EXPLANATORY MEMORANDUM TO THE

PATENTS (AMENDMENT) RULES 2005

2005 No. 2496

1. This explanatory memorandum has been prepared by the Department of Trade and Industry and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 These Rules make changes to certain provisions of the Patents Rules 1995 (SI 1995/2093, as amended) ("the 1995 Rules") and the Patents (Fees) Rules 1998 (SI 1998/1778, as amended) ("the Fees Rules") and also contain transitional provisions.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1 The Patents Act 2004 (c.16) ("the 2004 Act"), which received Royal Assent on 22 July 2004, amends the principal statute on patents – the Patents Act 1977 (c.37) ("the 1977 Act"). The 1995 Rules are the main piece of secondary legislation made under the 1977 Act, and they regulate the business and procedure of the Patent Office. Amongst other things, this Office examines patent applications, grants patents and is a quasi-judicial body with jurisdiction over certain legal proceedings concerning patents. The Fees Rules are also made under the 1977 Act and these set out the various fees for conducting business before the Office, such as the fees that are payable for processing a UK patent application and the annual fees that are required to keep a patent in force in the UK.

4.2 This instrument is made under sections 32(2), 74B and 123 of the 1977 Act and its purpose is to make changes to the 1995 Rules and the Fees Rules. These changes arise from the commencement on 1 October 2005 of various provisions of the 2004 Act, all of which amend the 1977 Act. In addition, the instrument includes appropriate transitional provisions. The 2004 Act provisions are commenced by a separate instrument – the Patents Act 2004 (Commencement No.3 and Transitional Provisions) Order 2005 (SI 2005/2471 C.105).

5. Extent

5.1 This instrument applies to all of the United Kingdom.

5.2 The provisions of the 1977 Act and the 2004 Act extend to the Isle of Man (subject to any modification by Orders in Council – of which there have been two). The Manx government has been made aware of the provisions contained in the 2004 Act and the rules to be made under these provisions, and are content. The changes

made to the 1995 Rules and Fees Rules relate solely to procedures and fees payable at the Patent Office.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The provisions contained in this instrument are concerned with the detailed implementation of certain 2004 Act provisions. The 2004 Act makes some changes to help with patent enforcement and the resolution of disputes over patents, and also modernises and updates the UK patents system.

7.2 With regard to patent enforcement and dispute resolution, the 2004 Act provides for an entirely new procedure to help parties in dispute over patent rights, in which anyone will be able to ask the Patent Office for an opinion on an issue of patent validity or infringement. The provisions in this instrument set out the procedural details, including how a request for an opinion should be made, relevant time periods, and the procedures which allow third parties to make observations on the matters raised. The procedures are designed to give parties who are involved in a dispute access to a quick, impartial and affordable assessment of the main issues in contention.

7.3 This instrument also make detailed changes in respect of certain provisions of the 2004 Act which modernise and update the patents system. The amended rules set out procedures which concern the payment of renewal fees, and which align UK procedures with the rest of Europe. They also set out detailed provisions concerning when security for costs may be awarded in proceedings at the Patent Office, thus aligning the position more closely with the position under the corresponding provisions of the Civil Procedure Rules 1998. Provisions give details of how and when a person identified as the inventor in a patent application may apply to have his name and address kept confidential at the Patent Office. And some minor adjustments are made to reflect changes in the 2004 Act which clarify the position in respect of amendment or revocation of a patent, particularly when it is owned jointly by more than one party.

7.4 All the proposed changes and the accompanying draft rules were set out in a consultation document in 2005, and received support from a wide variety of users of the patents system – subject to some detailed points which have been taken into account in the final version of the rules.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument, but one was prepared for the provisions of the Patents Bill, which are implemented in detail by the changes to the 1995 Rules and the Fees Rules set out in this instrument.

9. Contact

9.1 James Porter at the Patent Office (an executive agency of the Department of Trade and Industry) can answer any queries regarding the instrument. Tel: GTN (1214) 4521 or e-mail: james.porter@patent.gsi.gov.uk