



Topical Issues in Licensing

**IP WALES®
SHARED
EXPERIENCE**

page 3

**Making money
from your IP
– not the
whole story?**

page 4

**News
from the
regions**

page 6

**Resolving patent
disputes in Europe**

page 7

**Events
Diary**

Forthcoming meetings 2005-07 page 8

newsxchange™

ISSN 0967-8565

Issue 104

August/September 2005

LES B&I Annual Conference

Tuesday 13 September 2005. Café Royal, Regent Street, London

The format of this year's LES B&I conference is new and exciting. There will be four, half-day mini conferences based on our members' expressed areas of interest: **Healthcare, Laws and International, e-Commerce & IT and Branding**. Each of the mini conferences will include detailed briefings on the current hot topics from experts in that area. All groups will come together for coffee, lunch, tea and dinner enabling delegates to meet fellow professionals and enjoy the unique ambience of the Café Royal. It will be an action-packed, stimulating and very informative day. Solicitors and trade mark attorneys should note that 6 CPD points will be accredited to those attending. A Certificate of Attendance will be given to all delegates.

The morning mini-conferences will cover Branding and Healthcare. Beatrice Leigh, Director of BB Associates, with over 24 years of experience in the pharmaceutical industry, will start the **Healthcare** Session talking about "Death of the Dinosaurs – or new ways of doing R&D". Beatrice will be followed by Julie Barnes, the Chief Scientific Officer at BioWisdom, a company specialising in the provision of Intelligence Networks (otherwise known as ontologies). Through case studies Julie will describe in her talk, "It's all about context" how Intelligence Networks are being used to make knowledge-driven business decisions in all R&D functions. After the coffee break Professor William Dawson, Chief Executive of Bionet Ltd and Non-Executive Director of Proteome Sciences Plc will continue the Healthcare Session by speaking about "Drug Discovery and Development – Improving the Outcome". Mark Wilson, Director, Collaboration Management, Europe for GSK's pre-clinical development division will conclude the Healthcare Session by discussing, "Technology Licensing and Partnerships in Pre-Clinical Development". His talk will review GSK's approach to developing and licensing novel technologies for pre-clinical development. He will discuss the benefits and consider the potential utility of these approaches to other organisations.

Kevin Mutch will open the **Branding** mini-conference explaining why brand management should be seen as an investment and not a cost. His talk, "Strategic Brand Management and Licensing" will also cover how to ring-fence a brand, how to identify and protect brand equity, exploiting brand equity through licensing and what happens when the licensee is stronger than the licensor? Kevin has worked in industry, in the City and also overseas. More recently he headed the IP team at the UK food company RHM. Following Kevin, David Bond will discuss a wide range of issues associated with Brand Licensing. David joined Field Fisher Waterhouse's brand licensing team in 1996. His work covers a variety of legal structure and business models including

franchising and joint branded collaborations. In the second half of the Brand Management conference Simon Tracey and Niall Tierney will address the problems of counterfeiting, particularly the implementation and management of a viable worldwide anti-counterfeiting strategy. They also propose to speak about how to get licensees involved in viable anti-counterfeiting strategies. Both Simon and Niall are from Davenport Lyons. Niall has acted in protection and management of trademarks for clients across a broad spectrum of products from luxury goods to IT companies. Simon specialises in commercial and corporate dispute resolution, particularly in relation to high value consumer goods.

In the afternoon Dr Peter Cozens will be the first speaker at the EC & Laws mini-conference, he has worked in the Pharmaceutical Industry for nearly 30 years initially with Ciba-Geigy and Wellcome. In 2000 Dr Cozens set up ProfPharma Partners group. Dr Cozens will speak on "Topical Issues in the area of Patenting and Licensing Biotech Inventions". The second speaker in this afternoon session is Ian Harvey, Chairman of the Intellectual Property Institute. He will provide an "Update on Developments in China affecting IP and Technology Transfer". China has been one of the world's most creative and inventive countries for several thousand years. The competitive threat posed by China is not yet widely perceived in the EU and, particularly, UK companies have not reacted to the opportunities and threats China poses. After the tea break Robin Nott, a consultant and previously a partner with CMS Cameron McKenna, will discuss the current position of the Technology Transfer Block Exemption Regulation eighteen months on, with particular reference to the Market Share provision. This mini-conference will conclude with Nigel Jones, Co-Head of Healthcare and Head of Intellectual Property at Linklaters. Nigel will speak about the "New European Pharmaceutical Regulatory System: How will it affect Technology Transfer?" Significant changes were made last year to the legislation which regulates the pharmaceutical regulatory system in Europe. This session will consider the impact of the legislation on licensing.

The **e-Commerce & IT** mini-conference opens with Arthur Williams giving an insight into what will surely be the most important patent ruling of the next 20 years! Arthur's talk, entitled, "Software Patents in Europe the State of Play" will look at the aim of European Parliament – to deny software-related patents in any form – and the likely ensuing battles with big business, who have millions of Euros at stake! Peter Montague-Fuller is an economics graduate and qualified as an ACA with Coopers & Lybrand Deloitte. He joined Qinetiq as Business tax advisor in 2002. He specialises in tax aspects

Continued on Page 2 >>>



LES Officers and Members of Council

Honorary President

The Rt Hon Lord Justice Jacob

President

Stephen Powell

C/o Williams Powell
Morley House
26-30 Holborn Viaduct
London EC1A 2BP
Tel: +44 (0) 20 7936 3300
Fax: +44 (0) 20 7936 3311
Email: stephen.powell@williamspowell.com

