



## ALEX FERGUSON FAILS TO SCORE A TRADE MARK



page 3

## Third Party Beneficiaries

page 4

## ACROSS THE POND

page 5

## News from the regions

page 6

## Judicial appointment marks growth of Scottish IP law

page 7

## Events Diary

Forthcoming meetings 2006-07 **page 8**

newsxchange™  
ISSN 0967-8565  
Issue 107  
January 2006

# LES Britain and Ireland Annual Lunch

Thursday 9 February 2006  
The Savoy, London

Always a highlight of the LES B&I year, the forthcoming Annual Lunch promises to live up to expectations. We are very fortunate in having **Professor John Sutherland, the Lord Northcliffe**, Professor Emeritus of Modern English Literature at University College London and a visiting professor at the California Institute of Technology as the lunchtime speaker.

A highly entertaining speaker, Professor Sutherland will consider, *"The Internet: New Horizons of Learning or the Crook's Charter"*. Those of you familiar with his column in The Guardian will be aware that he doesn't always follow popular opinion! The titles of some of his many books, suggest an unconventional approach – even to the sacred cows of literature and history: "Is Heathcliff a murderer?", "Can Jane Eyre be happy?" and (with Cedric Watt) "Henry V, War Criminal?"

Not only do we have an excellent speaker, the promise of an excellent lunch at The Savoy, the opportunity to make full use of your networking skills but also a half-day morning meeting!

The Pre-Lunch morning meeting will address one of those subjects that beguiles many an inventor: "patents". Entitled, "Patents as business assets: A practical guide", the object of the meeting is to give the audience guidance on how to use patent rights to start and run a business. Speakers from academia and industry will provide interesting insights into various ways of using patents well. They will explain how they have done this in their own organisations, giving practical examples of the lessons they have learned along the way.

*We hope to see you in London on 9th February.*



## "Innovations in the Licensing World"

### Pan-European Conference

Radisson SAS Hotel, Glasgow 21-23 June 2006

LES B&I are very fortunate to be hosting this year's LES Pan European Conference in Glasgow. Attracting speakers and delegates from around the world, Glasgow is certainly the place to be in June! If you are in any way involved with the management of Intellectual Property do not miss out – book your place, now, at this major international conference.

The Pan-European Conferences are an essential part of the LES global network offering LES members in Europe, and our colleagues throughout the world, time to catch up on new legislation, discuss current issues with other IP professionals, learn from the experience of others and make those key contacts and business links, which make the licensing community such a stimulating group of professionals.

The conference will provide something of interest to everyone, why not encourage your colleagues, clients, service providers and those promising trainees to make the most of this illustrious gathering. Bring the family too! Glasgow is an ideal city for a short break; there are plenty of attractions in the city itself and even more places of interest in the surrounding countryside ... and then there is the golf (you will need to book well in advance if you want to play at the famous courses).

With speakers such as David Koretz, Founder, President and Chief Executive Officer of Blue Tie Inc., a serial

Entrepreneur, who founded and ran four successful technology businesses by the age of 25 and was only 14 when he started his first company, Alison Brimelow, President Elect of the European Patent Office and Dr Alexander Lewis Principal Consultant, Wood Mackenzie and an experienced consultant to the pharmaceutical and biotech industry it is clear that there will be a wealth of experience all within the grasp of the delegates.

Interactive workshops, covering key areas of interest to our members will include a master class on software patents, trade-mark and character licensing in Europe, anti-trust issues in IP dispute settlement agreements, transferring technology from public sector organisations, biodiversity and bio-piracy and much, much more.

The conference will conclude with a Conference Dinner, in this case a *Ceillidh*, which will take place in the imposing Stirling Castle, and promises to be a truly memorable event. If you thought that Scottish cuisine was haggis, herrings and porridge it is a long time since you visited Scotland and as for the whisky and dancing ... experiences not to be missed!

**For further details about both these events contact Sheena Hunter: Email: [les@glasconf.demon.co.uk](mailto:les@glasconf.demon.co.uk) or see the LES B&I website [www.les-bi.org](http://www.les-bi.org)**



## 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 Intellectual Asset Consulting  
Folliotts, River Road  
Taplow, Bucks SL6 0BG  
Tel: +44 (0) 7818 014371  
Fax: +44 (0) 1628 773117  
Email: martin.c.sandford@btinternet.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  
Mobile: +44 (0) 7973 146 176  
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, Barry Quest,  
Renate Siebrasse, David J Veasey,  
Michael Waggett



## President's Diary

At the beginning of December I attended the re-launch meeting in Birmingham of the West Midlands branch. The high attendance was extremely encouraging and I hope this establishes a precedent for regular events in region. I am grateful to Simon Church and his committee for their hard work.

Looking ahead now, you will find comprehensive details with this issue of our Pan-European Conference on 22 and 23 June in Glasgow. Such a meeting is held in each year when the main LES International Conference is held outside Europe (Seoul in 2006). This tradition represents the close co-operation between the European LES societies and also coincides with a stronger contribution of the European societies to the strategic direction of LESI. The European Presidents meet three or four times each year to discuss issues of common interest.

