



e-News

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International Association for the Protection of Intellectual Property
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[AIPPI Bureau](#)

[Tegernsee Symposium - Focused on Grace Period](#)

(John Bochnovic, President of AIPPI)

In cooperation with AIPPI and FICPI, the JPO held a Symposium in Tokyo on July 10, 2014 entitled "Tegernsee Symposium - Focused on Grace Period". There were presentations from international user groups, universities and SME's followed by a panel discussion. AIPPI took a leading role and three members of the Bureau were in the Symposium program. It is hoped that the success of this Symposium will motivate further discussion of this kind, particularly within Europe.

[AIPPI \(International Association for the protection of Intellectual Property\) is recruiting an Executive Director](#)

(AIPPI General Secretariat)

See job profile <https://www.aippi.org/enews/meetingsflash/2014/ED.html>

[AIPPI Yearbooks](#)

[New releases](#)

[2013 Book 1](#) [2013 Book 2](#) [2013 Book 3](#)

(AIPPI General Secretariat)

The Yearbook 2013, including the Reports from the National Groups and the Resolutions discussed at AIPPI's Forum & Executive Committee Meeting in Finland, is now available online.

[AIPPI Committees](#)

[AIPPI attends the 28th session of the Standing Committee on Copyright and Related Rights](#)

(Thomas Widmer, Member of the Special Committee "Copyright" Q226)

Between 30 June and 4 July 2014, the Standing Committee on Copyright and Related Rights discussed in Geneva ways to harmonize exceptions and limitations for educational, teaching and research institutions.

[AIPPI 2014 Toronto Congress](#)

[IP lunches - AIPPI has planned two additional lunch-time IP panels at AIPPI's World Congress 2014:](#)

(AIPPI General Secretariat)

Extension of the Hague System for the International Registration of Designs – Monday, September 15, 12:30-14:00

Christian Archambeau, Vice-President of OHIM, will give a keynote address outlining the history and experience of OHIM in the designs sector and with the Hague System.

Gregoire Bisson, Director of the Hague Registry at WIPO will provide an overview of the Hague System and comment on the changes needed for it to be workable for countries having an examination system. It will be followed by a panel discussion by representatives who will provide a brief overview of the current status of accession to the Hague System in their respective offices.

This panel comprises Hideo Hato, Advisor to the Commissioner and Former Commissioner, JPO; Joon Seok Lee, Deputy Commissioner, KIPO; and David R. Gerk, Office of Policy and External Affairs, USPTO..

Sylvain Laporte, Commissioner of the Canadian Intellectual Property Office, will moderate this lunchtime session.

Patent Law Harmonization – Tuesday, September 16, 12:30-14:00

Benoit Battistelli, President of EPO will give the keynote address, to provide an overview of EPO's recent activities, including its efforts to advance the building of a global patent system, both in respect of substantive patent law harmonization and technical and procedural harmonization within the framework of the IP5.

Sylvain Laporte, Commissioner of the Canadian Intellectual Property Office, will moderate a discussion which begins with Marco Aleman, the Acting Director of the Patent Law Division at WIPO, briefly updating the status of on-going harmonization efforts within WIPO and the Group B+. It will be followed by a panel discussion focusing on substantive harmonization and the issues of grace period, publication at 18 months, treatment of conflicting applications and prior user rights.

This panel comprises Margot Fröhlinger, Principal Director Patent Law and Multilateral Affairs, EPO; Hideo Hato, Advisor to the Commissioner and Former Commissioner, JPO; Joon Seok Lee, Deputy Commissioner, KIPO; and Charles Eloschway, of the Office of Policy and External Affairs, USPTO.

[Agenda of the forthcoming General Assembly](#)

(AIPPI General Secretariat)

In accordance with Article 5 of the Statutes, the Bureau of AIPPI kindly invites you to the forthcoming General Assembly to be held on 17 September 2014 on the occasion of the Toronto Congress. The draft Agenda can be found https://www.aippi.org/download/misc/GA2014_Agenda_E.pdf

[Make your plans for AIPPI Toronto](#)

(Philip C. Mendes da Costa, Chair Organizing Committee)

We are just weeks away from the start of this year's Congress and the Organizing Committee is working to put the finishing touches on the program.

[AIPPI conference app](#)

(AIPPI General Secretariat)

For conference information on your smartphone or tablet, don't hesitate to use the web-based AIPPI conference app available at m.twoppy.com/aippi2014.

You will find the programme, the list of speakers, maps, etc. The app is already available and its content will be regularly updated.

The AIPPI conference app is optimized for iOS, Android and RIM, but is also accessible via a PC.

[AIPPI Congress News](#)

(AIPPI General Secretariat and Managing IP)

AIPPI is pleased, once again, to be working with Managing IP to publish The **AIPPI Congress News** - the dedicated daily newspaper for the 44th World IP Congress being held in Toronto, 14-17 September 2014.

[Forthcoming Events](#)

[August 2014: XXXIV Congresso da ABPI, 24-26 August 2014](#)

(ABPI)

World Trade Center Sao Paulo Events Center Av. das Nacoes Unidas, 12551 - Brooklin Novo, Sao Paulo, Brasil, 24-26 August 2014. Please click <http://www.abpi.org.br/congresso2014/default.asp> for registration information.

[September 2014: MIP European Patent Reform Forum 2014](#)

(Bastian Renner, Managing Intellectual Property (part of Euromoney Institutional Investors PLC), London, United Kingdom)

The 33rd ECTA Annual Conference will take place this year in Alicante (Spain), 18-21 June, 2014. Discuss and see how the European Patent Reform will impact on your IP strategy. Join Managing IP in Munich (September 9) or Paris (September 11) at MIP's European Patent Reform Forum. In-house counsel and IP managers attend for FREE.

[November 2014: FICPI 15th Open Forum, Barcelona, 5-8 November 2014](#)

(FICPI)

The FICPI 15th Open Forum in Barcelona will take place on 5-8 November 2014. More information is available at www.ficpi.org.

[November 2014: The CEIPI \(Center for International Intellectual Property Studies\) is celebrating its 50th Anniversary, 27-28 November 2014 \(FICPI\)](#)

The CEIPI (Center for International Intellectual Property Studies) is celebrating its 50th Anniversary. At this occasion, the CEIPI organizes an international conference on the theme "Perspectives for the Intellectual Property System in a Globalized World". Please click <https://www.aippi.org/enews/2014/edition37/images/CEIPI.pdf> to see the flyer. This event will be held on November 27th and 28th 2014 at the Council of Europe (Strasbourg, France). Please click <http://www.ceipi.edu/index.php?id=5415&L=2> more information.

GOs & NGOs

[WIPO: Successful launch of the Madrid Portfolio Manager \(MPM\)](#)

(WIPO)

The Madrid Portfolio Manager allows holders of international trademark registrations to access the entire file of each registration online, as well as submit requests for changes such as subsequent designations, changes in ownership, limitations of the list of goods and services, changes in name and/or address of the holder, and use electronic payment and electronic renewal facilities.

