

GENERAL QUESTIONS

1. How is IP awarded

(a) (i). Are there barriers to obtaining IP rights due to system complexity?

The barriers that exist and to what the extent these are created or exacerbated by system complexity depends on the type of IP rights in question and whether such rights are being sought within the UK alone or Internationally.

Trade Marks:

The UK trademark registration system is fairly straightforward although situations have arisen in the past where the same trade mark application is examined by more than one examiner and the different examiners raise different objections. This leads to confusion, extra expense in prosecuting the trade mark and delays the process. The details of the classifications under the Nice Convention are also sometimes not clear making for uncertainty in determining which class certain activities should fall under in a trade mark application.

The European Trade Mark (OHIM) system is more complex than the UK system and opposition procedures in particular are more common causing more uncertainty and again increasing the expense of any such prosecution. Again examiners seem to take varying views as to when a mark would be deemed to be similar enough to a pre-existing registered trade mark to justify an objection.

Experience of registering trademarks in other territories varies greatly but the US Examiners appear to be far more strict in their interpretation of relative grounds of refusal. Again this leads to complexity and barriers when trying to establish an international brand/mark.

Patents:

The patent system, both nationally and internationally, is by far the most complex system of IP protection. Again, our experience is that different examiners can apply different standards to determining, for example, the state of the relevant prior art or the existence of an 'inventive step'. Internationally there are also varying standards in the interpretation of the requirements for an invention to be patentable, for example Australia will often grant a patent with very little examination whilst the same application will receive numerous objections in the USA. The different rules internationally with regard to, for example, 'the grace period', whether business methods and software inventions can be protected by patent also lead to uncertainty.

Design Rights

Obtaining registered design rights under the UK system has to date been fairly straightforward. However, there are concerns that this is in part due to the fact that the examination as to whether or not the design is sufficiently novel to justify the granting of registered protection is simply not stringent enough. For example, the shape of a circle has been successfully registered as a design for watch faces, given that the majority of watch faces are circular in shape it is difficult to believe that such a registration should ever have been granted and will hold little value if the owner ever wishes to rely on such protection.

(ii) What could be done to improve this situation?

Further international harmonisation of the regulations that govern the granting of IP protection and the standards that apply across all territories would greatly assist in simplifying the situation. An area worthy of examination is whether certain patent offices are prepared to enter into reciprocal agreements to mutually recognise their work thus reducing the number of national systems with which an inventor has to interact, there should be a major review of the need for national patent offices within the EU, the creation of a true single market in patent protection system should be achievable. The present system whilst fairly exhaustive is time consuming and ultimately expensive, thus putting small technology businesses in a more difficult position regarding balancing a sensible IP strategy against cost. The cost of obtaining protection within the EU for the same size of market is still much higher than that in the USA.

(b) (i) How easy is it to find out about obtaining IP rights?

Once there is an awareness of the existence of such rights then there are various good sources of information available, for example, The Patent Office website is a good source of basic information on many IP rights.

(ii) What could be done to improve awareness for businesses and innovators?

Businesses need to be made aware of IP Rights as early as possible. One possible option would be to send any company that registers at Company's House a pack of information that alerts them to IP Rights issues.

The Patent Office education programmes have been very useful and should be expanded.

More training should be provided as a matter of course in degree programmes in science and engineering etc on relevant IPR issues so that the innovators of

the future should have a basic awareness of this area. Extending the education into areas of design and copyright would be beneficial.

Qualified IP practitioners within the business support network are also highly desirable.

(iii) Is there sufficient awareness of the need to protect IP internationally?

Within sectors that deal in IPR regularly there is a good awareness that the protection of IP is an international issue. However, again businesses with less experience have a tendency to concentrate on the national market initially. As noted above cost restraints are very influential on dictating any international IP protection strategy. The high cost makes advanced IP protection the domain of larger corporates.

Stronger practitioner experience within the business support network would be advantageous. Universities are becoming much more IP literate and aware and could work with business support agencies in this domain.

(c) (i) Are there barriers to obtaining UK IP rights on grounds of cost?