Martin Sandford and his team have organised a stimulating programme for Glasgow and I recommend early booking since we have already had a high level of interest from our colleagues in Europe and further afield. Two Add-on seminars are being held on the preceding Wednesday 21 June which demonstrate the excellent training and educational expertise offered by LES. Firstly there is "Cashing in on Science (lite) - Taking Technology to market" covering all aspects of commercializing inventions. The presenters are Ada Nielsen of BP America Inc and Jack Peregrin of Paragon Development. A case study will explore the development of a fictional biopolymer, but will be illuminating whatever your technical background. This one-day seminar is based on a longer course constructed by the Commercial Development and Marketing Association Educational Foundation and offers a fascinating study of all the relevant activities before and after launch.

Secondly we are presenting the initial course in "Fundamentals of Intellectual Property and Licensing", sometimes known as 101. The speakers are Christopher Bartlett of LES B & I Council and Kevin Mutch of IP Unzipped Ltd. As regular readers of this diary will know, this is the first of a series of courses to take you from the beginning of your licensing career through intermediate and advanced stages to an all-round knowledge in the field. Follow-on courses will be presented later in the year.

Thus, whatever your field and level of expertise, the professional, educational and networking advantages of this European conference on home ground should not be missed.

**Stephen Powell,**  
President LES B&I

continued from page 3

## ALEX FERGUSON FAILS TO SCORE A TRADE MARK

On the other hand, the court held in the case brought by Eddie Irvine (*Irvine v Talksport Limited [2003] EWCA 423*) that where a trader deliberately tries to make out that a personality has endorsed a product and this is not the case, this false association can mislead the public and cause damage to the "brand" of the personality. The court found that there was passing off and awarded substantial damages to reflect the endorsement fee that Talksport would have had to pay Mr Irvine, had he agreed to endorse their product.

## IPR in Business

- 1. Bespoke Couture Ltd & ANOR v Artpower Ltd (16/12/05)** on the facts of the case automatic termination provisions of the licence had been triggered.
- 2. Draft of the Artist's Resale Right Regulations 2006 published (15/12/05).** The new intellectual property right will allow living artists to receive royalties when their work is traded or resold.
- 3. European Parliament adopts the Commission's proposal (01/12/05)** on Regulation for the compulsory licensing for the export of generic medicines to developing countries.
- 4. "Sunrise" registration period for .eu domain names announced (07/12/05)** during which time public bodies and holders of registered community or national trade marks will be able to register domain names.
- 5. Microsoft is implementing internet explorer code changes (08/12/05)** to avoid using technology patented by Eolas. These changes will be incorporated in the next version of internet explorer (version 7). The sunrise period closes on 7 April 2006.
- 6. Finecard International Ltd (t/a The Ninja Corporation) v (1) Urquhart Dyke & Lord (2) Michael Ajello (10/11/05).** Section 68 of the Patents Act 1977 provides a regime whereby people who asset property rights in patents register their rights to put the world on notice of such rights.

Monitored by **Dr Hayley French, Bird & Bird**  
[Hayley.french@twobirds.com](http://www.birdandbird.com)

For further details on all of the above please visit:  
<http://www.les-bi.org/>

## newsxchange™ on the website.

We are now able to put newsxchange™ on the LES B&I website in pdf., format. It will be fully searchable as is the current text version. <http://www.les-bi.org/>

### Conclusion

Although it would appear that Sir Alex will not be able to protect his "brand" with a registered trade mark in respect of posters, pens and stickers, he may still be able to build up distinctiveness in his name through use in relation to those goods and perhaps be able to reapply for the trade mark to be registered at that stage. In the meantime, there are other avenues available to Sir Alex to legally protect the use of his name that are not dependent on a registered right.

**Ayesha Bramwell, Solicitor,**  
**Shepherd+ Wedderburn, London**

# ALEX FERGUSON FAILS TO SCORE A TRADE MARK



## Chairs of Committees and Special Interest Groups

In 2003 Sir Alex Ferguson, the well-known manager of Manchester United, applied for registration of "ALEX FERGUSON" as a trade mark for various types of goods. As a result of a number of objections and adverse examination reports whilst it was proceeding, the application was split into two parts. The application that was considered and ultimately rejected in September 2005, was in respect of class 16 goods only (i.e. printed matter, posters, photographs, transfers, stickers, pens, pencils etc.).

Objections to registration of the trade mark were originally raised under sections 3(1)(b) and 3(1)(c) of the Trade Marks Act 1994 (UK) ("Act").

Section 3 of the Act sets out absolute grounds for the refusal of registration of a trade mark:

**"Section 3(1) – The following shall not be registered:**

**(a) ...**

**(b) trade marks which are devoid of any distinctive character,**

**(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical original, the time of production of goods or of rendering of services or other characteristics of goods or services, ..."**

Section 3 goes on to state that it is possible to get around these absolute grounds if, before the date of the application for registration, the trade mark has acquired a distinctive character as a result of the use made of it.

When we hear the name "Alex Ferguson" it is quite true that most of us think of the Manchester United Manager, and as such the name does have a certain distinctiveness as it identifies one individual as distinguished from others.

In the trade mark sense however, distinctiveness means that the mark is capable of distinguishing one set of products or services of one party, from the same or similar goods or services that might be provided by another party.

