

C.I.P.A. GUIDE TO THE PATENTS ACT 1977

**Texts, Commentary and Notes
on Practice**

by the
Chartered Institute of Patent Agents



Sweet & Maxwell

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NOTES ON PRACTICE

THE CHARTERED INSTITUTE
OF PATENT AGENTS



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PREFACE

WHEN the Patents Act 1949 was passed, the Chartered Institute of Patent Agents, which is the professional body of Patent Agents practising in the United Kingdom, published a volume which included the Act and Rules, and a commentary. This, for obvious reasons, became known as the "Red Book." There was a substantially revised and amplified edition of this book published in 1968, the "Blue Book," and a third edition appeared in 1975. Supplements have been issued annually, to keep the work up to date in the light of increasing experience and new or changing case law.

The present volume, on the occasion of the passing of the Patents Act 1977, is also intended to be a work of reference to assist those practising in the field of patents, but to an extent much greater than was necessary with its predecessors it has been necessary to have regard to other legislation. The entry of the United Kingdom into the European Economic Community and the consequential legislation, and the existence of the European Patent Convention, have important effects upon the interpretation of the new Act. Only time can show the way in which the new Act will be interpreted and given effect by the courts, and it is intended that this present work will be revised and supplemented so that it may, like its predecessors, be maintained as an up-to-date guide.

The Act raises many questions of interpretation; in the commentary on some sections of the Act effort has been made to deal with the particular difficulties and to advance an opinion as to the interpretation most likely to be given, but in others it has been possible only to alert the reader to the doubts which exist. Practice has been discussed separately for some sections. On some sections the commentary is brief, but has been included as it enables the work to be used as a quick guide to a section relevant to a particular subject-matter. For a few minor sections there is no commentary.

The commentaries have been written by a number of authors; while care has been taken to avoid errors of fact or opinion it would be too much to hope that none exists, and the Chartered Institute would welcome comments or corrections.

It must be clearly understood, especially by those in training, that opinions expressed here cannot be definitive. They are presented to assist thought, not to provide certainty. Only future decisions can establish the meaning of the new Act.

Finally, it has been necessary to impose limits on the extent to which peripheral or other relevant matter is quoted or duplicated. It has been assumed therefore that the reader has access to the following:

Patent Law of the United Kingdom ((1975, with annual cumulative supplements) Chartered Institute of Patent Agents, London, Sweet & Maxwell) (referred to in this work as "PLUK").

European Patent Convention with related documents, Cmnd. 5656 (1974).

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Guidelines for Examination in the European Patent Office (1978) Munich European Patent Office.

Patent Co-operation Treaty (with Regulations), Cmnd. 4530 (1970).

Community Patent Convention including Implementing Regulations and Final Act, Cmnd. 6553 (1976).

International Convention for the Protection of Industrial Property (Paris Convention, Stockholm text), Cmnd. 3474 (1967).

The authors of the present work are Fellows of the Chartered Institute, and the Council of the Institute wishes to express its warm thanks for the time freely given by those Fellows in the production of the book.

June 1, 1979

PUBLISHERS' NOTE

THE material in this book has been collected up to the end of April 1979.

In order to keep this work up to date, Supplements will be issued annually. The first Supplement is published with this book, to deal with events during production.