Vice President

Martin Sandford

C/o BTG International Ltd
10 Fleet Place
Limeburner Lane
London EC4M 7SB
Fax: +44 (0) 20 7575 1524
Email: martin.sandford@btgplc.com

Secretary

Dr John Roe

Mundipharma International Ltd
Cambridge Science Park
Milton Road, Cambridge CB4 4GW
Tel: +44 (0)1223 424211
Fax: +44 (0) 1223 426626
Email: john.roe@mundipharma.co.uk

Treasurer

Raja Sengupta

Equal IP Ltd.
215 Signal House, Lyon Road,
Harrow, Grtr. London HA1 2AQ
Tel: +44 (0) 20 8863 6697
Fax: +44 (0) 20 8863 6294
Email: raja.sengupta@equalip.com

Immediate Past President

Christi Mitchell

Highbury Ltd
1 Highbury Road
Hitchin, Herts SG4 9RW
Tel: +44 (0) 1462 436894
Fax: +44 (0) 1462 442647
Email: christi@highburyltd.com

Administration

Northern Networking
1 Tennant Avenue
College Milton South
East Kilbride, Glasgow G74 5NA
Tel: +44 (0) 1355 244966
Fax: +44 (0) 1355 249959
Email: les@glasconf.demon.co.uk

Other Council Members

Christopher Bartlett, Henry Connor,
Dai Davis, John Emanuel, Hayley French,
Georgina Godby, Christopher Goodman,
Nigel Jones, Anne Lane,
Yvonne McNamara, Alastair Neill,
Fiona M M Nicolson, Jennifer Pierce,
Stephen Potter, Barry Quest,
Renate Siebrasse, David J Veasey,
Michael Waggett.

President's Diary



My first presidential year seems to have been dominated by sports events. The Annual Conference in Bristol last year coincided with England's exit from the European cup and a near riot by some members when it was discovered that the S.S. Great Britain did not have a TV on board. Then the LES US and Canada meeting in Boston took place simultaneously with the Red Sox winning at baseball. It is the first time I have been unable to enter the bar at my own hotel. The first meeting organised by our own Brands Committee in London included trade marks associated with sport and, finally, the LESI dinner in Munich earlier this month was held in the impressive setting of the recently-completed Allianz Arena, which will host the World Cup finals next year. The LESI dinner was the first private booking at this venue.

This year has marked the retirement of **Donal O'Connor** from B & I Council. Donal has undertaken many valuable services for the LES family over the years, and we hope to see him at future occasions. I would just like to acknowledge here our appreciation for his efforts.

Your Council has met on half a dozen occasions during the year to run the Society on your behalf. We are always receptive to hear your suggestions and to welcome additional support for the growing number of Committees. I have already approached directly some of our senior members to recommend younger members of their organisations for not only LES membership but also active participation in the national, regional and international committee work that goes on behind the scenes. Thus, I now take the opportunity to spread this appeal more widely; LES needs to be driven by the needs and interests of people currently working in all aspects of licensing.

As you will know, another Council initiative this year is to hold a one-day Conference and Annual Dinner in London. You will find full details elsewhere in this issue, and I would urge everyone to attend and let us know what you think. There will be conference sessions and networking opportunities of interest to everyone in the licensing field. If it proves popular, we will repeat the format in future years.

I hope to see you all on 13 September and, in the meantime, wish you an enjoyable Summer break.

Stephen Powell,
President LES B&I



LES Meeting Munich (L to R)
Stephen Powell (President, LES B&I)
Clarisse Escorel (Momsen Leonardos & Cia, Brazil)
Raja Sengupta (Treasurer LES B&I)

Continued from Page 1 >>>

LES B&I Annual Conference

of licensing, asset disposals and JV transactions. Peter will focus on the April 2002 changes to the taxation of Intellectual Property and intangibles and their practical application in the business environment. Bringing this mini-conference to a conclusion Stewart James, and John Kenyon, who have both been involved in the development of the Office of Government Commerce (OGC) "Decision Map Guidance" for IT contracts. Following a series of high profile IT procurement failures in the public sector Stewart and John will explain the background to the development of the document and an overview of the guidance. The document has application outside the public sector. Stewart James is an Associate with DLA Piper Rudnick Gray Cary UK LLP and John Kenyon is Deputy Director of Contract Innovation at the OGC.

We are certain that all our members will find topics of value and interest at the conference. We encourage you to make your reservation as soon as possible! Whilst LES Council organises this conference as a service to our members we also encourage non-members to attend the meeting. There are topics of interest to all those associated with Licensing and Intellectual Property in general.

We look forward to meeting you there.

Contact **Sheena Hunter** for further details: les@glasconf.demon.co.uk

IPR Update

1. UK PTO – IP Enforcement 15th July

Submissions are invited on EU initiative to improve enforcement – by 7th October.
<http://www.patent.gov.uk/about/consultations/enforce05/index.htm>

2. Music Industry v Stephen Cooper 14th July

Australian Court finds web site which gives links to pirate sites 'facilitates copyright infringement' even though no downloads through the site.
<http://news.bbc.co.uk/1/hi/technology/4683955.stm>

3. UK PTO – Design Protection 12th July

Submissions are invited on proposed changes (multiple designs per application, and delayed publication) – by 7th October.
<http://www.ukpats.org.uk/about/consultations/mod-designs/index.htm>

4. Brazil drug deal 9th July

Brazilian Government negotiates effective price reduction on Abbott Laboratories' patented HIV/Aids drug (Kaletra) after threatening to 'break' the patent and use generic versions, relying on WTO 'national emergency' provisions.
<http://news.bbc.co.uk/go/pr/fr/-/2/hi/americas/4662877.stm>

