

## The British Patents Act of 1977

For over a quarter of a century the law relating to patent protection in the United Kingdom was laid down by the Patents Act, 1949 (the "1949 Act").<sup>1</sup> On June 1, 1978 a new law, the Patents Act, 1977 (the "1977 Act"),<sup>2</sup> came into force making a number of changes both in substantive patent law and in matters of procedure. The date is also significant in other respects; it marks the commencement of the European patent system<sup>3</sup> and also the coming into effect of the Patent Cooperation Treaty.<sup>4</sup>

This article deals with the worldwide background of patent laws against which the new British Patents Act must be reviewed and then, briefly, with the history of the Act and the main changes it introduced. It also deals in more detail with the changes as they affect the applicant and the application, the patent when granted, the courts and administrative machinery, the coming into force of various international conventions and treaties, and the transitional provisions needed in the period until the 1977 Act becomes fully effective. These provisions are important because the life of a patent under the 1977 Act will be twenty years, during which there will be patents in force granted under the 1949 Act but renewed, enforced and licensed under the 1977 Act. By the time the transitional provisions cease to be effective many of us will be long retired.

### I. Background

The period between the 1949 Act and the 1977 Act has been one of great activity in the industrial property field, marked by a series of international conventions, and in the last fifteen years or so, by radically new patent laws in many countries, including the Netherlands, Norway, Sweden, Denmark,

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<sup>1</sup>Patents Act, 1949, 12, 13, & 14 Geo. 6, c. 87 [hereinafter cited as Patents Act, 1949].

<sup>2</sup>Patents Act, 1977, c. 37 [hereinafter cited as Patents Act, 1977].

<sup>3</sup>Convention on the Grant of European Patents and Annexing Regulations, *entered into force* Oct. 7, 1977 [hereinafter cited as European Patent Convention], *reprinted in* J. SINNOTT, 2H WORLD PATENT LAW AND PRACTICE at EPC-1 (1979).

<sup>4</sup>Patent Cooperation Treaty, *done* June 19, 1970, 89 Stat. 685, T.I.A.S. No. 8733.

Finland, Germany, France, Japan, and Switzerland. This article will review the new patent developments in each of these countries though not at length.

These changes have been necessitated by a world-wide technological explosion in which technological innovations are being applied to the old handicraft industries, to fields such as farming, wholesale and retail trading, and to home equipment. Such advances are becoming increasingly complex, and are spreading more and more rapidly across national boundaries.

These changes have led to two types of problem for the patent system. First, in those countries where patent applications are examined for novelty and subject matter, the number of applications to be searched, the bulk of search material which must be reviewed in making the search, and the complexity of the issues to be considered have all increased to such an extent that examining patent offices, even twenty years ago, were becoming grossly overloaded and were falling further and further behind with their examination work. Not only did the consequent delay in the issue of patents act to the detriment of the patentee, but it was harmful to industry as a whole, because until a patent had issued industry was not even aware of what it would be prohibited from doing.

The second problem arises because patent systems in the more distant past grew up nationally, with each country paying little regard to the laws of its neighbors. As a result, procedure and substantive law varied from one country to another. The growth of industry and the international exchange of technology in recent years have highlighted these differences. Applicants have found that they were required to furnish different applications with different documents, under different procedures, for each of the countries in which their inventions were to be protected. Each patent office had its own classification system and carried out its own search, which entailed a great duplication of effort. Different countries had different definitions of invention, different requirements as to novelty, and different methods of dealing with secret prior use or unpublished prior patent applications.

These two problems, of reducing the almost unmanageable search burden on the examining patent offices, and of introducing a reasonable measure of uniformity into the patent laws of various countries, have dominated the developments that have taken place in patent law in the last quarter-century.

The first step towards the unification of patent systems was taken in 1953 by the signing of a European Convention on Formalities.<sup>5</sup> This Convention came into force in 1955, and laid down the formal requirements for application documents, specifications, and drawings for the member countries. It was the first step towards a unified European patent system, and when the European Patent Convention came into force the Convention on Formalities was regarded as having been superseded and was then denounced by countries that signed the European Patent Convention.