The official costs of obtaining UK IP rights are not prohibitive. However, the costs of patent/trademark agents drafting a patent/trademark application may make the whole process prohibitive. The IP field is now so complex undertaking patent protection without professional advice is somewhat foolhardy. It is these costs, as opposed to official filing costs that create barriers to obtaining UK IP rights.

(ii) What drives these costs?

The drafting of patent applications can be a complex and skilled process, however in many instances patent applications are drafted by simple amendment of a pre-existing precedent and the client has to expend considerable time and expertise in amending the draft provided so that it is suitable for the application in question. Patent agents charge highly for these services and are able to do so because of the current market.

(d) How do these costs compare internationally in your experience?

The USA and Japan often prove to be more expensive than the UK, particularly with the cost of translation in Japan. The key equation is cost of protection versus size of market obtained. The size of the UK market is relatively small. Again, a more sensitive single system in the EU would substantially reduce the cost burden.

(e) Do you have any comments on the UK Patent Office fees structure for obtaining and renewing IP protection?

The fee structure for obtaining IP protection is to a large extent fair as the Patent Office has to cover its costs in addition to the fact that the applicant is

in essence purchasing a monopoly right. However, renewal fees should be reduced (or waived for UK resident entities) as renewing such protection is a simple administrative matter.

(f) (i) Is lack of trust in the system a barrier?

I think that there is a degree of scepticism as to the degree to which third parties with the necessary finance can hinder an application for IP protection without necessarily having a justified objection and can result in an applicant withdrawing their application in order to avoid potential escalating costs for example in opposition proceedings.

An effective low cost mediation protocol would be welcomed by many in IP disputes.

(ii) To what extent do you rely on other tools to bring innovation to the marketplace, such as being the first to market, maintaining trade secrets, or using an open innovation model to generate value through reputation or network effects?

As a non trading body we place high reliance on IP protection. In seeking potential licensees of our technology we seek those that take protection and speed to market as key. In publicising IP protection to industry this must be cast in a business/commercial footing.

Are there specific barriers to obtaining IP rights in your sector?

Cost and resource are a substantial barrier to obtaining IP rights in the sector. There is only resource, in both financial and skill terms, to assess and protect a small proportion of the technology being generated in the sector, particularly given the early stage and disruptive nature of much of our technology. The resources required to ensure that IP in the University sector is adequately managed and protected in the interests of UK plc needs to be considered on a longer term basis and not simply as a short term commercial transaction.

The other specific barrier is the conflicting demands of University researchers needs to publish their work and the requirement for secrecy until a patent is filed. This often leads to patent applications being filed at a stage when the technology is in a very early stage of development and as such the protection obtained is not as strong as that that could have been obtained if circumstances allowed us more time before filing a patent, A grace period similar to that enjoyed in the USA would greatly improve this position.

Are there specific barriers to obtaining IP rights for small businesses or individuals?

Cost and knowledge form the main barriers to small businesses or individuals, as noted above.

(i) How well does the national system for awarding IP, administered by the Patent Office perform?

Generally the system nationally performs well and the examiners and the patent office are, in the main, helpful in assisting in any difficulties that arise. The question arises as to the balance between a national and EU based system. In the light of a single market is a national patent office required?

(ii) How well do the International and European systems work?

These systems are much more complicated than the UK system and as a result unnecessarily expensive. The performance of the IP system in the UK and the EU needs to be considered from the perspective of the applicant as client for a service.

Is there sufficient awareness of the need to protect IP internationally?

Probably, the question is one of cost.

2) How IP is used

(a) What types of IP does your organisation use and why?

The main types of IP used by this organisation are copyright, know-how and patents because our core activities are teaching and research. Trademarks and Design Rights are used to a lesser extent, but are relevant.

(b) To what extent do you seek multiple overlapping forms of IP protection?

In some circumstances we may protect the same piece of technology with both patent protection and design rights but this is usually in instances where we believe that we may not be successful in obtaining a patent and the registered design would provide a backup form of registered protection.

(c) To what extent are these decisions influenced by sector-specific considerations?

Not relevant.

(d) (i) How does your company value its IP?

We carry out extensive market research in the relevant area and when circumstances allow let competitors in the market bid for the technology that we have available, therefore letting market force dictate the price/benefit gained.

(ii) Are there problems with raising finance against intangible assets based on IP?

