A Dictionary of Intellectual Property Law

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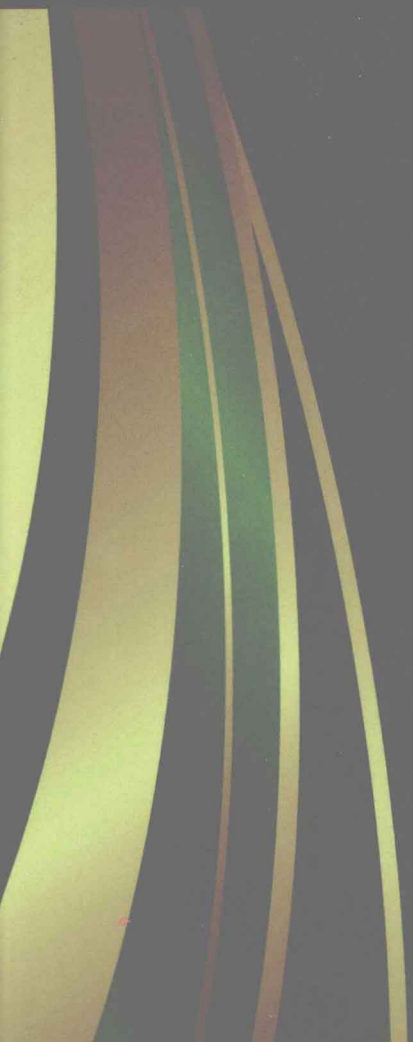

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A DICTIONARY OF INTELLECTUAL PROPERTY LAW

PREFACE

Lord Macnaughton asked and answered a pertinent question in *IRC v Muller and Co's Margarine* [1901] AC 217 at 223: 'What is goodwill? It is a thing very easy to describe, very difficult to define.'

The intellectual property universe is full of expressions that are very difficult to define, but we need to understand them because intellectual property is inescapable. We encounter it in our daily lives, more extensively each day and in new ways. It underpins the value of whole industries. Its owners demand stronger and stronger protection, and use their rights with growing enthusiasm. It sometimes seems to have become invested with magical properties.

At the same time there is widespread ignorance about it. It is time to stop talking about it as if it were a single, seamless, continuous, integrated area of law, because if we approach it that way we place excessive expectations on it. It is time, in short, to drop the idea of intellectual property.

Intellectual property has its own vernacular, and – especially among lawyers, for whom precision in the use of language is crucial – knowing the vocabulary is essential if we are to understand and discuss the subject, so a dictionary is a contribution to ensuring accuracy and comprehension. Happily, I have been able to refer to what every lawyer needs: a precedent, in the form of *The Economist Pocket Lawyer* (Oxford: Blackwell, 1986), by Stanley Berwin, with whom I once had the pleasure of taking lunch when his new firm – the one without Leighton – was still young. As, now I think of it, was I.

Is it a paradox to compile a guide to an anachronism? No, because although as a catch-all expression 'intellectual property' has – I believe – stopped being helpful, even become positively damaging, it still serves the useful purpose of bringing together a number of important topics. The required change in mindset is to recognise intellectual property rights as islands rather than as a complete world in themselves, and this guide will, I hope, enable people more readily to do that.

This modest attempt to assist and educate the reader is mainly concerned with English law. Intellectual property is, however, an international subject, and practitioners and students will encounter words and expressions from other English-speaking jurisdictions (US patent law, for example, has its own extensive vocabulary) and in other languages too, so it includes some foreign terms. Readers will identify some arbitrary choices of what to include and what to leave out, and will no doubt find some inaccuracies (for which I take full responsibility). My aim has been

to include everything that a person encountering intellectual property might wish to know about, and suggestions of additional or revised definitions will be greatly appreciated, in anticipation of further editions.

Please visit the Dictionary of Intellectual Property Law blog (www.dictionaryofiplaw.com) for new definitions and to post suggestions and comments.

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I dedicate this book to all of them, and to other friends who did not, for one reason or another, respond to my requests for suggestions.

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1-click

See **One-Click**.

71(3)

From Article 71(3) of the European Patent Convention. The notification that the EPC is prepared to grant a patent, on the basis of a particular description and claims, known as the ***Druckexemplar***. The applicant has four months in which to approve the text and pay the fees.