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<sup>5</sup>European Convention on Formalities, Dec. 11, 1953, 218 U.N.T.S. 27 (entered into force June 1, 1955).

A Convention on the International Classification of Patents<sup>6</sup> became effective at the same time as the Formalities Convention and was later replaced by the Strasbourg Agreement of 1971.<sup>7</sup> This international classification has been updated from time to time, and is used by the International Patent Institute, which, since January 1, 1978, has become the search branch of the European Patent Office.

The next major step towards the unification of patent laws was a Convention<sup>8</sup> signed at Strasbourg in 1963, which dealt with such fundamentals as the definition of a patentable invention, novelty, obviousness, and sufficiency of description. This Convention acted as a model for many subsequent national patent laws, and for the European Patent Convention, although curiously, it never came into force, having been ratified by only one of the original signatories, the Republic of Ireland.

The next major international move was a conference in 1964 in Washington, D.C. on International Cooperation on Information Retrieval between Patent Offices. This conference set up a system in which the examining patent offices would attempt to exchange the results of searching by mechanized information retrieval systems. Progress on the whole was slow, not from any lack of cooperation, but because in practice it was found that mechanized searching systems did not lend themselves very readily to patent searching, except in a few specialized subject fields.

The first system of patent law that marked a radical departure from the traditional systems was introduced in the Netherlands<sup>9</sup> in 1964 (the "1964 Netherlands Act"). The then President of the Netherlands Patent Office, Dr. van Bentham, was involved in the drafting of this law. Later he was largely responsible for the European Patent Convention, and has now been appointed President of the European Patent Office. The Netherlands law may thus be fairly regarded as a rehearsal for the European patent system and also as a model for other systems, such as the German system, which followed it.

The Netherlands law pioneered the concept of deferred examination. The Netherlands Patent Office at the time was heavily in arrears with the examination of patent applications, and it was hoped this law would relieve this problem without lowering the standard of examinations. The change was based on the theory that applicants would file patent applications on promising inventions, but after a year or two it would become apparent that a fairly large proportion of these were not of great commercial interest. Under the

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<sup>6</sup>Convention on the International Classification of Patents, Dec. 19, 1954, 218 U.N.T.S. 51 (entered into force June 1, 1955).

<sup>7</sup>Strasbourg Agreement Concerning the International Patent Classification, Mar. 24, 1971, 26 U.S.T. 1793, T.I.A.S. No. 8140 (entered into force Oct. 7, 1975).

<sup>8</sup>Convention on the Unification of Certain Points of Substantive Law, Nov. 27, 1963 (never entered into force) [hereinafter cited as Unification Convention], reprinted in T. WHITE, J. JEFFS, R. JACOBS, & W. CORNISH, *ENCYCLOPEDIA OF UNITED KINGDOM AND EUROPEAN PATENT LAW* 16003 (1977) [hereinafter cited as T. WHITE].

<sup>9</sup>The Patents Act of Nov. 7, 1910, as amended by Act of Jan. 1, 1964 (the Netherlands).

law as it had previously stood, there was no incentive for an applicant to withdraw his application before search and examination, even though commercial interest in the invention had waned, as the fees paid on filing covered the cost of examination. The 1964 Netherlands Act permitted an applicant to maintain his application unexamined for up to seven years for a very modest maintenance fee. He could request a search, and following that, examination at any time during this period, on payment of substantial further fees. In order to avoid the inconveniences which arise from a large backlog of unpublished applications, every application was published eighteen months after its filing date, or Convention priority date, if that was earlier.

The 1964 Netherlands Act increased the term of a patent to twenty years. As regards the standard of novelty, the Act followed the Strasbourg Convention on Unification<sup>10</sup> in that the requirement of novelty was absolute in the sense that publication or use of the invention before the priority date in any country of the world would invalidate the patent. A very recent amendment has abolished patents of addition,<sup>11</sup> which had been retained by the 1964 Netherlands Act.<sup>12</sup> The system of deferred examination worked well, and the backlog in the Netherlands Patent Office was reduced to manageable proportions.

