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UPC: One Year of the New European Patent Court System

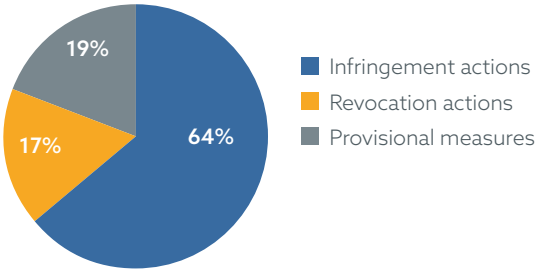
In its first year, the Unified Patent Court (UPC) has established itself as one of the major patent court systems worldwide. Over 200 cases[1] have been filed already. The cases cover all areas of technology and have been initiated by different types of claimants, both large and small companies, and from different countries, with US entities leading the way. The first decisions have met many expectations: the UPC can deal with complex technologies (even in provisional injunction proceedings), it delivers fast results and the decisions have been praised as mostly well-reasoned.

1. Expectations

Before the UPC was launched on June 1, 2023, many expectations (and speculations) had been voiced. Designing and implementing a completely new international court system is not an easy task, and it was not even clear how and by whom the system would initially be used. The most reassuring aspect was the fact that the legal groundwork for the new system had been designed by practitioners with extensive experience and backgrounds in different national patent systems and that the judges were drawn from the top national patent courts across Europe. This proved to be important for the new system to quickly gain acceptance.

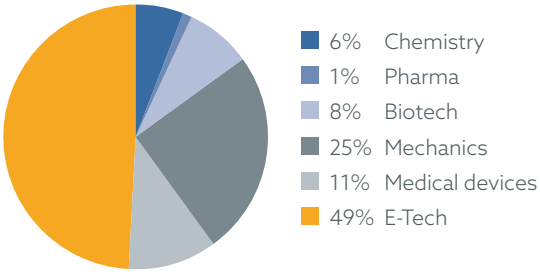
The first year has shown certain trends, some of which are likely to persist. Fears that not opting out would immediately result in a centralized revocation action have only materialized for a few patents. About two thirds of the proceedings are infringement actions and only about one sixth are stand-alone revocation actions. When an infringement action is brought, however, defendants in most cases react with a counterclaim for revocation. Typically, the court thus deals comprehensively with infringement and validity in the proceedings.

Type of proceedings



Second, the UPC deals with patents in all fields of technology. Speculation that the UPC would be used to a large extent for disputes over standard essential patents (SEP) in the telecommunications field has not been borne out. A few SEP cases are currently pending, but even though they each involve several patents and are being enforced against multiple defendants at the same time, they do not dominate the court's docket. The life sciences industry, which some thought would initially be reluctant to use this new patent court system, has seen some of the first UPC cases.

Technical fields

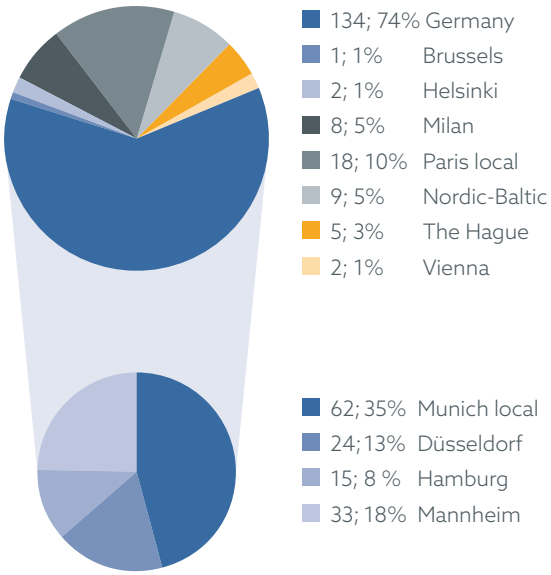


[1] Counting infringement actions, revocation actions, and provisional measures, but without counting counterclaims for revocation.

Third, the UPC has already decided on seven provisional injunction (PI) requests. As expected, the number of PI requests is much lower than the number of main infringement actions. But it is a promising sign that many patent owners trust the new court system to also handle cases on an expedited basis. The outcomes, however, have been mixed: about half of the requested PIs have been granted and one has been revoked on appeal.[2] In addition, several measures for preserving evidence and orders for inspections have been granted and carried out.

Fourth, the German local divisions have received by far the largest number of cases. This has exceeded the expectations of many practitioners even in Germany. Currently, about two thirds of the infringement proceedings are pending before the four local divisions (LD) in Germany, and about half of them before the Munich LD. The UPC has started to increase its resources accordingly. The Munich LD will open a second panel of judges and additional judges have been assigned to the other German LDs. In addition, some of the judges at the German LDs will soon become full-time UPC judges.

Cases at Local and Regional Divisions



Finally, driven by the high number of cases filed with the German LDs, a large number of cases are conducted in German. Until recently, German was the most widely used language. When the UPC was launched, it was still unclear whether English could be used before the German LDs, so the first wave of actions were filed in German. Now English is catching up among the newly filed actions and some of the actions initially filed in German have been switched to English, e.g. in 10x Genomics v Curio (UPC_CFI_463/2023). English is likely to be used for most actions in the future. This is good news as English makes the court more accessible and allows more flexibility in the assignment of judges. However, German will continue to be relevant for actions filed before the German LDs.

2. Problems

Despite the generally positive view on the UPC, some concerns have been raised. In particular, the UPC has been criticized for a lack of transparency. Although all court decisions, including procedural orders with little relevance beyond a particular proceeding, are published on the UPC website, it is difficult for outsiders to obtain information on pending cases. Interim proceedings are not made public, and the briefs of other actions are not made available to third parties until the end of the proceedings and then only upon a reasoned request filed by a registered UPC representative.

Another aspect that has given rise to complaints is the UPC case management system (CMS). The CMS is used by UPC representatives, judges and the Registry for handling cases. There are many issues and the court is trying to resolve them one by one. Florence Butin, President of the Court of First Instance, promised that the biggest task for the UPC's second year would be to improve the CMS.

