responders and other priority users". The patent is considered essential to the 3G standard (UMTS).
- Nokia agreed to take a license on FRAND terms (Fair, Reasonable, And Non Discriminatory). IPCOM maintained a request for an injunction also.
- The Judge commented "I have to say in those circumstances I am very uncertain, to put it mildly, to see why a permanent injunction should be granted in this case at all or indeed any injunction".
- UK Courts not liable to grant injunctions as a final remedy to NPEs where a license offer is made.

#### Nokia v IPCOM - [2013] EWHC 1178 (Pat)

- Shelfer v City of London Electric Lighting Co [1985] 1 Ch 287 -Damages in substitution for an injunction may be given when:
  - The injury to the claimant's right is small.
  - The injury is capable of one being estimated in money
  - The injury is one which can be adequately compensated by a small money payment
  - The case is one in which it would be "oppressive" to the defendant to grant an injunction.
- Oppressive construed as "grossly disproportionate" Virgin Atlantic v premium Aircraft 2009

#### Motorola v Apple (Germany)

- Motorola (MMI) Google are aggressively pursuing Apple in European litigation on a non-SEP patent, EP0847654 "Multiple pager synchronization system and method", relating to push type email services.
- Apple have been found to infringe and are seeking a license on FRAND terms. Google are seeking an injunction to block sales. The validity part of the hearing is pending and expected in November 2013.
- In December 2012, the UK part of the patent was found invalid on four independent grounds by the High UK court. One is invalidity over IMAP4 by Google. The German courts in the bifurcated procedure have strong doubts over validity in Germany.
- On the basis of Orange-Book-Standard, Motorola do not have had to offer any license terms to Apple, and can ask for higher royalty rates than FRAND without compromising their ability to seek injunctive relief. The burden is on apple to make a FRAND acceptable offer.

## Huawei v ZTE (Dusseldorf)

- Huawei own a Standard Essential Patent (SEP) for 4G/LTE EP2090050B "Method and apparatus of establishing a synchronization signal in a communication system". Have indicated that they would accept a license on FRAND terms.
- ZTE found to infringe. German court not convinced that ZTE would succeed in invalidating the patent. The EPO had rejected ZTE opposition, and ZTE have appealed (21 June 2013).
- ZTE have offered to take a license, but under the current Orange Book Standard test applied in German courts, Huawei are able to refused and request an injunction.
- German court has made a referral to the CJEU asking for clarification: essentially is it an abuse if Patentee brings an action for an injunction.



## What Should You Do?

- Challenges and Opportunities
- Keep informed: <u>http://www.reddie.co.uk/news-and-resources/key-developments</u> <u>http://www.reddie.co.uk/about-us/japanese</u>
- Let Us Know If You Have Questions

Philip.Bates@reddie.co.uk Nick.Reeve@reddie.co.uk Aidan.Robson@reddie.co.uk

• We would love to help.



# **REDDIE & GROSE**

#### Thank you for listening

Philip Bates, Nick Reeve, Aidan Robson Partners, for Reddie & Grose LLP July 2013