Articles and notes

[Brazil: Update on the "Upland Cotton" dispute in the WTO between Brazil and the U.S.](#)

(Gustavo Starling Leonardos, Luiz Leonardos & Cia, Rio de Janeiro, Brazil)

IP rights caught in the crossfire: in 2005 Brazil won a WTO dispute against the United States over subsidies given to "upland cotton" producers. The 2014 US Farm Bill creates new subsidies on cotton and Brazil is now threatening to implement cross-retaliations against IP rights.

[Canada: Canada's New Trademarks Act - One Step Closer to Implementation](#)

(Kelly Gill and Bruce Morgan, Gowlings, Toronto and Ottawa, Canada)

Amendments to the Trademarks Act needed for Canada's adherence to the Madrid Protocol, Singapore Treaty and Nice Agreement, along with other significant changes, received Royal Assent on June 19, 2014 and are expected to come into force in the next 12 to 18 months.

[Germany: Personal computers, printers and/or plotters considered as reprographic devices according to Paragraphs 54 and 54a of the Copyright Act \(old version\) BGH, Urteil Juli 3rd 2014 - I ZR 28/11 - Drucker und Plotter III](#)

(Moritz Schumacher, Reimann Osterrieth Köhler Haft, Duesseldorf, Germany)

In the latest dispute between the authorised collecting society of authors and publishers, VG Wort, and the manufacturers, importers and distributors of personal computers and printers, the Federal Court of Justice has decided that manufacturers must pay remuneration under the Copyright Act.

[Italy: European patents and the Italian torpedo: the IP Court of Milan departs from the Court of Cassation](#)

(Luigi Manna, Martini Manna Avvocati, Milan, Italy)

The IP Court of Milan rules out the jurisdiction of Italian courts with regard to actions for a negative declaration of infringement of foreign portions of European patents based on Article 5(3) of Regulation 44/2001.

[Italy: ECJ rules over temporary reproduction exemption under Directive 2001/29/EC](#)

(Barbara Sartori, Luca Tramontin, CBA Studio Legale e Tributario, Padova, Italy)

According to the ECJ, a copyright holder's exclusive right of reproduction and authorization is subject to the exemption provided by the Copyright Directive for so-called "temporary reproductions" in the event of "on-screen copies" and "cached copies" made by a user when visiting a web site.

[Japan: New Trademark Law in Japan](#)

(Mizue Kakiuchi, Hogan Lovells, Tokyo, Japan)

After several years of discussions, Japan has passed amendments to the Trademarks Act that will recognize sounds, colours, holograms, motions or positions as trademarks. The Amendment will likely take effect on April 1, 2015, which marks the beginning of the year in Japan.

[Korea: Allowing Filing of Foreign Language Patent Applications](#)

(Jin Hwan Kim, MAPS Intellectual Property Law Firm, Seoul, Korea)

Beginning in 2015, Korean patent applications can be filed in English. A Korean translation, however, must follow within fourteen months from the priority date, otherwise the patent application will be deemed withdrawn.

[Singapore: Too Pedantic with the "P"?](#)

(Geetha K., KASS International Sdn Bhd, Kuala Lumpur, Malaysia)

When it comes to designing your trademark, it is important to create one that is distinctive and ideally not reminiscent of other trademarks out there in order to avoid situations such as the following case, which took place in Singapore recently.

[UK: The UK's new Intellectual Property Act 2014](#)

(Jamie Muir Wood, Hogarth Chambers, London, UK)

On 14 May 2014, the United Kingdom's Intellectual Property Bill received Royal Assent, becoming the Intellectual Property Act 2014. The Intellectual Property Office suggests that the provisions will start to come into force from 1 October 2014.

[U.S.A.: United States Supreme Court in Alice Corp. v. CLS Bank Makes Obtaining Software Patents in the US More Difficult for Patent Practitioners](#)

(Joshua Goldberg and Rich Beem, Nath, Goldberg & Meyer and Beem Patent Law Firm, Washington, DC and Chicago, IL, U.S.A.)

The Supreme Court held claims directed to methods for exchanging financial obligations using a computer system and the computer system are not patent-eligible as "nothing significantly more" than an instruction to apply the abstract idea...using some...generic computer." Software and business methods are now likely more difficult to protect in the US.

[National Groups](#)

[Japan: The Japan Patent Office \(JPO\) held a symposium on July 10 entitled the Tegernsee symposium - Focused on Grace Period \(JPO\)](#)

(WIPO)

The Japan Patent Office (JPO) held a symposium on July 10 entitled the Tegernsee symposium - Focused on Grace Period. (More details such as presentation materials are available on the URL show below.) At the Symposium, the JPO distributed a questionnaire to the attendees, with a focus on major discussion points about the grace period. Moreover, taking this opportunity, the JPO intends to obtain a wider variety of opinions on this matter also from users who did not attend the symposium and from any participants who did not return their surveys at the symposium. In this regard, I would appreciate it if you would access to the questionnaire which is on the symposium website and send back your responses. The deadline is August 31. www.jpo.go.jp/torikumi_e/hiroba_e/patent_sympo260710/en/questionnaire.html

AIPPI Bureau

Tegernsee Symposium - Focused on Grace Period

(Article by John Bochnovic, President of AIPPI)

The Tegernsee Group, comprising the Heads of Office and experts from the EPO, JPO and USPTO, as well as the Patent Offices of Denmark, France, Germany and the UK, has been conducting discussions on patent law and practice harmonization since 2011, when the group was formed and the first meeting took place in Tegernsee, Germany. Following publication very recently of a “Final Consolidated Report on the Tegernsee User Consultations”, the JPO, in cooperation with AIPPI and FICPI, organised and held a symposium in Tokyo on July 10, 2014. The Symposium had a particular focus on the issue of the grace period.

The Symposium was organised by the JPO, including in particular its former Commissioner Mr. Hideo Hato, but with the appointment effective July 1 of Mr. Hitoshi Ito as the Commissioner of the JPO, it was Mr. Ito who presided over the Symposium in Tokyo. It featured keynote speeches from Prof. Dr. Joseph Straus, AIPPI Member of Honour, and Professor Toshiya Watanabe of the University of Tokyo. Professor Straus provided an illuminating outline of the long history since 1934 of efforts to harmonize patent law issues such as the grace period.

AIPPI was strongly represented at the Symposium, which included a reception the evening before for all of the speakers. In the program, the President of AIPPI provided opening remarks and the Reporter General of AIPPI presented the views of AIPPI regarding the grace period, outlining in particular the Q233 grace period background work and resolution in Helsinki. Deputy Reporter John Osha participated in a panel discussion with representatives of user group associations and the EPO, JPO and USPTO.