[2] Provisional injunctions (PIs) granted: Dusseldorf LD myStromer v. Revolt Zycling (UPC CFI 177/2023) and Ortovox v. Mammut (UPC CFI 452/2023); Munich LD, 10x Genomics v. NanoString (UPC CFI 2/2023) was revoked on appeal: CoA (UPC CoA 335/2023). PIs rejected: Vienna LD, CUP&CINO v. Alpina (UPC CFI 182/2023); Munich LD, 10x Genomics v. NanoString (UPC CFI 17/2023), and SES-imagotag v. Hanshow (UPC CFI 292/2023).

3. Decisions

The decisions issued during the first year received a lot of attention as they are the first indication of the court's quality. The consensus among practitioners is that these decisions show that the UPC is producing high quality rulings, although it will take more time to increase consistency in the approaches taken by judges from different legal backgrounds and used to applying national patent laws that have never been fully harmonized. UPC judges have to "think UPC" and, where the UPC rules are different, free themselves from the case law of the national courts that they are used to applying. This is working well so far.

The first decisions have already clarified some aspects of the UPC provisions. For example, the Sanofi appeal (UPC_CoA_1/2023) set out guiding principles for interpreting the UPC Rules of Procedure. The Court's approach has been one of common sense, with an emphasis on the efficiency of the procedure. The Court of Appeal will need to ensure consistency between different interpretations of the provisions by the local divisions, and the mechanism of "interlocutory appeals" helps to decide on such issues at an early stage.

Regarding revocation actions, the Munich Central Division (CD) (UPC_CFI_1/2023) held that a revocation action filed just minutes before an infringement action concerning the same patent and between the same parties can remain with the CD, while the later filed infringement action is then handled by the LD. In the Meryl case (UPC_CFI_255/2023), the Paris CD held that a legal entity other than the defendant in an already pending infringement action is free to file a revocation action, even if it is connected to the defendant by being part of the same corporate group. This opens the doors for defendants to counter an infringement action by also filing a separate revocation action before the CD, which some consider to be a less patentee-friendly venue compared to a LD where invalidity is raised only as a defense.

In provisional injunction cases the Dusseldorf LD has applied a strict standard for defendants to comply with PIs without delay (UPC_CFI 177/2023). In that case, the defendant was held in contempt for inter alia not deleting posts about the infringing product on its social media accounts until the day after a PI was issued and the defendant was ordered to pay a penalty amount.

4. Outlook

The second year will be even more important for the UPC. The first decisions in main infringement and revocation cases will be issued and reviewed by the Court of Appeal. These decisions will be closely monitored and assessed by practitioners and patent owners in deciding how to use the UPC for years to come because they will significantly broaden the case law on important aspects such as claim construction and standards for assessing inventive step.

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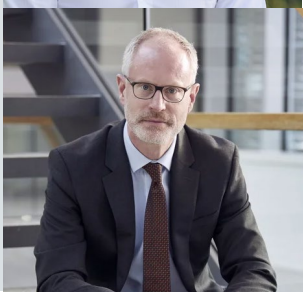

CRISPR-Cas Gene Scissors Are Set to Cut Their Way Through EU Regulation on Genetically Modified Plants

CRISPR-Cas is set to revolutionise plant breeding. A radical simplification of the EU marketing authorisation procedure is expected to boost the commercial value of genetically-modified plants, bringing relevant patent issues to the forefront – a brief overview.

1. Background

Almost six years ago, the CJEU ruled that plants obtained using mutagenesis[3] techniques are *genetically modified organisms* (GMO) within the meaning of Directive 2001/18[4] and only exempted from the special requirements set for GMOs if obtained by *conventional* mutagenesis techniques known and considered safe in 2001. As a result, plants modified using *targeted* mutagenesis such as CRISPR-Cas are currently *not* exempted (judgment of 25 July 2018, C-528/16).

As a result, plants modified using CRISPR-Cas can hardly be sold in the EU. The complex and burdensome authorisation procedure for GMOs requires safety tests, special cultivation procedures, spacing rules and the obligation to trace the end products through various processing stages and include a GMO label on the end products. Official inspections must determine through analytical means that the genetically modified plant can be clearly distinguished from other plants. Such proof is challenging to obtain for plants edited with CRISPR-Cas. Furthermore, Art. 4.4 of Directive 2002/53 requires that *all appropriate measures have been taken to avoid adverse effects on human health and the environment*. These restrictions places EU member states at a disadvantage when compared to other countries such as the U.S. or Australia, where plants modified with CRISPR-Cas are treated like varieties obtained by conventional methods and can thus be approved and sold with comparable ease.

After the European Food Safety Authority (EFSA) had concluded that methods of targeted mutagenesis involving, e.g., CRISPR-Cas or TALEN do not involve specific risks, the EU Commission proposed a new regulation[5] on the marketing authorisation process for plants obtained by these methods ("new genomic techniques", NGTs). The European Parliament approved the substance of the proposal in February 2024. The European elections in June 2024 may, however, delay the formal adoption.

2. CRISPR-Cas in plant breeding

The ground-breaking CRISPR-Cas gene scissors can cut DNA at predefined, specific locations. They consist of a complex including a guide RNA (gRNA) that directs the complex to the target site, and a CRISPR-associated protein (Cas protein) that cuts the DNA at the target site. These cuts induce the endogenous cell repair mechanisms. CRISPR-Cas allows for more precise and controlled DNA modifications than many previous methods. It allows genes to be silenced or new stretches of DNA to be inserted while minimizing unwanted and potentially harmful modifications. CRISPR-Cas-induced alterations can, in general, not be distinguished from naturally-occurring mutations.

[3] Creation of mutation(s) in an organism.

[4] Art. 2(2): "genetically modified organism (GMO)" means an organism, with the exception of human beings, in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination".