The issue of using personal names as trade marks has been considered in a number of previous cases including that relating to "Diana, Princess of Wales". Names such as "Laura Ashley" and "Harry Ramsden" are immediately capable of identifying goods as being produced by specific companies. The problem with the names of famous people is that often a name has been used so successfully to distinguish a particular person that, when subsequently attached to goods, the name just continues to identify the person, rather than distinguishing the goods as being those of one party or another. In this way the trade mark is unlikely to pass the test set out in section 3(1)(b) of the Act.

The Registrar of Trade Marks found that, especially when applied to pictures or images of Sir Alex Ferguson, the mark "ALEX FERGUSON" is likely only to describe the contents of the picture, rather than connect those

goods with one party or another. In this way the mark would serve only to designate one of the essential characteristics of the goods (i.e. its content). Therefore, the trade mark is also unlikely to pass the test set out in section 3(1)(c) of the Act.

### Which other areas of law might protect a famous name?

There are other areas of UK law that Sir Alex may be able to make use of to prevent others from using his name on their products:

- **Passing Off** – there may be passing off if a trader misrepresents to the public that his goods or services are associated with another trader (e.g. by his use of a similar name, logo or packaging) in such a way as could cause damage to the goodwill of the innocent trader;
- **Copyright** – a person may have copyright in what he or she says, performs and writes and therefore, any remark or writing (including his signature) could be protected by copyright;
- **Defamation** – if a person's image is used without consent in connection with products that are sensitive or controversial (or become so when associated with that person) then that person may have an action in defamation for any damage that that connection caused to the person's reputation; and
- **Privacy** – under the Human Rights Act 1998 (UK), every person has the right to respect for his or her private and family life, home and correspondence.

### Passing Off and Personality Rights

One further area of law that might be of use is that of personality ownership. In the UK (unlike the US and parts of Europe), we do not have legislation that protects "personality rights" but the courts have been asked to consider the matter in the context of passing off a number of times in recent years. The courts have looked at both the issues of **false merchandising** (the exploitation of themes, images or articles which have become famous) and **false endorsement** (the use of an image or likeness in such a way as to imply that the person whose image or likeness is used approves of the product or service and is happy to be associated with it) in the arena of personality rights. It is the second concept that has been of most assistance to famous people.

The courts consider that greater damage is likely to have been done to a personalities "brand" in the case of false endorsement, than false merchandising. Cases have been brought by the likes of the Spice Girls (*Halliwel and Others v Panini and Others* (6 June 1997, *Unreported*) and Arsenal Football Club (*Arsenal Football Club plc v Reed* [2003] *EWCA Civ 96*) attempting to prevent "unofficial" merchandising but in both cases the courts held that there was no confusion in the minds of the public, the public are fully aware of the unofficial nature of the merchandise being purchased, and the public does not believe that the personalities in question either endorse or have approved the merchandise. Without any public confusion, the court held that there was no passing off even though the names, pictures and packaging used by the traders in question were similar to that of the official merchandise.

**continued on page 2**

### Brands

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

### Education

**Co Chair: Chris Goodman**  
Eric Potter Clarkson  
Park View House  
58 The Rope Walk  
Nottingham NG1 5DD  
Email: cgoodman@eric-potter.com  
**Co Chair: Ian Hartwell**  
i.p.hartwell@ip-max.com

### EU/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**  
Email: cdb@talk21.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**  
Intellectual Asset Consulting  
Folliotts, River Road, Taplow  
Bucks SL6 0BG  
Tel: +44 (0) 7818 014371  
Fax: +44 (0) 1628 773117  
Email: martin.c.sandford@btinternet.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  
Email: hayley.french@twobirds.com

# Third Party Beneficiaries

## Introduction

A Third Party cannot benefit under an English law contract. This can have important ramifications, particularly in a contract where a significant sum of money is being financed by a finance house. Consider, for example, a contract to purchase an IT system. The company purchasing a large IT system may negotiate with the supplier of the system. Ultimately, however, the purchaser may procure the system from a finance company. The finance company itself buys the IT system from the IT company and sells it on to the purchaser. If the system does not work properly, the purchaser is left with a claim against the finance company rather than a claim directly against the system supplier. In practice, it is relatively easy for the finance company to reduce or limit its liability by effective limitations of liability compared with the situation where the purchaser is procuring a system directly from a supplier. Indeed this is as it should be, since the finance company is likely to be a specialist finance company rather than a specialist IT company!

Sometimes, contracts of this sort between a purchaser and a finance company allow the purchaser to "step into the shoes of" the finance company in the relationship between the finance company and the IT supplier. However, this so called "solution" carries with it a host of legal difficulties. One way to overcome this issue today is to use the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties" Act). This is explained further below.

## Contracts (rights of third parties) act 1999 - An Overview

There are two rights under the Act, the right to benefit and the right to prevent variation.