The next major change in national patent systems took place in the Scandinavian countries. In 1968, Norway, Sweden, Denmark, and Finland agreed to take the first steps towards a common Nordic patent system. The intention was that each of the countries would modify its patent law so that the laws of all four were identical; there would then be introduced an arrangement whereby an application made in any one of the countries would be processed to a granted patent effective in all four. The countries changed their patent law to identical systems effective from January 1, 1968. The term of a patent was seventeen years, and there was no provision for deferred examination, although the law did provide for early publication eighteen months after the priority date. The full Nordic system never came into effect, and the provisions for it were dropped in the most recent revision of the Swedish patent law,<sup>13</sup> in view of Sweden's impending ratification of the European Patent Convention.

The German patent system came into effect in October 1968.<sup>14</sup> Like the 1964 Netherlands Act, it introduced the deferment of search and examination for a period of up to seven years from the date of filing. However, there was a

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<sup>10</sup>Unification Convention, *supra* note 8, art. 4(2), *reprinted in* T. WHITE, *supra* note 8, at 160003.

<sup>11</sup>A Patent of Addition is for an improvement in a product or a process for which a patent had previously been applied for or issued.

<sup>12</sup>The Patents Act of Nov. 7, 1910, *as amended by* Acts of Jan. 1, 1964 and Jan. 1, 1977 (the Netherlands), *reprinted in* J. SINNOTT, 2E WORLD PATENT LAW AND PRACTICE at Netherlands 1 (1979).

<sup>13</sup>Patent Act of 1978 (Sweden), *reprinted in* J. SINNOTT, 2G WORLD PATENT LAW AND PRACTICE at Sweden 1 (1979).

<sup>14</sup>Patent Act of 1968 (Republic of West Germany).

significant difference. Whereas the Netherlands maintenance fee was very small compared with the annual renewal fee on a patent, in Germany the same renewal fee was due each year, irrespective of whether the application was still pending or had been granted. The inducement to defer examination was thus considerably less. In other respects the German law does not follow the Netherlands model so closely. The term of a German patent, for example, is eighteen years.

France introduced a new patent law effective from January 1, 1969.<sup>15</sup> This is closer to the Netherlands model in that the term of a patent is twenty years and absolute novelty is required. Examination is carried out on request accompanied by the payment of a fee, although the period for which it may be deferred is only two years. Provisional publication takes place eighteen months after the Convention priority date.

Japan introduced a patent system effective January 1, 1971, which allows postponement of examination for up to seven years.<sup>16</sup> The term of the patent is fifteen years from post examination publication, with a maximum of twenty years from the date of application. Provisional publication takes place eighteen months after the Convention priority date. A Japanese patent is not invalidated by use outside Japan before its priority date. One interesting feature is that no maintenance fees are payable on pending unexamined applications in Japan, so that an application may be kept pending there for seven years at virtually no additional expense.

The most recent country to revise its patent law is Switzerland. The new Swiss patent law<sup>17</sup> became effective January 1, 1978. It extended the term of a patent to twenty years. For those patents which are subject to novelty examination, a separate request with fee is required. Patents of addition were abolished.

## **II. Outline of the Patents Act 1977**

In 1967 a committee, known from the name of its Chairman as the Banks Committee, was set up to review the British patents system and report on any changes that might be necessary, particularly in view of the need for international collaboration and the intention to ratify the European Patent Convention. Three years later, in 1970, the Committee issued its report<sup>18</sup> but it was another five years before anything was done about it. Then, in April 1975, the Government issued a White Paper<sup>19</sup> setting forth its intentions for framing

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<sup>15</sup>Law on Patents of Invention, Law No. 68-1, Jan. 2, 1968 (France), *reprinted in* J. SINNOTT, 2C *WORLD PATENT LAW AND PRACTICE* at France 1 (1979).

<sup>16</sup>Law No. 91 of 1970 (amending 1966 laws) (Japan), *reprinted in* J. SINNOTT, 20 *WORLD PATENT LAW AND PRACTICE* at Japan 23 (1979).

<sup>17</sup>Patent Act of 1954, *as amended by* Act of Dec. 17, 1976 (Switz.), *reprinted in* J. SINNOTT, 2G *WORLD PATENT LAW AND PRACTICE* at Switzerland 1 (1979).

