



## Meetings, Meetings, Meetings – making the most of your Society!

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## Annual General Meeting

**followed by Summer Drinks Reception. Thursday 30 June 2005 at 6:30pm**

**The Cabinet War Rooms, Clive Steps, King Charles Street, London SW1A 2AQ – Book now!**

In a change to the traditional format LES are separating the AGM from the Annual Conference and instead the AGM will be followed by a Summer Drinks Reception in the Cabinet War Rooms. The Annual Conference will take place in London, in September.

A great networking opportunity in a prestigious, historic location, the drinks reception is the place to catch up with old friends and welcome new members to the Society. Non members are welcome to attend the social event - make your reservations without delay!

These, once secret, underground wartime headquarters have been renovated and refurbished and will be open for tours during the evening. They will provide a fascinating and unusual backdrop to the LES 2005 event, taking place 60 years after VE Day.

Shortly after becoming Prime Minister in May 1940, Winston Churchill visited the Cabinet War Rooms to see for himself what preparations had been made to allow him and his War Cabinet to continue working throughout the expected air raids on London.

It was in the Cabinet Room, which had been prepared especially for him that he announced, "This is the room from which I will direct the war."

There is no charge for attending the AGM alone. The fee for the drinks reception is £50.00 per person.



## LES B&I Annual Conference

**"Topical Issues in Licensing" Tuesday 13 September 2005.**

**Café Royal, Regent Street, London – Be There!**



This year's Annual Conference is a one-day event. The meeting will start at 9am and run through to include a reception and dinner. The four main strands will be Healthcare, current Legal & International issues, e-Commerce & IT, and Strategic Brand Management. The speakers on Healthcare will include Bea Leigh (ex-GSK), Mark Wilson (GSK) and Bill Dawson (ex-Eli Lilly) who will each talk about different aspects of pharmaceutical development, partnering and licensing. Peter Cozens, Ian Harvey, Robin Nott and Nigel Jones will provide valuable insights on topical issues in patenting and licensing biotech inventions, developments in China affecting IP and technology transfer, the Technology Transfer Regulation: 18 months on and the new European pharmaceutical regulatory system. In IT & e-Commerce, Arthur Williams will update us on Software Patents in Europe, Peter Montague-Fuller will focus on the April 2002 changes to the taxation of Intellectual Property and intangibles and Stewart James and John Kenyon

will provide a workshop on IT procurement. The newly-formed Brands Committee will provide speakers on strategic brand management in a licensing programme, brand licensing agreement structures and on co-branding agreements. It promises to be an action-packed and stimulating day. Full details will be available for the AGM (30 June at the Cabinet War Rooms – book now!)."

For further information and reservations for both these events please contact **Sheena Hunter**, email: [les@glasconf.demon.co.uk](mailto:les@glasconf.demon.co.uk)



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Barry Quest, Renate Siebrasse,  
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# President's Diary



## April

I would like to thank Liz Ward and her colleagues for their hospitality at the North-East Section's evening meeting in April. Paul Smith of West Yorkshire Trading Standards spoke on the steps his organisation were taking to combat counterfeit crime. The counterfeiters range from individuals at car boot sales, to the organised crime operators who also deal in hard drugs. It was interesting to hear of the unwillingness of some trade mark owners to co-operate with Trading Standards, e.g. even refusing to pay for the storage of counterfeit articles pending trial.

## May

Our Brands Committee had a very successful launch at a well-attended London evening meeting where our speaker was Richard Slater. The Committee chaired by Darren Olivier attracted further volunteers during the evening, and plans are well-advanced for a trade-mark workshop stream at our Annual Conference on 13 September 2005 at the Café Royal.

At the latest Council meeting in May, I was duly elected to serve as your President for a second year. As you may know the two-year term is the current tradition, although our constitution still requires appointment each year. The past twelve months have flown by, and have certainly rammed home the message that developments always take longer than you plan and expect. One particular disappointment to me is the delay in running the LESI "Fundamentals of Intellectual Asset Management" courses in Britain and Ireland (sometimes referred to as 101 to 104). Although we ran the 101 course some years ago, the other courses have not followed as expected.

Of course, these courses have been presented abroad, including at the LES International Conference in Paris in 2004, but I realise that this is of little assistance to those potential delegates whose budget does not run to overseas travel. There are two main reasons for the delay. Firstly, the LES International Education Committee wished to ensure that the courses were rolled out nationally in a controlled way and that there was a sufficient reservoir of authorised speakers to present the courses. Secondly, as with any presentation (and in particular when converting an international format for national delivery), the speakers need to modify the content to suit local requirements and their personal expertise. To take competition law as an example, a US speaker will illustrate this in connection with US anti-trust law, whereas a European speaker will refer to the technology transfer regulation. We agreed that it was worthwhile spending time and effort on appropriate tuning of the contents.