The Tegernsee Group has carried out comparative studies for four key issues relating to harmonization: grace period, 18 month publication, treatment of conflicting applications and prior user rights. The member countries each also carried out user consultations. Based on the studies and consultations, the Tegernsee Group following its latest meeting in April 2014 published its Final Consolidated Report. This served as a basis and the stimulus for the Symposium.

Although the Symposium did include some discussion of all four issues, the focus was clearly on the issue of the grace period, which for some also brings into the discussion the issue of prior user rights. The sophisticated and highly knowledgeable level of discussion by the contributors at the Symposium has provided a strong impetus for follow up discussion and work on the issue of harmonization of the grace period. With the movement of the USA to a first-inventor-to-file system, and the availability of a grace period in most major patent systems outside Europe, the discussion now shifts to closer scrutiny of the attitudes and views within Europe. It is hoped that the kind of fruitful discussion which took place at the Symposium in Tokyo can be carried over to similar efforts in Europe.

AIPPI particularly appreciated the JPO’s invitation for AIPPI to jointly help in organizing and holding this Symposium. It provided for AIPPI a very important opportunity to present the views of its global membership and especially the recently concluded grace period resolution of Q233.



[AIPPI Committees](#)

[AIPPI attends the 28th session of the Standing Committee on Copyright and Related Rights](#)
(Article by Thomas Widmer, Member of the Special Committee “Copyright” Q226)

The Standing Committee on Copyright and Related Rights (SCCR), which is composed of all members states of WIPO and/or the Berne Convention as well as observers such as intergovernmental and non-governmental organizations (including the AIPPI), held its 28th session in Geneva between 30 June and 4 July 2014.

The SCCR, which inter alia formulates recommendations for consideration by the WIPO General Assembly, is currently engaged in discussing the protection of broadcasting organizations and limitations and exceptions to copyright law, an issue which has been discussed by the SCCR since its 12th session.

The 28th session was notably meant to continue the discussion initiated in the earlier session regarding a document submitted by the USA entitled “Objectives and Principles for Exceptions and Limitations for Educational, Teaching, and Research Institutions”.

While there seemed to be a consensus on several of the substantive points submitted by the USA, and in particular the need for each country to find a balance between the public interest and the interest of the right holders in this context, the attendees diverged on the way to achieve them. Indeed, both the USA and the European Union are of the view that this task is to be carried out at the national level, in the frame of the so-called three-step test first established in the Berne Convention, but other member states, including various African countries, India and Indonesia, amongst others, call for the need of a specific international binding instrument in this respect.

These states essentially put forward that, in contrast with the USA and the European Union which are self-sufficient or self-sustaining, they are not and hence need international law providing for certain limitations and exceptions to be implemented in their national laws.

The discussion also focused on the treatment to be granted to museums, and the similarities, respectively differences, existing between museums and libraries, in as much as limitations and exceptions to copyright are concerned, on the practical aspects of the need to digitalize works of art for preservation purposes as well as on the relationship between the concept of legal deposit on the one hand and copyright on the other and.

Other issues such as inter-library loans, copyright over orphan and non-published work material, safeguard copies as well as the interplay between copyright statutory law and private commercial agreements, such as licence agreements, were also addressed.

[AIPPI 2014 Toronto Congress](#)

[Make your plans for AIPPI Toronto](#)

(Article by Philip C. Mendes da Costa, Chair Organizing Committee)

From the Opening Ceremony, which will feature an address by a member of the Supreme Court of Canada, to the spectacular show that is planned for the Closing Dinner, the Congress will provide a unique learning and networking opportunity.

This year we have expanded the networking area to provide a welcoming environment to meet new colleagues and renew existing friendships.

To date over 100 people have signed up for the one-day post conference tour of Niagara Falls. This will prove to be a great networking opportunity and an experience to remember. A perfect way to end the Congress. The Organizing Committee invites you to join us for this event.

We have also been able to confirm the addition of two special lunches, which will include panel discussions with senior members of key IP offices. These lunches have limited seating capacity. We recommend that, if you have not already registered, you do so quickly to ensure you can get a ticket.

We look forward to welcoming you!

[AIPPI Congress News](#)

(AIPPI General Secretariat and Managing IP)

AIPPI is pleased, once again, to be working with Managing IP to publish The **AIPPI Congress News** - the dedicated daily newspaper for the 44th World IP Congress being held in Toronto, 14-17 September 2014.

The **AIPPI Congress News** combines the journalistic skills of Managing IP's editorial team with the official AIPPI event information to deliver a daily newspaper that the influential international audience of attendees will both need and enjoy reading.

The **AIPPI Congress News** will be distributed to attendees throughout the conference area on the three full days of the Congress.

The **AIPPI Congress News** will be the official daily source of information and offers unparalleled access to the more than 2,000 expected attendees at this year's World Congress—the largest meeting of general IP attorneys in the world.

Limited advertising opportunities and sponsored roundtable features are available, enabling your firm to communicate with this influential audience through the most cost-effective, high exposure, media channel at the World IP Congress.

For information about advertising in the **AIPPI Congress News** please contact the business manager for your region listed below.

Space is strictly limited so don't delay!

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We look forward to seeing you in Toronto

Thank you.

Forthcoming Events

MIP European Patent Reform Forum 2014

(Article by Bastian Renner, Managing Intellectual Property (part of Euromoney Institutional Investors PLC), London, United Kingdom)



European Patent Reform Forum

Munich, September 9 | Paris, September 11 www.managingip.com/eupatent14

FREE attendance for academics, in-house counsel, patent counsel and R&D professionals 20% DISCOUNT for private practitioners, consultants and advisers, register for only €875

With the onset of European Patent Reform and the Unitary Patent Court fast approaching, it is now time to look at the specifics and make the last crucial adjustments to your portfolio strategies.

Drawing on Managing Intellectual Property's global expertise, the Forum will offer multinational corporations cutting-edge guidance on handling IP portfolios under the new Unified Patent Court. Address the major issues at hand and participate in high-level debate on all of the pertinent topics and technical matters from the varied perspectives of a wide range of stakeholders. Topics include:

- The European Court of Justice and the Unified Patent Court
- Litigation planning and forum shopping in the European Unified Patent Court
- The Unitary Patent
- Analysing the expertise of the judges

Join your peers from global corporations, public health, the sciences and, of course, leading legal experts to discuss the next steps and most recent updates on the European Patent Reform. Attend this seminal international event to:

- Enhance your IP rights and protection in Europe and get a head-start on the competition
- Strategise for building a robust and profitable patent portfolio
- Join inter-industry debates on international litigation considerations
- Debate alternative IP strategies parallel to the Unified Patent Court
- Hear from and network with leading experts in multiple fields

For more information visit www.managingip.com/eupatent14.

Attendance is free for academics, in-house IP counsel, in-house patent counsel and R&D professionals

Private practitioners, consultants and advisers as Patent Lawyer Magazine subscribers are entitled to register for 20% off the full attendance rate at only €875. Email Alicia Sprott at alicia.sprott@legalmediagroup.com and quote AIPPI20 for this special offer.