<sup>18</sup>BANKS COMMITTEE, *FIRST REPORT, THE BRITISH PATENT SYSTEM—REPORT OF THE COMMITTEE TO EXAMINE THE PATENT SYSTEM AND PATENT LAW*, Cmnd. No. 4407 (1970) [hereinafter cited as *BANKS REPORT*].

<sup>19</sup>PATENT LAW REFORM, Cmnd. No.6000 (1975)

new legislation, and at the same time issued a discussion document<sup>20</sup> containing detailed proposals. These were based on the Banks' Report, with a few exceptions. One exception was the Government proposal to compel industry to make awards to employee inventors. Some two years later the Patents Act 1977 passed both Houses of Parliament in a form very similar to that envisaged in the White Paper.<sup>21</sup>

Under the 1977 Act, the term of a patent is twenty years from the date of filing. Novelty must be absolute in accordance with the Strasbourg Convention on Unification<sup>22</sup> (publication or use anywhere in the world before the priority date will invalidate a patent). Early publication<sup>23</sup> of the patent application as filed takes place eighteen months after the priority date, and search and examination require a separate request and a separate fee. In all these respects, the new British law is similar to that in the Netherlands and in France.

The time periods within which the search and examination requests must be filed are not specified in the Act, but are left to be determined by rules<sup>24</sup> which may be made or varied by ministerial action, subject to a right of veto by Parliament. The present rules<sup>25</sup> provide for a request for preliminary examination and search to be filed within a year from the priority date,<sup>26</sup> and the request for full examination within six months from the early publication of the application.<sup>27</sup> There is an overall time limit of three years and six months from the priority date within which the application must be made in order for grant.<sup>28</sup> The net effect of these time limits is that no substantial delay will be possible in requesting examination, and the case must be settled within the same overall time as under the 1949 Act. The British system, therefore, has not in fact introduced delayed examination but it could do so easily by an alteration of the rules, if this were thought to be desirable.

Some familiar features of the old system have disappeared. Pre-grant opposition<sup>29</sup> no longer exists, although revocation proceedings before the Comptroller of the Patent Office will be possible throughout the life of the patent.<sup>30</sup> There will no longer be Patents of Addition,<sup>31</sup> nor will there be a formal Letters Patent document.<sup>32</sup>

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<sup>20</sup>PATENT LAW REFORM—A CONSULTATIVE DOCUMENT, Her Majesty's Stationery Office, London.

<sup>21</sup>BANKS REPORT, *supra* note 18.

<sup>22</sup>Unification Convention, *supra* note 8.

<sup>23</sup>See § 16 of the Patents Act, 1977.

<sup>24</sup>Patents Act, 1977, §§ 123, 124.

<sup>25</sup>STAT. INST. 1978/No. 216.

<sup>26</sup>*Id.* rule 25 (a).

<sup>27</sup>*Id.* rule 33.

<sup>28</sup>*Id.* rule 34.

<sup>29</sup>Patents Act, 1949, § 14.

<sup>30</sup>Patents Act, 1977, § 72.

<sup>31</sup>Patents Act, 1949, § 26.

<sup>32</sup>*Id.* § 19. Compare with Patents Act, 1977, § 24.

One valuable feature of the old system is retained, however, although under another name. In the past it was possible to file a patent application very cheaply, accompanied by Provisional Specification.<sup>33</sup> This would secure a priority date for the invention. An inventor of limited means then had a year during which he might be able to find a commercial backer interested in working the invention who would be prepared to undertake the expense of proceeding with the patent application and possibly also of filing corresponding applications in overseas countries. Although Provisional Specifications are not mentioned in the 1977 Act, this facility is in effect preserved by the fact that an application not claiming Convention priority can be filed without claims<sup>34</sup> for a relatively small fee and can either be completed within the year by the filing of claims<sup>35</sup> or serve as a basis for priority for a further application filed within a year.<sup>36</sup>

While changes introduced by the 1977 Act will be mentioned more fully, there is one radical change introduced by the 1977 Act which needs to be understood, and which will make a substantial difference to patents in the United Kingdom.