5. EU Copyright Licensing Proposals 8th July

EU publishes proposals for Europe-wide copyright licensing clearance to facilitate Internet music sales in Europe.
http://europa.eu.int/comm/internal_market/copyright/index_en.htm

6. 'Have a Break' ECJ decision C-353/03 7th July

Mars opposes Nestle's trademark application and ECJ rules that distinctiveness can be acquired in words ('Have a Break' forming part of a larger mark ('Have a Break, Have a Kit Kat)).
<http://www.curia.eu.int/jurisp/cgi-bin/form.pl?lang=en>

7. Eurocormex's application ECJ Case C-286/04 P 30th June

The ECJ declined to 'overrule' OHIM's refusal to register Corona's lime in the bottle colour and shape trademark on grounds of lack of distinctiveness.
<http://www.curia.eu.int/jurisp/cgi-bin/form.pl?lang=en>

8. MGM v. Grokster 27th June

US Supreme Court distinguished old tape-to-tape copying decision and found peer-to-peer music download to involve contributory infringement.
<http://www.guardian.co.uk/online/news/0,12597,1515894,00.html>

Monitored by Dr Hayley French, Bird & Bird
Hayley.french@twobirds.com
For further details on all of the above please visit: <http://www.les-bi.org/>

And whilst we are talking about sport ... It appears that there is a new range of lingerie promoted by Tim Henman, which includes the Tim Henman bra – it has lots of support but no cups ...



IP WALES® SHARED EXPERIENCE

IP Wales® was recently invited by IP Australia and the New Zealand Economic Development Ministry to share experiences in raising IP awareness within the small/medium enterprise (SME) community and helping SMEs to capture, protect and commercialise their IP assets. The following represents a personal view on the outcome of these discussions.

Awareness

Raising awareness of IP assets within the SME community is primarily a promotional, rather than educative, function. A successful promotional message is that the IP system can be used to add value to a business in three meaningful ways – saves time and effort; avoids the pitfall of an infringement; provides protection to operate in the market place with an opportunity to legally enforce a monopoly position. Research demonstrates that SMEs are more likely to become IP active and less likely to infringe an IP registration when made aware of IP. A professional PR campaign was found to be the most effective mechanism for promoting IP awareness within the SME community. Further value can be added to SMEs by promoting awareness of the technology needs of large corporations.

Protection

IP grant schemes are used by SMEs to provide for further jurisdictional coverage, rather than as a means of reducing costs. By way of illustration, IP Wales provided 50% grant funding over a two year period towards 162 projects resulting in the capture of the following IP assets: Patents = 205 (UK 53, PCT 45, EP 34, USA 31, Canada 10, Australia 5, Germany 4, China 2, France 2, Italy 2, Japan 2, New Zealand 2, Norway 2, Poland 2, Spain 2, Brazil 1, Hong Kong 1, India 1, Ireland 1, Israel 1, Singapore 1, South Africa 1) Trade Marks = 60 (UK 23, CTM 20, USA 13, Canada 2, Australia 1, New Zealand 1) Designs = 12 (UK 3, USA 3, CDR 2, Australia 1, Canada 1, France 1, Germany). The public funding requirement of analysing grant recipient SMEs by Company SIC Code was found to be misleading, as many SMEs are not registered companies and those which are often have inaccurate SIC codes. An active multi-disciplinary research agenda is able to provide a strategic understanding of SME use of the IP system. Economies aspiring to become knowledge driven often look to their University sector as the main catalyst without a full appreciation of existing relationships with the business sector.

Commercialisation

Patenting complimented by know-how is core to SME growth. By way of illustration external IP consultants were commissioned by IP Wales® to review the projects supported under the grant programme and assess their commercial potential. 22 SMEs were short listed as having developed compelling value propositions. Of these 7 were identified as having a realistic potential to commercialise their IP assets, although none of the 22 were thought to be in a financial position to defend their IP against attack (working with HSBC & Edward Geldards Solicitors, IP Wales® helped to devise a new low cost IP insurance product for SMEs). Collaboration

between the University and Business sectors has the potential of adding value to both operations. The prospect of a University invention enjoying granted patent protection significantly improves (100% EP & 64% US) if a filing is undertaken in collaboration with a commercial first assignee. The public funding requirement of linking IP creation to job creation is viewed as unrealistic. However good the technology and its legal protection, commercialisation of an IP asset is reliant upon the ability of the SME to deliver its business plan. Research reveals that generally SMEs underestimate development times and costs, especially when some form of regulatory approval is involved and where SMEs do experience significant commercial growth they often find it impractical to allocate specific jobs to a particular funding source.

In conclusion it was found that firms, not their IP assets, meet the political imperative of creating jobs. The main ingredients for the success of a SME knowledge based business were found to be management, finance and access to advanced technology & know-how. A better management team will make more commercial use of a poorer technology than a poorer management team will make of a better technology. Finance looks for good management teams, poor management teams rarely find finance.

The next challenge, therefore, is to ensure that the SME community has the requisite management skills to deliver on the commercialisation of their IP assets. To this end New Zealand already enjoys considerable success with the Master of Engineering Management (MEM) Programme run out of University of Canterbury. Swansea University, which runs IP Wales® out of the Law School as part of its third mission activities, has devised a new Master of Business & Law Programme (MBL) to be launched in 2006. This programme, aimed at aspiring managers of knowledge based business, brings together the disciplines of Law, Business & Engineering in a way designed to help drive our emerging Dragon Economy.