GOs & NGOs

WIPO: Successful launch of the Madrid Portfolio Manager (MPM)

(WIPO)

During the 134th Annual Meeting of the International Trademark Association (INTA) in May 2012, the International Bureau launched a web communication service that was going to revolutionize the way International trademark holders and their representatives access the International trademark Register.

The web service is known as the Madrid Portfolio Manager (MPM) and is now used by more than 500 users of the Madrid system. The service has recently been further developed to include web forms that holders and their representatives can use to file their requests online.

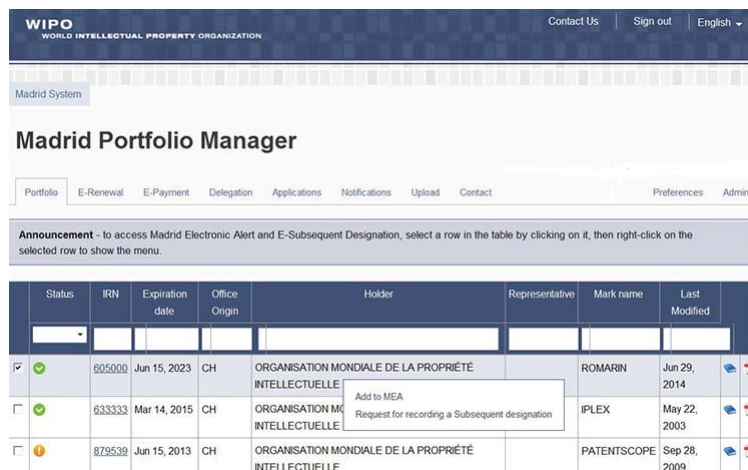
Among the many functions, you may choose to

- Check the status of your request in real time;
- Respond to an irregularity letter;
- Pay fees due to the International Bureau;
- Renew a trademark;
- Use one of the official web forms to file a change;
- View all written communications received from, or sent to, the International Bureau;
- Add more international trademark registrations to your watch list in the Madrid Electronic Alert (MEA) service and receive an email each time a change concerning one of your international registrations has been recorded in the International Register;
- Delegate the management of one or more International Registrations to a third party.

All you need is a WIPO Account using the same email address that you have indicated on the official form in previous communications with WIPO. If your email address is not recorded at WIPO, create an account and use the email address below to request that your portfolio be created.

For more details, including video tutorials, please visit www.wipo.int/madrid/en/services. or contact e-marks@wipo.int

Here is a capture of one of the MPM screens to give you a taste of what you can expect.



The screenshot shows the WIPO Madrid Portfolio Manager interface. At the top, there is a navigation bar with 'Contact Us', 'Sign out', and 'English'. Below this is the 'Madrid System' header and the 'Madrid Portfolio Manager' title. A menu bar includes 'Portfolio', 'E-Renewal', 'E-Payment', 'Delegation', 'Applications', 'Notifications', 'Upload', 'Contact', 'Preferences', and 'Admin'. An announcement box states: 'Announcement - to access Madrid Electronic Alert and E-Subsequent Designation, select a row in the table by clicking on it, then right-click on the selected row to show the menu.' Below the announcement is a table with the following data:

Status	IRN	Expiration date	Office Origin	Holder	Representative	Mark name	Last Modified
<input checked="" type="checkbox"/>	805000	Jun 15, 2023	CH	ORGANISATION MONDIALE DE LA PROPRIÉTÉ INTELLECTUELLE		ROMARIN	Jun 29, 2014
<input type="checkbox"/>	633333	Mar 14, 2015	CH	ORGANISATION MONDIALE DE LA PROPRIÉTÉ INTELLECTUELLE	Add to MEA Request for recording a Subsequent designation	IPLEX	May 22, 2003
<input type="checkbox"/>	879539	Jun 15, 2013	CH	ORGANISATION MONDIALE DE LA PROPRIÉTÉ INTELLECTUELLE		PATENTSCOPE	Sep 28, 2009

Articles and notes

Update on the “Upland Cotton” dispute in the WTO between Brazil and the U.S.

(Article by Gustavo Starling Leonardos, Luiz Leonardos & Cia, Rio de Janeiro, Brazil)

In 2002 Brazil requested an arbitral panel under the World Trade Organization (WTO) dispute resolution procedure against the United States, questioning the amount of subsidies granted to U.S. “upland cotton” producers. In 2005 Brazil won the dispute and was authorized to implement cross-retaliation of up to US\$830 million. In 2007 legislation was proposed in Brazil to implement cross-retaliation against intellectual property rights, limiting or suspending IP rights or any payment for these rights (presently Law 12.270/2010). In 2009 the USA agreed to pay Brazil US\$147,3 million per year, in instalments of US\$12,275 million per month and Brazil did not implement the cross-retaliations.

In September of 2013, the USA suspended the monthly payments pending the approval of a new Farm Bill, which has now been enacted. The new Farm Bill creates what the Brazilian Government believes are new subsidies on cotton that continue to violate several agreements between the two countries. As a result, Brazil is threatening to request the opening of another arbitration panel before the WTO, per the WTO dispute resolution procedure and, and to immediately implement cross-retaliations against IP rights.

The Brazilian Foreign Chamber of Commerce (Camex) has announced that it will request the establishment of an arbitral panel before the WTO to determine whether the new Farm Bill would continue to provide illegal subsidies to U.S. cotton producers.

The concept of “cross-retaliation” was defined after the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) implementation with the aim to enforce the protection of different rights. Cross-retaliation under TRIPS is conditioned upon two factors. First, cross-retaliation is a remedy that can be implemented only when other trade options against protectionism are and remain inadequate. Second, the circumstances must be shown to be sufficiently serious to justify cross-retaliation.

According to the new legislation approved by the U.S. Congress, the previous subsidies program has been replaced with an agricultural insurance program known as the Stacked Income Protection Plan (Stax). Instead of direct payments, the insurance covers 70% to 90% of the loss incurred by U.S. cotton producers. The U.S. Government may also provide subsidies for participating in the Stax. The Brazilian Government’s preliminary analysis of the new U.S. Farm Bill indicates that it will also result in barriers to international commerce in cotton.

The Brazilian Minister of International Relations, Luiz Alberto Figueiredo, stated that while the Government will be seeking a final solution, Brazil will also continue the negotiations with the United States in order to avoid enforcing its position through cross-retaliation.

The president of the Brazilian Association of the Cotton Producers (Abrapa), however, wants Brazil to retaliate immediately. According to him, the U.S. incentive program still damages the Brazilian cotton producers and violates the WTO agreement.

Brazil believes the U.S. now owes at least US\$ 60 million to the Brazilian producers. The U.S. has apparently not given any indication as to how or when this debt will be honored.

