Kluwer Patent Blog

UKIPO gains new powers to revoke patents which fail a novelty or obviousness test – but only if 'clearly invalid'

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The UK's Intellectual Property Act 2014, enacted to implement recommendations of the 2011 Hargreaves Review of Intellectual Property, has extended the powers available to the United Kingdom Intellectual Property Office (UKIPO) to revoke British patents of its own motion. This applies both to patents granted directly by the UKIPO or patents obtained through the EPO route. The new statutory provisions are contained in Section 73 of the Patents Act 1977, as amended.

The new power, available from 1 October, 2014, allows the UKIPO to revoke a patent for lack of novelty or lack of inventive step where a third party has sought an Opinion from the UKIPO Opinions Service as to whether a patent is invalid, and the Opinion has concluded that the patent is invalid for lack of novelty or lack of inventive step. Other grounds of invalidity do not allow the possibility of revocation, even if upheld in the Opinion.

Statutory safeguards include provisions enabling the proprietor of the patent to comment prior to the opinion being established, to seek a review of the opinion, and to appeal the outcome of the review, as well as requiring the UKIPO to allow the proprietor to comment or to amend the patent before any revocation takes effect. Other safeguards include administrative instructions to UKIPO staff that an independent assessment by a senior official of the UKIPO is required before the power is used and that use should only be made of this power in cases where the patent is 'clearly invalid'. The patent proprietor will further be able to appeal any revocation decision to the High Court. In such appeals, the respondent to the appeal will be the UKIPO, rather than the third party who initially sought the opinion.

A motivation for this new power was to remove barriers to innovation and competition which resulted from clearly invalid patents remaining in force. In the UK, the number of completed patent revocation actions is relatively low compared to other key patenting jurisdictions, which often is attributed to the level of cost and costs risk involved in seeking revocation of a patent in the UK.

The Patent Office Opinions Service allows anyone to obtain a non-binding opinion on the validity of a patent, on submission of reasoned arguments and evidence and on payment of the £200 official fee. Since its introduction in 2005, the Opinions Service has provided a low-cost route for a party to obtain a reasoned assessment of the merits of a given patent by an experienced UKIPO examiner. This is attractive to those who may not have the resources to obtain independent

counsel's opinion. Opinions are delivered relatively swiftly, normally within three months. There were 21 such opinions published in 2013.

A UKIPO consultation following the Hargreaves Review proposed that, where an Opinion concludes that a patent lacks novelty or inventive step, the UKIPO should have the power to revoke the patent in the public interest. In light of responses to the consultation, the UKIPO determined that the proposals had broad support, but that such a power should only be used in clear-cut cases.

No use of the new power appears yet to have been made in the short time since it came into force. Although the new proposals may seem worrying for proprietors of UK patents, the administrative instruction limiting the use of this power only to clear cases would appear to restrict its utility to situations such as clearly anticipatory prior art in the case of novelty or trivial changes to a known article or process in the case of inventive step. In UK proceedings, in which validity and infringement are normally tried in the same action, such patents would be in practice regarded as unenforceable.

However, more concerning for patent proprietors is that this test of clear invalidity is not enshrined in statutory law, and that a change of policy at the UKIPO could see this ex officio power being used within its legal limits against patents of only arguable invalidity. Fortunately, the possibility of appeal of a revocation decision to the High Court would mean that, if such a policy were adopted, the UKIPO would in all likelihood lead to several successful appeals before the High Court, with the UKIPO bearing a consequently heavy costs burden. The prospect of such outcomes would tend to discourage use of this power in all cases except those in which the UKIPO is certain that their view is correct. The UKIPO is likely instead to leave patent proprietors and their competitors to exchange, for less clear-cut cases, arguments and evidence in inter partes revocation proceedings before the UKIPO or in other venues, and bearing the costs between themselves.

Exceptionally, we see the new possibility for revocation being of substantial interest to non-commercial entities, for example free software and open source advocacy groups, since it provides a modest but nonetheless real prospect to invalidate a troubling patent on the basis of nothing more than a piece of "knockout prior art" and a relatively small official fee. We continue to see the traditional venues of the Patents Court of the High Court and the newly-renamed Intellectual Property Enterprise Court being used as the principal means to obtain revocation of British patents for competitive commercial entities. Nonetheless, patent proprietors who receive notification from the UKIPO that an opinion has been sought concerning the validity of their patent may wish to be more proactive in contesting the opinion than in the past, to minimise any prospect of their patent being deemed to be 'clearly invalid'.

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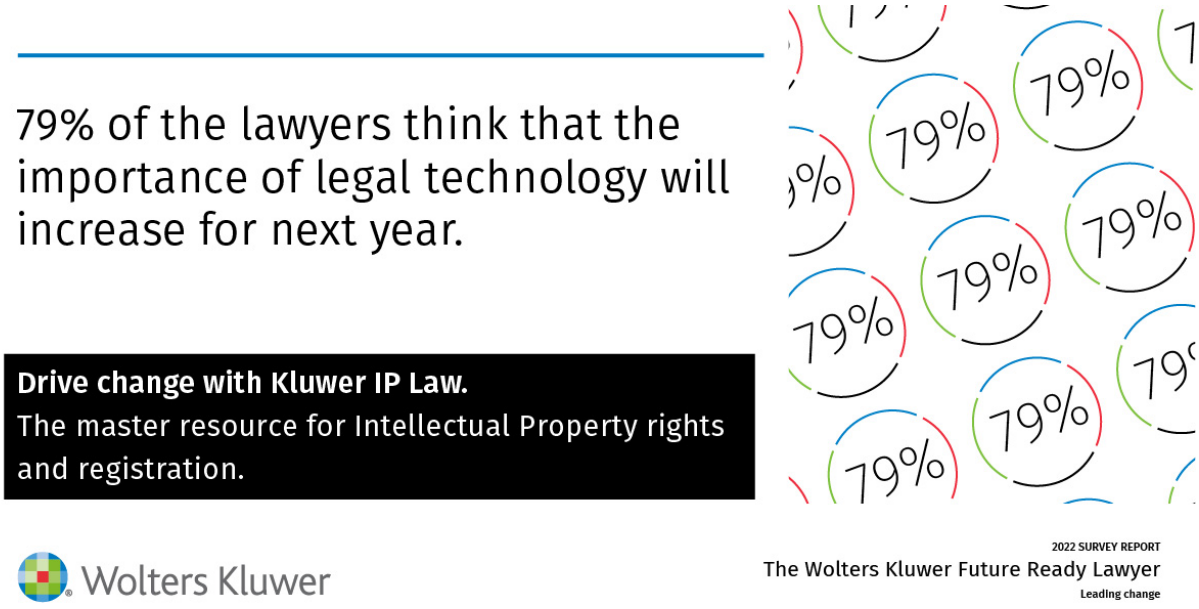

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