Andrew Beale, Director, IP Wales®
aj.beale@ntlworld.com



Andrew (right) receiving Judges Special Award for IP Wales at the WORLDleaders European Awards

Chairs of Committees and Special Interest Groups

Brands

Darren Olivier
Field Fisher Waterhouse
35 Vine Street, London EC3N 2AA
Tel: +44 207 861 4350
Email: Darren.Olivier@ffw.com

Education

Anne Lane
C/o UCL BioMedica Plc
The Network Building
97 Tottenham Court Road
London W1T 4TP
Tel: + 44 (0) 20 7679 9000
Fax: +44 (0) 20 7679 9838
Email: a.lane@uclbiomedica.ucl.ac.uk

EC/Laws

Robin Nott
3, St Peter's Square,
London.W6 9AB
Tel: +44 (0) 20 8748 6399
Fax: +44 (0) 20 8748 6696
Email: robin@nott.fsbusiness.co.uk

Healthcare

Co Chair: Christi Mitchell
C/o Highbury Ltd
1 Highbury Road
Hitchin, Herts SG4 9RW
Tel: +44 (0) 1462 436 894
Fax: +44 (0) 1462 442 647
Email: christi@highburyltd.com

Co Chair: Jennifer Pierce
C/o Charles Russell
8-10 New Fetter Lane, London EC4A 1RS
Tel: +44 (0) 20 7203 5062
Fax: +44 (0) 20 7203 5302
Email: jennifer.pierce@charlesrussell.co.uk

IT & E-Commerce

Christopher Bartlett
Qinetiq Ltd
St Andrews Road
Great Malvern, Worcs WR14 3PS
Tel: +44 (0) 1684 895499
cdbartlett@qinetiq.com

Nominations

Stephen Powell
C/o Williams Powell
Morley House, 26-30 Holborn Viaduct
London EC1A 2BP
Tel: +44 (0) 20 7936 3300
Fax: +44 (0) 20 7936 3311
Email: stephen.powell@williamspowell.com

Meetings

Martin Sandford
C/o BTG International Ltd
10 Fleet Place, Limeburner Lane
London EC4M 7SB
Fax: +44 (0) 20 7575 1524
Email: martin.sandford@btgplc.com

Web Site

Hayley French
C/o Bird & Bird
90 Fetter Lane, London EC4A 1JP
Tel: +44 (0) 20 7905 6357
Fax: +44 (0) 20 7415 6111

Making money from your IP – not the whole story?

Edinburgh researchers look out of the box

Introduction

Once a creator, innovator or investor has developed and commercialised a successful product; listened to IP professionals and protected IP; and secured a lucrative technology transfer deal, it might only be the start of the battle. Increasingly IP owners are facing demands to share valuable IP with competitors, or provide free or low cost access to it, for example regarding educational materials and medicines.

Moving goalposts

On the way up, the IP owner is seen as a successful innovator, contributing to economic growth and knowledge development. Having emerged on top, however, the IP owner might be criticised for preventing access to products by those in need, or not facilitating greater competition, and (possibly) lower prices, in the industry it created. When critics include not only distant, albeit vocal, activists, but shareholders, and when regulators become involved, the question moves up the corporate agenda. This has already contributed to some developments in accessing medicines, and changes in approach to standard setting.

Research project

So is this debate about law, or a more general distaste at social and economic implications of a competitive free economy and the (limited) exclusive rights conferred by an IP system. The **AHRC Research Centre for Studies in Intellectual Property and Technology Law at the University of Edinburgh** is working on a project "Intellectual Property, Competition and Human Rights", considering issues such as:

- to what extent is criticism of IP unwarranted, or an inevitable byproduct of a necessary IP system. Are difficulties with treatment of disease in the developing world more linked to lack of education, hygiene and infrastructure than patents? Is there a viable alternative to IP to encourage investment in innovation? How desirable/realistic is increased public sector involvement and control?
- even accepting that there may be valid challenges to IP (eg concerning limits on who may provide patented medicines at a price health authorities are able to pay, or use of copyright to prevent adverse comment), does IP actually contain possible solutions? What use could be made of parallel importing, compulsory licensing and fair dealing?
- the apparently flexible compulsory licensing has been referred to as a solution in several disputes – regarding copyright in TV listings and data systems (the Magill and IMS decisions), code and protocols which may or may not be subject to IP (the EC Commission decision in Microsoft), and accessing patented medicines (see WTO/TRIPS declarations at Doha and Cancun). Is it no different from changes in access to and regulation of utilities – just another means of ensuring proper allocation of resources for the wider benefit?
- in addition, compulsory licensing raises practical problems: who is to fix the licence terms? What should be imposed if agreement

cannot be reached? Do courts, and indeed regulators, have the necessary industry and economic understanding – particularly in developing areas?

- human rights values of rights to life, health, free speech and property are used to attack IP in respect of access to medicine and copyright works, and hindrance of full exploitation of market resources. Differing views exist, however, as to the nature and scope of human rights (even on the basis of human rights declarations and treaties), and their relationship with IP - itself a property right, arguably a human right, and a means of encouraging innovation, creativity and furthering the public interest. Cases balancing IP and human rights, such as regarding the Ashdown diaries, do not invariably lead to victory for human rights;
- if theories can be developed to use human rights and competition to restrict IP, or to combine the three fields, how is this to work? By incorporation in international regimes, eg changes to TRIPS? Will national courts be appropriate fora to ensure this is respected? How can the risk of circumvention by bilateral trade agreements be managed? Should more direct pressure or regulation be placed on IP owners?
- does this whole debate place undue pressure on business and its assets as opposed to governments? Is a direct approach also inconsistent with the obligations of corporations to make profit for shareholders from successful market competition? What is the proper role of corporate social responsibility and response to civil society?
- is all this moving towards social theory, and philanthropy, rather than law and the reality of innovation and technology transfer? Or should wider social values have some role in guiding exploitation of IP – can business life really be put in boxes and segregated from the wider world?