The noncompliance of the U.S. with the 2009 agreement gives Brazil the right to cross-retaliate in matters such as intellectual property rights, in addition to raising import duties. If the implementation of cross-retaliation becomes real, Brazil will be the first country in the world to retaliate against the U.S.

Both countries, however, continue to negotiate a possible solution. This might include a revision of the Brazilian export products covered by the American GSP, which allows for lower import duties, or new payments to the Brazilian cotton producers.

[Canada's New Trademarks Act - One Step Closer to Implementation](#)
(Article by Kelly Gill and Bruce Morgan, Gowlings, Toronto and Ottawa, Canada)

Canadian Bill C-31, to amend Canada's trademark legislation, received Royal Assent on June 19, 2014. The Bill provides for Canada's adherence to the Madrid Protocol, Singapore Treaty and Nice Agreement, while also making other significant changes to the legislation.

The new legislation is expected to be fully proclaimed into force within approximately 12 months. Some delay is anticipated due to the need to draft new Regulations, which will include public consultation, and the implementation of the new IT systems at the CIPO, in particular to accommodate filings under the Madrid Protocol.

Adherence to and implementation of the Madrid Protocol will permit foreign applicants to designate Canada under a Madrid filing, as well as allowing Canadian applicants to seek international registrations ("IR") in any of the current 92 signatory members. While a Madrid filing and subsequent IR can have the benefit of reducing costs in situations of multiple foreign applications but, depending upon certain circumstances, may not always be the best option for registering a trademark in Canada.

In addition to adherence to the Madrid Protocol, the new legislation provides for adoption of the international Nice Classification system in Canada. Applicants seeking registration in Canada should now consider grouping goods and services according to the Nice Classification.

Registration will also become possible for non-traditional marks such as tastes, smells, textures, and holograms. However, applicants should be prepared to evidence distinctiveness for such non-traditional marks as of the date of filing under the new legislation.

Additionally, examiners will be able to raise a limited distinctiveness objection during examination if, in the examiner's preliminary view, the mark lacks inherent distinctiveness. This change will apply to all marks and not just non-traditional marks.

Among the more significant changes to the legislation, apart from adherence to the international treaties, is the abolition of Canada's requirement for there to be use of the mark in association with each of the claimed goods and services prior to registration. In the future, all applications will issue to registration after allowance irrespective of whether the application was based upon proposed use or actual use. Registrations will thereafter have a three year immunity from summary cancellation proceedings for non-use. The new system will no longer require declarations of use. However, eliminating the requirement for applicants to state whether use has commenced and the date of first use will likely lead to increased costs in determining whether and on what grounds to potentially oppose or challenge an application. Because being first to file will have advantages under the new provisions and because the requirement to claim or declare use prior to obtaining a registration, trademark owners may wish to consider filing applications now for broadened categories of goods and services with their marks, given that the Registry is expected to become more crowded.

Renewal terms will also become 10 years instead of the current 15 year term, regardless of whether the request to renew was made pre-implementation. Initial terms will also be shortened to 10 years from 15.

Once in force, the new provisions will apply to any application which has not yet passed through examination (and opposition) and been allowed by the Trademarks Office. As a result, it may be advantageous in some cases to attempt to expedite the filing or prosecution of applications prior to the coming into force of the new provisions.

Amendments to the Trademarks Act needed for Canada's adherence to the Madrid Protocol, Singapore Treaty and Nice Agreement, along with other significant changes, received Royal Assent on June 19, 2014 and are expected to come into force in the next 12 months.

[Personal computers, printers and/or plotters considered as reprographic devices according to Paragraphs 54 and 54a of the Copyright Act \(old version\) BGH, Urteil Juli 3rd 2014 - I ZR 28/11 - Drucker und Plotter III](#)

(Article by Moritz Schumacher, Reimann Osterrieth Köhler Haft, Duesseldorf, Germany)

After almost ten years of legal disputes between the authorised collecting society of authors and publishers, VG Wort, and the manufacturers, importers and distributors of devices under Paragraph 54a (1) of the Copyright Act (old version), such as personal computers, printers and/or plotters, the Federal Court of Justice has followed the European Court of Justice regarding the obligation to pay remuneration.

Under Paragraph 54a (1) Copyright Act (old version), as applicable until the end of 2007, the authors were entitled to demand payment from the manufacturers of devices designed to make copies by means of photocopying or by any process having similar effects. If devices were capable of making copies by transfer from one audio-visual device to another, manufacturers also had the obligation to pay remuneration. The intention and purpose of the regulation is to give the authors a fair compensation for reproductions of their individual creations (copyright) for private use.

VG Wort, also acting on behalf of VG Bild-Kunst, another collecting society representing those who hold rights in graphic works of all kinds, sued manufacturers in four different trials in Germany. The Higher Regional Courts of Stuttgart and Munich decided in favour of VG Wort and considered personal computers, printers and/or plotters as reprographic devices. The Higher Regional Court Duesseldorf disagreed, holding that the manufacturers of such devices had no obligation to pay remuneration.

The Federal Court of Justice stayed the proceedings and referred several questions of interpretation of the directive 2001/29/EG to the European Court of Justice. After the preliminary rulings of the Court of Justice in June 2013, the Federal Court of Justice has now ruled that there is a payment obligation for printers, but not for personal computers, according to Paragraph 54a (1) Copyright Act (old version). The fact that the reproduction is an analogue copy of a digital work is irrelevant, as long as analogue copies are covered by the provision. Therefore, the decision applies for different connected devices under the control of one operating person creating an analogue copy. Not only a device chain out of a scanner, personal computer and printer is covered, but also one consisting of a personal computer and a printer alone. Within a chain of connected devices, only the last one, determined to produce the copy, is subject to pay remuneration.

Since personal computers only produce digital copies and Paragraph 54a (1) Copyright Act (old version) does not apply, they are deemed as devices according to Paragraph 54 Copyright Act (old version). This section covers making copies by transfer from one audio-visual device to another. An audio-visual device is defined as a device for the purposes of repeated communication of video and sound sequences (Paragraph 16 (2) Copyright Act), including digital storage mediums like hard disks. By transferring, for example, movies or music, from a digital storage medium to another, stationary texts and images can also be transferred. The aforesaid images may be downloaded from the internet and saved on servers or hard disks. As long as personal computers are used to produce digital copies, they are subject to remuneration under Paragraph 54 Copyright Act (old version).

According to the new Paragraph 54 of the Copyright Act, which has been in force since January 1st 2008, the author of the work shall be entitled to demand payment of equitable remuneration from the manufacturer of appliances and of storage mediums, where the type of appliance or storage medium is used solely or together with other appliances, storage mediums or accessories, for the making of such reproductions. In the time period between 2001 and 2007 manufacturers, after the recent decision of the Federal Court of Justice, not only have to pay remuneration regarding scanners, as ruled in 2001, but also for personal computers, printers and/or plotters. Corresponding reserves should have been set aside. VG Wort and VG Bild-Kunst will require a payment of a reasonable reward.