Under the 1949 Act the Patent Office had limited powers to reject a patent application. However, during prosecution an application could be rejected for lack of novelty if a document found in the official search disclosed the same invention, but not if the earlier disclosure, although slightly different, rendered the invention obvious.<sup>37</sup> Where there was any serious doubt as to whether a patent could validly issue, it was the duty of the Patent Office to grant the application and allow the patent to issue so that its validity might be tested in the courts. The theory was that the applicant was entitled to have his case adjudicated by the courts, and a rejection by the Patent Office would deny him access.<sup>38</sup> A Patents Appeal Tribunal was thus set up to consider appeals from the Patent Office. It was not, however, a part of the High Court and its decisions were in no way binding on the courts. Nonetheless, in practice, the decisions of the Tribunal may have constituted fairly persuasive authority as the Judge of the High Court who heard patent actions normally sat on the Tribunal, albeit informally and unrobed.

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<sup>33</sup>Patents Act, 1949, § 3.

<sup>34</sup>Patents Act, 1977, §§ 14(2), 15(1).

<sup>35</sup>*Id.* § 15(5).

<sup>36</sup>*Id.* §§ 5(2), 5(5)(a).

<sup>37</sup>Patents Act, 1949, § 7.

<sup>38</sup>The following illuminating comment is quoted from the opinion of Mr. Justice Evershed of the Patents Appeal Tribunal in *In re Application of Levy and West* (1945) 62 Pat. Cas. 97. This case was, of course, decided under the Patents and Designs Acts, 1907-1942, but the principles involved, and the function of the Patents Appeal Tribunal, were not altered by the 1949 Act.

Secondly, it is a general rule of this Tribunal, that if there be real doubt, the benefit of that doubt should be given to the applicant. No appeal lies from my decision which, if adverse to the applicant, is fatal to a grant. On the other hand the sealing of a patent does not prevent its validity being subsequently impeached at the suit, *e.g.*, of a competitor. And the issues in such an action may in appropriate cases be taken to the highest Court in the land.

Under the 1977 Act, this system has completely changed; the Patent Office can consider any ground of invalidity on which a patent may be attacked,<sup>39</sup> the Patents Appeal Tribunal has been abolished,<sup>40</sup> and there is to be a Patents Court within the Chancery Division of the High Court.<sup>41</sup> Appeals from decisions of the Comptroller will be heard directly by the Patents Court,<sup>42</sup> so a patent which has survived both proceedings before the Comptroller and an appeal to the Patents Court will be almost as strong as one which has survived an attack on validity in proceedings after grant. One likely result of this change is that patents in general will have a much higher presumption of validity, and will be treated with more respect. Another is that, unlike the old opposition procedure which was comparatively seldom used and was only likely to result in the refusal of an application in the clearest cases, revocation proceedings in the Patent Office, with their possibility of an appeal to the Patents Court, will become an effective way of dealing with invalid patents.

Some of the provisions of the 1977 Act will now be considered.

### **III. The Applicant and the Patent Application**

The 1977 Act lays down restrictions on the person to whom a patent for an invention may be granted, rather than on who may have the right to apply. These persons are, in ascending order of priority, (a) the inventor, (b) any person entitled to the invention by a prior agreement with the inventor or by the operation of law, and (c) the successors in title of the above.<sup>43</sup> One result of these provisions is that it will no longer be necessary for an employer who is entitled to the rights in an invention to take an assignment from his employee. The Comptroller has jurisdiction to settle the question of entitlement to grant, and the inventor has a right to be mentioned in the patent.

Within a year from the priority date the applicant must request preliminary examination and search, and pay the appropriate fee.<sup>44</sup> For Convention cases this will usually be done at the time the application is filed. The application should be published eighteen months after its priority date,<sup>45</sup> and within six months of publication the applicant must request full examination, again paying the appropriate fee.<sup>46</sup> On receiving the Examiner's report the applicant may amend the application, provided he does not introduce any new matter into the specification. He must also bring the application into compliance with all the requirements of the Act and Rules within a period of three years and six months from the priority date.<sup>47</sup> When this has been done the

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<sup>39</sup>Patents Act, 1977, § 72.

<sup>40</sup>*Id.* sched. 4, §§ 6, 11.