Developments

To date, a successful meeting of experts (from academia, WIPO, WTO, UNESCO) has been held, and the papers will be published later this year. Several other papers have also been published by project members. Further workshops and events are planned.

A wider outlook

The project team are keen to ensure that their work does not have a purely academic focus, and that it engages with the concerns and interests of IP professionals, and those at the coal face of development of IP and of technology transfer. All comments and suggestions would be welcome.

Further details can be found at <http://www.law.ed.ac.uk/ahrb/research/view.asp?ref=3>, <<http://ipedinburgh.blogspot.com>>, or contact **Charlotte Waelde** (charlotte.waelde@ed.ac.uk) or **Abbe Brown** (a.e.l.brown@sms.ed.ac.uk).

Abbe E. L. Brown

Phillips v. AWH Corp.:

U.S. Federal Circuit Revisits Patent Claim Construction Canons, But Leaves Them Largely Unchanged

On July 21 of last year, the Federal Circuit withdrew its panel opinion in *Phillips v. AWH Corp.* and granted a petition to rehear the case *en banc*. The issues as to which the Federal Circuit granted *en banc* rehearing included fundamental questions of how patent claims should be construed, and by whom. On July 12 of this year, the Federal Circuit released its *en banc* opinion vacating the claim construction that had resulted in summary judgment of non-infringement. *Phillips v. AWH Corp.*, No. 03-1269 (Fed. Cir. Jul. 12, 2005).

While the grant of *en banc* rehearing had (as a dissenting opinion from the *en banc* Order puts it) “whipp[ed] the bar into a frenzy of expectation” by inviting briefing on a host of far-ranging claim construction issues, the majority *en banc* opinion turns out not to represent a major alteration in the fundamental standards previously set by the Federal Circuit for claim construction. Claim construction will remain, for now, a matter of pure law, governed by the plain meaning of claim terms as informed first by the patent specification, and secondarily by extrinsic evidence, when helpful.

The claims at issue in *Phillips* were drawn to modular equipment for building detention facilities. Each claim called out steel walls with “internal steel baffles extending inwardly from the steel shell walls.” Both parties agreed that the accused product had internal steel panels that extended perpendicularly inward from steel shell walls.

In addition to withdrawing the panel opinion construing this and other claim terms, the Federal Circuit’s order granting *en banc* rehearing invited additional briefing on fourteen distinct points of claim construction law, which it bundled into seven groups. In view of the parties’ stipulation as to the ordinary meaning of baffle, some of the these questions appeared to have little live relevance to the particular facts of the *Phillips* case itself.

Unsurprisingly, the *en banc* Federal Circuit has not attempted in its recent plenary opinion to answer every question posed during briefing. Instead, the majority opinion focuses on the relative importance of various sources of claim construction guidance, as well as the emphasis that a particular line of Federal Circuit panel decisions (the *Texas Digital* cases) had placed upon dictionary definitions as a highly reliable tool for claim construction. The dissenters focus, on the other hand, almost entirely upon the different issue of deference to the district court’s claim construction (basing their argument in favor of such deference on their conviction that claim construction is necessarily at least partially a matter of fact).

The majority opinion was written by Judge Bryson and was joined by Chief Judge Michel and Judges Clevenger, Rader, Schall, Gajarsa, Linn, Dyk, and Prost. The majority opinion acknowledges that it does not break new ground and, in general, returns the law to the approach of the court’s 1996 decision in *Vitronics Corp. v. Conceptor, Inc.*, 90 F.3d 1576 (Fed. Cir. 1996), by repudiating the “dictionaries-first” methodology that the post-*Vitronics* panel decisions in *Texas Digital Systems, Inc. v. Telegenix, Inc.*, 308 F.3d 1193 (Fed. Cir. 2002), and its progeny had to some extent engendered. The general approach will thus once again be that the goal of claim construction is to determine the meaning of a claim term as understood by a person of ordinary skill in the art as of the effective filing date.

The majority opinion sets forth a hierarchy in which the sources for making that determination, in order of importance, are the language of the claim(s) at issue, the language of other claims in the patent, the relevant discussion in the specification, the relevant discussion in the prosecution history, unbiased extrinsic evidence (such as dictionaries), and biased extrinsic evidence (such as expert testimony).

In re-interpreting the claims of the *Phillips* patent, for instance, the court relied on the explicit limitations in other, dependent claims covering obliquely angled baffles in order to determine that the use of “baffle” by itself in the independent claim did not require an oblique angle.

In essentially re-endorsing the *Vitronics* hierarchy of sources of authority for claim construction, the court made favorable mention of many well-known canons of construction. For example, one claim term should not be interpreted so as to render another term surplusage. Claim terms should be interpreted to have consistent meaning throughout the claims and to maintain differences between the scope of different claims. When an inventor explicitly or impliedly defines a term that definition should be employed. The court also expressly stated that the prosecution history is less useful for claim construction purposes than is the specification.

Judge Mayer, joined in dissent by Judge Newman, provided a colorful, even vituperative, alternate view, which was based not principally upon disagreement as to what sources could or could not be used in claim construction, but on whether the Federal Circuit ought routinely to be making such essentially evidentiary choices, and entering claim constructions *de novo*, as to an issue that Judge Mayer is convinced is inextricably linked to the facts of the case, and hence by default should be decided by the trial court. “If we persist in deciding the subsidiary factual components of claim construction without deference [to the already-entered district court claim constructions], there is no reason why litigants should be required to parade their evidence before the district courts or for district courts to waste time and resourced evaluating such evidence.”

