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PROVISIONS FOR COMPULSORY LICENSES IN AFRICA[1]

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Much has been written about the compulsory license granted in India in 2012 to Natco Pharma Ltd., an Indian generic drug manufacturer for the production of a patented drug for cancer. This has led global pharmaceutical companies to be concerned that there will be an increase in the number of compulsory licenses granted in India and other countries.

The world is well aware of the health issues in Africa, especially those related to HIV/AIDS. Although many African nations include provisions in their laws for compulsory licenses, few licenses have been granted. In fact, it appears that it has been nearly nine years since a compulsory license was granted in Africa.[2]

Compulsory licensing is addressed in the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Agreement).

Overview of Requirements Under Trips

Articles 31 and 31bis of the TRIPS Agreement concern compulsory licensing.

Article 31 of the TRIPS Agreement requires World Trade Organization (WTO) member states to comply with numerous requirements before granting a compulsory license for the use of a patented invention. These requirements include:

(a) Each application for a compulsory license must be considered on its individual merits.

(b) The proposed user must have made efforts to obtain authorization from the patent owner on reasonable commercial terms and conditions, and must also demonstrate that such efforts have not been successful within a reasonable period of time. However, this requirement may be waived in the case of national emergency or other circumstances of extreme urgency.

(c) The scope and duration of such use is limited to the purpose for which it was authorized.

(d) The compulsory license must be non-exclusive and non-assignable, except with that part of the enterprise that was awarded the compulsory license.

(e) Any such use shall be authorized predominantly for the supply of the domestic market of the member authorizing such use.

(f) The compulsory license must be revocable if and when its motivating circumstances cease to exist and are unlikely to recur.

(g) The patent owner must be paid adequate remuneration under the circumstances of each case, taking into account the economic value of the authorization.

(h) The legal validity of any decision relating to the authorization of such use shall be subject to judicial or other independent review.

Article 31bis allows WTO member states to issue compulsory licenses providing for the import or export of pharmaceuticals. The provisions of this article include:

(a) An eligible importing state is any least-developed country, or one that has insufficient or no manufacturing capacity with respect to that pharmaceutical.

(b) A member state seeking to import pharmaceuticals must submit an application to the WTO specifying the name and quantity of pharmaceutical needed, and also whether that country intends to issue a compulsory license.

(c) An eligible exporting state may then issue a compulsory license that meets the needs of the country requesting imports.

(d) The exporting state must provide "adequate remuneration" to the patent owner.

(e) Furthermore, the relevant actors must take reasonable measures to prevent re-exportation of the pharmaceuticals subject to the compulsory license.

Countries that provide for compulsory licenses include Ghana, Ethiopia, Kenya, Nigeria, South Africa, and Zimbabwe. The provisions in Ghana, Kenya and South Africa will be discussed below.

[1] Janet Cord, Ladas & Parry LLP. Janet would like to acknowledge Tarryn Riley of ENSAfrica and Luciano Ricondo of Ladas & Parry LLP for their assistance in preparation of this article.

[2] Compulsory licenses for HIV/AIDS medicines were granted in Mozambique and Zambia in 2004 and Eritrea, Ghana and Guinea in 2005.

Ghana

The Ghana Patents Act provides for the granting of compulsory licenses which may be granted in the following circumstances:

(a) On request made to the court after the expiration of a period of four years from the date of filing of the patent application, or three years from the date of the grant of the patent, whichever period expires last, the court may issue a non-voluntary license if the court is satisfied that the patented invention is not exploited or is insufficiently exploited, by working the invention locally or by importation in the country.

(b) Where the public interest, in particular national security, nutrition or health, or the development of vital sectors of the national economy so requires; or where a judicial or administrative body has determined that the manner of exploitation by the patent owner is anti-competitive, a compulsory license may be granted.

(c) Where a patented invention cannot be exploited without infringing an earlier patent and the later invention involves an important technical advance, a compulsory license under the earlier patent may be granted by the court.

Ghana, on October 26, 2005, issued a compulsory license for importation of generic HIV medicines into Ghana.

Kenya

Kenya's Industrial Property Act provides for both compulsory licenses on applications by third parties acting on their own behalf and government use.