A

A priori

Denotes deductive reasoning or arguing, proceeding from causes or abstractions to effects or conditions. The opposite of empirical or inductive reasoning, reasoning from experience, the term for which is a posteriori.

'A' Publication

The publication of the patent application, which takes place in most systems 18 months after the application is filed unless it is following an accelerated procedure such as that in the UK. Signified by the suffix 'A' in the serial number. See **early publication**, **publication codes.**

Abandonment

The state of an application (or of an invention) when the applicant has failed to react to an **official action** (**office action**) within the stipulated time. In the case of a US trade mark application, abandonment may take place if no statement of use is filed at the appropriate time. See also **withdrawal**.

Abandonment and refiling is a technique used in the patent world, when the applicant still wants to secure protection for the invention but has not made sufficient progress towards making a commercial product or does not wish to file foreign applications within the priority period. If the application is completely and irrevocably withdrawn, with no rights remaining (which must be stated clearly in the request to withdraw), the application is treated as never having been made and a new application can be made for a patent for the same invention. The application has not been published in this time so the subject-matter remains confidential and does not form part of the **state of the art**. Priority is lost, so the applicant runs the risk that someone else has filed an application or otherwise taken his place in the queue in the meantime.

Absolute Grounds

Registration of a trade mark may be refused, or declared invalid, on absolute or relative grounds: they are called by these names in the **Community**

trade mark system, and in the national trade mark laws of the EU Member States. The absolute grounds are matters inherent in the sign registration of which is applied for. It might be outside the statutory definition of a trade mark; it might lack **distinctiveness**, be **descriptive**, or be **generic**, in which cases it can be saved by evidence of **acquired distinctiveness**; in the case of a **shape trade mark**, it might fall within the statutory exclusions; it might be contrary to **public policy** or accepted principles of **morality**, or deceptive (**deceptiveness**); its use might be prohibited by law; it might be a **specially protected emblem**; or the application might have been made in **bad faith**. See also **relative grounds**.

Absolute Novelty

The level of novelty required in the European patent system, and in the laws of the **European Patent Convention (EPC)** contracting states. Novelty is destroyed by the publication of anything, anywhere in the world, in any language, by any means including written or oral publication or use, before the application date or the priority date. See **state of the art**.

Abstract

One of the elements of a patent application, a short summary of the invention which is used as a classification and indexing tool by the patent office. It is not examined, confers no legal rights and may benefit from some assistance in its drafting from the patent office concerned.

Abstraction test

A test devised by Judge Learned Hand to work out whether non-literal copying had taken place. Expression and idea are treated as ends of a continuum, and infringement is found if the allegedly infringing work crosses the line between the two.

> Upon any work . . . a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the work is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the author could prevent the use of his 'ideas', to which, apart from their expression, his property is never extended. . . . Nobody has ever been able to fix that boundary, and

nobody ever can. *Nichols v. Universal Pictures*, 45 F.2d 119, 121, 7 USPQ 84, 86 (2d Cir. 1930)

There have also been other tests used to deal with the problem: the 'pattern' test, where infringement is found if the pattern of the work is taken (in a play, for instance, the sequence of events, and the development of the interplay of characters), the subtractive test and the totality test. The **abstraction–filtration–comparison test** is in the ascendant. See **substantial similarity**.

Abstraction–Filtration–Comparison (AFC) Test

An approach to detecting whether copyright has been infringed, formulated in *Computer Associates v Altai* [1992] 20 USPQ 2d 1641, 982 F.2d693 (1992). Commonly used in computer software copyright cases, but also applicable to non-literal infringements of other types of copyright works. Overcomes the drawback of Whelan v Jaslow, where the court identified one underlying idea and deemed everything else to be protectable expression.

The first stage is to determine the appropriate levels of abstraction at which to consider the elements in which copyright is claimed, on a scale running from the most fundamental statement of the idea of the copyright work at one extreme to the precise expression of that idea by the author at the other. The second stage requires that any non-copyright elements (for example ideas) be filtered out, so that there remains only material that is truly the stuff of copyright protection. The third stage asks the judge to compare that residue, or golden nugget, against the defendant's programme to ascertain whether there has been an infringement.