With a view to accelerating dissemination, the LESI Education Committee have been running "Train-the-Trainer" courses around the world with the result that the LES branches in the Philippines and in Australia and New Zealand have more qualified Trainers (i.e. presenters) than Britain and Ireland. I am pleased to report that this balance is now being redressed and that a "Train-the-Trainer" course will be held in London this autumn, organised by Chris Goodman, who is one of the chairs of the committee. Accordingly, I urge all experienced licensing executives, whatever your specialism, to attend (it will probably be held over a weekend) so that you can qualify as a presenter. We then plan to run the courses in Britain and Ireland on a regular basis. As a proven guide to the practical aspects of licensing, the family of courses should establish LES as a leading exponent of providing education in this important field.

## June

We have separated our AGM and Annual Conference this year and are making the AGM a brief preliminary to our Summer Drinks Reception. This promises to be the social event of the season, so come along to the Cabinet War Rooms on 30 June. Guests are welcome and they will be able to look round the exhibits during the AGM itself.

**Stephen Powell**  
President LES B&I

## IPR Update

**1. Hyperion Records Ltd v Lionel Sawkins (19/05/05).** The production of a new performing work edition of the score of an out-of-copyright composer was capable of copyright protection.

**2. The £100 Million April 2005 technology funding (19/05/05)** part of the DTI Technology Programme is now open to UK businesses.

**3. Michael Douglas & Catherine Zeta-Jones & Northern Shell PLC v Hello! Ltd & Ors. (18/05/05).** A publisher which had a licence to publish authorised photographs of the wedding reception of Douglas and Zeta-Jones had no right of confidence in photographs taken by an unauthorised photographer and published in a rival magazine.

**4. Pearson Education Ltd v Prentice Hall of India Private Ltd (22/04/05).** The assignee of copyright licence agreements governed by English law was granted permission to serve proceedings out of the jurisdiction because England was the more appropriate forum.

**5. QR Sciences Ltd v BTG International Ltd (15/04/05).** The negotiations undertaken by the owner (defendant) to sell its patents to a third party did not trigger the exclusive licensee's rights under the licence.

**6. The Office of Fair Trading has published a series of quick guides to competition law (08/04/05)** to give small and medium sized businesses an introduction into how the OFT enforces competition law in the UK.

**7. Phonographic Performance Ltd v Stephen Russell Reader (22/03/05).** The court awarded as additional damages, in addition to costs of the enquiry agents, an amount equal to the unpaid copyright licence fees.

**8. Artpower Ltd v Bespoke Couture Ltd & Oswald Boateng (21/03/05).** The court determined preliminary issues relating to breach of a licence agreement and compensation payable under a side letter.

Monitored by Dr Hayley French, Bird & Bird  
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For further information on all of the above please visit the LES Britain & Ireland website  
[www.les-bi.org](http://www.les-bi.org)

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## Chairs of Committees and Special Interest Groups

Researchers have limited resources and cannot patent every discovery they make. However, if they fail to do so on the basis that there are more substantial and interesting inventions in the subject, they run the risk that somebody else may lay claim to it by patenting the development and creating blocking IP. How can a researcher prevent blocking IP? The answer is to disclose. Disclosures must be made as efficiently as possible, for if the invention is not brought to the patent examiners attention, the researcher may be burdened with the horrendous cost and expense of invalidating the patent.

Defensive publishing is not new. Researchers often use publishing, including publishing papers online, as a way to bring information to the public domain. Researchers have often relied on their own websites or newsletters to publish their findings. However, as the writer understands from the UK Patent Office, it is difficult to identify which sources examiners will search for prior art as there are no particular methods used. Therefore, there is no way to guarantee that these journals or websites will come to the attention of the patent examiners and thus the researcher runs the risk of a competitor patenting the invention.

Specialist online journals dedicated to defensive publishing have appeared to fill the void in reliable sources to publish. Research Disclosure and IPCom are two websites offering this service. Publishing can be anonymous which may be particularly attractive to researchers who do not want competitors to be aware of their progress in the field. In addition, these websites have associations with several Patent Offices ensuring examiners have open access to

their databases. As to cost, IP.com offers their services at a flat fee of US\$155.00 (approx £81) for each online disclosure while Research Disclosure charges £75 per disclosure page.

Filing a patent application, and abandoning it after publication, is a reliable alternative but it can be expensive and publication is slow. A patent examiner spends a vast proportion of his time searching the patent archives and thus it is unlikely for relevant prior art to be overlooked. A patent application takes 18 months to publish unless it is fast tracked. In the meantime, the researcher will need to pay up to £200 in searching and administration fees on expiry of the initial 12-month period and additional patent attorney fees and specialist search fees. These costs can be substantial and may be prohibitive for researchers to use this strategy for each invention. If no further action is taken no patent will be issued, but the disclosure will be in the patent system and instantly searchable by the examiners against all future patent applications in that field.

Using one of the specialist online journals can offer a relatively fast and economical way to publish information and minimise the risk that Patent Offices may miss articles in their searches thereby allowing competitors to file on similar ideas. Researchers should consider adopting such websites as part of their defensive publishing strategy. This will of course depend on the long-term intentions of the researchers and value of invention.

**Carla Pont, Charles Russell**  
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## IP Wales

The Intellectual Property Wales (IP Wales ®) initiative operates under the third mission of the law Department at Swansea University. IP Wales® aims to add value to Welsh business through the use of patents, trade marks, industrial designs, copyright, database rights and know-how.