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TABLE OF ABBREVIATIONS

Act	Patents Act 1977
AIPL	Annual of Industrial Property Law
CIPA	Journal of the Chartered Institute of Patent Agents
CMLR	Common Market Law Reports
CPC	Community Patent Convention
CPCa.1	CPC, article 1
EEC	European Economic Communities
EIPR	European Intellectual Property Review
EPB	European Patent Bulletin
EPC	European Patent Convention
EPCa.1	EPC, article 1
EPCr.1	Implementing Regulations to EPC, rule 1
EPO	European Patent Office
FSR	Fleet Street Law Reports
Guidelines	Guidelines for Examination in the EPO
IIC	International Review of Industrial Property and Copyright
O.J.	Official Journal (Patents)
OJEPO	Official Journal of the European Patent Office
Paris Convention	International Convention for the Protection of Industrial Property
PAT	Patents Appeal Tribunal
PATr.1	Patents Appeal Tribunal Rules 1972, rule 1
PCT	Patent Co-operation Treaty
PCTa.1	PCT, article 1
PCTr.1	Regulations under the PCT, rule 1
PF1/77	Patents Form No. 1/77
<i>PLUK</i>	<i>Patent Law of the United Kingdom</i>
Protocol on Recognition	Protocol on Recognition, annexed to EPC
r.1	Patents Rules 1978, rule 1
RPC	Reports of Patent Cases
Rules	Patent Rules 1978
Supplement to Manual	Supplement to the Manual of Office Practice (Patents)—The Patent Office, January 1979
s.1	Patents Act 1977, section 1
TR	Treaty of Rome
UK	United Kingdom
UKAEA	United Kingdom Atomic Energy Authority
WIPO	World Intellectual Property Organization
1946 Act	Patents and Designs Act 1946
49 Act	Patents Acts 1949–1961

INTRODUCTION

“The more words there are, the more words are there about which doubts may be entertained”

Lord Halsbury, preface to the first edition of the *Laws of England*.

THE evolution of the patent law of the United Kingdom extends back over 300 years. Although the Statute of Monopolies of 1623 is usually cited as the earliest statute relating to patents, Letters Patent for inventions were granted well before that date. In the next two centuries following this Statute, while there were apparently changes in the practice with regard to Letters Patent for inventions there was little legislation, and it was not until the second half of the last century that the first major changes were introduced. The most important change was the setting up of the Patent Office for the reception of applications for Letters Patent and for the processing of such applications to grant.

Since then, the patent law has been modified from time to time to deal with difficulties or obscurities which have arisen in the course of practice or to amend the law in the light of new philosophies. The practice has usually been to institute a government committee to examine the law and to make recommendations, and then to introduce legislation, usually having regard to the committee recommendations. For example, the Fry Committee report was followed by the Act of 1907, the Sargant Committee report was followed by the Act of 1932, and the Swan Committee report by the Act of 1949.

Following this general pattern, the government set up the Banks Committee in 1967, but the terms of reference of this Committee were somewhat different from those of the earlier committees, and extended to a more general consideration of the British patent system, particularly in the light of the increasing need for international collaboration in patent matters and especially the intention of the United Kingdom Government to ratify the European Patent Convention. The Banks Committee reported in 1970, but it was not until 1976 that a Green Paper was issued, setting out proposed changes in the patent law.

In the meantime, there had been international activity resulting in three major agreements which had a direct bearing on changes of law in the United Kingdom. In the 1960s consideration had been given to some form of international agreement by which the duplication of searching and examination that takes place when a series of corresponding applications are filed in a number of countries, to protect the same invention, could be avoided, and a treaty of co-operation was drafted. The proposals were shelved because of failure to agree on some points, including that of access to the treaty, that is to say, to whom the benefit of the treaty would be available. The treaty was, however, revived and, as the Patent Co-operation Treaty, was signed by a number of countries in Washington in December 1970. The treaty calls for a

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co-ordinated search and examination of a single application, which is then transmitted to designated countries for further processing.

The second of these agreements was the European Patent Convention which, like the Patent Co-operation Treaty, was directed to reducing the administrative work in cases where a number of corresponding applications were filed in different countries. The Convention was more ambitious than the Patent Co-operation Treaty, in that it called for the setting up of the European Patent Office, at which Office applications for patents would be processed up to grant, to result in a European patent which, when granted, would be given in each contracting state nominated by the patentee the same rights and effects as would be confronted by a national patent granted in that state. The European Patent Convention is a very complete document, and with its implementing regulations defines a virtually complete patent system, which includes for example its own definitions of novelty and inventive step. It follows, therefore, that an invention may be protected in the United Kingdom by virtue of a national application filed in the British Patent Office, or it may be protected by virtue of a European patent extended to the United Kingdom.

The third agreement affecting patents in the United Kingdom was the Community Patent Convention (not yet in force). This is aimed at providing one patent which covers the whole of the territory of the EEC: the Community Patent Convention closely follows on the European Patent Convention where appropriate, and the same standards of novelty, subject-matter and other matters are adopted.