The nine judges of the majority, however, remain convinced that the Federal Circuit must review claim constructions *de novo*, as a matter of law, and thus should not employ any deference or apply a “clear error” standard of review.

Overall, the *en banc* decision represents a reiteration of a “holistic” model of claim construction based principally upon claim language and specification, and notable mainly for the de-emphasizing of dictionaries as potentially-dispositive claim construction authorities. Despite the Federal Circuit’s efforts, claim construction will continue to be the most important issue in many patent cases and the hottest issue on appeal as well.

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

Michael Hawes, Baker Botts, L.L.P.
michael.hawes@bakerbotts.com

News from the Regions



LES Irish Section Forfás Lecture Series

This highly successful series continued with a talk on June 10th by Barry Moore, a Director of Hanna Moore and Curley in relation to Patenting Software. Barry's talk was extremely topical given the (then impending) vote in the European Parliament on the same subject. Following Barry's talk he urged those present to not just debate the issues in industry fora, but to lobby their MEPs on the issue.

The lecture series will continue with at least four lectures in the Autumn, when we expect to bring an international flavour to the series regarding IP management and commercialisation.

All of the lecture materials are available on Forfás' own website www.forfas.ie and the more recent lectures have also been live streamed on audio. We continue to receive new membership applications after each event and expect that this will continue for the Autumn Series.

Computer Related Inventions Directive

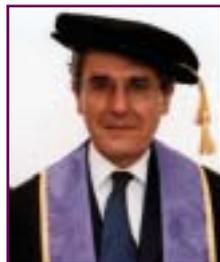
Yvonne McNamara of McCann Fitzgerald wrote to Irish MEPs on behalf of LES, in advance of the European parliament vote to urge them to support the Common Position on the CIL Directive. This was extremely important in demonstrating that LES is a voice for those who develop and seek to commercialize, intellectual property rights. Sadly given the result of the vote we may be a voice in the wilderness, but no doubt this issue will be re-examined again in the near future and we can again make our views known to the relevant public representatives.

LES Britain and Ireland AGM

Jeanne Kelly and Peter Bolger of Mason Hayes and Curran attended this very enjoyable event on behalf of the Irish Committee, in the Cabinet War Rooms in London in mid June. This was a welcome opportunity to meet with our colleagues over the water and we greatly enjoyed the memorable venue and reception following the AGM.

Jeanne Kelly, jkelly@MHC.ie

Lord Justice Jacob becomes an LSE Honorary Fellow



Lord Justice Jacob, Honorary President of LES B&I, became an honorary fellow of the London School of Economics and Political Science (LSE) on Friday 15 July. An alumnus of the School, he has been a governor of LSE for more than ten years.

LSE awards a small number of honorary fellowships each year. It is the greatest honour the School can bestow and recognises past or present members of LSE who have attained distinction in the arts, science or public life,

or those who have rendered outstanding services to the School or its concerns. There are currently around 140 honorary fellows.

The award was made during the School's presentation ceremonies for some of this year's 2,000 graduates. Professor Christopher Greenwood, LSE Professor of International Law, read the oration. He noted that after graduating from Cambridge, Lord Justice Jacob "managed the remarkable feat of taking his Bar exams and doing a demanding pupillage at the same time as reading for a second degree in the Law Department at LSE." He continued: "In 1993 his career underwent major change when he became a judge. At the time of his appointment he recalled that as a barrister he had once vigorously argued a case before the then Patents Judge and had lost. His client's comment was - "a shame we lost, but that judge was fair". On becoming a judge himself, Sir Robin said - "I hope that they will say the same of me". They did; they do."

A list of the other honorary fellows may be found at:
<http://www.lse.ac.uk/collections/secretariat/honoraryFellows.htm>
Renate Siebrasse

LES NE Region Meeting

Our next meeting, planned for the Autumn, will be in Leeds on the subject of Forensic Analysis of Computers by Carratu International. We have not yet confirmed the date.

Further details from Liz Ward elizabethward@foxhayes.co.uk

LES Pan European Conference Glasgow

June 21-23 2006

"The programme for the Pan-European Conference in Glasgow 21-23 June 2006 is taking shape, with the preliminary brochure expected in September. Martin Sandford would be glad to hear from members with any suggestions for plenary speaker nominations, workshop topics or interest in sponsorship opportunities"

Contact Martin Sandford: email: martin.sandford@btgplc.com

People News



Lucas Bateman has recently joined COE, as their Commercial Counsel. He was previously with Cobbetts in their Leeds office where he was a partner in the commercial team specialising in intellectual property law. Lucas trained as a specialist IP barrister and then spent 7 years at Pinsents as a technology specialist before joining Cobbetts as a partner in 2002.

Andrew Wallace, CEO at COE comments "COE is an established expert in complete video network solutions for the transmission and control of CCTV, in both analogue and digital domains. The growth in demand for security systems worldwide provides exciting market opportunities for us and Lucas' wide legal experience and several years experience in digital video electronics will provide support in commercial negotiations for these large projects. We are delighted that Lucas has joined us".

Contact details: lbatement@coe.co.uk

Moving Company/ Changing address

Please remember to tell our administrator, Sheena Hunter, if you change your office address so that we can continue to send you LES information and News Exchange.

Her address is:

LES Administrative Office, Northern Networking Ltd,
1 Tennant Avenue, Collee Milton South, East Kilbride,
Glasgow, G74 5NA
Tel: 01355 244966. Fax 01355 249959
E mail: LES@glasconf.demon.co.uk

Please also remember to change your details in the Membership Directory on the LESI website.