To this end we offer a free on-line IP Guide giving firms an instant report on the IP issues they need to address. IP Wales® works with technology scouts to advise R&D active member firms about technology opportunities. A free subscription is arranged for its member firms to the World Intellectual Property Organization electronic newsletter.

Whilst IP Wales® is a business support initiative a major strand of its activities is to critically reflect upon the phenomenon of IP as a mechanism for promoting economic

activity amongst SMEs in Wales. Much of its business constituency is represented by small technologically driven firms and they have common concerns.

Our recent research has sought to focus upon these concerns, in particular the dilemma of raising finance experienced by such firms which have few tangible assets but may have a wealth of intangible assets, including IP rights.

Latest research from IP Wales on the intellectual property holdings of Universities in the UK & Eire highlights the need for the sector to work more closely with industry.

Anyone wishing to view the Report can download a free copy on-line by visiting the research section of the IP Wales website at [www.ipwales.com](http://www.ipwales.com)

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## LES B&I Asks its Members.....

I would like to thank everybody who returned his or her completed questionnaire and to congratulate Christopher Shea on winning the bottle of Champagne. The results of the questionnaire are very interesting and will enable the Council to see what is required by the membership of the society.

- Members have suggested additional events and topics that they would like to see addressed at future meetings, for example royalty rate setting and licensing approaches in different commercial sectors but overall the general consensus was for continued training and education.

- Many members have expressed an interest in ½ day or full day training courses on various topics and the Council believes that the Annual Conference on 13 September at the Café Royal in London will cover some of the topics suggested.

- There were lots of recommendations for new committees and a couple of requests asking for further information on the existing committees.

*All I can say is watch this space . . . .we have listened and will respond.*

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# Research Institutions *in a Spin*

**Finance Act 2005 includes new measures to help employees of Research Institutions ("RIs") who acquire employment-related shares in spinout companies. Unfortunately these measures may fall short of resolving the problem and leave many academics and researchers exposed to significant tax charges.**

Universities and other RIs, which own Intellectual Property ("IP") often have in place an IP-sharing policy designed to enable a researcher from the institution who worked on the project to share in the benefit of any future increase in value of the IP. The IP-sharing policy may take the form of a share of royalties, or, more frequently, a transfer of shares in a specially created spin-out company.

Research Institutions and researchers alike have generally assumed that any increase in value of the researchers' shares would be charged to capital gains tax upon disposal, and moreover, with the benefit of taper relief, would be subject to an effective tax rate of just 10%.

Legislation was introduced in 2003 to impose a charge to income tax (typically at 40%) instead of tapered capital gains (10%) on gains arising on shares held by employee-shareholders. The legislation was designed to counter a variety of avoidance schemes which some director-shareholders were using to receive value from companies via shares and share options without the same tax consequences as if they had received an equivalent amount of cash. While not specifically aimed at founder shareholders, such parties have nevertheless found themselves caught up by the new rules. This includes researchers acquiring shares in IP spin-out companies.

The legislation works by imposing a charge to income tax where shares are acquired at undervalue, or where a special benefit accrues to such shareholders, including, for example, any growth in value beyond normal commercial growth. In relation to spin-out companies, the hope value inherent in the IP means that the market value of shares in a company to which the IP has already been transferred is likely to far exceed the par value paid by the researcher. An income tax charge will arise accordingly. Alternatively, if the IP is transferred in post-acquisition, an income tax charge will arise on the resulting increase in value of shares. No relief is available against income in the event of the spin-out company later failing or the IP reverting to the RI.

Concerns about such charges resulted in a slump in spin-outs and the Government responded by announcing consultation on potential means of relaxing the rules in relation to publicly funded and not-for-profit organisations. The resulting provisions were enacted as part of Finance Act 2005. The new rules prevent an income tax (and NICs) charge arising on researchers on any increase in value of the shares that results from the transfer of IP from the RI. Where the researchers acquire shares after any IP transfer the value of the IP will not be taken into account in deciding whether the shares have been acquired at an undervalue. Various conditions must be satisfied before these reliefs can apply:

- There must be an agreement to transfer IP from one or more RIs to a spinout company;
- The researcher must acquire shares in the spin-out company either before the IP transfer agreement is made or within 183 days thereafter;
- The right or opportunity to acquire the shares must have been available by reason of the researcher's employment with the spin-out company or with any of the RIs; and
- The researcher must be involved in research in relation to the IP that is the subject of the IP transfer agreement.

IP is widely defined and encompasses patent, trade mark, registered design, copyright, plant breeder's rights etc. It includes rights outside the UK that resemble the UK definition and also includes information or techniques that are not protected as above but which an industrial, commercial or other economic value.

Whilst very welcome, these changes have still met with some criticism. One of the main causes for complaint is the fact that while IP value will be ignored when calculating the value of the academic's shares, other factors can push the hypothetical share value back up. For example, if the spin-out company

receives funding from the university or other RI to continue research, the value of the academic's shares will rise proportionally and still give rise to a tax bill, despite the possibility of future failure of the company.