Not only does the Patents Act 1977 introduce a considerable number of changes in detail in domestic law, and add a group of sections dealing with European patents and patent applications, Community patents, and international applications for patents, but there is in fact a radical change in the way in which the provisions of domestic law is approached, and consequently in the foundation for that domestic law. Indeed the long title begins "An Act to establish a new law of patents . . ." and Part I of the Act (ss. 1—76) is headed "New Domestic Law."

The Patents Act 1949 was based upon a number of major assumptions concerning the circumstances of domestic patent law. The basic assumption was that the power used to grant monopolies in respect of inventions was to be derived from the prerogative of the Crown. This had been the case since Tudor times. A consequence was that the Patent Office and the Comptroller, in receiving patent applications and granting patents, were acting as an administrative agency on behalf of the Crown.

This relationship between the Patent Office and the Crown has now been abolished. The power to grant a patent for an invention lies directly with the Comptroller (s. 18 (4)), and the certificate of grant (Sched. 3 to the Patents Rules 1978) contains no reference to the Crown.

Patents granted under the prerogative of the Crown were always, at common law, subject to adjudication by the High Court. The grounds of revocation were only gradually codified, but did become a code under s. 32 of the Patents Act 1949. The consequence of this situation was, however, that

the powers of the Patent Office to reject patent applications developed largely independently of the powers of the court and were separately prescribed in ss. 7, 8 and 14 of the Patents Act 1949.

In contrast, the Patents Act 1977 starts with a definition of patentability in ss. 1 to 4, this definition being equally applicable to the activities of the Patent Office and of the court, and then s. 72 (1) adds some grounds of revocation which are not relevant prior to grant.

Finally, the right of a patentee under the 1949 Act to bring an action for infringement derived essentially from the words "make, use, exercise and vend" in the Letters Patent, and the law as to what acts of infringement were comprehended within these words was established case by case and was not codified in the 1949 Act. That Act only dealt with certain peripheral aspects of infringement actions. In contrast, the 1977 Act defines infringement in s. 60.

To summarise, the Patents Act 1977 seeks to be something which the Patents Act 1949 never attempted, namely a complete code of law relating to patents for inventions. The Act assumes the existence of the Court, the Patent Office and the Comptroller, and these institutions are embodied in the operation of the Act, but they are given powers which are different in kind, and different in foundation, from those they possessed previously.

It should also be commented as a generality that the Patents Act 1977, in its completely codifying approach, goes in considerably greater detail than did the Patents Act 1949 into questions of ownership of inventions and the right to be granted a patent, and also deals at length with the right of an employee inventor to compensation from an employer.

Parliamentary draughtsmen being human beings, the literary style of the Patents Act 1977 is also considerably different from the Patents Act 1949. Despite the existence of numerous references from one section to another, there are important places where such correlation is not apparent. For example, it is not clear that the word "new" in ss. 1 (1) (a) has the meaning attributed to it in s. 2 (1), (2) and (3), still less that the function of a claim set out at s. 14 (5) is qualified by s. 125 (1) and s. 60 (2) and (3). Then the word "invention" is used frequently, but there is no complete definition of its meaning in the Patents Act 1977.

As a result of EPC and PCT (and in the future CPC), there is a variety if not a confusion of routes by which inventions can be protected in the United Kingdom. With the obvious object of avoiding as far as possible an anomalous situation where patents for inventions in the United Kingdom could be judged by substantially different standards, the wording of the Patents Act 1977 has been chosen in many respects to accord with the wording adopted for the European Patent Convention. It might have been thought that the new Patents Act could have gone even further, in adopting more widely the wording of the European Patent Convention, but it has been vigorously argued that the adoption in the British statute of the European wording could not necessarily result in European patents and British national patents being judged by the same standards. The reason for this which has been advanced is that the British national law would be interpreted in accordance with British

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canons of interpretation, whilst the European law would be interpreted by the standards of the European courts. As is well known, there is a marked difference in these standards and one of the reasons for this Introduction is to point out to practitioners a very real danger in assuming that similar wording in British and European provisions will result in the same meaning.