### Right to Benefit

The Act provides that any individual who can show that he is an intended beneficiary of the contract can sue under the contract. The beneficiary can either be named expressly, named as part of a class or implied. In many IT contracts, there will be such a class of beneficiaries. Consider, for example, a contract to supply an IT system to a building society or similar financial institution. The IT system might be designed to undertake financial transactions such as the maintenance of pass books and other accounts for the members of the building society or other financial institution. Such an IT system can be said to benefit not only society but also the members. Clearly, if the accounting transaction is not undertaken correctly, the members would suffer as well as the building society or other financial institution. They are arguably "beneficiaries" under such a contract.

A beneficiary, in those circumstances, can sue the IT supplier directly for a breach of contract. The IT supplier does not have greater liability than under the original contract. However, he does have a greater practical liability, since the IT supplier can in these circumstances be sued not just by the IT purchaser but also by any of the beneficiaries. Neither the IT supplier nor the IT purchaser would wish this in practice. It is therefore important that both the IT supplier and the IT purchaser remember to exclude the Act in such a contract. It is always permissible to exclude the Act, with the exception of certain contracts of employment where the Act cannot be excluded where it would otherwise benefit the employee.

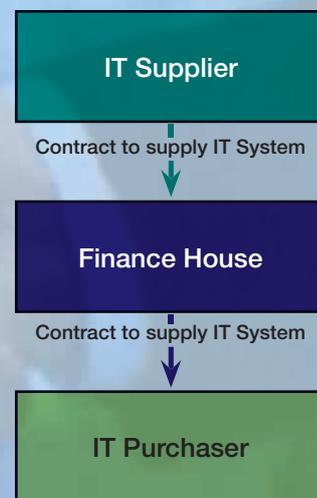
### Right to Prevent Variations

However the right to benefit is not the only right under the legislation. Indeed, it is not the most important. Even more severe in its consequence is the right to prevent a variation. This right is exactly what it sounds like. The beneficiary under the contract may prevent any variation of the contract. This is the case even if the variation does not directly affect that beneficiary and the clause that is being varied has no connection with the beneficiary.

Take as an example the same IT supply contract referred to above. Supposing the specification of the system is changed. This is a variation. If the Contracts (Rights of Third Parties) Act 1999 has not been excluded, the beneficiary can prevent that revised specification being agreed! The only way around this predicament, should it arise, is for the IT supplier and the IT purchaser to go to court to ask the court to overrule the objection raised by the beneficiary. Although this procedure is permitted under the legislation, there is a considerable cost and a substantial nuisance factor associated with it.

## Advantages of the Act in IT Contracts

As has already been noted above, it is sometimes the case that an IT purchaser will wish to obtain a benefit from the contract in which the IT system is being supplied through an intermediary. Take the following situation:



In these circumstances, the IT purchaser may wish to ensure that he can sue the IT supplier directly should the system not work in the manner envisaged. In this case, he can ensure that the warranties he is seeking are contained in the contract between the IT supplier and the finance house. The contract between the finance house and the IT supplier can then exclude the Act with the proviso that it allows the IT purchaser to have the right of benefit and possibly also the right to prevent a variation under the Act. The IT purchaser can ensure this is the case by including appropriate wording in his contract with the finance house.

This will then enable the IT purchaser directly to sue the IT supplier should the supply fail. From the supplier's perspective, it does not materially increase the risk which he has from the contract. As with all requests of this sort, if the IT purchaser wishes to ensure that he obtains this "solution" he will need to raise the matter at the earliest possible stage in the procurement process - when he still has significant bargaining power to ensure that the IT supplier agrees to the request.

## Conclusion

The Act bestows benefits on third parties. In the great majority of cases, neither party will wish this to be the case. Therefore, as a general rule, businesses are well advised expressly to exclude the operation of the Act.

**Dai Davis, Consultant, Nabarro Nathanson,**  
1 South Quay, Victoria Quays, Sheffield, S2 5SY, Tel: 0114 279 4066, Mobile:  
07785 771 721, Fax: 0114 278 6123, E-mail: [daidavis@iee.org](mailto:daidavis@iee.org)

## U.S. Supreme Court eBay case could alter landscape for Patent Injunctive Relief

On November 28, 2005, the United States Supreme Court agreed to hear arguments in *eBay, Inc. v. MercExchange L.L.C.*<sup>1</sup> eBay, Inc. is appealing the United States Court of Appeals for the Federal Circuit's (the "Federal Circuit's") determination that patentee MercExchange had been presumptively entitled to a permanent injunction upon a finding at trial that eBay infringed MercExchange's allegedly-broad auction-related business method patents.

### The Legal Framework

Section 283 of the Patent Act gives courts the power to grant injunctions to prevent patent infringement. Normally, a court considers four factors when deciding whether to issue an injunction: (1) the threat of irreparable harm to the plaintiff; (2) whether the plaintiff can be adequately compensated with monetary damages; (3) whether the injunction is in the public interest; and (4) the balance of the hardships to the plaintiff and defendant.

In U.S. patent cases, however, permanent injunctions have customarily issued routinely upon a jury verdict or other judicial finding of infringement, thereby greatly raising the stakes involved in patent litigation. "Patent trolls" (companies that acquire patents but do not practice the inventions allegedly embodied therein) may be particularly likely to place heavy reliance of the routine availability of potentially-onerous injunctions for proven infringement in urging their targets to settle before or during infringement litigation.