Unfortunately there is no way of automatically informing LES B&I of changes which you make to the LESI website.

As a service to our members the editor will print any change of company and location in News Exchange.
Please contact Mary Elson elison.mary@btinternet.com for details.

Resolving patent disputes in Europe – Lessons from the Munich Meeting



"Where is the best place to go to resolve my patent disputes in Europe?" That was the question addressed at a well-attended, entertaining and interactive workshop organised by the European Committee at the LES International Meeting in Munich in June. A case study format was used. The scenario was introduced by Allen Norris, Chair of the European Committee. That was followed by short presentations by four active members of the Committee representing four key European jurisdictions Bruno Vandermeulen (Bird & Bird, LES Belgium), Nigel Jones (Linklaters, LES Britain and Ireland), Arnaud Michel (Gide, LES France) and Christian Osterrieth (Reimann, Osterrieth Köhler Haft, LES Germany) each advocating their dispute resolution systems as the best venue for the client. This was followed by a lively Q&A session, after which Allen made his choice. The format worked well, giving plenty of scope for audience participation – a key objective of LES workshops – and is one which the author would recommend for future workshops.

This article summarises some of the key messages that emerged.

This was the case study:

Norris Co, a large European multinational, owns a European patent for a new chemical entity for treating cancer. The patent designates all current EPC member states. A third party, Botco, opposed the patent in the EPO. The Opposition Division hearing is scheduled for September 2007. Botco is a company based in Hungary, where it has manufacturing facilities. It also has sales and marketing operations in the UK, France, Germany, Belgium and Holland.

Norris plans to start selling Allenum, a product falling within the scope of the claims of its European patent, in Europe as soon as marketing approval is granted, hopefully in July of this year. Norris has recently discovered (through rumours in the market – it has not had any direct contact with Botco) that Botco is not far behind it in the regulatory approval process with its own cancer treating product, and that it hopes to be able to launch in Europe in October. Norris does not have full details of the composition of the Botco product, but believes that it also falls within the scope of the claims of its European patent, particularly given their breadth. It is crucial to the success of Allenum that no other competing product enters the market until it has established a strong market position. It is therefore very important to prevent or delay Botco's launch; but also to protect Norris' long term interests.

Norris has limited resources to enforce its patent rights in Europe. It has therefore asked lawyers from the most important European markets for Allenum (France, Germany, the UK and Belgium) to explain how it can most cost effectively use its rights against Botco in their country. Norris' representative is a very busy man, so has told each of the lawyers that they have only 10 minutes in which to address him on this point, after which he may ask some brief follow up questions, invite questions from the colleagues who have joined him at this meeting (i.e. the audience); and then make his choice of the one jurisdiction in which he will take action.

Particular issues which the speakers addressed included:

- Obtaining evidence – e.g. saisie, discovery, cross-examination
- Preliminary injunctions
- Stay pending outcome of EPO opposition
- Timing and cost of preliminary injunction/action on the merits
- Jurisdictional issues (local and cross-border).

Some of the key issues that emerged were these:

1. Obtaining Evidence:

The "saisie description" and "saisie contrefaçon" procedures in France and Belgium are very useful for obtaining evidence in a case like this. Preaction discovery is a theoretical possibility in the UK, but would be difficult on the facts here.

Neither pre-action discovery nor the *saisie* procedures are available in Germany. However, it might be possible on the facts here to rely on a 2002 decision of the German Federal Supreme Court as a basis for persuading a court to allow Norris & Co to gather evidence in a similar way. Much of the discussion after the presentations focused on the precise differences between these procedures in Belgium and France, and how countries elsewhere in Europe will implement their obligations under the Enforcement Directive¹. With the deadline for implementing this Directive to introduce similar procedures nationally less than a year away (end of April 2006), representatives of other European countries at the workshop were interested to know what lessons they and their legislators could learn from the experiences of France and Belgium.

2. Preliminary Injunctions:

Courts in most countries have become less reluctant to grant preliminary injunctions in patent cases (provide the relevant criteria are met), although that remains very difficult in Germany. There has been a particular shift in the UK, whose courts are now more willing to grant PI's in patent cases than was the case until a few years ago.

3. Timing and Costs:

Preliminary injunction proceedings are generally quick (from a few hours to a few days in Germany – although the procedure is, as has been said, seldom used in patent cases) to a few weeks or months elsewhere. Proceedings on the merits take longer, with the UK now potentially being the quickest (particularly if advantage is taken of the streamline procedure). In Belgium and Germany the norm is closer to 12-18 months; and in France, 18 months – 2 years. Costs of bringing the sort of litigation contemplated by Norris & Co here vary considerably between the different countries; largely depending on the procedural requirements that need to be followed. The UK tends to be most expensive, but not necessarily the least cost effective. A decision of the highly experienced UK patents judges, following a thorough investigation of all relevant facts and evidence (including where appropriate disclosure, cross-examination and so on) is generally highly influential over future disputes elsewhere (for both the parties and the courts). There is also variation in duration of the procedure (and therefore cost, at least to some extent) within Germany, and to a less extent, France, depending on the particular court in which the case is brought (the three key locations in Germany being Dusseldorf, Mannheim and Munich).

4. A cross-border injunction in the circumstances here would be difficult in all jurisdictions – hence the particular relevance of the point made above about the persuasive nature of a decision from the UK.

5. Other considerations:

The importance of considering alternative dispute resolution mechanisms was emphasised, particularly in relation to the UK, where mediation in IP disputes is coming increasingly common, and increasingly effective. Not only are judges encouraging it, but parties are seeing the benefits that can be obtained from a procedure designed to achieve a "win win" result.