Any person may, after a period of four years from the filing date or three years from the grant of a patent, whichever expires last, apply to the Tribunal for a license to exploit the patented invention on the grounds that a market for the patented invention is not being supplied on reasonable terms in Kenya.

A non-voluntary license shall not be granted if the patent holder satisfies the Tribunal that circumstances exist which justify the fact that the market for the patented invention is not been supplied or not being supplied on reasonable terms.

Where a patented invention cannot be worked without infringing the rights attaching to an earlier patent, the owner of the latter patent may request the Tribunal to grant a compulsory license in respect of the earlier patent to the extent necessary for the working of his invention and where his invention constitutes an important technical advance of considerable economic significance in relation to the invention claimed in the earlier patent.

A compulsory license shall not be granted unless the person requesting the license –

a) satisfies the Tribunal that he has asked the owner of the patent for a contractual license but has been unable to obtain the license on reasonable terms and within a reasonable time;

b) offers guarantees satisfactory to the Tribunal to work the relevant invention sufficiently to remedy the deficiencies or to satisfy the requirements which gave rise to his request;

The requirements under (a) shall be waived in cases of a national emergency or other circumstance of extreme urgency provided that the patent holder is notified as reasonably practicable.

In considering a request for a compulsory license, the Tribunal shall decide whether the license may be granted and shall then fix the terms of the license which shall be considered to constitute a valid contract between the parties.

In fixing the terms of the license, the Tribunal will ensure that the compulsory license:

(a) is limited in scope and duration to the purpose for which is was authorized and, in the case of semiconductor technology, shall only be for public non-commercial use or to remedy a practice determined after a judicial or administrative process to be anti-competitive;

(b) is limited predominantly for supply of the domestic market;

(c) does not entitle the licensee to grant further licenses without the consent of the owner of the patent;

(d) is non-exclusive; and

(e) provides as payment to the owner of the patent remuneration which is equitable with due

regard to all circumstances of the case, including the economic value of the license.

No compulsory licenses have been granted in Kenya. However, the mere existence of compulsory licensing provisions in the Act was instrumental in the negotiation of voluntary licenses between GSK and Boehringer Ingelheim with Cosmos Pharmaceuticals.

South Africa

In South Africa, compulsory licenses are dealt with in Sections 55 and 56 of the South African Patents Act 57 1978.

Section 55

Specifically, Section 55 provides for the granting of a compulsory license in respect of a dependent patent. Where the working of a dependent patent without infringement of a prior patent is dependent upon obtaining a license under that prior patent, the proprietor of the dependent patent may, in the absence of agreement with the proprietor of the prior patent, apply to the Commissioner of Patents for a license under the prior patent.

The Commissioner may grant a license on such conditions as he may impose, including:

a) that such license shall be used only for the purpose of permitting the dependent patent to be worked and for no other purpose;

b) the invention claimed in the dependent patent involves an important technical advance of considerable economic significance in relation to the invention claimed in the prior patent;

c) the proprietor of the dependent patent grants the proprietor of the prior patent a cross-license to use the invention claimed in the dependent patent on reasonable terms; and

d) the use authorized in respect of the prior patent is not assignable except together with the assignment of the dependent patent.

Section 56

In terms of Section 56, any interested person who can show that the rights in a patent are being abused may apply to the Commissioner of Patents in the prescribed form for a compulsory license under the patents.

The rights in a patent shall be deemed to be abused if:

a) the patented invention is not being worked in the Republic on a commercial scale or to an adequate extent, after the expiry of a period of four years subsequent to the date of the application for the patent or three years subsequent to the date on which the patent was sealed, whichever period last expires, and there is, in the opinion of the Commissioner, no satisfactory reason for such non-working;

b) the demand for the patented article in the Republic is not being met to an adequate extent and on reasonable terms;

c) the patentee refuses to grant a license or licenses upon reasonable terms, and the trade or industry or agriculture of the Republic or the trade of any person or class of persons trading in the Republic, or the establishment of any new trade or industry in the Republic is being prejudiced, and that it is in the public interest that license or licenses be granted;

d) the demand in the Republic for the patented article is being met by importation, and the price charged by the patentee, licensee or agent for the patented article is excessive in relation to price charged therefor in countries where the patented article is manufactured by or under license from the patentee or his successor in title.