Guidance notes recently published by HM Revenue and Customs (the newly merged Inland Revenue and HM Customs and Excise) state that any increase in value of the shares as a result of funding injected after the shares have been acquired will be treated as a normal commercial increase and not give rise to a tax charge. The position where the company is put in funds before share acquisition is less favourable. Researchers in this situation need to consider carefully the effect on the value of shares of any prior funding or any development of the IP since it was introduced. The Revenue has at least confirmed that where IP transfer, share acquisition and third party investment all take place on the same day they will not take the point that potential funding should be taken into account in valuing the shares.

The reliefs introduced by Finance Act 2005 are only available where either the share acquisition or IP transfer agreement took place on or after 2 December 2004. Spin-outs created before 2 December 2004 will not qualify but the parties can elect for a form of alternative relief under which the tax charge, while remaining an income tax rather than capital gains tax charge, can be deferred until disposal of the shares. Such an election must be made by 15 October 2005. In the absence of an election, an income tax charge will be sought, backdated to the date of acquisition, and computed by reference to the market value of the shares taking into account any IP already held.

Some spin-out companies may issue restricted shares. These are shares the value of which is reduced because they carry restricted rights. Under normal circumstances an income tax charge may arise upon acquisition of such shares, but also when the restrictions on the shares are lifted or the shares are disposed of. An election can be made whereby an employee is taxed by reference to the higher, unrestricted, market value on acquisition, in which case no further income tax charge arises when the restrictions are lifted or shares sold. In relation to spin-out companies this election will be deemed to have been made. Whilst this may be beneficial where companies are successful, it could result in an unwanted immediate up-front tax charge if there is value other than from IP in the company when the shares are acquired and, moreover, may prove to be a disadvantage if the company is unsuccessful. Researchers can therefore opt out of this election – but have only 14 days from acquisition of the shares to do so. Where the spin out company was in existence at 2 December 2004 the deadline may be brought forward to 15 October 2005 hence such companies should review their position before that date to ensure that an unexpected tax charge is avoided.

The aim of the Finance Act changes was to try to restore the tax position to that originally assumed to be the case by spin-out companies in the form of minimal exposure to income tax. Whether they achieve this and whether they result in a resumption of the level of spin-out activity remains to be seen. One thing which the changes certainly will not do is to make the rules any easier to understand!

**Julie Evans** can be contacted at **Hammonds on 0870 839 5061** or at [julie.evans@hammonds.com](mailto:julie.evans@hammonds.com)

## Company News

Foresight Science & Technology has announced it will be opening operations in the United Kingdom in Winter 2005 as part of its international expansion.

Company President, Phyllis Speser, J.D., Ph.D., was in the UK this month in order to scout out locations and partnering opportunities. The company, one of the largest technology transfer/commercialization consultancies in the US, already has a franchise in Canada (VISTA) and a strategic alliance in Finland (Licentia).

Currently Foresight supports over 800 new technologies each year with services ranging from disclosure evaluation to technology/market assessment to valuations and deal-making. In- and out-licensing, sales, spin-out, and merger/acquisition are supported.

For further information on Foresight plans and to discuss cooperation, please see its website at [www.foresightst.com](http://www.foresightst.com) or contact Dr. Speser in Providence, RI, USA at + 1 401 273 4844, ext. 35 or [phyllis.speser@foresightst.com](mailto:phyllis.speser@foresightst.com).

# Vanquishing the Patent Trolls:

## Possible Solutions To The Phenomenon Of The So-Called "Patent Troll"

The first part of this article was published in the previous issue of NewsExchange™ and introduced the phenomenon of "junk patents" or the assertion of patents by so-called "patent trolls" in the United States intellectual property arena. This concluding portion will suggest several possible solutions for addressing this recently increasing trend.

### Current Responses To Perceived Patent Trolls - A Vigorous Defense

The threat of a lawsuit itself is enough for some companies to take a license from an entity they consider a "patent troll." Large companies, which are often the target of the so-called "patent trolls," can have a distinct advantage when it comes to dealing with license demands or threats of suit by individuals or companies asserting "junk patents." The advantage is that of money. A large corporation with a balance sheet in the hundreds of millions of dollars can afford to defend against the threat of a lawsuit or an actual lawsuit, which can cost approximately \$2-\$3 million on average. If a patent truly is a "junk patent," then the corporation should be successful in invalidating the patent in a court of law. However, significant time, effort, and financial resources will have to be expended, and U.S. law provides little opportunity for a prevailing defendant to recover legal costs from an unsuccessful plaintiff. A smaller corporation facing a similar threat may not have the necessary resources to defend itself and may be forced to take a license. Given the current legal landscape, there does not appear to be any better solution to the "trolling" phenomenon than to plan a vigorous defense.

### Possible Policy Changes - Limiting Injunctive Relief?

The threat of a major disruption to the business is another way the so-called "patent trolls" can pressure companies into taking a license. Many companies accused of infringement are forced to at least partly cease operations because injunctive relief is granted against them, preventing them from manufacturing or selling the accused products. Even large, multi-million dollar corporations may prefer to pay the licensing fee rather than have their operations halted because the disruption could potentially result in a much greater financial loss.

