

Kluwer Patent Blog

Fordham Conference Day 2

Brian Cordery (Bristows) · Tuesday, April 25th, 2017

The sunrise session of day 2 was on second medical use claims and the hot European topic of plausibility.

Floyd LJ began with a potted history and explained that whereas plausibility can be raised in different invalidity contexts the overall point is that the scope of the claim needs to be justified by the technical contribution. He highlighted the difficult case where it is clear at trial that the invention works, but the patentee still runs the risk of invalidity because this state of affairs was not so clear at the priority date. Floyd LJ also distinguished between, on the one hand, the situation where a compound is adequately taught to treat a disease and the patentee seeks to extrapolate to cover other compounds to treat the same disease, and on the other the more difficult case where the patentee seeks to extrapolate to treat a range of diseases (ie the second, third, fourth indications).

Next up was Nicola Dagg of Allen & Overy. Nicola mentioned that plausibility is neither referred to in TRIPS, the EPC, or the UK Patents Act. She postulated that if “some” part of the claim is plausible at the priority date, wouldn’t it be fairer for the court to then move on and use the test of classical insufficiency for the whole claim scope. This would allow patentees the ability to “plug any gap” which has perhaps been caused by only having more basic (eg animal) data available at the priority date. Arnold J thought that if only part of a claim is plausible, the solution is to rely on a narrow subsidiary claim.

Jürgen Dressel of Novartis made a plea for different patent offices around the world to take a homogenised approach – currently, Asian offices can require advanced data to be included in the patent application and the EPO has strict requirements on plausibility, whereas (on the other end of the scale) the emphasis in the US is on early filing, particularly as publication of clinical trial protocols can be novelty destroying. On the other hand, plausibility can be useful for patentees when seeking validity over prior art which merely contains a “laundry list” of indications.

Moving on, as per usual, the room was packed for the round table with the judges who represented a wide variety of countries and tribunals. Most of them confessed to liking patents and trade marks the most and to finding copyright law the most tricky – Arnold J explaining that this was due to the twin challenges of fast developing technology and business models, and decisions of the CJEU which have not yet had a chance to develop consistency on issues such as hyper linking and communication to the public.

Another interesting session was on Patent Asserting Entities or PAEs, a distinction being drawn between “portfolio licensing PAEs” who look for long term relationships with their licensees and

“litigation PAEs” who sue first and subsequently seek (often low) licence fees. The telecoms sector has historically seen a lot of PAE activity, with the interplay of standardised technologies and competition law leading to the growing development of case law concerning fair (FRAND) licensing. The advent of the much talked of Internet of Things may mean more PAE interest in other sectors such as automotive and white goods.

The view of Myles Jelf of Bristows was that issues in the space were not well addressed by proposing separate rules for special classes of patent holders – by whatever name or designation PAE, NPE, troll etc. A more productive approach was to ask whether in the particular circumstances of the case, there was some particular factor, structural or contextual, that was causing the value of a patent to be distorted. In the US for example, the lack of cost shifting meant it was often more cost-effective for a defendant to pay out a modest sum rather than allow the case to run even for an entirely worthless patent – and similarly in the standard essential patent context, FRAND rules were necessary to prevent a distortion of value. More difficult questions arose as to whether such a ‘structural’ distortion could be said to arise with the prospect of an injunction against a small part of a larger product, or even from the simple fact that a defendant cannot bring a counterclaim against a PAE.

Steven Liebermann was optimistic that, to counter such structural imbalances, judges in the US are increasingly using tools like summary judgment to enforce speedy and equitable litigation. He also explained that clients often take different strategic approaches to dealing with PAEs depending on the quality of the plaintiff firm representing the PAE and the funding supporting the claim.

The final session of the day was on patents and populism. Jamie Love started by explaining that the general population see problems in the patent system and can find it hard to equate the need for a monopoly and high prices with fair access to medicines. Others on the panel, including Judge Chin and David Rosenberg of GSK worried that the tone of rhetoric on all IPRs, especially patents, was moving away from reasoned, evidence based debate. Judge Newman pointed out that it is too simplistic to say that all problems lie with the patent system and that what is needed is for the population to have a better understanding of how R&D and industry works. Birss J, with the agreement of the other judges, thought that amicus briefs can in certain circumstances be helpful in deciding patent questions which impact on policy.

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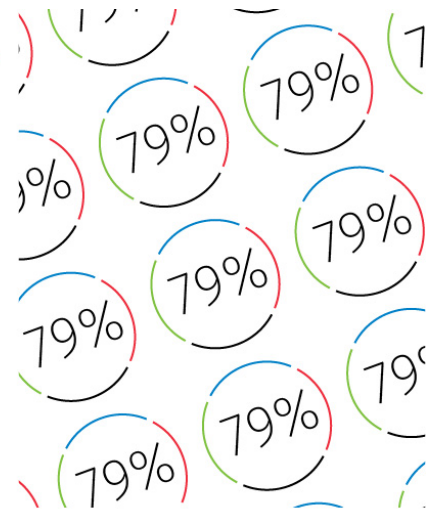
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