[European patents and the Italian torpedo: the IP Court of Milan departs from the Court of Cassation](#)
(Article by Luigi Manna, Martini Manna Avvocati, Milan, Italy)

With a remarkable decision issued 27 January 2014 (Judgment no. 1143/2014) concerning the jurisdiction of the Italian courts with respect to non-Italian fractions of European patents, the IP Division of the Court of Milan seems to have departed from the position expressed by the Court of Cassation in a well-known 2013 that did away with the so-called Italian Torpedo (more on the Italian Torpedo at the end of this article for those who are not familiar with it).

An Italian company and two Spanish affiliates, belonging to a group that specializes in manufacturing elevators, asked the Milan IP Court to invalidate the Italian fraction of a number of European patents owned by a US competitor, and to declare that their elevator systems did not infringe the Italian and Spanish fractions of the same patents. The US defendant pleaded, inter alia, the lack of jurisdiction of Italian courts with respect to the negative declaration of the infringement of non-Italian fractions of European patents, and lack of locus standi on the part of the two Spanish plaintiffs.

The Milan Court upheld the first exception, claiming a lack of jurisdiction over the negative declaration concerning the Spanish fractions of the patents in suit. The judges observed that, on one hand, the defendant had no domicile in Italy and, on the other, jurisdiction could not be based on the special connecting factor of the “place of the harmful event” provided for by Article 5(3) of EC Regulation no. 44/2001.

According to the Court, “Even assuming the application of Article 5, paragraph 3, of EC Regulation no. 44/2001 ... (omissis) ... it is not possible to claim the jurisdiction of Italian courts to hear an action for the negative declaration of infringement of non-Italian portions of (defendant’s) European patents. In particular, this Court emphasizes that Italy may be the locus commissi delicti (meaning both the harmful act and the harmful effect) only for the infringement of the Italian portion of the European patents, as actual or potential damage occurring in Italy arising from the alleged infringement of the Spanish portions of the (defendant’s) patents is not realizable. In fact, every national fraction of a European patent produces its effects only on the territory of the State to which it pertains and can be said to be infringed only in that territory.”

This passage marks a clear departure from the Court of Cassation’s ruling no. 14508/2013 issued only a few months earlier, where, in order to affirm the jurisdiction of an Italian court for a negative declaratory action concerning a foreign portion of a European patent, the judges relied on the case-law of the European Court of Justice in Case C-133/11 *Folien Fischer*, according to which Article 5(3) of Regulation 44/2001 also applies to a negative declaration seeking to establish the absence of liability in tort, delict, or quasi-delict.

For the IP Court of Milan, even taking into account that doctrine, what was determinative in ruling out the Italian courts’ jurisdiction over a foreign portion of a European patent was the fact that in Italy, the non-Italian fraction has no effect, so that under no circumstances may an infringement, and thus a harmful act or event, occur there.

The success of the Italian Torpedo is mainly measured at the territorial IP Courts level. It will be interesting in the coming months to see which trend will prevail. It is also possible that this very case, or a similar one, makes its way through the upper echelons of the judiciary, eventually giving rise to another decision of the Court of Cassation.

As for the Italian torpedo: it used to be an infamous pre-emptive defense, whereby a potential patent infringer, fearing an imminent infringement proceeding, in a European jurisdiction, would pre-empt the patent holder by filing a negative declaratory action before an Italian court in respect of both the Italian and one or more foreign portions of a European patent (or an Italian patent and one or more foreign corresponding patents).

This move would, in fact, result in the foreign court having to stay proceedings under the *lis pendens* rule found in the Brussels Convention (and the EC Regulation 44/2001), possibly for a prolonged period, hence the torpedo action would “sink” the infringement proceedings.

Italian courts have been very lenient in the past in accepting this kind of lawsuit; then, in 2003, the Court of Cassation virtually put a stop to them; but in 2013 the same Court seemed to take a step back and once again opened the doors to Italian torpedoes. This recent Milan IP court decision disregards the 2013 Cassation ruling.

[ECJ rules over temporary reproduction exemption under Directive 2001/29/EC](#)

(Article by Barbara Sartori, Luca Tramontin, CBA Studio Legale e Tributario, Padova, Italy)

With a decision dated 5th of June 2014, the European Court of Justice, upon request by the Supreme Court of the United Kingdom for a preliminary ruling (case n. C360/13), clarified the disputed issue of the coordination between the copyright holder's exclusive right of reproduction and the exemption from that right for "temporary reproductions" of copyrighted material. The Court, in particular, was requested to determine whether or not the authorization of copyright holders, as provided under article 2 of the Copyright Directive (Directive 2001/29/EC), is necessary for copies made on the user's computer screen ("on-screen copies") and in the internet cache of that computer's hard disk ("cached copies") when visiting a website.

Based on its reasoning, the Court stated that on-screen copies and cached copies fall within the range of the exemptions from the copyright holder's exclusive right of reproduction and authorization, insofar as they fulfill the requirements provided by article 5 of the same Directive. While arguing that the requirements of article 5 were met in the case at hand, the Court held that on-screen copies and cached copies shall necessarily be considered not only temporary, since they are, respectively, eliminated once the user moves away from the viewed website or replaced after a certain time based on the capacity of the cache memory, but also incidental and transient. In fact, such copies do not exist independently from the technological process of which they form part and are solely intended to guarantee its proper functioning, given the fact that the creation of such copies reflect only the intention of the user to view the web site and therefore on-screen copies and cached copies are merely an incidental consequence of internet browsing, though still an essential part of this process.

The Court also highlighted that the creation of the above-mentioned copies does not threaten to unreasonably prejudice the legitimate interests of the copyright holders, as specified by article 5, section 5, of the Copyright Directive. In fact, while the right holder, pursuant to article 3 of the Directive, must authorize the communication to the public of copyrighted material, no authorization shall be necessary in relation to internet users who intend to access such material, which has already been made available to the public with the due authorization.

In light of the above assessments, the Court determined that on-screen copies and cached copies do not infringe the copyright on protected material since they benefit from the exemption granted by article 5 of the Copyright Directive and can, therefore, be created without the need for a prior authorization by the right holder.

[New Trademark Law in Japan](#)

(Article by Mizue Kakiuchi, Hogan Lovells, Tokyo, Japan)

The latest amendment of the Trademark Act in Japan ("Amendment") was announced on May 14, 2014. There are two important changes in the Amendment. First, following the global trend in trademark laws, the amendments would allow new trademarks to be composed of sounds, colours, holograms, motions, or positions ("New Trademarks"). Second, there are three new groups, including non-profit organizations (NPO), that can hold regional collective marks. The Amendment will likely enter into force on April 1, 2015, with the exception of the changes relating to the regional collective marks, which take effect on August 1, 2014.