[5] Draft regulation on plants obtained by certain new genomic techniques and their food and feed; COM(2023) 411 final (https://eur-lex.europa.eu/resource.html?uri=cellar:c88fe9ac-1c06-11ee-806b-01aa75ed71a1.0001.02/DOC_1&format=PDF, accessed on May 31, 2024).

CRISPR-Cas is extremely attractive for breeders. It is relatively easy to use, cost-efficient and can significantly shorten plant breeding cycles. Plants can thus be efficiently modified to become resistant to insects, viruses or herbicides, become easier to process or have a higher nutritional value.

3. Marketing authorisation process

The proposed regulation lifts the restrictions (see above section 1) for GMOs modified by NGTs that are *equivalent to conventional plants, e.g.* if they differ from the (conventional) parent in no more than 20 genetic modifications of certain types, including deletions of any number of nucleotides or substitutions or insertions of up to 20 nucleotides.[6]

The simplified authorisation process reflects the technical reality that CRISPR-Cas can be used to genetically engineer plants that cannot be distinguished from plants created through traditional breeding. As a result, products in the supermarket would no longer have to carry a label indicating the use of genetic engineering. Only the seeds would still have to be labelled.

The proposal also foresees that, unlike in the case of conventional genetically modified plants, individual EU member states can neither prohibit the cultivation of NGT-edited plants in their country nor prohibit field trials once the plant variety has been approved.

4. CRISPR-Cas-related patents

Once the regulation enters into force and facilitates the marketing authorization process for plants modified using CRISPR-Cas, the significance of patents pertaining to this technology will increase dramatically.[7] The resulting situation is likely to be particularly complex for the sole reason that there are so many patents in this technical field. The development of the CRISPR-Cas technology has been accompanied by a large number of applications filed within a short timeframe. Many of the resulting patents can co-exist despite having very similar subject matter because post-published earlier applications are only relevant for novelty (Art. 54(3)/56 EPC). Further, there are numerous follow-up patents directed at improvements and applications of the CRISPR-Cas technology. This leads to the co-existence of many closely related patents and contributes to the complexity of the IP landscape. Such patents may claim research tools, i.e., methods for making (developing) plants, but also specific genetic material generated with these methods.

5. Outlook

The new market for GMOs developed by NGTs and the growing patent thickets covering CRISPR-Cas and its uses creates a sizeable set of patent-related challenges.

On the one hand, breeders are concerned about the availability of starting material, which they depend on for generating new varieties. Method patents for NGTs may in principle cover plants developed by these techniques where the DNA of the plants is the product directly obtained by the NGT. Art. 8(2) of the Biotechnology Directive extends such protection to the offspring of the plant if the offspring has the same characteristics. Given that CRISPR-Cas-induced modifications can often not be distinguished from naturally occurring mutations and that in addition, a plurality of patented traits may be stacked in one plant over time, it can be difficult to reliably identify NGT-related patents possibly infringed by the cultivation of a plant. Also, obtaining all necessary licences is likely to be difficult if not practically impossible (at least, the farmer's privilege to use their own harvest of a protected plant variety for further propagation applies *mutatis mutandis to patents for GMOs)*.

On the other hand, the investments made for advancing NGTs need to be protected. In this respect, the privilege in Section 11(2a) of the German Patent Act may attract considerable interest after decades of relative insignificance. According to this provision, which was adopted in 2005 as part of the implementation of Directive 44/98 on biotechnological inventions, the effect of a patent does not extend to "the use of biological material for the purpose of breeding, discovering and developing a new plant variety". At first sight, this breeder's privilege bears some resemblance with the research privilege, which exempts "acts done for experimental purposes relating to the subject matter of the patented invention".

[6] Art. 5(1) and 3(7) of the draft regulation COM(2023) 411 final (https://eur-lex.europa.eu/resource.html?uri=cellar:c88fe9ac-1c06-11ee-806b-01aa75ed71a1.0001.02/DOC_1&format=PDF; accessed on May 31, 2024) and Annex I (https://eur-lex.europa.eu/resource.html?uri=cellar:c88fe9ac-1c06-11ee-806b-01aa75ed71a1.0001.02/DOC_2&format=PDF; accessed May 31, 2024).

[7] For a comprehensive discussion about NGTs and IP law see: Kim/Kock/Lamping/Batista/Hilty/Slowinski/Steinhart, GRUR Int. 2024, 323.

Unlike its older sibling, however, it is not limited to experiments *on* the subject matter of the invention but allows experiments *with* such subject matter. In other words, patent-protected biological material can under this exemption potentially be used as a *research tool*. This may even apply to a patented CRISPR-Cas complex itself because a CRISPR-Cas complex is arguably biological material within the meaning of the breeder's exemption. If a (second) biologic material developed with such a research tool is not covered by the patent protecting the first material, a significant protection gap may arise. A comparable provision can be found in Art. 27(c) of the Agreement on a Unified Patent Court, which gives the exemption significance beyond the borders of Germany.

As a result, with the upcoming breakthrough of CRISPR-Cas in the real world of breeding and farming, both patentees and breeders have a strong incentive to find creative and balanced ways to ensure fair and non-discriminatory access to this technology. The dialogue between patent holders and breeders may include cross-licensing, pooling of patents and/or "reach-through" royalties for products that are developed using the licensed technology (which, however, is subject to antitrust-related concerns to the extent that the products themselves are not covered by patents concerned).

In the light of the many open questions addressed above, complex disputes may arise if no fair and pragmatic solutions can be found.

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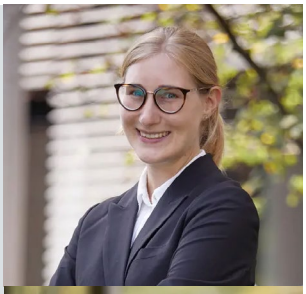

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AI Patents in Europe: Relevance of Training Data and Providing Plausible Evidence

Artificial intelligence (AI) has become an important tool in the life sciences and chemical industries, in which algorithms and machine learning are used to analyze data, predict molecular behavior, optimize drug design, and accelerate discovery. AI models simulate biochemical interactions, identify therapeutic targets, and predict adverse effects, reducing traditional research costs and time. Additionally, AI enables personalized medicine by tailoring treatments to genetic profiles, enhancing therapeutic efficacy and safety, and revolutionizing drug discovery and development for innovative healthcare solutions.