One possible legislative solution to this problem would be to require patentees to commercialize their product before being allowed to ask for an injunction against an accused infringer. Under current United States law, a patentee can request an injunction regardless of whether he actually makes or sells a product or service embodying the patent claims. A rule limiting the availability of injunctive relief might provide "patent trolls" with less ability to coerce payment of licensing fees. On the other hand, such a rule would likely hurt legitimate research entities and universities, who cannot afford to commercialize their inventions, or aren't in the business of doing so. Though not a perfect solution, disallowing injunctive relief for

"paper patents," at least at the early stages of a patent suit, may lessen the negative impact of "patent trolling."

### Better Jurisprudence - Stricter Judicial Scrutiny Of Dubious Patents

While the statutory presumption of patent validity is unlikely to be legislatively altered, better enforcement of all the statutory requirements for patentability of inventions could ameliorate the junk patent problem. To take a specific example, many perceived junk patents are written in the vaguest of terms, with little explanation of how to implement the alleged invention or achieve the claimed results. Courts have to date been sparing in their application of the 35 U.S.C. § 112 requirements of a clear written description, enabling one of ordinary skill to practice the invention, and disclosing the best mode, in the software and business method patents that form a large proportion of currently-asserted dubious patents. Stricter enforcement of these existing statutory requirements might help to right the imbalance created by the statutory presumption of validity.

### Attorneys' Fees And Cost-Shifting

Another possible legislative solution to the "patent trolling" phenomenon would be to require a losing plaintiff to pay the prevailing defendant's attorneys' fees.

Under current U.S. law, there is no such provision. Such a rule would very likely discourage the so-called "patent trolls" from charging ahead with lawsuits with the weakest of patents. The possibility of having to pay attorneys fees would likely deter "patent trolls" from filing suits and would certainly decrease the amount of unnecessary expenses incurred by defending companies. This solution, however, faces a severe uphill struggle, as the U.S. plaintiffs' bar has long and successfully resisted any attempts to institute "loser pays" rules.

### Challenging Validity In A Patent Office Proceeding

The threat of costly litigation could also be decreased by allowing accused infringers the opportunity to challenge the validity of a patent in a structured Patent Office proceeding. Such a proceeding could more efficiently determine the validity of a patent without wasting the defendant's resources to the extent that district court litigation may. The decrease in cost would allow cash-strapped defendants the option of defending on the substantive merits against a "patent troll's" infringement accusations rather than simply settling for a license.

### The Doctrine of Prosecution Laches

One category of alleged "junk patents" are those which have been "submerged" in the Patent Office through the filing of seemingly-endless continuation patents. Under current United States common law, the doctrine of prosecution laches allows a court to invalidate an entire patent if the holders of continuation patents delayed "too

long" in their prosecution. The problem with this doctrine is that it is arbitrary and difficult to prove. A possible solution could involve a Congressional codification of the doctrine of prosecution laches, with specific limits on the number and/or length of continuing applications. The limits could be based on a Congressional finding that inventions not claimed until X years after the filing of the application are unlikely to have been truly contained in what was disclosed and invented in the initial filing, and thus are presumptively not entitled to priority from the first application. Such a rule has the advantage of being easily applied without a significant factual inquiry, thus minimizing the costs associated with putting forth a laches defense to accusations of infringement.

Congress might also consider enacting provisions based on the "intervening rights" analysis that has animated some courts' application of the laches doctrine. Long-pending patents might not be deemed entirely unenforceable, but a safe harbor could be granted to defendants who could make a showing that they had, during the long pendency of the patent, begun practicing subject matter that was only claimed in a later filed continuation application. Thus, the accused infringer would have obtained "intervening rights" in the subject matter of the later continuation application.

### Fixing The USPTO

The U.S. Patent Office is currently overwhelmed by the sheer volume of patent applications that are submitted every year. Over 350,000 patent applications were filed in 2004. The average pendency of an application is approximately 27 months. There are not enough resources for patent applications to be examined thoroughly and properly. In 2004, the compliance rate -- a measure of the percentage of office actions reviewed and found to be free of errors having a significant adverse impact on prosecution -- was only 82%. Thus, at least 18% of all applications had significant errors during prosecution. That number is significant. An obvious improvement to the situation at the Patent Office is to increase funding (and to stop diverting patent fees to general federal expenditures, as has been happening for years). An increase in monetary resources would allow the Patent Office to decrease the pressure on Examiners to minimize the time spent reviewing applications. Ultimately, the number of issued "junk patents" would decrease.

The so-called "patent trolling" and "junk patent" phenomena are an intriguing and much-debated part of the current American intellectual property landscape. Interesting times lie ahead, as corporations menaced by alleged patent trolls, intellectual property lawyers, the Patent Office, and Congress attempt to address these issues, and choose from among a range of legal, political, and business responses to the perceived problems of patent trolls.

**Jeffrey D. Sullivan, Baker Botts, L.L.P.**  
jeffrey.sullivan@bakerbotts.com

# News from the Regions



## LES Irish Section Forfás Lecture Series

Since January 2005 LES Ireland and Forfás have been jointly running a highly successful, monthly lecture series. Forfás is the Irish national policy advisory board for enterprise, trade, science, technology and innovation. It operates under the auspices of the Department of Enterprise, Trade and Employment. The venue for each talk was Forfás headquarters in Dublin. These talks have been very well attended since their inception, so much so that Forfás have asked LES Ireland to bring the talks to the City of Limerick and this is happening in late May 2005. LES Ireland received some useful publicity in the Irish Times newspaper in relation to this event.