A license granted in terms of Section 56 shall include a proviso that the license shall be terminated if the circumstances which led to its grant cease to exist and, in the opinion of the Commissioner, are unlikely to recur.

Any license granted under this Section shall be non-exclusive and shall not be transferable except to a person to whom the business or part of the business in connection with which the rights under the license were exercised have been transferred.

A compulsory license has never been granted in South Africa

Conclusion

Although provisions exist for the granting of compulsory licenses in many African countries, the number of compulsory licenses that have actually been granted is very small. Some of this is due to agreements that are reached between pharmaceutical companies and the governments for the pharmaceutical companies to provide

pharmaceuticals without the need for a compulsory license. The compulsory licenses that have been granted, for the most part, have been limited to licenses for pharmaceutical products such as HIV/AIDs medication.

CHINA STARTS TO PROTECT DESIGNS OF GRAPHICAL USER INTERFACE (GUI) FROM MAY 1, 2014

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Recently, the China State Intellectual Property Office amended Guidelines for Patent Examination, allowing a product containing a Graphical User Interface design to be protected as a design patent from May 1, 2014. In the old version of the Guidelines, designs that showed only when the product is powered on were not protected by patent law. The protection of GUI (Graphical User Interface) is significant for industries such as computers, mobile communications, and industry devices, as well as electrical apparatus and household appliances, etc., and is a great breakthrough for patent protection in China. A brief introduction to the GUI protection in China is given as below.

Graphical User Interface Incorporated by a Product is Subject to be Protected by Chinese Design Patent

Chinese Patent Law provides that: "Design" means any new design of the shape, the design, or their combination, or the combination of the color with shape or design, of a product, which creates an aesthetic feeling and is fit for industrial application. This indicates that the design patent must have a product as a carrier. Following this rule, the expression "A product design containing Graphical User Interface" is used throughout the amendment of Guidelines of Patent Examination. To comply with above law, the applicant shall submit GUI view(s) integrated with the product (with electronic display device) on which they appear.

Protectable Graphical User Interface and Non-protectable Graphical User Interface.

GUI can be protected in China when meeting two parallel requirements: with human-machine interactivity, and being able to fulfill a function of a product. Such GUI's generally comprise:

- Products comprising an interface for specific instrument;
- Products comprising universal operation system software interface;
- Products comprising application software interface;
- Products comprising an icon;
- Products comprising internet based application (known as App);

Designs that are irrelevant to human-machine interaction or fulfillment of a product function, such as electronic screen wallpapers, animation shown during turn-on or off of an electrical appliance, and image-text layouts of webpages, are not protectable as design patents. The other exception of GUI protection is a computer game interface – although, it seems that computer games are able to meet the two requirements of human-machine interaction and function realization.

Special requirements for filing documents when filing GUI design application with SIPO:

- Submitting GUI designs integrated with the product that they apply. Six-sided views of the product are required. Enlarged view of GUI can be supplemented.
- For GUI containing dynamic design(s), submitting the GUI design integrated with the product in one state, while GUI of other dynamic state(s) can be submitted without being integrated with the product.
- A more concrete description is required, including the position of the GUI on the product, the manner of human-machine interaction, the states of variation, etc.
- Objects generated/observed during operation of the GUI should be removed from the filing documents (e.g., photos grabbed by a camera).
- Dotted lines should be changed to solid lines. A disclaimer about the dotted line being outside the scope of protection is not accepted.

Problems and Controversies Regarding the GUI protection in China

Since the GUI designs will be depicted on the product in China, if the original drawings filed in other jurisdiction do not include the product at all, the claim of the priority in China based on the prior application may be rejected by SIPO. As a result, filing in China as soon as possible is strongly suggested.

Further, when GUI plus the design of the product as a whole constitute the scope of protection being sought, problems may arise during the enforcement stage. Although the Patent Examination Guidelines provide that for a design patent right concerning a GUI, when the other portion (mostly referring to the shape of the product) are conventional designs, the GUI will have notable influence to the overall visual effect. Thus, if a product copies a GUI design but possesses an unconventional product shape, can the registered GUI design still protect against this type of copying?