### The eBay Case

MercExchange had accused eBay of infringing three of its patents (the "Patents") ostensibly covering methods for buying and selling goods online. In particular, MercExchange alleged that eBay's fixed-price "Buy-it-Now" feature infringed the Patents. At trial, MercExchange won a jury verdict of \$10.5 million in damages. The district court, however, refused to issue an immediate injunction against eBay -- a very unusual outcome in a U.S. patent case following a district court determination of infringement. In denying the injunction, the district court relied heavily on MercExchange's failure to commercialize its claimed inventions. The court further seemed sympathetic to the general concern regarding the legitimacy or validity of many business method patents. MercExchange appealed to the Federal Circuit, which reversed the district court's denial of injunction in view of longstanding case-law providing for injunctions in essentially all patent cases upon a finding of infringement. eBay then petitioned the Supreme Court for review of the Federal Circuit decision by writ of *certiorari*.

In its petition for Supreme Court review, eBay presented the question: "[w]hether the Federal Circuit erred in setting forth a general rule in patent cases that a district court must, absent exceptional circumstances, issue a permanent injunction after a finding of infringement." eBay argued that "[a] permanent injunction in the context of patent law is a potent remedy. The enjoined defendant is faced with tough choices: redesign its product or the product's functionality to eliminate reliance on the patent, negotiate a license on possibly onerous terms, or cease production or use altogether." eBay cited the existing patent injunction statute, which provides that courts "*may* grant injunctions in accordance with the principles of equity," (emphasis supplied) and claimed that "[t]he Federal Circuit has decided to ignore this rule" by treating issuance of an injunction as mandatory rather than permissive and discretionary to the trial court. In its opposition to *certiorari*, MercExchange argued the law makes no distinction between those who practice or commercialize their

patented inventions and those who do not. Further, MercExchange submitted, the protection afforded by potential injunctions allows small entities to attract development capital and thereby enter the market. Injunctions, according to MercExchange's arguments, therefore actually promote innovation and increase competition.

The Supreme Court granted *certiorari* and expanded the Question Presented to one even broader than that framed by eBay: "In addition to the Question presented by the petition, the parties are directed to brief and argue the following: 'Whether this Court should reconsider its precedents . . . on when it is appropriate to grant an injunction against a patent infringer.'" Thus, the Court's agreement to consider the eBay case creates considerable uncertainty as to whether injunctions will continue to be granted routinely in all cases in which infringement is found, or whether the Court will limit availability of injunctions to some particular subset of cases in which a judge or jury finds infringement at trial.

### Implications For Patentees And Defendants

The timing of the Supreme Court's grant of *certiorari* is particularly interesting in view of recent activity in Congress. In April of last year, the U.S. House of Representatives Subcommittee on Courts, the Internet, and Intellectual Property held a hearing on what was then heralded as a major patent reform Bill (H.R. 2795). As introduced, the Bill included a provision that would have required courts to consider the fairness of injunctions in light of all of the facts and the relevant interests of the parties, rather than automatically granting them every time infringement was found. Accordingly, an injunction could be denied, or stayed pending appeal, upon an affirmative showing that such denial or stay would not result in irreparable harm to the patent owner.

The intended effect of the proposed revision was to diminish the threat of immediate permanent injunction in cases brought by patent holding companies or other patentees potentially having modest or no equities on their side. Additionally, the provision would have allowed a defendant possibly to exhaust its appeals before its business was substantially injured by a possibly-unmerited injunction. However, this proposed provision was dropped in subsequent revisions of the Bill in the face of political pressures.

eBay's petition for *Supreme Court review* (which was supported by a number of *amicus curiae* briefs from prominent technology-industry organizations) has now challenged the longstanding case-law upholding routine injunctions in patent cases. Given that the pending patent reform legislation initially tried to revisit these issues (but that the drafters quickly backed down in the face of virulent opposition), the eBay case could be an important one to watch not only for those confronting so-called patent trolls, but for all patentees and defendants, as any significant change to the availability of injunctions would substantially change the balance of leverage and bargaining power of trolls and legitimate patentees, on the one hand, and their adversaries, on the other.

The Supreme Court will likely hear arguments in the *eBay* case in March or April of 2006, with a decision expected some time before the end of June.

Jeffrey D. Sullivan, Baker Botts, L.L.P.

jeffrey.sullivan@bakerbotts.com

Edward Tempesta, Baker Botts, L.L.P.

edward.tempesta@bakerbotts.com

# News from the Regions

## LES Irish Section

The Irish Committee ended up a busy 2005 with 2 events in December.

On Thursday the 8th, we had our Christmas drinks at the Gallery of Photography in Temple Bar Square in Central Dublin and as usual this was well attended.

Our speaker was the very engaging **Hugh Hannigan** of McAleese and Company Solicitors, who spoke on the legal issues facing photographers. Hugh's talk was extremely well received, particularly the part dealing with image rights, in which Hugh discussed the most recent case-law. Guests were also free to enjoy the current exhibition in the Gallery entitled "Nazar" which includes various recent works from the Arab world.