AI tools are typically trained on a vast and diverse set of data, resulting into self-configuring systems that function like "black boxes", often lacking explainability and transparency. This creates unique challenges for patenting intellectual property in Europe, especially with regard to data. This article considers the role of data in patenting AI, with a particular focus on its intersection with life sciences and chemical fields.

Treatment of AI-related inventions by the EPO

AI-related inventions are generally treated like other computer-implemented inventions by the European Patent Office. Although Article 52(2) and (3) EPC excludes from patentability mathematical methods as such, the EPO considers this to apply also to mathematical objects such as artificial neural networks (ANNs).[8] ANNs and machine learning can nevertheless be part of a patentable invention when used technically (where the technical use is implicitly or explicitly claimed).

Following the Enlarged Board of Appeal in G 1/19, a further technical effect can be based on a technical use of the outcome of the mathematical operation, e.g., in the words of the Enlarged Board of Appeal, a use that has an impact on physical reality.[9] This generally means that an AI solution may not be patentable independently of any application unless the AI solution is adapted to a specific technical implementation, for example based on technical considerations of the internal functioning of a conventional computer or even a quantum computer.

Training data

AI-based inventions are inherently data-driven. Therefore, success or failure of an AI-based invention may strongly depend on the quality and quantity of the training data on which it is trained. If, for example, sufficient and appropriate training data is not available, an AI-based invention may not produce suitable results. By way of example, in a report entitled "Trends and developments in AI – Challenges to the Intellectual Property rights framework" (September 2020), the European Commission considered the discovery of artemisinin for the treatment of malaria. Artemisinin was discovered using limited data and knowledge of a third-century book unrelated to malaria, and by making an ingenious connection. Such an approach would likely not have sufficient statistical weight for AI tokens.

Against this background, a patent application before the EPO should describe in detail the training data used and provide some context as to why the training data is ample and appropriate to effectively train the AI system (as further discussed in decisions T 161/18 and T 1191/19). Further, when a technical effect of an invention relies on mathematical or computational methods and training datasets, the description should provide a level of detail that ensures that the technical effect can be reliably reproduced. This may include a description of the data sources (i.e., at least how the training data can be obtained), the required quality of the data, and the relevance of the data to the AI system's training process.

[8] A nuanced and different position is taken by the British Patents Court, see Emotional Perception AI Ltd v Comptroller-General of Patents at the Patents Court [2023] EWHC 2948 (Ch). See also: "Examination of patent applications involving artificial neural networks (ANN)", GOV.UK, Intellectual Property Office, 2023.

[9] G 1/19, Reasons 137.

But how much detail about the training data is enough for a patent description? What if the training data itself is still under development (but there is a race to be first to the patent office), or part of the training data is proprietary? There may also be other legal considerations, such as copyright protection, or ethical issues regarding the use of training data. In other words, there are reasons to be cautious about the level of detail of training data included in a patent description.

For at least this aspect, some guidance is now provided in the Guidelines for Examination in the EPO (Part G – Chapter II, 3.3.1) as follows:

> "If the technical effect is dependent on particular characteristics of the training dataset used, those characteristics that are required to reproduce the technical effect must be disclosed unless the skilled person can determine them without undue burden using common general knowledge. However, in general, there is no need to disclose the specific training dataset itself."

According to this updated guidance, applications do not have to disclose the full set of data that was used to train the AI system. This addresses some of the issues discussed above and offers a practical approach going forward which avoids the need to exhaustively describe the vast amount of training data in a patent application.

However, there are many possible aspects to be considered when determining whether or not a particular characteristic of the training data should be described. For example, if the technical effect is related to a more accurate medical analysis achieved by a higher level of resolution and granularity of image training data, then such a characteristic may need to be included in the description. In general, it should be avoided to omit crucial assumptions or relevant aspects of the type and amount of training data based on which the AI generates an intended result. This may also help to avoid over-generalizing and unsupported leaps from a limited example to, say, "treating cancer".

Technical effect for establishing inventive step and AI plausibility

This brings the discussion to the technical effect requirement for establishing inventive step at the EPO. According to the Guidelines for Examination in the EPO (Part G – Chapter II, 3.3.1):

> "The technical effect that a machine learning algorithm achieves may be readily apparent or established by explanations, mathematical proof, experimental data or the like. While mere allegations are not enough, comprehensive proof is not required either."

AI-related inventions are different in that they are often compared to a black box. This makes it difficult to explain the internal processing of an AI system or the reasoning behind its outputs. There may thus be doubts as to whether the AI system output plausibly represents an improvement over a conventional system. Therefore, providing such a plausible explanation may not be easily possible for AI or machine learning type inventions and may therefore depend on ***in silico*** tests or experiments.

In this way, while AI and digital technology is becoming ever more prevalent in life sciences and chemical fields, the plausibility requirement and related case law, which has so far been discussed almost exclusively for life sciences and chemical inventions, is also entering the field of digital technology. This is a striking departure from typical electrical engineering or physics related applications for which the technical effect was usually self-evident.

T 2803/18 is a first decision in that regard and highlights the evidence requirement also for AI and machine learning type inventions. The underlying application was directed at a method for automatic detection of incontinence, in which signals related to the wetness of an absorbent article were processed and represented using a machine learning algorithm. However, the Board of Appeal did not accept that the technical effect of "increased accuracy" based on the machine learning algorithm was actually achieved. Using terminology that may be less familiar for an electrical engineering or digital technology patent attorney, the Board of Appeal emphasized the absence of direct comparative data:

> "The Board is not convinced by the respondent's argument that the accuracy of the estimation would be increased. The accuracy would depend on many factors (size of training sets, number and type of elements/variables constituting the representative vectors, etc.), none of which are defined in claim 1, so that the results obtained by the claimed method are not necessarily more accurate than the results obtained by the regression analysis, the resulting mathematical model and the threshold criteria applied in D2. The patent in suit does also not support such an alleged benefit by comparative data."