1. New Trademarks

Under the present law in Japan, registrations of trademarks are limited to characters, figures, signs and three-dimensional shapes, any combination thereof, or any combination thereof with colours. The New Trademarks introduced by the Amendment are sound marks, colour per se marks, hologram marks, motion marks, and position marks. Additionally, although touch marks, texture marks, taste marks, olfactory marks or combinations of New Trademarks (i.e. multimedia marks) have not been added so far, the new law delegates the power to add such marks to the Japanese administrative authority, the Ministry of Economy, Trade and Industries ("METI"). Therefore, no further amendments to the Trademark Act would be required to add these additional types of new trademarks.

The New Trademarks could be registered in Japan through the Madrid System as well.

a. Sounds

Sound marks are trademarks composed of musical sounds and non-musical sounds. While sounds are currently protectable only by the Copyright Act in Japan, the Amendment could offer an additional form of protection, in particular for a brief sound clip. A data file is required to file a sound mark application.

b. Colours

Colour per se marks are trademarks composed only of colours, without delineated contours. On its face, a single colour is protectable under the Amendment, however, it may be difficult to show a single colour is sufficiently distinctive for registration.

c. Holograms, Motions, and Positions

Under Japanese law, partial designs and designs for movable elements are already protected under the Design Act. The Amendment has added new protection for transforming objects or pictures used as trademarks. The rules for registration of these types of marks have been left for METI to decide.

2. Regional Collective Trademarks

A regional collective trademark is a mark that combines a regional name with specific product names. Generally, this type of mark could not be registered due to a lack of distinctiveness. Since regional collective marks loosen requirements of trademark registrations, the current holders are limited to associations established by a special Act that cannot refuse the enrolment of any person who is otherwise eligible to become a member and that does not impose any conditions on prospective members that are greater than those imposed on existing members.

As a means of more promptly and properly protecting regional brands, the list of prospective holders of regional collective trademarks has been expanded. The Amendment would allow (i) NPOs, (ii) chambers of commerce and industry (CCI), (iii) societies of commerce and industry, and (iv) similar foreign juridical persons, as persons who are able to register a regional collective trademark in Japan.

For reference, JPO has published an English brochure titled "Regional Brands in JAPAN." (Please see www.jpo.go.jp/sesaku_e/pdf/regional_brands/regional2014.pdf) which includes 528 examples of regional collective trademarks that were registered from April 2006 to May 2014.

[Allowing Filing of Foreign Language Patent Applications](#)

(Article by Jin Hwan KIM, MAPS Intellectual Property Law Firm, Seoul, Korea)

According to the recently revised Korean Patent Act, which will come into effect on January 1, 2015, it will be possible to file patent applications in a language other than Korean with or without claiming priority under the Paris Convention. For now, according to the announcement of Korean Intellectual Property Office ("KIPO"), it is expected that the foreign language will include English only.

Once these changes take effect, an applicant who files a foreign language patent application with KIPO should submit a Korean translation within fourteen (14) months from its earliest filing date, and if he/she fails to do so, the foreign language patent application is deemed to have been withdrawn on the next day following this time period. Further, until the submission of the Korean translation, the patent application will not be published and the applicant is not allowed to file an examination request, an amendment or a divisional application.

The Korean translation will be considered an amendment to the foreign language patent application, and the KIPO Examiner will conduct examination based on the Korean translation. If there are translation errors in the Korean translation, the applicant is allowed to correct those errors within the time period allowed for filing an amendment. Further, the applicant will be allowed to prepare and file an amendment based on the original foreign language patent application, and, after the patent is issued, to correct the registered patent based on the original foreign language patent application through a correction action before the Intellectual Property Tribunal.

Too Pedantic with the "P"?

(Article by Geetha K., KASS International Sdn Bhd, Kuala Lumpur, Malaysia)

Do you find the below marks substantially similar? Is the letter "P" so dominant in both marks that other elements in the mark are negligible? Are the marks visually, aurally and conceptually similar?



These were some of the questions the IP Office of Singapore ("IPOS") had to contend with when faced with an opposition by Pirelli & C. S.p.A ("Opponent") against Tao, Hsiu-Chih ("Applicant").

Although the opposition failed, the decision by the Hearing Officer from IPOS was interesting for many reasons.

The Applicant owns CSL Sunmaster Enterprises Co., Ltd, a Taiwanese company that designs and supplies curtains, blinds, sunshades and parts thereof. The Applicant claimed that she coined her trademark from her English name, "Tao, Sheena". The Applicant has registered her mark in Class 20 (Bamboo curtains; indoor blinds of reed, rattan or bamboo (sudare); curtain hooks and related products) and Class 24 (Woven fabrics and knitted fabrics; non-woven textile fabrics; curtains of textile or plastic; shower curtains; curtains and such) in the EU and Australia.

The Opponent started out in 1872 with a factory producing rubber articles and eventually diversified into many industries (unrelated to the Applicant's industry). The Opponent is the fifth largest operator in the world in the premium tyre sector, and was the exclusive tyre supplier for Formula 1 from 2011 to 2013. In addition to the "PIRELLI" trademark above, the Opponent relied on the following trademarks filed in Singapore to support its opposition:



The point of contention was the use of the Elongated P in the Applicant's mark. The Opponent submitted that the Elongated P is the dominant component of the Opponent's Marks and that the similarity between the Opponent's marks and the Applicant's mark caused a likelihood of confusion among members of the public. The Opponent also argued that the use of the Applicant's mark was an act of passing off.






Interestingly, the Opponent decided to initiate this opposition in Singapore even though it had unsuccessfully opposed the Applicant's mark the EU and Australia.

According to the Applicant, the question is whether the common element of the competing marks is so dominant as to render the different elements ineffective in eliminating the similarity between the marks.

The Applicant relied on the opinion of the hearing officer in Australia that, inter alia, "the overall impression of the trade marks is one of dissimilarity rather than resemblance" and that the Elongated P was not the portion of the trade mark "which will so overwhelm a person's mind that they will not remember the word "Project" or "Pirelli" and confuse these two trademarks."

A similar decision was delivered in the EU, where the marks were held to be visually similar to a very low degree and were not phonetically, or conceptually similar.

The Hearing Officer in IPOS concurred with the EU and Australian hearing officers and found that the marks in dispute (shown below) are not visually, aurally and conceptually similar:

Opponent's Marks	Application Mark
	
	
	
	

The known "overall assessment test" was relied upon whereby "visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components".[1]

With regard to the consideration of the "distinctive and dominant components" of the mark, the Hearing Officer relied on the decision in *Matratzen*[2] in which the European Court of First Instance dismissed the contention that a consideration of the dominant and distinctive components of a mark would mean a failure to consider the mark as a whole.

Aurally and conceptually, the marks were found different. As for visually, the Hearing Officer held that "the marks are visually similar in that they have one component, the Elongated P, in common. However, this is not sufficient to make an overall finding of visual similarity as the Application Mark contains other components that are not of negligible significance".