Yes but these are not specifically related to IPR but to the financial/investment environment. The use of public funds to address market failure is essential. The creation of Proof of Concept funds has been critically important in capacity building. The pay-off will come through time through changing the approach to IPR.

i. What improvement can be made in this area?

Funding for translational research to render the outcomes of fundamental research into a relevant and useful form is not simply a matter for equity investment. The discussions initiated in the Budget and the Science and Innovation strategy are particularly timely.

(e) To what extent does the term of IP rights at the margin affect investment decision?

The term is not relevant – the speed to grant and cost to grant is.

(f) How well does the UK IP system promote innovation?

Mixed. Anything with a high degree of complexity and potential cost will inhibit innovation. Whilst the system does not overtly inhibit innovation it could be improved if considered from a benefit to UK plc perspective – a move to a single patent system in the EU with the goal of reducing the cost burden would in my opinion enhance innovation.

(g) To what extent does your organisation make use of other methods used by Government to encourage innovation, such as public funding?

We use all available routes.

(h) Are data on the use of patents and other forms of IP useful as a means of measuring innovation?

Yes, but this needs combined with meaningful data on IP transactions, economic benefit and new products and services launched.

(i) Do you have any evidence as to the static or dynamic costs that IP rights (as statutory monopolies) impose on the economy?

No comment.

(j) (i) Have you encountered patents or other IP rights being used defensively, i.e obtained not to develop products, but only to prevent others from doing so?

We are aware of activities in this arena, for example in certain areas of biotechnology.

(ii) Under what circumstances do you consider this acceptable?

Defensive patenting seems contrary to the underlying ethos. However, there can be a balance – too many technologies competing for the same market space can render them all uneconomic and therefore of no benefit to the consumer.

3) How IP is licensed and exchanged

(a) How easy is it to negotiate licences to use others' IP for commercial or non-profit purposes?

The answer to this question very much depends on the technology in question and the competition for the technology. As a University we very rarely need to negotiate licences to use others' IP for commercial purposes. The negotiation of licences is a commercial process and will not always be straightforward.

(b) What mechanisms do you use for finding potential licensing partners?

The inventors usually have a good idea of the market place and potential users of the specific technology to be licensed. Our commercialisation team also carries out extensive market research and will approach potential licensees under non-disclosure agreements. Additionally we advertise our technologies available to licence, however a pro-active approach to attracting commercial partners is preferable given the nature of the technologies we have on offer may result in the creation of new markets and not simply new products or services.

(c) How easy is it to use others' IP for research purposes? Have you experience difficulty around research exemptions?

There is a lack of clarity and inconsistency in different territories as to when others IP can be used for research purposes which causes some difficulties – concern in this area is rising sharply.

(d) Are there specific barriers to licensing the main forms of IP currently used: patents, copyright, trademarks, and designs?

No

(e) Are there barriers to licensing IP on grounds of cost? What drives these costs?

The negotiation of licences in advance of grant is challenging. Cost arguments are as stated elsewhere. We use in-house services in our licensing negotiations and the drafting of the necessary documents. If this were not the case the cost of completing the licensing deal may well outweigh the potential benefit to be gained by the deal.

(f) Are there specific barriers to licensing in your sector?

These barriers consist of lack of funding for translational and concept development as noted elsewhere.

(g) Does your organisation use methods to facilitate exchange of IP-such as cross-licensing or pooling IP rights with other firms or organisations?

Yes. We are increasingly looking at collaborative approaches to create critical mass.

(h) Are there specific barriers to licensing IP rights for small businesses or individuals-for example barriers to entry to patent pools?

Not applicable.

(i) Are there barriers to trade and exchange of IP internationally?

This depends on whether the correct IP strategy has been followed in the first place to protect the IP in the relevant territories. Again due to limited funding such strategies are often curtailed by the funding available. The other main barrier is the enforcement of IP rights internationally.

(j) Does your organisation consider renewing patents using ‘licence of right’ provisions in patent law (which entitle any person to licence under your patent and reduce your renewal fees by half?)

No

(k) What could be done to improve “licence of right” provisions and business awareness of them?

No comment

(l) Do you have any experience of the compulsory licence provisions within current patent law? Are they effective? How could they be improved?