Thus, it may be useful not only to provide data comparing results achieved by the AI and machine learning type invention with those achieved by a non-AI implementation, but also to demonstrate that the technical effect is credibly achieved if the training data has at least some minimum size, if the ANN has at least a certain minimum characteristic, and so on.

Finally, this also leads to the question of whether such comparative data can be filed at a later stage. According to G 2/21, an applicant may rely on a technical effect for inventive step if the skilled person, having in mind the common general knowledge and based on the application as originally filed, would derive said effect as being i) encompassed by the technical teaching and ii) embodied by the same originally disclosed invention. This decision thus offers some scope to support a technical effect meeting these criteria with post-filed evidence, as is frequently seen for life sciences and chemical inventions.

However, what G 2/21 means and implies in the context of AI and machine learning type inventions is still highly speculative. There may also be a significant distinction between AI and machine learning type inventions, on the one hand, and inventions in the life sciences and chemical space, on the other hand.

In particular, while a chemical compound, an antibody or the like can be clearly defined (in a claim), the AI tool is usually a more fluid entity and a system that may be constantly trained and updated. It may then turn out that an alleged technical effect may only be achieved under certain circumstances, under certain conditions or the like. While a claim would then have to be limited to these conditions (so that the technical effect is achieved over the whole scope of the claim), an original application may, however, lack details in this regard so that post-filed evidence may not be helpful for another reason.

At least this problem would speak in favor of submitting experimental data supporting evidence for a technical effect when filing the patent application.

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The UKIPO Clarifies the Requirements for Representing Animated Designs

In a recent decision, the UKIPO clarified the formal requirements set out in the Registered Designs Examination Practice Guide in respect of the representation of animated (GUI) designs. Hearing Officer confirms that there is no threshold to the number of features the views must have in common in order to be considered to be "visually related".

1. The legal background

The UKIPO Registered Designs Examination Practice Guide[10] explicitly states that digital media, which include graphical user interfaces (GUIs), computer icons and screen saver graphics, can be protected through design registration.

> *"[...] the visual appearance of computer icons and screen saver graphics, and the visual layout of software interfaces (often referred to as 'Graphical User Interfaces' or 'GUIs') and web pages are not precluded from protection per se. The appearance of such forms of digital content can be accepted for registration provided they meet all other requirements of the RDA [Registered Designs Act 1949]." (Paragraph 2.11)*

The scope of protection afforded by a design registration is defined by the representation(s) of the design, in the way the scope of protection is defined by the claims in the case of a granted patent. As with the claims of a patent, the design representation must meet a number of formal requirements.

The appearance of digital media can be either static (for example, web page and GUI layouts) or non-static (for example, animated screensavers and dynamic icons). In the case of static designs, a GUI is most effectively represented by a single self-contained image or screenshot of the static interface layout intended for protection. Non-static or animated designs are represented by a sequence of snapshot images showing how the design evolves.

> *"'Snapshots' can be used as a means of representing two-dimensional animated sequences (as opposed to static two-dimensional graphic elements or three-dimensional articles). They can include what are often referred to as 'Graphical User Interfaces' (or GUIs), meaning the visual configuration of graphic elements as they appear on a computer, tablet or smart phone screen (and the manner in which they move through a particular and self-contained animated sequence). [...]" (Paragraph 11.35)*

Paragraph 11.35 of the Practice Guide further provides guidance regarding key formal requirements in connection to the representation of an animated design by a sequence of snapshot images:

> *"In all such cases, up to twelve views can be used to show a single animated design at different specific points in time, and in a clearly defined progression. In order to represent such a sequence in the context of a Registered Design application, any and all views presented must be visually-related that is they must have features in common."*

These key formal requirements were discussed in UK Design Application 6309668.

[10] https://www.gov.uk/guidance/designs-examination-practice

2. The facts of the case

UK Design Application 6309668 concerned an animated GUI design and included a series of twelve representations depicting, chronologically, the emergence of an image, with the final image representing an airway including a trachea and lungs formed by multiple scintillating dots.

During examination, the representations were considered to not represent a sequence as defined in Paragraph 11.35 of the Practice Guide because the representations were not *"visually-related"*. More specifically, it was considered that, in each of the representations, the number and the position of the dots change so that the representations did not have *"features in common"*. Consequently, the twelve representations were considered to represent twelve different designs (i.e., a lack of unity objection), and the Applicant was requested to delete eleven views so that the application would be based on a single design as required by the Registered Designs Act 1949.

The Applicant[11] presented counter-arguments based on side-by-side comparison of the representations in the application against exemplary design representations deemed acceptable in the Practice Guide and against representations of animated designs previously registered by the UKIPO. Computer-generated images highlighting the common features between superimposed representations were also presented. Nonetheless, it was objected that the representations differed *"too much"* and had *"insufficient"* features in common to be visually related.

The question was put to a Hearing Officer of the UKIPO as to whether there exists a threshold, a minimum number of features in common that the representations must have in order to be considered to be "visually related".

The Hearing Officer answered that *"there is no such threshold"* and that *"each case is considered on its own merits"*. In this case, the Hearing Officer held that *"the design relates to the appearance of a singular, self-contained sequence, the stages of which appear to be pre-defined and clear"*. The objection was waived, and the design registered.

3. Discussion

The confirmation that there is no threshold in respect of the number of common features in representations for an animated design is most welcome.

It is also important to take a step back from the wording of the Practice Guide and to remember the purpose of the representations, that is, to define the scope of protection afforded by the registration. It follows that there may be, and indeed there have been, animated design registrations with representations having ***no*** features in common, for example where the design is directed to a sequence of unrelated images. One could imagine an animated icon in which a strawberry, which turns into an ice cream, which turns into a house, and finally disappears. These representations may not have any features in common, but would relate to a single, self-contained animated sequence with clearly defined stages.