<sup>41</sup>*Id.* § 96.

<sup>42</sup>*Id.* § 97.

<sup>43</sup>*Id.* § 7.

<sup>44</sup>*Id.* § 17; STAT. INST. 1978/No. 216 rule 25(2).

<sup>45</sup>Patents Act, 1977, § 16; STAT. INST. 1978/No. 216 rule 39.

<sup>46</sup>Patents Act, 1977, § 18(1)(6); STAT. INST. 1978/No. 216 rule 33.

<sup>47</sup>Patents Act, 1977, § 18(4); STAT. INST. 1978/No. 216 rule 34.



patent is granted, and the grant is effective on the date on which the notice of grant is published in the Official Journal.<sup>48</sup>

Under the 1977 Act, the Letters Patent document will no longer exist. It used to be a formal document bearing the Seal of the Patent Office on a red wafer containing a ribboned copy of the specifications.<sup>49</sup> Even this, however, was a poor substitute for the Letters Patent of a century earlier, which was printed in copper plate on vellum with the Great Seal of Queen Victoria in dark green beeswax suspended from it on a braid..

#### **IV. Ownership of Patents**

Under the old law an employer could contract with his employee regarding the ownership of any inventions that the employee might make in the course of his employment. If the contract of employment was silent on this point, then common law rules applied. They stipulated that the invention belonged to the employer if, and only if, the nature of the employment was such that the employee was paid to invent. Thus, an invention made by a designer or a research worker would belong to the company, while an invention made by, say, a gardener or a cleaner would belong to the employee personally. The 1977 Act lays down a set of rules for determining the ownership of inventions made by employees.<sup>50</sup> These amount essentially to a codification of the old common law rules, and the Act takes away the employer's ability to avoid them by contract.<sup>51</sup> One consequence of this is that most contracts of service which lay down the rights in employee inventions will be obsolete or contrary to law, and thus in need of revision.

There is provision in the Act for the Comptroller to adjudicate disputes as to the ownership of patents<sup>52</sup> granted or applied for.

#### **V. Infringement and Revocation of Patents**

Earlier patent acts did not contain any definition of infringement. To determine what were infringing acts one had to go back to the original wording of the Letters Patent document itself, which gave the proprietor the sole right to "make, use, exercise, and vend the said invention." These words were interpreted, through a long line of case law, to give the patentee a monopoly of the commercial use of anything that lay within the strict wording of the claims of his patent. Prior to the 1977 Act, there was nothing in the law recognizing contributory infringement, and if a claim was drawn, for example, for electrical equipment, and was so worded as to cover the equipment only when actually switched on, as might well be the case when the invention

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<sup>48</sup>The Official Journal (Patents). This is published by the Comptroller of Patents in accordance with Rules made under § 123(6) of the Patents Act, 1977.

<sup>49</sup>See Patents Act, 1977, § 24. Compare with Patents Act, 1949, § 19.

<sup>50</sup>Patents Act, 1977, § 39.

<sup>51</sup>*Id.* § 42(2).

<sup>52</sup>*Id.* §§ 8, 37.

lay in the particular voltages applied to the components, or in their timing, then such a claim would only be infringed by the user of the equipment not by its vendor.

This has now been changed. The 1977 Act includes a comprehensive definition of infringement<sup>53</sup> covering the making, disposal, use or importation of a patented product, the working or sale of a patented process, and the disposal of the direct product of such a process. The supply of the means for putting an invention into effect is also an infringement. However, noncommercial private use, experimentation, and the making of medicines prescribed by a doctor are specifically exempted.