No comment

4) How IP is challenged and enforced

(a) Are there specific problems with enforcing the main different forms of IP: patents, copyright, trade marks, and designs?

None specifically.

(b) Are there barriers to challenging infringement and enforcing your IP rights in grounds of cost? What drives these costs?

In general we would negotiate that a licensee would take on the cost and reinforcement of IP rights. If this were not the case then the cost of enforcing IP rights could prove prohibitive for a University. The cost argument is relevant when considering ability to negotiate.

- (c) To what extent does your organisation make use of other methods than litigation to resolve IP infringement cases, for example the Patent Office opinion service, mediation services, Alternative Dispute Resolution, or the Copyright Tribunal?**

We would normally favour mediation as opposed to litigation but as stated above are rarely in the position of having to enforce our own IP rights. These need to be more widely publicised.

- (d) To what extent do you use IP litigation insurance? How effective is it?**

We don't use this at all.

- (e) Are there barriers to using such methods to settle IP disputes without recourse to litigation? How might they be removed?**

No comment.

- (f) Are there specific barriers to challenging and enforcing IP rights for small businesses or individuals?**

Cost would probably be the major barrier.

- (g) To what extent is risk of litigation a factor in your organisation's investment in innovation?**

As one of our major functions is research we do not consider the risk of litigation in our investment in innovation – but we would assess the risk of litigation from a reverse perspective i.e. as a potential licensee.

- (h) What are the principal barriers to efficient and successful challenge and enforcement internationally?**

Cost, relevant jurisdiction and national favouritism.

SPECIFIC ISSUES

- (1) Current term of protection on sound recordings and performers' rights**

Background: The Review will fulfil the Government's commitment to examine whether the current 50 year term of protection on sound recordings and performers rights in sound recordings is appropriate, in light of the extension to 95 years in a number of other jurisdictions.

- (a) What are your views on this issue?**

That the UK term of protection should be extended to 95 years to give the same degree of protection as other jurisdictions.

(b) Is there evidence to show the impact that a change in term would have on investment, creativity and consumer interest?

Not that we are aware of but we do very little work on this area of IP.

(c) Are you aware of the impact that different lengths of terms have had on investment, creativity and consumer interests in other countries?

No

(d) Are there alternative arrangements that could accompany an extension of term (e.g licence of right for any extended term)

A licence of right could be a method of balancing interests if an extended term is granted.

(e) If term were to be extended, should it be extended retrospectively for existing works) or solely for new creations?

Any extension of term should in theory be retrospective to include existing works – but this can cause substantial practical difficulties.

(2) Copyright exceptions –fair use/fair dealing

Background: There are a number of exceptions to copyright that allow limited use of copyright works without the permission of the copyright holder.

(a) What are your views on the current exceptions in copyright law?

The current exemptions are generally adequate although it is difficult to judge sometimes if the way in which you intend to use a copyrighted work falls within a certain exemption.

(b) Could more be done to clarify the various exemptions?

Yes. The case law on the area of exemptions is not clear.

(c) Are there other areas where copyright exceptions should apply?

Exceptions need to be extended to take into account technological advances.

(d) Are the current exemptions adequate or in need of updating to reflect technological change? For example copyright law in the UK does not currently have a private “fair use” exemption. Such an exception would allow individuals to copy music CDs into their PCs and MP3 players for personal use. Should UK law include a statutory exception for “fair use”?

Yes a private 'fair use' exemption would be a welcome addition.

(e) How would you see content owners being compensated for fair use?

Higher initial royalty payments.

(f) To what extent has technological change presented difficulties in use of copyrighted material in the field of education?

More courses are now being provided via electronic systems such as Blackboard . There is considerable confusion as to when copyright permission needs to be sought in uploading materials onto the system and when existing licences cover such use or individual licences are needed. With advances in digital technolgoes teaching materials often accompanied by sound recordings, video material etc which introduce new areas of copyright and performance rights to the provision of teaching materials. The level of due diligence can be burdensome given that the purpose is for education.

(g) Are there issues concerning the archiving of material covered by copyright?

Not that I am aware of.

(3) Copyright-digital management

Advances in technology pose considerable difficulties for legislation not drafted with that in mind. Business models are changing and dynamic and the law needs to be rendered clear in the light of technology.