The Opponent's argument for passing off failed as well as the Opponent did not have sufficient evidence to prove it had goodwill in Singapore at the relevant time.

References:

- *Sabel BV v. Puma AG* (Case C-251/95), 1998 R.P.C. 199, 1998 E.T.M.R. 1 (1997)
- *Matratzen Concord GmbH v OHIM*, Case T-6/01 [2002] ECR II-4335

[The UK's new Intellectual Property Act 2014](#)
(Article by Jamie Muir Wood, Hogarth Chambers, London, UK)

The Intellectual Property Act 2014 focuses on designs and patents, with the key feature being the introduction of criminal sanctions for infringement of United Kingdom registered design rights.

Designs

Criminal offence

The Act makes certain infringements of United Kingdom and Community registered designs a criminal offence, punishable with a maximum jail sentence of 10 years and/or a fine.

To be found guilty of a primary offence there must be unauthorised and intentional copying of a design, done in the course of business. Furthermore, the alleged infringer must know or have reason to believe that the copied design was registered and such copying must be without the consent of the registered proprietor.

The Act also introduces a secondary offence of offering, putting on the market, exporting or using a product or stocking it for any of these purposes in the course of a business without the consent of the registered proprietor. Again, the alleged infringer must know or have reason to believe that the design is a registered design and, additionally, that the product has been intentionally copied from that design, such copying also being without the consent of the registered proprietor.

In both cases, the resulting product must be either an exact replica of the registered design or have features that differ only in immaterial details. This is a high bar for a finding of criminal liability.

In either case, it is a defence if the alleged infringer shows that the product did not infringe the registered design or that she/he reasonably believed that it did not infringe. It is also a defence for the alleged infringer to show that she/he reasonably believed that the registration was invalid.

Selected other provisions

The Act introduces exceptions to infringement in the case of United Kingdom unregistered design rights. These acts are private, non-commercial purposes, experimental purposes and teaching purposes. This is subject to the proviso, in the case of teaching purposes only, that the act is compatible with fair trade, does not unduly prejudice exploitation of the design and that the source is acknowledged.

The Act introduces a private prior use exception for United Kingdom registered designs. A third party will be permitted to continue to use a design where, prior to the date of registration, the design was used in good faith or serious and effective preparations to do so were made. This will not apply if the design was copied from the design which is subsequently registered.

The Act changes the rules on ownership of commissioned United Kingdom registered and unregistered designs, with ownership vesting in the designer not the commissioner.

Finally, in the case of innocent infringers of United Kingdom registered design rights, whilst the courts remain unable to award damages, the Act allows the court to order an account of profits.

Patents

The Act permits the Secretary of State to bring the provisions of the 2013 European Agreement on a Unified Patent Court into force in the United Kingdom. This includes the ability to confer on or remove jurisdiction from any courts and introduces a structure for the payment of fees.

The Act enables the comptroller of the Patent Office to share information about unpublished patent applications with other patent offices worldwide.

The Act removes the obligation to mark all patented products with the patent number. It will now be sufficient to mark patented products with a relevant internet link, as long as the internet link is freely accessible and, on accessing the link, clear details are provided linking the patent number to the patented product.

Finally, the Act expands the opinion service provided in respect of patents, including permitting the comptroller to revoke clearly invalid patents if an opinion has reached that conclusion.

[United States Supreme Court in Alice Corp. v. CLS Bank Makes Obtaining Software Patents in the US More Difficult for Patent Practitioners](#)

(Article by Joshua Goldberg and Rich Beem, Nath, Goldberg & Meyer and Beem Patent Law Firm, Washington, DC and Chicago, IL, U.S.A.)

In its unanimous opinion of *Alice Corporation v. CLS Bank*, 134 S. Ct. 2347 (2014), the US Supreme Court struck down all the patent claims at issue, drawn to a method for exchanging financial obligations, a computer system configured to carry out the method, and a computer-readable storage medium containing program code for causing a computer to perform the method.

The Court implemented a new two-step analysis for determining patent-eligible subject matter in the US:

- Are the claims directed to laws of nature, natural phenomena, and/or abstract ideas?
- If yes, what else is in the claims to transform the nature of the claim into a patent-eligible invention?

In answering “yes” to the first question, the Court quoted extensively from its recent *Mayo*, *Bilski*, and *Myriad* decisions, confirming laws of nature and natural phenomena still constitute exceptions to the generally broad classifications of inventions qualifying for protection in the US. The Court also indicated its desire to “tread carefully in construing this exclusionary principle lest it swallow all of patent law.”

The Court decided the claims at issue were drawn to the ineligible concept/the abstract idea of intermediated settlement. The Court indicated the patent claims were drawn to a concept that is “a fundamental economic practice long prevalent in our system of commerce.” This was considered a clear decision, since “[W]e need not labor to delimit the precise contours of the ‘abstract ideas’ category”, with no meaningful distinction seen between concepts of risk hedging and intermediated settlement, as decided in *Bilski*.

Regarding what else might be in the claims, this could also be described as a search for the “inventive concept”, or an element or combination of elements sufficient to ensure the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself. In making the determination, the Court indicated the claims should be considered individually and “as an ordered combination”. Further, the Court indicated the importance of determining whether the additional elements transform the nature of the claim into patent-eligible subject matter.

Here, the Court stated mere recitation of a generic computer cannot transform a patent-ineligible abstract idea. Further, generic computer implementation generally does not provide any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea]”. Since each step of the claimed methods was performed by a purely conventional computer performing generic computer functions, these claims were deemed to be patent-ineligible. Regarding the system and media claims, these claims were considered substantively no different than the method claims, reciting a handful of generic computer components to implement the same idea.

One troubling aspect of this decision is the reference to the desirability of solving a “technological” problem, wherein the solution is an “inventive application” of a formula or abstract idea. This terminology seems to make the requirements of utility/industrial applicability, novelty, and non-obviousness/inventive step aspects of the patent-eligible subject matter question. This seems to contrast with the analysis undertaken by, for example, the EPO, which focuses on the requirements of technical content and technical effect.

Since this decision was issued, the USPTO released a memorandum providing preliminary instructions to Examiners relating to patent-eligibility of claims involving abstract ideas, particularly computer-implemented abstract ideas. The memorandum indicated the framework set forth in *Mayo*, not previously used for claims involving abstract ideas, now would be used for examining such claims. Further, under the second step noted above, Examiners are now required to determine whether any element or combination of elements in the claim ensures the claim amounts to significantly more than the abstract idea itself.

It would appear the *Alice* decision continues the recent US Supreme Court trend of shrinking the types and extent of inventions that can be considered patent-eligible. Despite the discussion to the contrary, it is now an open question as to whether or how pure software inventions can be patented in the US. Further developments and implementation can be expected (and will bear watching) in the USPTO and in the US courts.

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