The next morning, the Second-Friday lecture series run with Forfas continued. This time the speaker was **Dr. Jorg Machek** of the EPO. Dr Machek's excellent lecture focussed on the Examination of Computer-Implemented Inventions (CIIs) at the EPO and provided useful insights for both inventors, and IP practitioners. As is the case with all of the lectures in this series, the slides, and an audio recording of the lecture itself, can be access at [www.forfas.ie/events](http://www.forfas.ie/events).

Many thanks to both Hugh Hannigan and Dr Machek for giving so generously of their time at such a busy time of year.

**For information on forthcoming LES events please contact Jeanne Kelly, Mason Hayes+Curran, Email: [jkelly@mhc.ie](mailto:jkelly@mhc.ie)**

## LES Scotland Region

### Intellectual Approach to Breaking China

The LES (Scottish Branch) hosted their autumn event "Breaking China" at Glasgow's Milton hotel on 8 November 2005. Speakers included **Dominic Munro** of the Scottish Executive, **Simon Rodnell** of the China-Britain Business Council, and **Ben Goodger** of Rouse & Co, each of whom offered an insight into what is quickly becoming one the most exciting and fastest growing economies.

Over 30 LES representatives of the licensing and general Scottish business community attended the event, chaired by **Dr Caroline Sincok**. Topics on the agenda included China's economic history and future, prospects and risks, the Scottish Executive's delivery plan in terms of engaging with the nation and for investment, and the general legal situation in terms of intellectual property, enforcement and litigation.

Ben Goodger offered an overview of his direct experience of working in China in terms of the management of IP and highlighted some of the common misconceptions organisations make when moving into the Chinese market place.

## LES North East Region

### 'Spinning Out Intellectual Property Assets - the Experience at University College, London'

is the title of our next meeting in the North East Region, which will take place on Wednesday 8th March 2006 at Walker Morris, Kings Court, 12 King Street, Leeds LS1 2HL. The speaker **Dr Anne Lane** is Executive Director of UCL Biomedica plc.

UCL BioMedica has been created by the merger of two highly successful technology transfer offices, UCL Ventures and Freemedic PLC, to commercialise the scientifically and commercial valuable technologies arising from UCL and the Royal Free Campus of UCL. UCL BioMedica and its predecessors have returned over £30m to UCL and have access to substantial investment and seed funds.

Dr Anne Lane has a PhD in Applied Biochemistry (UCL), post-doctoral research experience at the BHF and Harvard Medical School and an MBA from Concordia University, Montreal. She has worked in technology transfer/out licensing of IP for RTP Pharma Inc., Montreal and UCL Ventures/UCL Biomedica. Anne will tell us about the experiences UCL has had in spinning out its technology.

Solicitors please note: 1 hour CPD - Law Society CPD reference CBL/LESO. **Please contact Deborah Parsons for further information Tel: 0113 383 8469 Email: [deborahparsons@foxhayes.co.uk](mailto:deborahparsons@foxhayes.co.uk)**

## LES West Midlands Region

We held our Christmas meal and meeting on the 5th December 2005. The event was particularly well attended and our speaker, Ian Harvey, Chairman of the IP Institute, gave a stimulating talk on the opportunities and threats presented by the continued growth of China as an economic force. The venue was the newly opened Opus restaurant in Birmingham, which provided excellent food and service.

The regional committee are presently organising a series of further events to be held throughout the coming year and hope to be in a position to announce details of the next meeting very shortly.

We would welcome suggestions from LES members for possible future events. We would also be more than happy to hear from any LES members in the West Midlands who are interested in joining the regional committee. If you have any suggestions or offers of help, or if you simply want further information on upcoming events, please contact **Simon Church: [simon.church@wilsongunn.com](mailto:simon.church@wilsongunn.com)**

As Ben commented; *"It is a commonly held and naive misconception that no IP laws exist in China. The country is by contrast well ahead of the rest of the world when it comes to managing their intellectual assets. It is absolutely essential when considering investing in China that organisations properly research the opportunities, assess the risk, use good contracts when you hit the ground and ensure that any problems are highlighted early and dealt with swiftly."*

The audience learned that China is an increasingly important area in the field of intellectual assets given the amount of economic expansion and inward investment the country is now experiencing. Although many of the audience work, primarily, with organisations in Scotland there was a clear need by all to monitor developments on a global scale and be aware of the repercussions even for local markets. A wide-ranging discussion continued into the bar until late in the evening!

### POST CARD FROM SCOTLAND

Dear LES Members  
A very Happy New Year from LES Scottish Branch!  
Several noteworthy events are set for 2006 in Scotland. We start the year with our traditional Burns Supper With a Difference on Tuesday 7th February in Edinburgh. Stephen Powell, LES Britain and Ireland President will be in attendance and we look forward to welcoming other members and guests from throughout the UK and Ireland to this fun but informative event!  
We are also looking forward to meeting you at the LES Pan-European Conference from 21st to 23rd June 2006 in Glasgow - expert speakers and interactive workshops combined with excellent networking opportunities and social events. This promises to be an event not to be missed!  
So put the dates in your diary and allow us to welcome you to Scotland during 2006!  
Best regards  
Cathy Rooney, Secretary, LES (Scottish Branch)

## Judicial appointment marks growth of Scottish IP law

The recent appointment of a third specialist intellectual property (IP) judge to the Court of Session confirms the growing importance of this area of law to Scottish technology businesses. As members will know, while these IP assets are often intangible, their commercial worth underpins many modern businesses and has resulted in ever-increasing value being placed on ideas and innovations. Protecting them from theft or other abuse which diminishes their worth, is becoming a thriving industry in its own right.