This approach was adopted, and slightly adapted, in the English case, *John Richardson Computers v Flanders and Chemtec* [1993] FSR 497, by Rimer J (who, sadly, delivered his judgment in prose). The lack in British copyright law of an express exclusion of copyright protection for ideas, which in US copyright law is of fundamental importance for the successful application of the three-stage test, made this approach inappropriate in English law, as **Jacob J** observed later in *Ibcos Computers Ltd v Barclays Mercantile Finance Ltd* [1994] F.S.R. 275.

Also referred to as the successive filtering test.

Accelerated Procedure, Accelerated Processing, Accelerated Examination

A common feature of patent and trade mark procedures allowing the applicant, on payment of an additional fee, to have the application dealt with more speedily than would otherwise be the case. The **Patent Examination in Highway** is a mechanism for making accelerated examination readily available in certain international situations.

Accelerating the application process often has the undesirable effect of bringing forward the time when further fees are payable, but there are many reasons why an applicant might be prepared to accept this if the rights can be granted sooner.

See also **petition to make special**.

Acceptance

The stage in the application process, particularly for a trade mark, when the office to which the application has been made considers that the mark is ready for registration. It is then advertised or published in an official journal (nowadays, frequently on-line only) and depending on the applicable laws is then open to opposition for a set period of time. Some patent systems also have pre-grant opposition (Australia being one).

Access Control Technology

A synonym for technological protection means used in the Digital Millennium Copyright Act in the US. The Act provides that the Library of Congress may issue exemptions from the prohibition on circumventing access control technology where that technology prevents lawful use of material. Similar provisions exist in the laws of other countries, thanks to the **WIPO Treaties**.

Account of Profits

In English law, the equitable remedy of an account of profits is an alternative to an award of damages in an infringement action. The theory is that the profits made by the defendant should properly have been made by the claimant, and the defendant should therefore be required to account for the profits wrongly made. It remedies the defendant's unjust enrichment.

Consequently, the top limit of an award will be what the defendant has made from the infringement. This will frequently be less than the amount of damages that would be awarded. In the right case, however, it might yield a great deal more. If the claimant is unable to prove any damage to their own business, an account of profits would be preferable. This will happen where the defendant is making bigger profits than the claimant. It is not open to the claimant to argue that the defendant should have made more: the claimant must take the defendant as they find them.

The profits must have been earned from the infringement, and difficulties can arise where only a proportion of the defendant's profit can be attributed to the infringing activities. It would be unfair to the defendant if the claimant were awarded all the profits where it is possible to allocate them between infringing and non-infringing activities. A manufacturing process that uses an invention as a small part of the overall process is an example.

The court will make allowances to the defendant for the proper expenses associated with making sales, including advertising and marketing. Account will also be taken of any increase in the value of goods or services once they have been sold or provided, and any additional features of the products or services that are outside the scope of the invention. The assistance of forensic accountants with knowledge of the relevant industry is often required to calculate the amount of the profits.

Acquiescence

Consenting to something by remaining silent. Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the UK, being aware of that use, it ceases to be entitled to apply for a declaration that the registration of the later trade mark is invalid or to oppose the use of the later trade mark (Trade Marks Act 1994, section 48(1)). Equity and common law will also deny remedies to a claimant or plaintiff who has acquiesced in the act about which complaint is made.

See also **laches**, which is different (though not unrelated).

Acquired Distinctiveness

An applicant who seeks to register a trade mark may be able to overcome objections based on absolute grounds of refusal if it has acquired distinctiveness. Another way of putting this is to say that it has a **secondary**

meaning. The words or other symbols making up the trade mark may have an ordinary meaning, but when they have become distinctive of a particular trader's goods or services, then other things being equal the sign should be registered as a trade mark.

ACTA

The Anti-Counterfeiting Trade Agreement, a proposed plurilateral trade agreement dealing (as the name suggests) with counterfeit goods. A plurilateral agreement, in contradistinction to a multilateral one, is made between two or more countries but not a great number of them: Deardorff's Glossary of International Economics (http://www.personal.umich.edu/~alandear/glossary; *Terms of Trade: Glossary of International Economics*, Singapore: World Scientific Publishing Company, 2006). Signatories have a particular interest in the subject-matter of the treaty, and reservations are less freely available than under an ordinary multilateral treaty. In the World Trade Organization (WTO), the expression denotes an agreement which gives member countries the choice of whether to agree voluntarily to new rules, whereas the main WTO agreement binds all members.

