

Intellectual Property Bill

House of Lords Second Reading – Wednesday 22 May 2013

The Law Society of England and Wales is the independent professional body, established for solicitors in 1825, that works globally to support and represent its 166,000 members, promoting the highest professional standards and the rule of law.

KEY POINTS

This briefing is the work of the Law Society's Working Party on Intellectual Property. The Working Party is made up of experienced Intellectual Property practitioners and includes a number of the leading individuals drawn from the English & Welsh solicitors' profession. The remit of the Working Party is to monitor developments in Intellectual Property and to formulate the Society's stance on those developments.

In general we support the introduction of the Intellectual Property Bill. Specifically we:

- Support an amended definition of 'design' under UK law: this concept should be refined in the Bill.
- Support the proposed amendments to the Copyright, Designs and Patents Act 1988 in relation to the ownership of designs.
- Are in favour of criminal penalties for deliberate copying of UK registered designs. Adequate resources must be provided to support this.
- Welcome the cost saving implications of the Bill including allowing the UK to join the Hague system.
- Welcome the introduction of a duty on the part of the Secretary of State to report on the economic contribution made to the UK economy by the Patent Office and also to assess the economic effect of intellectual property legislation in the UK.

PART 1: PATENTS

1. The proposed changes in relation to patents propose some routine changes such as those referred to in the schedule and we support these in principle but would welcome more information on the impact that these changes will have.
2. The proposals in relation to the Opinions Service (clause 15) and the Unified Patent Court (clause 16) suggest significant changes the impact of these needs to careful consideration.

PART 2: DESIGN

Unregistered design right

3. Whilst we are largely in favour of the proposal to amend the definition of "design" under UK law to bring it into closer harmony with the European definition, the overriding purpose of this amendment is to tackle the perception that potential claimants are able to adopt an overly-broad interpretation of the current legislation. It is not clear that the proposed amendments are sufficient

to prevent such "cropping" in the future. Although the proposal will change the substantive law, it will still allow a discrepancy between UK and EU law to remain.

4. We support the proposed amendments to the Copyright, Designs and Patents Act 1988 in relation to the ownership of designs created pursuant to a commission. By ensuring that commissioned designs are owned by the designer and not the commissioner, these amendments will remove the concept of the commissioner from UK law and will bring ownership of unregistered designs in line with existing UK copyright and European design law, as well as the expectations of the business community. The Law Society is keen to assist in further publicising these changes among the business and design communities.
5. We support the amendment to the definition of "original" to be "commonplace in a qualifying country".
6. We are concerned that the amendment to the qualification criteria in clause 3 of the Bill is too broad. The current draft of the proposal requires no nexus between the qualifying country and the place where the design is created. As such, it would provide a company in a foreign country with UK unregistered design rights for designs created in that foreign country even if the design process itself has no connection with the UK. All that is required under current proposals is that the foreign company has a place of business in the UK at which substantial business activity is carried on.
7. This places UK business at a competitive disadvantage, particularly where the country in which the foreign company is located offers no reciprocal rights to a UK company in a similar position. It does not appear that the Government intended to amend the law in this way, and that therefore all that is required is a narrower definition of a "qualifying person". We would welcome the opportunity to comment on further drafts of this clause once this issue has been addressed.

Registered designs

8. We are in favour of the introduction of criminal penalties for deliberate copying of UK registered designs, to the extent to which these changes bring design law in line with the protection given to Trade Marks (against counterfeiting) and Copyright (against piracy).
9. The change will be particularly useful for small and medium sized businesses, which have often cited the expense of bringing a civil action as the reason for not pursuing design infringements in the courts. However, provisions need to be considered to make sure that the criminal justice system has the resources and information necessary to decide cases based on these criminal provisions.
10. We support the proposals for a designs opinion service, which will allow the public (including design owners) to request an opinion from the Intellectual Property Office detailing the validity of a UK registered design, or giving an opinion on the possible infringement of that design. This may have cost saving implications in appropriate cases by potentially preventing claims with only a very small likelihood of success from ever being launched or encouraging settlement. We are keen to assist in further publicising changes such as the introduction of the designs opinion service among the business and design communities as needed.
11. The proposal to allow the UK to join the Hague system has cost saving implications, which will limit the costs for businesses of registering designs across a number of countries.

12. We are in favour of the changes to the Registered Designs Act 1949 in relation to ownership of registered designs, which removes the provision for the commissioner of a design being the original proprietor. This brings consistency with copyright and wider design laws, making the ownership position easier for the business community to understand across different IP rights.
13. We also support the introduction of the right of prior use exemption, which brings registered design law in line with patent law in this respect.

PART 3: MISCELLANEOUS

14. We support the proposed addition to the Freedom of Information Act 2000 to provide a regime for those engaged in research programs to be able to analyse the results of that research and to secure any relevant patent protection prior to any requirement to disclose such information under the provisions of the Act. The proposed exemption is plainly intended, at least in part, to support those engaged in research and development and which approach should be encouraged.
15. We support the proposal to impose a duty to report on the part of the Secretary of State for IP on the economic contribution made to the UK economy by the Patent Office and also to assess the economic effect of intellectual property legislation in the UK. Intellectual property rights, whether registered or unregistered are a cornerstone of any progressive and innovative economy and should not be regarded as something which exists in isolation from the economy or is of academic interest only. Regular reporting of the type envisaged will allow Parliament and others to be able to form some assessment of the effectiveness of its measures in the intellectual property field.
16. We support the proposed changes and amendments to the Copyright Designs and Patents Act 1998 concerning the extension of the qualifying provisions for certain categories of copyright work to the European Economic Area and elsewhere. This approach is consistent with the efforts to promote a coherent and consistent approach to the treatment of and dealings in intellectual property rights in the EEA which will further support the UK's role as a leader in innovation and creative endeavour in the EEA as well as elsewhere.

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