Under British standards of interpretation, the court takes the meaning of the words at their face value and is not concerned to modify that meaning to make it give effect to the intention of the legislation. In *CIPA*, March 1977, at pp. 254–256, Mr. T. C. Stancliffe in an article entitled “EPC, the new Patents Act and the Courts” refers to the dictum of Diplock L.J. in *Salomon v. Commissioners of Customs and Excise* (1967) 2 Q.B. 116: “If the terms of the legislation are clear and unambiguous they must be given effect to, whether or not they carry out Her Majesty’s treaty obligations, for the Sovereign power of the Queen in Parliament extends to breaking treaties.” However, as Mr. Stancliffe also rightly points out, where there is a choice of meanings one of which is and one of which is not in agreement with an international convention then it will be that which is in agreement with the convention which will be adopted. On the other hand, it is the practice of Continental courts generally to construe the law to give effect to the intention of the law and to consider themselves less bound by the precise wording adopted by the legislature. An unenviable burden lies on the British courts in interpreting the new Act.

With the laudable object of assisting applicants, the British Patent Office in January 1979 issued a “Supplement to the Manual of Office Practice (Patents).” This, as explained in its introduction, has followed a policy going beyond that of the Manual issued in respect of the 49 Act, namely:

“In a sense this Supplement is instead expressing a particular opinion as to what Office practice ought to be. This is all the more reason why it should be considered critically by those to whom it is directed and criticized freely where they think it is wrong. Nevertheless it is intended that it should present a considered Office view and it is therefore hoped that it will indicate to practitioners how best to proceed when they are involved in proceedings under the Patents Act 1977 before the Patent Office, even if they intend to challenge the views therein expressed.”

Paragraphs from this Supplement to the Manual are quoted in the present book where they throw particular light on probable practice, but the fact that they are open to challenge should be kept in mind.

The EPO has issued a much more elaborate publication, the Guidelines for Examination. These are referred to in this book because they constitute a carefully prepared opinion by EPO officials as to the interpretation of the EPC and EPC Rules, and throw light on possible interpretation of equivalent provisions of the British Act and Rules.

Nevertheless, these Guidelines also are open to challenge, and also to revision, and their status is clearly defined in the General Introduction to the Guidelines:

“1.2 The Guidelines are intended to cover normal occurrences. They should therefore be considered only as general instructions. The applica-

tion of the Guidelines to individual European patent applications or patents is the responsibility of the examining staff and they may depart from these instructions in exceptional cases. Nevertheless, the parties can expect the Office to act as a general rule in accordance with the Guidelines until such time as they are revised. It should be noted also that the Guidelines do not have the binding authority of a legal text. For the ultimate authority on practice in the European Patent Office, it is necessary to refer firstly to the European Patent Convention itself including the Implementing Regulations (together with the agreed Conference Minutes on interpretation), and secondly to the interpretation put upon the Convention by the Boards of Appeal and the Enlarged Board of Appeal.”

Various Official Notices relating to the Act and Rules have appeared in the Official Journal (Patents), and these are summarised or referred to in this book as appropriate.

In *CIPA* in the issues from February 1977 to August/September 1977 there are several papers discussing the Act as a whole.

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Patents Act 1977

ARRANGEMENT OF SECTIONS

PART I

NEW DOMESTIC LAW

Patentability

Section

1. Patentable inventions.
2. Novelty.
3. Inventive step.
4. Industrial application.
5. Priority date.
6. Disclosure of matter, etc., between earlier and later applications.

Right to apply for and obtain a patent and be mentioned as inventor

7. Right to apply for and obtain a patent.
8. Determination before grant of questions about entitlement to patents, etc.
9. Determination after grant of questions referred before grant.
10. Handling of application by joint applicants.
11. Effect of transfer of application under s. 8 or 10.
12. Determination of questions about entitlement to foreign and convention patents, etc.
13. Mention of inventor.

Applications

14. Making of application.
15. Date of filing application.
16. Publication of application.

Examination and search

17. Preliminary examination and search.
18. Substantive examination and grant or refusal of patent.
19. General power to amend application before grant.
20. Failure of application.
21. Observations by third party on patentability.

Security and safety

22. Information prejudicial to defence of realm or safety of public.
23. Restrictions on applications abroad by United Kingdom residents.