The intention to create ACTA, which has been negotiated in secret outside the structure of international organisations, was first announced in October 2007 by the US, the EU, Switzerland and Japan. Other countries have since joined. It seeks to establish international standards for enforcement of intellectual property rights – not being limited to **counterfeit goods** (**counterfeiting**), but also covering **piracy**, including Internet piracy. Its focus is developing countries where enforcement could be improved – Brazil, Russia and China are specifically mentioned in the imaginatively named 'Fact Sheet: Anti-Counterfeiting Trade Agreement' published by the European Commission (http://trade.ec.europa.eu/doclib/html/142039.htm). The draft agreement, which has been the subject of several leaks, also seeks to impose obligations on Internet Service Providers. It has been heavily criticised, both for its substantive content, including the effect it will have on the free software movement, and for the secrecy in which it is being negotiated.

ActionAid Chip

An invention claimed in a UK patent application filed by the development charity, ActionAid, to draw attention to the harm it claims is done

to development by patents, particularly plant patents (see **enola bean**). Equivalent to a French fry in some parts of the world. The patent claimed a ready-salted chip, but was refused.

Added Matter

If it were possible to add matter to a patent application by amendment, that added matter would enjoy a priority date earlier than it should. The new matter ought to be the subject of a new application with its own priority date. Similarly, if a later application claims the priority date of an earlier one, new matter must not be added. Article 123 of the European Patent Convention prohibits added matter in divisional applications or new applications for the subject matter of earlier applications, and deals with added matter introduced in amendments. Section 76 of the UK Patents Act is in similar terms, though as an implementation of the EPC provision it has been described as 'cack-handed' by **Lord Justice Jacob**.

Addition, Patent of

A patent which covers an improvement in or modification of another patent, and is directly associated with that other patent. It must be restricted to matter that is an improvement or modification of the invention in the parent patent. It does not have to be renewed as the parent patent does.

Where such patents are provided for (India and Australia, for example, and formerly under the Patents Act 1949, section 26, in the UK) the law does not require that the addition is inventive over the parent patent, so the patent of addition is subject to a relatively relaxed examination process. However, a patent of addition will give no longer protection for the additional subject matter than that given by the parent patent – they will expire at the same time.

Additional Damages

Damages in, for example, an infringement action are intended to put the parties back into the position they would have been in had the infringement not occurred, by redistributing the proceeds of the infringement. They are not intended to penalise the infringer, on the principle *nulla poene sine lege.*

The Copyright, Designs and Patents Act 1988 (which abolished **conversion damages** in copyright infringement cases) provided (in section 97(2)) for the court to award 'additional damages' where, having regard to all the circumstances and in particular to the flagrancy of the infringement and any benefit accruing to the defendant by reason of the infringement, the justice of the case may so require. Section 191J(2) provides in identical terms for performer's property rights, and section 229(3) does so for design right. Section 14 of the Trade Marks Act 1994 provides that in an action for infringement the same relief is available as in respect of the infringement of 'any other property right', which must logically mean that any remedy available for infringement of copyright is available there too, and that must include additional damages.

In *Cala Homes (South) Ltd v McAlpine Homes East Ltd (No2)* [1996] FSR 36 the court said that additional damages are akin to exemplary damages and awarded them in addition to an account of profits (stretching the literal meaning of 'additional damages'). The House of Lords overruled this approach in *Redrow v Bett* [1998] 1 All ER 385, [1999] AC 197.

Addressee

A patent specification is addressed to those likely to have a practical interest in the subject matter of the invention, and such persons are those with practical knowledge and experience of the kind of work in which the invention is intended to be used. The addressee comes to a reading of the specification with the common general knowledge of persons skilled in the relevant art, and he (or, once and for all, she) reads it knowing that its purpose is to describe and demarcate an invention. He is unimaginative and has no inventive capacity.

Administrative Council

The Administrative Council of the European Patent Organisation is one of the two organs of the **European Patent Organisation**. The other is the **European Patent Office**.

Administrative Patent Judge (US)

A judge of the **Board of Patent Appeals and Interferences**.