There can be no doubt that awareness of IP issues among Scottish businesses has increased dramatically in recent years, driving the volume of such cases passing through the courts. However, another factor may be the growing recognition that selecting the Scottish courts to deal with an IP dispute can, in many circumstances, be advantageous. For example, an interim injunction – or interim interdict, as it is known here – is a court order requiring the immediate cessation of an allegedly infringing activity. In some circumstances, it is possible in Scotland to obtain interim interdict orders in the absence of the wrongdoer and with no prior notice to them.

If obtained successfully, interim interdicts – like their English equivalent – are a very strong deterrent against infringement, stopping the infringer in their tracks at the very outset of the case. They are also a highly effective negotiating tool, often leading to swift resolution which avoids protracted and costly litigation. An IP owner with an interim interdict is in a much stronger position to strike a long-term beneficial deal in circumstances where the other parties have little or no incentive to come to the table.

Further factors attracting IP owners to the Scottish justice system include: comparatively low costs; the application, by specialist IP judges, of rules of procedure designed to

## LES e-Forum – an outstanding opportunity to connect with other members!

A new e-Forum has been set up, available to all members of LES Britain & Ireland. The purpose of the forum is to enable members to exchange news, views, questions, comments and contacts in a rapid, easy-access environment. All you need to do to join the e-Forum is send an email to LES2005-subscribe@yahoogroups.co.uk, or to send an email to martin.c.sandford@btinternet.com, who will then send you an invitation to join.

Once you have joined, you will be able to send a message to all other subscribers simply by sending an email to LES2005@yahoogroups.co.uk. In the unlikely event that you ever wish to unsubscribe from such a vital source of information and assistance, the address will be LES2005-unsubscribe@yahoogroups.co.uk. The moderator for the e-Forum is Martin Sandford who will 'approve' membership of the e-Forum on an individual basis and will, if necessary, impose discipline. So, can you afford not to be part of this movement? Join today!

## Calling all Consultants!

There is a separate e-Forum for all consultants within LES International. The address to subscribe is LESI-Consultants@yahoogroups.co.uk.

**Martin Sandford, Vice President, LES B&I**

encourage effective management of IP cases; and the tendency for cases heard here to generate relatively less publicity.

These benefits are not exclusively available to businesses operating out of Scotland. Although the Scottish legal system is separate within the UK, our courts can deal effectively with disputes involving UK-wide registered intellectual property. They can also handle European community-wide rights, such as Community Trade Marks, Community Registered Designs and European patents. Under certain circumstances, it may not even be necessary for the claimant or the defending party to be based here, provided there is a sufficient connection with Scotland; for example, where an alleged act of IP infringement has taken place in Scotland, or if the validity of a registered IP right is at issue. The case can then be heard by a Scottish court.

Increased demand for specialist advice has been met by a steady growth in the body of practitioners accredited by The Law Society of Scotland as specialists in IP law. In addition, there is an increasing focus on IP within the Scottish bar, with a number of specialist IP counsel accumulating substantial expertise.

The Scottish IP judges have, to date, an excellent track record for delivering commercially-focused, practical decisions which recognise the importance of protecting the integrity of IP rights. These judges are not afraid to follow or differ from their UK or European counterparts, where appropriate, and have demonstrated vital flexibility on this increasingly complex area of law. The appointment of a third specialist IP judge is a very welcome development and should both ease the delays caused by sheer number of cases and increase expertise as the number of IP cases in the Scottish courts continues to grow.

**Gill Grassie,  
Maclay Murray & Spens.**

## COMPANY NEWS NetsPat and IP Pragmatics

NetsPat Limited is pleased to announce that the company has signed an agreement with IP Pragmatics Limited whereby IP Pragmatics become shareholders in the NetsPat business and Adam Wylie, already a director of IP Pragmatics, becomes Sales and Marketing Director of NetsPat.

IP Pragmatics works with universities, government research institutes and life science companies of all sizes providing business development and IP support services. They can assist in all aspects of early stage technology transfer and IP commercialisation. (see: [www.ip-pragmatics.com](http://www.ip-pragmatics.com))

NetsPat works with companies and other organisations across the entire technological spectrum to provide a secure online solution for the effective management of patent assets, including the construction of cost projections and budgets. (see: [www.netspat.com](http://www.netspat.com))

Dr Win Eyles, Managing Director of NetsPat comments: *"This is a great step forward for NetsPat. The practical skills that IP Pragmatics bring to us will significantly help us to enhance the existing service."*

**New contact details:**

**NetsPat Ltd., The London Bioscience Innovation Centre, 2 Royal College St., London NW1 0NH  
Email: [info@netspat.com](mailto:info@netspat.com)**