The EUIPO Design Guidelines uses a quasi-identical wording as the UKIPO Practice Guide when it comes to animated designs.

> *"Snapshots are a short sequence of views used to show a single animated design at different specific moments in time, in a clearly understandable progression. [...] In principle, according to the Common Practice (CP6), all views of an animated icon or graphical user interface need to be visually related, which means that they must have features in common. [...]" (Section 5.3.6 EUIPO Design Guidelines).*

[11] Represented by Hoffmann Eitle.

Of note, the wording *"in principle"* is used in the EUIPO Guidelines, whereas it is absent in the UKIPO Practice Guide. There does not appear to be any decision from the EUIPO Boards of Appeal relating to the interpretation of "visually related" or "features in common"; however, the wording of the EUIPO Guidelines and the animated design registrations on the EUIPO Register support that the EUIPO adopts the broader requirement of a clearly defined sequence.

Other requirements may affect the registrability of animated designs. In a separate application, the UKIPO indicated that the progression from one snapshot to the next could not be the result of a physical interaction by the user. If user interaction (e.g., touching the screen) is required for the image to change, according to the UKIPO in that specific case, the design is considered to be directed to software, which is precluded from design registration pursuant to Section 1(3) RDA.

Finally, one could imagine that the ability to represent an animated design via recording of a moving image would address formal objections such as those described herein. However, whilst this option is available for trademarks, it is not for design applications. The possibility of filing video files would constitute a positive development towards the expedient registration of animated designs.

4. Conclusion

With this decision, the UKIPO has clarified the formal requirements set out in the Registered Designs Examination Practice Guide in respect of the representation of animated designs.

In the United Kingdom, the number of design registrations has sharply increased following the UK exit from the European Union. With the rise of software- and AI-related innovations, a rise in applications for the design registrations of animated designs, computer icons, graphical user interfaces and screen saver graphics has also been observed. This decision will therefore likely be followed by many more which will consolidate the existing body of UK design case law.

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"Glück vs. LieBee": Emotional Keywords Unenforceable in Germany Under Unfair Competition Law

- In a recent decision (December 7, 2023; I ZR 126/22), the German Federal Supreme Court confirmed that emotional keywords are not enforceable under the German Act against Unfair Competition (UWG).
- Specifically, the concept of using an emotional keyword as a product name cannot be considered as an element determining the competitive character of a product.
- Section 4(3) UWG protects goods and services in their specific composition, not the abstract idea behind them.

The question of the conditions under which the imitation of products and packaging is permissible is often debated in IP case law, in particular on the basis of the law against unfair competition.

The Federal Supreme Court recently addressed this question and provided some clarification regarding the use of emotional keywords for product packaging.

Background

Since 2017, the plaintiff has successfully marketed jams under the product name "Glück" (meaning "luck" or "happiness" in German). The emotional keyword is depicted in bold handwriting-like typography on low jam jars in a reduced design, a so-called "non-label-look", which gives the jars a very distinctive appearance compared to other jam and honey jars.

The marketing concept worked well. In 2018 and 2019, just one and two years respectively after the product launch, the "Glück" jams were one of the top 8 most successful jam brands in Germany.

In autumn 2019, the plaintiff expanded its product range and launched a honey under the product name "Glück".

The defendant, a subsidiary of one of the plaintiff's competitors in the sale of sweet spreads, was founded in the summer of 2019. Around the same time as the plaintiff, the defendant launched a honey under the product name "LieBee", a play on the German word "Liebe" (meaning "love") and the English word "bee". However, not only was the labelling of the product with an emotional keyword similar, but the low glass jar with a "non-label-look" also looked similar to the jars of the "Glück" jams, as can be seen below.

Source: https://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?Gericht=bgh&Art=en&az=I%20ZR%20126/22&nr=135908; accessed on May 3, 2024.

Facts of the case

The plaintiff was not prepared to accept the "look-alike" product of its competitor. Rather, they were of the opinion that the "LieBee" honey would be deceptive about the origin of the product and would exploit the reputation of the "Glück" jams, pursuant to Section 4 No. 3 (a) and (b) UWG.

The plaintiff filed a claim for preliminary injunction which was granted in first instance and then upheld by the Hamburg Higher Regional Court (Ref.: 5 U 95/21) following the defendant's opposition.

The main proceedings before the Hamburg Regional Court (Ref.: 327 O 158/20), regarding the removal of the honey jars from the distribution channels, the determination of the defendant's obligation to pay damages, the provision of information and the reimbursement of pre-trial legal fees, were also decided in favour of the plaintiff.

The defendant appealed the decision, but the appeal was rejected. However, an appeal on points of law was allowed. As a last resort, the defendant thus filed a request for an appeal on points of law before the Federal Supreme Court.

Decision

In its decision, the Federal Supreme Court criticised the reasoning of the Hamburg Higher Regional Court.

The Higher Regional Court had held that the label design with the word "Glück" was an emotional keyword and a distinctive element of the jam jars which determined the competitive character of the product concerned.

According to the Federal Supreme Court, such argumentation does not make a clear distinction between the protection of concepts or ideas, which is not eligible for special legal protection, and the design of products, which is in principle eligible for protection.

In the Federal Supreme Court's view, the judges should have based their decision solely on the fact that the specific design of the labelling of the plaintiff's product with the designation "Glück" clearly stands out and is striking to the viewer and therefore possesses competitive character.

In principle, it is possible to see a characteristic in the labelling of the plaintiff's jam jars with the word 'Glück' (happiness) which, in connection with the specific design of the jam jar and the label, establishes the competitive character of the product. However, it is not permissible to base the competitive character on the concept of using an emotional keyword as a product name.

