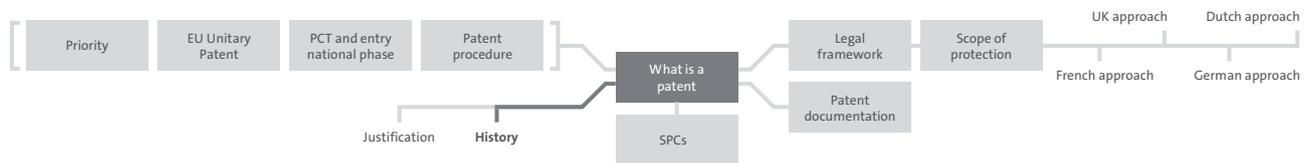


A brief history (Supplementary reading)



The patent system as we know it today is a relatively modern innovation. The idea of a patent office employing a corps of examiners to ensure that applications comply with the requirements for patentability was pioneered in the United States with the passage of the Patents Act of 1836. In the UK, substantive examination only came about with the Patents Act of 1902.

Nevertheless, the idea of the use of monopoly privilege as an incentive to create or as a reward for creation is very old indeed. One of the earliest examples of this practice is found in the Greek city of Sybaris some 500 years BC. Sybaris was renowned for the luxurious lifestyle of its citizens, and the Sybarites are documented as having passed a law enabling the creator of a unique and excellent culinary dish to claim monopoly over that dish for one year, and to thereby reap all profit from its manufacture for this period. The intention appears to have been to induce confectioners and cooks to labour to excel.

The first systematic use of monopoly that can lay claim to being a precursor to modern patent law is found in Venice in the late 15th century.

The **Statute of Venice of 1474** demonstrates a modern approach to the protection of inventions. The preamble to the Statute declared that its intention was to provide protection so that “more men would then apply their genius [to create...] devices of great utility and benefit to our commonwealth.” In other words, protection was provided in order to induce innovation, a principle that underpins the patent laws of all major states today.

The Statute contained all the essential features of modern patent laws. It stated that devices must be novel (new and ingenious, not previously made in the Commonwealth) and reduced to perfection. It laid down a term of protection (10 years), provided for the licensing of the invention, and set out a procedure for determining infringement, to provide a remedy in damages and calling for destruction of the infringing article.

While the direct influence of the Statute of Venice is hard to gauge, the utility of the offer of monopoly as an incentive to or reward for inventive

The Statute of Venice of 1474

“We have among us men of great genius, apt to invent and discover ingenious devices; and in view of the grandeur and virtue of our city, more such men come to us every day from divers parts. Now, if provision were made for the works and devices discovered by such persons, so that others who may see them could not build them and take the inventor’s honour away, more men would then apply their genius, would discover, and would build devices of great utility and benefit to our commonwealth”.

effort is undeniable. By the mid-1500s the practice had found firm footing in England too.

When Elizabeth I came to the throne in 1558, England was not only poor (Elizabeth's father's excesses and petty wars having seen to that), it was also technologically backward compared with the rest of Europe. The early years of Elizabeth's reign are marked by the conscious acceleration of a policy to stimulate domestic industry in order that the technologically backward state might become self-sufficient. Central to this was the acquisition of superior technology, particularly in those areas that had featured most prominently on the list of imports.

While invention in the modern sense was not excluded from protection, the Queen's main target was foreign artisans. Foreign workers were therefore given monopolies in return for introducing new technologies and manufactures and teaching these to the native populace.

Elizabeth's policy was a great success. At the start of her reign there was a desperate need for ordnance, but by the end, English cannon were considered to be amongst the best in Europe, and even the Spanish tried to buy them.

There was, however, a dark side to this monopoly policy. The Queen was quick to realise that it could be used to reward favourites without emptying the royal purse. Courtiers soon held monopolies in established industries, including the production of salt, vinegar and starch. Prices rose and quality fell. Eventually, things came to a head, with Parliament threatening to intervene. In response, the Queen opened up her grants to judgment by the courts, and in 1602 in the case of **Darcy v Allen** the court of common law ultimately declared monopoly to be against the ancient and fundamental laws of the land, unless it was for a manner of new manufacture.