Under the 1949 Act, patents were published before grant<sup>54</sup> and were open to opposition. They could be opposed by any interested party on various grounds set out in the 1949 Act, which were broader than the matters that the Comptroller could take into consideration during prosecution of the application, but nevertheless more limited than those that could be considered by a court.<sup>55</sup> After grant, a patent could be subject to revocation proceedings before the Comptroller during the first year of its life on any of the grounds on which it might have been opposed before grant, and by any person who did not so oppose.<sup>56</sup> Under the 1977 Act, there is no pre-grant opposition, but revocation proceedings may be taken before the Comptroller throughout the whole life of the patent on specific grounds.<sup>57</sup>

These grounds do not include nondisclosure of the best method known to the applicant, nor lack of utility, both of which were grounds for refusal or revocation under the old law; but they do include the new grounds that the specification of the patent discloses matter not contained in the original application, and that the protection given by the patent has been extended by an amendment which should not have been allowed. The validity of a patent may, as always, be put in issue in the course of infringement proceedings.<sup>58</sup>

The 1977 Act, like the 1949 Act, provides a remedy for groundless threats of infringement proceedings by way of an action for damages and an injunction against repetition of the threats. However, this right is now limited and cannot be brought for threats made only against a manufacturer or importer.<sup>59</sup>

The provisions for restoring a patent which has lapsed by an accidental failure to pay a renewal fee have been changed. Under the 1949 Act, on proof that the failure was unintentional, and provided the application was made without undue delay and within three years of lapse, the patent could be restored.<sup>60</sup> Under the 1977 Act, the conditions are very much stricter as the

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<sup>53</sup>*Id.* § 60.

<sup>54</sup>Patents Act, 1949, § 13 (2).

<sup>55</sup>*Id.* § 14.

<sup>56</sup>*Id.* § 33.

<sup>57</sup>Patents Act, 1977, § 72.

<sup>58</sup>*Id.* § 74.

<sup>59</sup>*Id.* § 70.

<sup>60</sup>Patents Act, 1949, § 27.

application must be made within a year of the date on which the patent lapsed.<sup>61</sup> This renders the provision almost useless, because normally the lapsing of a patent by an accidental failure to pay a renewal fee is only discovered when the next year's renewal fee is tendered to the Patent Office.

## **VI. Employee Compensation**

The 1977 Act contains, for the first time, a provision for compensating employee inventors.<sup>62</sup> Where the employee has made an invention in circumstances where the patent belongs to the employer, if the patent turns out to be of outstanding benefit to the employer and the courts consider it just to do so, they may order an award of compensation to the employee. In appropriate cases repeated awards may be made. The employer and employee cannot contract out of these provisions.<sup>63</sup>

## **VII. The Term of Patents**

Under the 1977 Act, the term of a patent is twenty years from the date of filing the application, subject to the payment of renewal fees.<sup>64</sup> There is no provision for extension of the term of a patent. Since 1919, the term of a patent was sixteen years,<sup>65</sup> and there were provisions for extension on the ground of war loss<sup>66</sup> and on the ground that the patentee had not had sufficient remuneration from his invention.<sup>67</sup> These changes have led to fairly complicated transitional provisions<sup>68</sup> which may be summarized as follows:

1. Patents which are more than eleven years old on June 1, 1978 have a life of sixteen years as under the 1949 Act, though application may be made for extensions of term. However, extensions exceeding four years may not be granted, so that the maximum possible life of such a patent, if extended, will be twenty years.
2. Patents granted under the 1949 Act which are less than eleven years old on June 1, 1978 will have their life extended to twenty years, but from the end of the sixteenth year the patent will be open to compulsory licensing by way of licenses of right, and an existing licensee is permitted to continue under his license royalty free.
3. A patent applied for before June 1, 1978, but granted after that date has a life of twenty years.

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<sup>61</sup>Patents Act, 1977, § 28(1).

<sup>62</sup>*Id.* §§ 40, 41.

<sup>63</sup>*Id.* § 42(2).

<sup>64</sup>*Id.* § 25.

<sup>65</sup>Patents Act, 1949, § 22.

<sup>66</sup>*Id.* §§ 24, 25.

<sup>67</sup>*Id.* § 23.

<sup>68</sup>Patents Act, 1977, sched. 1, ¶¶ 3, 4.

### VIII. Amendment

The law on the allowability of amendments has undergone only minor changes, but there has been a most important change in the consequences of an amendment. Under the 1949 Act, once a patent or application had been amended, the allowability of the amendment could not be challenged in subsequent proceedings unless it had been obtained by fraud.<sup>69</sup>

This has been changed by the 1977 Act. A patent may now be revoked at any time during its life on the ground that it has been improperly extended by amendment.<sup>70</sup> If a specification needed substantial amendment after filing, then the resulting patent will always be open to attack.