By categorising the product names "Glück" and "LieBee" under the generic term of emotional keywords, the Higher Regional Court abstracted the product name and thus erred in law in defining the scope of protection for the plaintiff's product beyond the specific design.

The concept of using an emotional keyword as a product name cannot be regarded as an element determining the competitive character of a product. The possibility of designing products with emotional keywords should be open to everyone.

The object of protection against imitation under Section 4 No. 3 UWG is the protection of goods and services in their specific composition, not the abstract idea behind them. Accordingly, the combination of the various features of the "Glück" jar, such as the shape of the jar and the label design together with the typography, had the effect of signalling the product's origin. However, a concept such as the use of an emotional keyword is not within the scope of protection against imitation under the German Act against Unfair Competition.

Conclusion

The decision confirms that also products that have only been available on the market for a relatively short time can be protected against imitation if they differ significantly from the remaining market environment and if they are considered as showing a competitive character.

Furthermore, the decision clarifies that the protection against imitation under unfair competition law cannot be extended to the protection of concepts. Rather, it depends solely on the specific composition of the goods or packaging in question, ***i.e.***, the combination of all design features such as colour, shape, font, and graphics.

The dispute over the emotional outer appearance of jam and honey jars is, however, not over yet. As the matter was not ready for a final decision, the Federal Supreme Court referred the case back to the Higher Regional Court.

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Device or Pharmaceutical Composition: T 1252/20 Proposes Broader Applicability of Medical Use Claims at the EPO

The recent decision T 1252/20 opens the door for a broader application of medical use claims at the European Patent Office (EPO). In a well-reasoned decision, the Board proposes that it is sufficient if the claimed subject matter is *"prima facie"* not a device, i.e., is defined by its chemical nature rather than physical properties. Previously, Applicants were required to demonstrate that the claimed product interacts with the body through its chemical properties and does not exert its technical effect purely through its physical form.

Background

The EPC excludes methods of treatment of the human or animal body from patentability (Art. 53(c) EPC). Hence, for pharmaceutical inventions, a claim to a *"substance or composition"* for use in such methods (purpose-limited product claim (Arts. 54(4)/(5) EPC)) is required.

For most pharmaceutical cases, the purpose-limited product claim is unproblematic. However, there is a trail of cases that document a gap where, on the one hand, the EPO has denied patentability for methods of treatment, and, on the other hand, also denied that a purpose-limited product claim is accessible. These cases hinge on the wording *"substance or composition"* in Arts. 54(4)/(5) EPC. The EPO reasoned that these words do not include *"devices"*, and hence denies the *"purpose-limited product claim"* format for devices used in methods of therapy.[12]

It was long considered established practice that the *"mode of action"* is the critical criterion for delineation between *"a device"* and a *"substance or composition"*, i.e., that only products that *"interact with the body through their chemical nature"* can be considered a *"substance or composition"*. The recent decision **T 1252/20** sheds new light on this distinction and sets the tone for a more generous approach to purpose-limited product claims at the EPO.

Previous approach (*"mode of action criteria"*)

Arts. 54(4)/(5) EPC do not generically refer to *"products"* (unlike Art. 53(c) EPC), but more specifically refer only to *"substances or compositions"*. The EPO concluded that this definition does not read on to every product, i.e., that *"substances or compositions"* must be a special category of products.

The Guidelines for Examination[13] and various decisions from the Boards of Appeal[14] explained that the technical effect relied upon must be ascribed to the chemical properties of the product, i.e., the claimed product needs to interact chemically with the body. If, on the other hand, the technical effect is purely derived from the mechanical properties of the product, it is considered a device.

A two-step test was applied to establish:

(i) the means by which the therapeutic effect is achieved and
(ii) whether that which achieves the therapeutic effect is a chemical entity or composition of chemical entities.

[12] If the claim is construed as claiming a device, the product is considered as merely limited to being "suitable for" use in the method defined in the claim and thus a prior art disclosure of the same product would be relevant for novelty.

[13] Guidelines for Examination, G-VI, 7.1.1.

[14] Originally developed in **T 2003/08**, reasons 18, applied in **T 2136/15**, reasons 1.5, and **T 1758/15**, reasons 5.2.6; referred to in **T 1252/20**, reasons 6.3.

For example, the frequently cited **T 1758/15** concerned a filler material for injection and for use in radiation treatment. In this case, the Applicant argued that the filler material represents a *"substance or composition"* in the sense of Arts. 54(4)/(5) EPC as the effects derived from the chemistry, i.e., from the particular *"substance or composition"* used. However, concerning (i) of the test, the Board held that the technical effect is achieved by mechanical displacement of tissue, i.e., the macroscopic 3D-form and position of the mass. Therefore, in that case, the filler material was not considered a *"substance or composition"*.

The criteria were also applied in **T 2136/15** which concerned a self-gelling alginate for treating a dilated left ventricle of a heart of a patient suffering cardiomyopathy. Concerning (i) it was held that the alginate acted exclusively as a space occupying agent. The therapeutic effect of the use in that case was thus (ii) caused by the ensemble of space occupying physical structures formed by the alginate positioned in particular patterns of distribution. The Board rejected the argument that the specific biochemical and physical properties of alginate played a decisive role. The application highlighted[15] a large number of alternative implantable devices such as expandable small balloons that could also act as space occupying agents, i.e., it was evident from the application as filed that the technical effect was entirely independent of the entity used for occupying the space.

New approach: **T 1252/20** (*"prima facie test"*)

T 1252/20 suggests that the EPO may allow medical use claims for any product that is a substance or composition, regardless of its mechanism of action.

The Board pointed out that the mode of action criteria fail in relation to various constellations frequently encountered in practice and do not accurately reflect the legislative intention of Arts. 54(4)/(5) EPC:

(i) It is not necessarily the administered product that leads to the technical effect, for example, in the case of prodrugs. In particular, medical use claims are often directed to the product *"**in the bottle**"*, i.e., before administration, as this is the commercially important embodiment. Consequently, the claimed entity may deviate from the entity that brings about the purported technical effect. As an example, the claim may be to a non-cured precursor (i.e., a compound or composition), whereas the final cured form of the claimed product formed in the body may have device-like properties. The Board held that there is no justification to take the device-like properties into consideration if that is not claimed.