This principle was placed onto statutory footing some 20 years later in the Statute of Monopolies of 1624, which, in its Section 1, declared all monopolies void. However, Section 6 made an exception for patents relating to a new manner of manufacture for a limited term. This section formed the foundation for English patent law that was to last until the passage of the Patents Act 1977.

As part of the British Empire, the "newly discovered" North America inherited English law on monopolies. It was transported to the dependency with the first settlers, where it evolved into a patent custom initially little changed from its roots.

Nevertheless, following Independence and the Civil War, the newly formed United States of America soon took matters into their own hands

Odious monopoly & the Statute of Monopolies

"Where a man by his own charge and industry, or by his own wit or invention doth bring any new trade into the Realm, or any engine tending to the furtherance of a trade that never was used before: and that for the good of the Realm: that in such cases the king may grant him a monopoly patent for some reasonable time, until such subjects may learn the same, in consideration of the good that he doth bring by his invention to the commonwealth: otherwise not".

Statement of counsel for the defendant in *Darcy v Allen* (1602) 11 Co Rep 84b

Darcy v Allen

The case concerned a monopoly for the manufacture, importation and sale of playing cards, which by the time of the case were certainly not a new invention. The grant was first made in 1576, was reissued twice and finally came into Lord Darcy's hands in 1598. By the beginning of the 17th century it was wholeheartedly infringed. Whilst the decision is, in one respect, a simple issue of infringement, it must be seen against a wider background of the constitutional struggle between Parliament and the Crown for supremacy. Parliament eventually won, and the case was instrumental in this process

and made a clear statement of intent by making patent protection a constitutional right of US citizens. Thereafter, in the very early days of the first Congress, a nationwide patent system was created by legislative power.

Whilst initial patents acts were crude by modern-day standards, the Act of 1836 was probably the first in the world to adopt a genuinely modern approach to the protection of inventions. It instituted a formal system of examination and made the inclusion of patent claims a **statutory requirement**.

The mid-to-late 19th century was a time of great uncertainty as far as patents were concerned. Bureaucratic and administrative inefficiencies, combined with extraordinary expense and uncertainties in enforcing protection, had led many to question the validity of a patent system at all. There was also a growing trend at this time to criticise the system on more philosophical grounds. Many claimed that patents did little to improve technology; others said that they simply placed barriers in the way of those that wanted to innovate in any given area. Critics of the English system pointed to Germany's industrial progress (Germany had no patent law until 1877), arguing that this was clear evidence that the patent system was not needed to encourage innovation.

Notwithstanding some notable successes (The Netherlands, for example, adopted its first patent law in 1817, but then abolished it in 1869 at the height of the controversy), the abolitionists eventually lost the day. Fundamentally, therefore, the "patent controversy" demonstrated that patents were justifiable, even if the system could benefit from reform.

By the end of the 19th century, patents were becoming an international concern. International trade was on the increase and it was no longer possible to consider patents (or indeed any other industrial property, including designs and trade marks) at a purely domestic level.

Accordingly, in 1873 a Congress was held in Vienna that debated a number of international issues connected with the protection of inventions. Ultimately, this Congress paved the way for the grandfather of international industrial property treaties, the Paris Convention of 1883.

The Paris Convention followed on from three conferences, held in 1878, 1880 and 1883, which debated provisions that, it was hoped, would overcome the worst difficulties facing patentees with international interests, and would at the same time be politically practical. The resultant text of the Convention provided for new concepts such as "**national treatment**" and "**Convention priority**" that still play a major part in patent law today.

The US Constitution & early Patents Acts

"Congress shall have power... To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

Article 1, §8, cl8 of the Constitution of the United States of America

Statutory requirement for the claims

Section 6 of the 1836 Act introduced a requirement that the potential patentee 'particularly specify and point out the part, improvement, or combination, which he claims as his own invention or discovery'. Prior to this point, all that had been required was a simple description of the invention so as to distinguish it from things already known and used.

National treatment

The requirement that a Convention country must treat applications from nationals of other Convention countries as it would its own. This is found in Article 2 Paris Convention.

Convention priority

The idea that a first application for a patent in one member state will not prejudice a later application in another member state as long as it is within the prescribed period. The prescribed period for patents is 12 months. (Article 4 of the Convention).