In March, Maureen Daly of A&L Goodbody, gave a talk entitled "Leveraging the commercial value of Databases". Maureen's talk was the first to be broadcast live on audio to Forfás's other offices and recorded.

In April Martin Phelan of William Fry, Solicitors

talked about "Tax Efficient Corporate Structures for exploiting IP".

The next talk on 13 May by Roisin McNally of Murgitroyd & Co. was on "The impact on the Life Sciences sector of the Biotech Directive".

On 10 June, Barry Moore of Hanna Moore & Curley, will speak about patenting software.

All of the lecture materials are available on Forfás' own website [www.forfas.ie](http://www.forfas.ie) and the more recent lectures have also been live streamed on audio.

The LES lecture series is very much becoming the jewel in the crown of the LES Ireland activity and we hope to expand it in the Autumn to a further 4/5 lectures. The attendees tend to be very broad ranging from industry, academia, and legal practice and there is also a regular group of attendees from the University spin-out enterprises. LES Ireland membership is steadily increasing as

a result, in no small part, of these high-profile lectures.

**LES Ireland's Committee experienced a minor baby boom recently and so we send heartiest congratulations on the new arrivals to:**

Mary Bleahene and her husband Ray on the birth of their son Adam, **Barry Moore** and his wife Niamh on the arrival of the daughter Caoimhe, and finally to David Cullen and his wife Louise on the arrival of their son Matthew.

**Some committee members have recently moved firms too, Maureen Daly left A&L Goodbody's contentious IP unit in April and joins rival firm Beauchamps as head of IP/IT in early June. Jeanne Kelly left A&L Goodbody's non-contentious IP Unit in February and joined Mason Hayes and Curran's Commercial Department as a Senior Associate in early March.**

## LES Scottish Branch

Our next meeting maybe a little early for this edition NewsExchange™.

We have **four excellent speakers** and the evening is to be held in the **very accessible Marriott Hotel on the outskirts of Edinburgh** – a taxi ride for those in the centre of Edinburgh or coming by train – and with excellent parking for those coming by car.

The topic of IAM will be introduced by **Melvyn Ingleson, of MJI Associates and specialist Intellectual Assets Manager. Cameron MacDonald, Director of Scottish Health Innovations Ltd (SHIL)**, will speak about the commercialisation of the intellectual

assets of the Scottish NHS. Norman Quirk, MD of SAGA 105.2fm will follow - Norman is "Mr Radio", having been involved with the radio industry since the early days of Radio Clyde and will speak on the challenges of launching a new concept in radio, albeit backed by the well-known SAGA brand. He will be joined by communications consultant **Marjorie Calder, Account Director, the BIG partnership**, whose team was charged with raising awareness of the new station through its pre-launch period.

**You can tell from this line-up that it will be an informative, wide-ranging and thought-provoking evening – can you afford to miss the last networking event of the LES (Scottish Branch) 2004-2005 seminar series? Contact details in Events Diary on page 8.**

## Westlife Loses European Trade Mark

**The Court of First Instance (one of the EU's highest Courts) has upheld an appeal to reject a Community Trade Mark application for WESTLIFE filed on behalf of boy band Westlife. The application was opposed by cigarette manufacturer Reemark Gesellschaft für Markenkooperation mbH based on their rights in the trade mark WEST in Germany. The decision is a blow for the boy band who, in 1999, sought community wide registered protection for their name to protect valuable revenue streams from their music and merchandising.**

BMG Music filed a Community Trade Mark application for WESTLIFE on behalf of the boy band Westlife for a musical entertainment and relating merchandising products such as clothing and photographs in classes 9, 16, 25 and 41. German company, Reemark, opposed the applications on the basis of their earlier German and International Registration for the word mark WEST in the identical classes. OHIM upheld the opposition and rejected the application.

Bluenet Ltd (BMG Music's successor in title) lodged an appeal with OHIM's Board of Appeal and succeeded. Reemark appealed this decision.

This brought the matter before the ECJ, which concluded that the goods and services in question were

identical or similar and that the mark applied for, WESTLIFE, and WEST were sufficiently similar to create a likelihood of confusion within the meaning of Article 8(1)(b) of the Community Trade Mark Regulations. The Board of Appeal's decision was set aside effectively allowing the application to proceed.

Article 8(1)(b) states that "if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected" a trade mark will not be registered. It is further stated that "the likelihood of confusion includes the likelihood of association with the earlier trade mark."