(ii) The product may have an unknown mode of action. There is no requirement in the EPC that the Applicant must fully understand the mode of action at the time of filing, the invention must only be reproducible (Art. 83 EPC). In fact, the understanding of the mode of action frequently changes as research advances. The mode of action criteria may thus pose an undue burden on Applicants.

(iii) From a legislative perspective, the intention of Arts. 54(4)/(5) EPC was not to provide further hurdles for patentability but to allow for commercially valuable but usually excluded inventions to be patented by way of a novelty exception.

[15] [0098] and [00124] et seq. of the application in dispute.

Consequently, the Board concludes that the mode of action criteria are not to be applied if the *"substance or composition"*-like nature is already immediately apparent (*"prima facie"* test, reasons 9.3.3).

The claim in the case underlying the appeal[16] was directed to a peptide composition for use in reducing or eliminating cancerous cells by forming at least a partial blockage in a blood vessel to deprive a tumour in the subject of blood supply. In the case underlying this appeal, the Examining Division had considered that the claimed subject matter did not qualify as *"substance or composition"* based on the Guidelines for Examination, G-VI, 7.1.1 and **T 1758/15** (**T 1252/20**, summary of facts and submissions, section IV). Even though the peptide was defined by its specific amino acid sequence (its chemical properties), the Examining Division held that the technical effect was linked to the peptide hydrogel (its physical properties).

By contrast, the Board held that there is no legal basis for the mode of action as a criterion for qualifying a material or object as a substance or composition under Article 54(5) EPC (reasons 9). The Board suggests that the question of whether a material or an object is a "***substance or composition***" in the sense of Arts. 53(c) and 54(4)/(5) EPC should be decided, in the first place, on the basis of the claimed material or object as such (reasons 12).

Correspondingly, the Board holds that the mode of action criteria are not mandatory, if the *"substance-or-composition-like"* nature of the material is *already immediately apparent* from the claimed material as such (reasons 10.5).

Additionally, the Board also clarified that the cured final form of the compound is irrelevant in the consideration of whether it has device-like features. In the case underlying the decision, the claim merely required the presence of a peptide solution (what is *"in the bottle"*). The Board held that already for this reason, the claim is not directed to any particular form of a hydrogel formed from the peptide solution inside the body. The question of whether the peptide solution defined in the claim is a *"substance or composition"* has to be decided irrespective of whether any solidified macrostructure formed from the substance can also be considered a *"substance or composition"* (reasons 10.1).

Helpfully for Applicants, the Board derives their reasons from **G 5/83**, to which Examining Divisions are bound, and highlights that the new test is not in conflict with earlier case law **T 2003/08**, which also concluded that at least chemical compounds should fall under the definition of *"chemical substances and compositions"* (definition used in **G 5/83**), i.e., chemical compounds are *prima facie "substances or compositions"* in the sense of Arts. 54(4)/(5) EPC (**T 2003/08**, reasons 15, referred to in **T 1252/20**, reasons 9.2.2). Examiners could be more open to arguments pointing out that **T 1252/20** is not strictly speaking deviating from earlier case law but merely highlights that the mode of action criteria should only be applied in borderline cases. Additionally, the new approach is also more aligned with the wording of Art. 53(c) EPC itself, which reads *"products, in particular substances or compositions"*, i.e., its scope is not limited to substances or compositions.

[16] Appeal against the Examining Division's decision to refuse EP 2919826.

Impact on current practice

This is a welcome decision for Applicants seeking protection for medical use claims in such cases where the technical effect is not derived from a "classical" active ingredient. The decision may allow a broader range of products to be eligible for medical-use protection in Europe.

Although not strictly speaking in conflict with earlier case law, the decision is still isolated in its leniency and thus departing from established practice. Consequently, it remains to be seen whether the Guidelines will be amended. As Examiners at the EPO are not bound by the ***ratio decidendi*** of decisions from the technical Boards of Appeal, unless they are reflected in the Guidelines for Examination, borderline cases may still require an appeal in examination proceedings. During examination, arguments should highlight that this decision does not depart from, but is explicitly in line with **G 5/83**, to which the Examiners are bound, and with **T 2003/03**, reflected in the Guidelines for Examination.

In any case, it will be useful to include medical use claims for products that previously might have been considered medical devices when drafting. Where possible, the product should still be described in the patent application as delivering its mechanism of action by chemical means to avoid unnecessary discussions with Examiners. However, the decision does invite creative efforts to define the claimed products through use of chemical features, rather than physical dimensions.

If **T 1252/20** and the principles developed therein gain traction, this could also have downstream impacts on supplementary protection certificates (SPCs). SPCs provide term extension to protect authorized medicinal products. **T 1252/20** could allow a wider range of products to be eligible for SPC protection.

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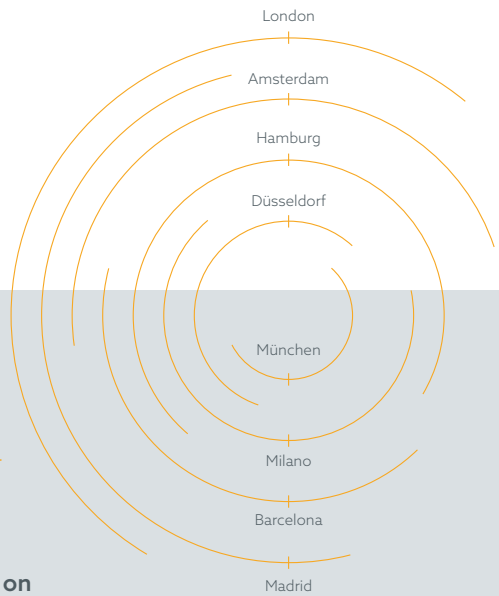

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