(4) Copyright-orphan works

(a) Have you experienced any difficulties on identifying the owners of copyright content when seeking permission to use that content?

Yes

(b) Do you have any suggestions on how this problem could be overcome?

If the user of the copyright content can show that they have expended reasonable efforts in trying to identify the copyright owner then they should not be liable for fines etc for infringing copyright if they use the work.

(4) Copyright-licensing of public performances

(a) Have you encountered problems with the system of licensing and paying royalties to collecting societies for public performances of music and/or sound recordings?

No comment

(b) Could the system be clarified or simplified, and if so how do you see this working?

No comment.

5) Patents –utility models

Background: Some countries, notably Germany, have a “utility model” system offering protection for simple inventions, usually subject to less examination and shorter terms than standard patents.

(a) Do you have a view on some sort of second tier patent system?

A second tier system would be useful in certain circumstances especially for protecting less valuable inventions that would not justify the full cost of patenting or may consist of simple improvements.

(b) Has your organisation encountered problems in protecting its IP internationally where such systems exist?

Not to date.

6) Pharmaceutical Supplementary Protection Certificates (SPCs)

Background: SPCs are a “sui generis” IP right available in EU Member States for pharmaceutical products (as well as plant protection products). The standard patent term is 20 years. SPCs aim to compensate rights holders for the time required to obtain regulatory approval for their products. Where regulatory approval is issued more than five years after a patent is granted, SPCs may be granted to extend the term of protection on the active ingredient in the patented product. SPCs last for a term corresponding to the period elapsed between the five year point at which the product reaches market, up to a term of 5 years.

(a) Does your organisation use SPCs?

No. It is unlikely that we would ever carry a patent for 20 years and if this were the case the licensee or assignee would apply for the SPC.

Questions b-d No comment.

7) Trade Marks- international issues

(a) To what extent does your organisation register its trade marks at the European rather than national level?

As a University we have always tended to concentrate on protecting our trade marks nationally. However with the growth of distance learning and courses where our academics travel abroad to deliver courses we are now envisaging extending trade mark protection for these products to other territories.

(b) Could the UK trade mark system be improved to work better alongside the European system?

The two systems generally work very well together. The main concern is that a search of the EU systems prior registered marks does not reveal any purely national marks which means that an EU trade mark is often filed without full knowledge of the prior registered national marks that could give rise to objections on grounds of relative grounds for refusal or could lead to later opposition proceedings. As with patent rights the balance between what is done nationally and what is done at the EU level needs considered.

8) Designs - registered designs and unregistered design rights

(a) To what extent does your organisation rely on registered designs? And on unregistered design rights?

Our organisation has rarely used registered designs in the past but that is partly due to lack of knowledge of the existence of this form of IP protection. Given the relative cheapness of registering a design, i.e low official fees and the fact that most applications do not require drafting by an outside agent I can envisage that in certain sectors of University work, eg engineering, registered designs may become a more common form of protection. We do not generally rely on unregistered design rights, mainly because we would only need to rely on them if our designs were being infringed and the responsibility of enforcing such IP would normally be passed on to a commercial partner.

(b) To what extent does your organisation register its design at the European rather than national level.

At present generally we do not register at a European level although we may be increasing the use of such protection for the reasons stated in point (a) above. Again, the balance between national and EU level needs to be considered. A single market in IP would in my opinion substantially enhance EU innovation.

(c) To what extent does your organisation rely on the European unregistered design right rather than eth national UK unregistered design right?

Again only rely on such right in enforcement proceedings which would normally be undertaken by a licensee.

(d) Could the UK registered design be improved to work better alongside the European system?

Why have separate systems?

(e) Could the UK unregistered design right be simplified to work better alongside the European unregistered design right?

Why have separate systems?

(f) Do you see a useful role in the UK unregistered design right alongside the European design right?

Why have separate systems?

9) Legal sanctions on IP infringement

(a) Are you aware of any inconsistencies or inadequacies in the way the law applies legal sanctions to infringement of different forms of IP or to different circumstances?

Not from experience.

(b) For example, should criminal sanctions on online infringement be the same as those relating to physical infringement?

Yes

Questions 10 and 11; As a non trading institution these questions are not relevant to our experience.