The Court held that the likelihood of confusion as to the commercial origin of the goods or services must be assessed globally, taking into account such factors as:-

- the relevant public's perceptions of the signs,
- the relevant public's perceptions of the goods or services,
- all other factors characterising the specific case, including the interdependence between the similarity of the signs and the
- goods or services;
- the relevant public was the German public in this instance;
- in view of the fact that the goods or services were identical or similar, that it necessitated an examination of the marks WESTLIFE and WEST, in order to determine whether they could be said to be

conceptually, aurally and visually similar;

- the marks were conceptually, aurally and visually similar as the WESTLIFE mark consists exclusively of the mark WEST, to which the word "LIFE" has been added and that this word is not an invented word;
- that if assessed on a global level, neither of the elements "WEST" or "LIFE" form the dominant element of the trade mark applied for;
- that co-existence of the two marks might lead the public to associate the products marketed under the WESTLIFE mark with that of the earlier WEST mark, and thus give rise to a mistaken belief that there is some economic link between the two proprietors.

For the boy band it is now possible to appeal the decision to Europe's Highest Court or convert their Community application into separate national applications to cover Member States (except Germany). Both of these options carry expense and risk. In the meantime, valuable revenue streams for the boy band are not fully protected by a Community wide registration and the finding of the Court may stall merchandising activities, at least, in Germany. The decision is also a reminder to seek registered protection for marks at an early stage and obtain good clearance and registrability advice.

**Darren Olivier and Marius Haman:**  
**Field Fisher Waterhouse**  
Darren.Olivier@ffw.com, Marius.Haman@ffw.com

# Freedom of Information *at last?*



## Introduction

The Freedom of Information Act 2000 came into force on 1st January 2005. It imposes duties on all public authorities. The basic structure of the Act is clear. Under Section 1 of the Act any person is entitled to information from the public authority, unless one of the exceptions applies. This right extends not only to the information itself, but also to the existence of that information. The Act provides for an appeal procedure to the information commissioner in many circumstances where information is withheld.

A request for information must state the name of the applicant and describe the information requested. The applicant is not required to give any reason as to why he requires the information. The application must be made in writing, fax or e-mail. The Act imposes a further duty on a public authority to provide advice and assistance to a "reasonable" extent. The Lord Chancellor has made guidelines which expand upon this duty.

There is generally no charge other than disbursements for the information. If the cost of providing the information exceeds a statutory maximum, there is no obligation to provide the information. The authority generally has twenty working days after receipt of the fees in which to comply with the request. Where a public authority refuses a request then it must give the applicant a formal notice stating that and specifying the exemption which the public authority is seeking to apply. There is an obligation requiring a public authority to notify an applicant of the existence of the relevant information, even where the public authority is refusing to supply the applicant with that information.

The act defines a "public authority" widely. The definition includes all local authorities, Health Trusts and most "quangos".

## Exemptions

There are two categories of exemptions. The first is an absolute category in which, as the name suggests there is no obligation to provide the information (or indeed to confirm or deny that it exists). The second category of "qualified" exemptions will only apply if "in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information". There is a similar test where the public authority is deciding whether it should confirm or deny the existence of the information.

## Absolute Exemptions

These include the following:

1. Information which is reasonably available to the applicant by some other means.
2. Information supplied by one of the security services.
3. Information contained in court documents.
4. Information in so far as it constitutes the personal data of the applicant, i.e. where the applicant is the data subject. The applicant may be able to obtain this information under the Data Protection Act 1998.
5. Information which is protected by a duty of confidence.
6. Information which cannot be disclosed because of some other enactment.

## Qualified Exemptions

These include the following:

1. Information which is held with the intention that it will be published in the future. This exemption can also apply even where there is no specific date on which the information is due to be published.

2. Information which is required for the purposes of safeguarding national security.
3. Information which is likely to prejudice the defence, economic interests or financial interests of the United Kingdom, international relations, or relations between the regional governments of the United Kingdom.
4. Information which is held for the purposes of ascertaining whether a person is to be charged with a criminal offence.
5. Information which is likely to prejudice the prevention or detection of crime, or the administration of justice, or the collection of tax.
6. Information which a public authority has in respect of the auditing of accounts or the determination of economic efficiency.
7. Information which is held by a public authority where the disclosure of information is likely to "prejudice . . . the effective conduct of public affairs".
8. Information where the disclosure might endanger the physical or mental health or the safety of an individual.
9. Information which relates to the personal data of an individual other than the applicant.
10. Information which could be withheld by a valid claim of legal professional privilege.
11. Information which is a trade secret.

## Enforcement

Where a request for information is refused, the applicant may appeal to the Information Commissioner. There is a further right of appeal from the Information Commissioner to the Information Tribunal. A public authority has a further duty to publish and adopt a scheme for the publication of information by that public authority. The Information Commissioner must approve that scheme.

It is the Information Commissioner who is primarily responsible for the enforcement of the legislation. Generally, appeals are possible to the Information Tribunal from his decisions. It is not possible for an individual to enforce the Act by means of any civil proceedings.