### IX. Other Transitional Provisions

The term of existing patents has been dealt with above. So far as the other arrangements for existing patents are concerned the main provisions may be roughly summarized by saying that patents granted under the 1949 Act are subject to the old rules governing the validity, revocation, and allowability of amendments.<sup>71</sup> Infringing acts after June 1, 1978 are judged under the 1977 Act, even in relation to old patents.<sup>72</sup> Applications filed under the 1949 Act but not granted until after the 1977 Act came into force continue to be prosecuted, with certain exceptions, under the 1949 Act. The most notable of these exceptions is the abolition of pre-grant opposition.

### X. International Arrangements

The Act contains provisions enabling the European Patent Convention<sup>73</sup> and the Patent Cooperation Treaty<sup>74</sup> to be incorporated into the patent system, so that applications made under either of these Conventions will proceed in due course to become effective patents in the United Kingdom. Similar provision is made for the Community Patent Convention<sup>75</sup> as soon as it becomes operative.

### XI. The Patent Court

As mentioned earlier in this article a new court, constituting part of the Chancery Division of the High Court, was set up to hear patent cases<sup>76</sup> and to act as an appeal court from decisions of the Comptroller.<sup>77</sup> In some cases,

<sup>69</sup>Patents Act, 1949, § 31(2).

<sup>70</sup>Patents Act, 1977, § 72(1)(e) as regards widening of the claims after grant. § 72(1)(d) as regards extending the disclosures after filing the application.

<sup>71</sup>Patents Act, 1977, sched. 1, ¶ 1.

<sup>72</sup>*Id.* sched. 4, ¶ 3(2).

<sup>73</sup>*Id.* §§ 77-85.

<sup>74</sup>*Id.* § 89.

<sup>75</sup>*Id.* §§ 86-88. See also Convention for the European Patent for the Common Market and Annexing Implementing Regulations. O. J. EUR. COMM. (No. L17) 1 (1976).

<sup>76</sup>Patents Act, 1977, § 96.

<sup>77</sup>*Id.* § 97.

and always where there is a question of law, there will be a further appeal to the Court of Appeal, subject to leave either of the Patents Court or the Court of Appeal. A patent agent may appear before the Patents Court on behalf of any party to an appeal to the court from the Comptroller.<sup>78</sup> In any civil legal proceedings, communications made to, or by, a patent agent for the purpose of the proceedings are privileged from disclosure, and these proceedings include those before the Comptroller of the Patent Office.<sup>79</sup>

## Conclusion

The foregoing is necessarily a very brief summary of an Act occupying 124 pages of fine print, and one which will give the United Kingdom patent practitioner many headaches. For an overseas patent attorney wishing to file a patent application in the United Kingdom under the International Convention<sup>80</sup> there are two new pitfalls that should be mentioned:

1. Any publication—even by word-of-mouth—anywhere in the world will invalidate a patent under the 1977 Act if it occurs before the priority date to which it is entitled under the International Convention.<sup>81</sup>
2. An improper amendment is a ground for revocation throughout the life of a patent. If a specification contains errors when filed, and is amended during prosecution, the patent will be under a cloud to the end of its days.<sup>82</sup>

In the United States, where publication before filing does not necessarily invalidate a patent,<sup>83</sup> great care will be needed if patent protection is required in the United Kingdom.

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<sup>78</sup>*Id.* § 102.

<sup>79</sup>*Id.* § 104.

<sup>80</sup>Convention for the Protection of Industrial Property, Mar. 20, 1883, (1) revised July 14, 1967 (1) 21 U.S.T. 1583, T.I.A.S. Nos. 6923, 7727, reprinted in *MANUAL FOR THE HANDLING OF APPLICATIONS FOR PATENTS, DESIGNS AND TRADEMARKS THROUGHOUT THE WORLD*. (1969) (Supp. 24, 1969).

<sup>81</sup>Patents Act, 1977, § 2(2).

<sup>82</sup>*Id.* § 72(1) (d) and (c).

<sup>83</sup>35 U.S.C. § 102(b) (1976).