Modern developments

During the 20th century, the pressure for a more harmonised approach to the treatment of patents did not abate. Nevertheless, there were also some more immediate practical concerns. Foremost amongst these was the difficulty and impracticality of applying for the same patent in different countries. Although the Paris Convention created the notion of Convention priority, the actual process of making multiple applications was still cumbersome.

Agreed in Washington in 1970, the Patent Cooperation Treaty created a procedural mechanism to assist prospective patentees wishing to obtain protection in more than one state. Under the PCT, a single application can be made which is then subjected to an international search and **preliminary examination** before being turned into a bundle of national applications for designated countries.

Preliminary examination

An examination to check that the application is in order. This is not an examination of the patentability of the invention in question.

The European Patent Convention (EPC) is a multilateral treaty that created the European Patent Organisation and provides a system of centralised search, examination and grant at the European Patent Office (EPO). It provides a framework for the harmonisation of substantive law on patentability within the states that contract to it. The text of the EPC therefore forms the basis for the criteria of patentability that can be found in the domestic legislation of its member states.

The original text of the EPC was amended in November 2000 at a Diplomatic Convention held in Munich. The amendments came into force in December 2007.

There are currently **38 member states** of the European Patent Organisation, and a further two **extension states**.

38 member states of the European Patent Organisation

Austria, Belgium, Bulgaria, Switzerland, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, United Kingdom, Greece, Croatia, Hungary, Ireland, Iceland, Italy, Liechtenstein, Lithuania, Luxembourg, Latvia, Monaco, Former Yugoslav Republic of Macedonia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Sweden, Slovenia, Slovakia, San Marino and Turkey.

The EPC (and also the EPO) does not concern itself with issues of enforcement and infringement of patents: these are purely national concerns.

Extension states

States recognising European patents upon request: Bosnia and Herzegovina, and Montenegro

Patents granted under the EPC are referred to as “European patents”, but they are not unitary in character. Once granted, these patents enter what is known as the “national stage” and become enforceable as if they were purely domestic applications.

Infringement and revocation actions are therefore heard by local (i.e. national) courts in the member states in question. (For the effect of a “European” patent in the UK, see **Sections 77 to 83 Patents Act 1977**.)

There are, however, two centrally administered procedures that can occur after grant and which can affect all patents in the national stage. These are the **opposition** and **limitation or revocation** procedures.

At the same time that the Council of Europe was debating what was to become the European Patent Convention, the European Community (as was) was finalising what it hoped would become the sister convention to the EPC, providing unitary patent protection for the member states of the EEC: the Community Patent Convention (CPC). The CPC was intended to build upon the EPC and to deal with aspects of infringement and revocation.

The contracting parties expected the CPC to enter into force, so when amending their national laws on patentability to bring these into line with the EPC, they also amended their provisions on infringement to harmonise with the CPC. Ultimately, the CPC did not enter into force, despite renewed attempts in the 1980s to get it to do so. But nevertheless, the infringement provisions of the UK, Germany and France (amongst many others) are modelled upon it (provisions relating to direct infringement are found in Article 25 of the 1989 Draft CPC; Article 26 deals with indirect infringement).

More recently, attempts have been made to further the harmonisation of intellectual property laws on a worldwide basis. Accordingly, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), administered by the World Trade Organization, sets out certain minimum standards for many forms of IP rights.

The TRIPS agreement requires members of the WTO to adhere to fairly strict intellectual property standards, in many cases going far beyond those demanded under previous international conventions. In the field of patents, TRIPS states (under Article 27) that patents must “be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application”. Article 52 EPC mirrors this provision closely.

Section 77(1) Patents Act 1977

“Subject to the provisions of this Act, a European patent (UK) shall, as from the publication of the mention of its grant in the European Patent Bulletin, be treated for the purposes of Parts I and III of this Act as if it were a patent under this Act granted in pursuance of an application made under this Act and as if notice of the grant of the patent had, on the date of that publication, been published under section 24 above in the journal; and -

- (a) the proprietor of a European patent (UK) shall accordingly as respects the United Kingdom have the same rights and remedies, subject to the same conditions, as the proprietor of a patent under this Act...;”