## Dai Davis, Consultant, Nabarro Nathanson

*This article is based on a substantially longer article.*

*If you would like a copy, please contact Dai at "davidavis@iee.org" or 07785 771 721.*

## People News

**Jeanne Kelly** has changed company and is now at:

**Mason Hayes & Curran Solicitors**  
6 Fitzwilliam Square, Dublin 2, Ireland.  
Tel +353 1 614 5000  
Fax +353 1 614 5001  
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Email: jkelly@mhc.ie

**Georgie Godby** has changed company and is now In-House Counsel at:

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## LES International Officers 2004-2005

**President:**  
Willy Manfroy  
USA/Canada

**Past President:**  
Jonas Gulliksson  
Scandinavia

**President Elect:**  
Peter Chrocziel  
Germany

**Vice President:**  
Elisabeth Logeais  
France

**Vice President:**  
Chikao Fukuda  
Japan

**Vice President:**  
Ron Grudziecki  
USA/Canada

**Acting Honorary Treasurer:**  
Mel Jager  
USA/Canada

**Honorary Secretary:**  
Adam Liberman  
Australia/NZ

## Welcome!

Council has been pleased to welcome the following new members to the Society:

**Ann Critchell-Ward, Freeth Cartwright, Anna Feros, Shepherd & Wedderburn; Ben Goodger, Willoughby & Partners; Deborah Harland, GlaxoSmithKline; Philip Harris, Gill Jennings & Every; Paul Hawkins, Herbert Smith; Cynthia Johnson, Dundas & Wilson; Tim Marshall, Herbert Smith**



# Events Diary 2005-2007

## Regional Officers

### Administration

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For further information please contact regional officers for LES events in Britain and Ireland (see panel on the left of this page or visit the LES B&I website [www.les-bi.org](http://www.les-bi.org)) and the officers of national societies for overseas events (see LES directory or the LESI website [www.lesi.org](http://www.lesi.org))

### 7 June 2005

#### LES Scottish Branch

#### Edinburgh Marriott

Speakers from: MJI Associates, SAGA and SHIL  
"Effective exploitation of Intellectual Assets"  
For further information please contact:  
[cathy.rooney@snbts.csa.scot.nhs.uk](mailto:cathy.rooney@snbts.csa.scot.nhs.uk)

### 8 June 2005

#### LES Irish Section

#### Wilton Room Forfás, Wilton Park House Dublin 2

Speaker: Barry Moore of Hanna Moore & Curley  
"Patenting Software – the current state of play"  
8:30 – 10:00  
For further information please contact:  
[yvonne.mcnamara@mccannfitzgerald.ie](mailto:yvonne.mcnamara@mccannfitzgerald.ie)

**2007**  
**LES B&I Conference and AGM**  
Dublin Further details TBA

### 12-15 June 2005

#### LESI Conference

#### Arabella Sheraton Grand Hotel Munich, Germany

For further details please see: [www.LESI-2005.de](http://www.LESI-2005.de)  
For travel information please contact: [LES@Zibert.com](mailto:LES@Zibert.com)

### 14-15 June 2005

#### Cranfield School of Management

"Project Management in R&D"  
Contact: Mrs Helen Benton:  
Tel: 01234 754772  
Email: [rdm@cranfield.ac.uk](mailto:rdm@cranfield.ac.uk)

### 30 June 2005

#### LES B&I AGM and Summer Drinks Reception

#### The War Cabinet Rooms Whitehall, London

18:00  
For further information please contact: Sheena Hunter:  
Email: [les@glasconf.demon.co.uk](mailto:les@glasconf.demon.co.uk)

### 13 September 2005

#### LES B&I

#### The Café Royal, London Half Day Meeting

For further information please contact: Sheena Hunter  
Email: [les@glasconf.demon.co.uk](mailto:les@glasconf.demon.co.uk)

### 16-19 October 2005

#### LES USA & Canada

#### Annual Meeting

#### Marriott Desert Ridge Hotel Phoenix, Arizona, USA

For further details please see: [222.usa-canada.les.org/meetings/2005annual/](http://222.usa-canada.les.org/meetings/2005annual/)

### 10-11 November 2005

#### LES Benelux

#### Licensing Course

#### Mandarin Park Plaza, Eindhoven The Netherlands

For further information see: [www.les-europe.org/benelux](http://www.les-europe.org/benelux)

## LES Pan European Conference

*"Innovations in the Licensing World" Wed - Fri, 21 - 23 June 2006.*

### SAS Radisson Hotel, Glasgow - Date for your Diary

LES B&I are fortunate to be hosting the 2006 Pan European Conference in Scotland. Licensing has become a core part of the business world in the past few years, with Intellectual Property and Intellectual Asset Management being Board Room topics for discussion. It is firmly on the agenda of chief executive officers in most industries and countries. The conference will be international in its approach, looking to highlight innovations in licensing from around the globe. If you are involved in any way with licensing or the management of Intellectual Property, Glasgow in June 2006 is the place for you. In addition to the conference programme there will be many networking opportunities, attractions to visit and maybe a round of golf to play at one of Scotland's prestigious courses to play. The conference closes with the Gala Ceilidh (a Scottish word meaning a wild evening of excellent food, drink and dancing) at Stirling Castle. Please join us for a stimulating conference and an unforgettable Scottish experience where business and pleasure cannot be separated!

Contact **Sheena Hunter** for further information and reservations: [les@glasconf.demon.co.uk](mailto:les@glasconf.demon.co.uk)

## Membership

Enquiries should be addressed to **Sheena Hunter** at the LES Administrative Office:

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A membership application form may also be found on the LES B&I website: [www.les-bi.org](http://www.les-bi.org)



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