## LES International Officers 2005-2006

### President:

**Peter Chrocziel**  
LES Germany

### President Elect:

**Ron Grudziecki**  
LES USA/Canada

### Past President:

**Willy Manfroy**  
LES USA/Canada

### Vice President:

**Alan Lewis**  
LES South Africa

### Vice President:

**Chikao Fukuda**  
LES Japan

### Vice President:

**Ernesto Cavalier**  
LES Andean Communities

### Treasurer:

**Pat O'Reilly**  
LES USA/Canada

### Secretary:

**Adam Liberman**  
LES Australia and New Zealand

## LESI Meeting Munich 2005

There is an excellent selection of photographs from the Munich meeting on the conference website:

**[www.LESI-2005.de](http://www.LESI-2005.de)**



# Events Diary 2006-2007

## 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: Simon Church  
c/o Wilson Gunn  
Charles House, 148/9 Great Charles St.,  
Birmingham B3 3HT  
Fax: +44 (0) 121 236 1038  
Email: simon.church@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 <http://www.les-bi.org/>) and the officers of national societies for overseas events (see LES directory or the LESI website <http://www.lesi.org/>)

### 7 February 2006 LES Scottish

**Branch Burns Supper**  
Royal Society, 22-26 George St.,  
Edinburgh. 6pm to 10pm  
**'A Toast to John Barleycorn and his Brand'**  
**Stephen Powell**, President Les  
Britain and Ireland will open the  
event with the Selkirk Grace  
Speakers: **Ian Bankier** Chairman  
Glenkeir Whiskies Ltd  
**Ian Macleod** Distillers Ltd.  
Interactive.  
The session will be led by Murgitroyds  
**For further details please contact**  
**Cathy Rooney**  
**cathy.rooney@SNBTS.csa.scot.nhs.uk**

### 8 March 2006 LES North East Region

Walker Morris, Kings Court,  
12 King Street, Leeds LS1 2HL.  
6.00pm to 8.00pm  
**'Spinning Out Intellectual Property**  
**Assets – the Experience at University**  
**College, London'**

### 9 February 2006 LES B&I

**Half-Day Morning Meeting and Annual Lunch** The Savoy, London

#### "Patents as Business Assets – A Practical Guide"

Most inventors know how to obtain a patent. Many however, do not know what to do with them once they have them. The object of this meeting will be to give the audience a practical guide on how to use patent rights to start and run a business. The speakers will explain how they have done this in their own organisations, giving practical examples of the lessons they have learned along the way. It will be pitched at those with limited experience in this area.

Lunchtime Speaker: **John Sutherland**, the Lord Northcliffe, Professor of Modern English Literature at UCL.

**"The Internet: New Horizons of Learning or The Crook's Charter"**

For further details contact **Sheena Hunter** Email: [les@glasconf.demon.co.uk](mailto:les@glasconf.demon.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 **newsxchange™**. Her address is:

LES Administrative Office, Northern Networking Ltd  
1 Tennant Avenue, College Milton South, East Kilbride  
Glasgow G74 5NA

Please also remember to change your contact details in the Membership Directory on the LESI website. As a service to our members the editor will print any change of company and location in **newsxchange™**. Please contact **Mary Elson**, [elson.mary@btinternet.com](mailto:elson.mary@btinternet.com)

## 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](mailto:les@glasconf.demon.co.uk)

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

**Speaker: Dr Anne Lane**, Executive Director, UCL BioMedica plc  
For further details please contact:  
**Deborah Parsons**  
[deborahparsons@foxbayes.co.uk](mailto:deborahparsons@foxbayes.co.uk)

### 21 March 2006 LES Benelux

Brussels, Belgium  
All-day Topic Meeting on  
**"Patenting Standards, Technology Pooling and other IP sharing strategies and corresponding licensing systems"**  
For further information contact:  
[info@benelux.les-europe.org](mailto:info@benelux.les-europe.org)

### 22 March 2006 LES London Area

University Women's Club, 2 Audley Square, London W1K 1DB  
**"The Role of the IPI, Current Projects and the Future"**  
Speaker: Paul Leonard, Chief Executive of The Intellectual Property Institute. For further details contact  
**Sheena Hunter**  
Email: [les@glasconf.demon.co.uk](mailto:les@glasconf.demon.co.uk)

## Welcome!

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

**Mrs Fiona Boswell**, Solicitor, Freeth, Cartwright; **Mr Nicholas Briggs**, Putsmans; **Mr Derek Brown**, Solicitor, Heriot-Watt University; **Mr Jason Burwell**, European Patent Attorney, Angle Technology Ltd; **Dr Gerry Kamstra**, Solicitor, Bird & Bird; **Mr Philipp Lukas**, TMO Biotech Ltd.; **Mr Peter Nunn**, Solicitor, Bird & Bird; **Mr Terry Parlett**, Guy's & St Thomas's NHS Foundation Trust; **Mr Sean Smith**, CIBA Specialty Chemicals; **Mr Lance Terry**, Solicitor, Tanner & Taylor; **Mr Jan Wiejak**.



## "Innovations in the Licensing World"

### Pan-European Conference

Radisson SAS Hotel, Glasgow  
21-23 June 2006

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

## newsxchange™

**Editor: Mary Elson**  
Tel: +44 (0) 1978 710475  
Email: [elson.mary@btinternet.com](mailto: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](http://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](mailto:les@glasconf.demon.co.uk)

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