Allen's final decision was to apply first in Belgium for a *saisie* description; try again in France if that did not work; and, depending on what that revealed, decide whether to take advantage of the UK approach (including its advanced ADR culture) or the proven effectiveness of the German system. So a win for everyone!

Nigel Jones, Linklaters, LES B&I

¹ An excellent presentation was given on this topic at an earlier workshop, also organised by the European Committee, by Jean-Christophe Troussel (Linklaters, LES Benelux). His slides are available on the website.

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



Nigel Jones



Michel Arnaud



Allen Norris



Christian Osterrieth



Bruno Vandermeulen



Events Diary 2005-2007

Regional Officers

Administration
Gill Moore
Northern Networking
1 Tennant Avenue
College Milton South
East Kilbride, Glasgow G74 5NA
Tel: +44 (0) 1355 244966
Fax: +44 (0) 1355 249959
Email: les@glasconf.demon.co.uk

REGIONAL OFFICERS

Ireland
Chair: Yvonne McNamara
C/o McCann Fitzgerald
2 Harbourmaster Place
Dublin 1
Tel: + 353 1 829 0000
Email: yvonne.mcnamara@mccann-fitzgerald.ie

Secretary: Maureen Daly
C/o Beauchamps
Dollard House, Wellington Quay
Dublin 2
Email: m.daly@beauchamps.ie
Tel: + 353 1 418 0600

Scotland
Chair: Caroline Sincock
C/o Scottish Intellectual Asset Management
6/6 Skypark, 8 Elliot Place
Finnieston, Glasgow G3 8EP
Tel: + 44 (0) 141 243 4920
Email: caroline.sincock@scottish-IAM-centre.co.uk

Secretary: Cathy Rooney
C/o SNBTS Business Development
21 Ellen's Glen Road, Edinburgh
EH17 7QT
Fax: +44 (0) 131 536 5956
Email: cathy.rooney@snbts.csa.scot.nhs.uk

East Midlands
Chair: Mark A Snelgrove
C/o Browne Jacobson
44 Castle Gate, Nottingham NG1 7BJ
Tel: +44 (0)115 976 6000
Fax: +44 (0) 115 947 5346
Email: msnelgrove@brownej.co.uk

Secretary: Ray Charig
C/o Eric Potter Clarkson
Park View House
58 The Ropewalk, Nottingham NG1 5DD
Tel: +44 (0) 115 955 2211
Fax: +44 (0) 115 955 2201
Email: rcharig@eric-potter.com

West Midlands
Chair: John Badger
c/o Wilson Gunn
Charles House, 148/9 Great Charles St.,
Birmingham B3 3HT
Fax: +44 (0) 121 236 1038
Email: john.badger@wilsongunn.com

North West
Chair: Paul Bentham
C/o Addleshaw Goddard
100 Barbirolli Square
Manchester M2 3AB
Tel: +44 (0) 161 934 6000
Email: paul.bentham@addleshawgoddard.com

North East
Chair: Elizabeth Ward
C/o Fox Hayes Solicitors
Bank House, 150 Roundhay Road
Leeds LS8 5LD
Tel: +44 (0) 113 383 8464
Fax: +44 (0) 113 284 0466
Email: elizabethward@foxhayes.co.uk

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) and the officers of national societies for overseas events (see LES directory or the LESI website www.lesi.org)

13 September 2005 LES B&I Annual Conference

The Café Royal, London
Full Day Meeting
For further information please contact:
Sheena Hunter
Email: les@glasconf.demon.co.uk

Autumn 2005 LES NE Region

In Leeds
"Forensic Analysis of Computers"
Speaker from Carratu International
Location and date TBA
For further details please contact:
Liz Ward
Email: elizabethward@foxhayes.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/

8 November 2005 M1 Knowledge Exchange (M1KE)

Luton University
(Aimed at SMEs)
"Progressing an Idea – Commercialising Research and Inventions"
2 Day course
For further information see:
www.m1ke.org.uk/events.php

8 November 2005 M1 Knowledge Exchange (M1KE)

Luton University
(Aimed at SMEs)
"Intellectual Property Briefing"
Half Day Course
For further information see:
www.m1ke.org.uk/events.php

10-11 November 2005 LES Benelux

Licensing Course
Mandarin Park Plaza, Eindhoven
The Netherlands
For further information see:
www.les-europe.org/benelux

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

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**

Membership

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

Tel: +44 (0) 1355 244966
Fax: +44 (0) 1355 249959
Email: **les@glasconf.demon.co.uk**

A membership application form may also be found on the LES B&I website: **www.les-bi.org**



newsxchange™

Editor: Mary Elson
Tel: +44 (0) 1978 710475
Email: elson.mary@btinternet.com

newsxchange™ is circulated as a service to members of the Society. Editorial contributions are welcome and should be addressed in the first instance to the Editor.

Unless otherwise agreed, acceptance of any submission for publication in News Exchange is on the understanding that the author also consents to publication in the same or edited form on the Society's website at **www.les-bi.org**.

Advertising and insert enquiries should be addressed to the LES Administrative Office. Please contact Gill Moore at Northern Networking in the first instance:

Northern Networking,
1 Tennant Avenue, College Milton South
East Kilbride, Glasgow G74 5NA
Tel: +44 (0) 1355 244966
Fax: +44 (0) 1355 249959
Email: les@glasconf.demon.co.uk

News Exchange and the newsxchange™ logo are trade marks of the Licensing Executives Society (Britain & Ireland) Ltd.