To solve these problems, there is a need to break the long-existing prohibition to one part of a product being protectable for a design patent. Likewise, in the United States or other countries, if we allow an applicant to indicate that some parts are not within the scope of protection when filing the design application, the design of GUI per se will get better protection.

If we can go further to change the subject of design protection from the physical independent item to the GUI design per se, by admitting that the GUI design itself can constitute the subject of design protection (like it does in the Community Design Office), it will relieve the burden of the GUI owner so that they will not have to file multiple applications for one GUI that may be used in different appliances (for example, a GUI design for both phone, IPAD and PC). This change will facilitate the rightful owner of a GUI design being able to effectively and substantially enforce the GUI design right.

"I WANT YOU TO STAY": UK COURT OF APPEAL AGREES TO AWAIT OUTCOME OF EPO CENTRAL LIMITATION

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The EPO central limitation procedure has shown its potential to disrupt infringement and validity hearings in the UK courts, after the Court of Appeal agreed to adjourn an appeal in the ongoing dispute between Apple and Samsung.

The Court opted to await the outcome of Samsung's applications to the European Patent Office (EPO) to centrally limit the claims of two of its European patents which were revoked during the trial at the High Court, rather than press ahead and hear the parties on the claims currently at issue.

If Samsung's central limitation applications succeed, the claims on which Samsung's appeal is based will be deemed never to have existed. This may force the appeal court to send the matter back down to the court of first instance to consider afresh, thus causing Apple the "trouble and jeopardy" of a retrial.

This case shows how powerful a tool central limitation can be for patent owners defending a claim or counterclaim for invalidity. In effect, the comparatively lenient European procedure for central limitation bypasses the more stringent UK regulations governing amendment during trial, and offers patent owners an opportunity to amend easily, and without the discretion of any court.

In light of this development, third parties concerned about infringement may have even greater cause to file European oppositions as a defensive measure, since doing so will prevent the use of the ex parte central limitation procedure by patent owners until the (often lengthy) opposition proceedings have been brought to a close. Of course, stays can be granted pending the outcome of opposition proceedings, but recent decisions (e.g. *IPCom GmbH & Co. KG v HTC Europe Co. Limited & Ors*) suggest this is less likely.

The facts of the case are thus. Samsung sued Apple under patents alleged to cover the iPhones 4 and 4S, and the iPad 2 3G. The validity of the

patents, both as granted and as proposed to be amended by Samsung, was contested in the High Court and found to be lacking. The ensuing order for the patents to be revoked was suspended pending an appeal by Samsung.

After the High Court decision (but before the matter had been dealt with by the Court of Appeal), Samsung filed applications at the EPO to amend the patents using the central limitation procedure which, if granted, will take effect across all designated states. According to later testimony, the applications could not have been made sooner due to the need for coordination between multiple ongoing parallel proceedings.

Given the "real risk" of the Court of Appeal deciding on claims which were (possibly) soon to be defunct, Samsung then requested adjournment of the appeal, pending the outcome of the central limitation applications. In reply, Apple sought an order for Samsung's leave to appeal to be set aside (thereby removing the suspension of the revocation order) unless Samsung undertook not to proceed with the request for central limitation. Apple argued that Samsung's requests for amendment could have been brought earlier, and that since their actions would effectively lead to a retrial, they amount to an abuse of process.

Responding to Apple's request, Kitchin LJ made it clear that there is nothing in the European Patent Convention (EPC) or UK act which could prevent Samsung from making the applications for central limitation when it did. Except where opposition proceedings are pending, central limitation may take place at any time after grant. Moreover, the EPO has no option but to examine such applications and the examination is limited to clarity and added subject matter. For these reasons, applications for central limitation are quick to resolve.

Apple cited cases (including *Nokia GmbH v IPCom & Co. KG*) exemplifying the principle that parties are obliged to advance their case as early as possible and so, when it comes to amendments, patentees should "put up in time or shut up" to avoid abuses of process. Apple's position, based on existing case law, was that post-trial applications to amend should ordinarily be refused if they would require a second trial on validity (as they suppose would be necessary here). Whilst the cited cases relate to the more stringent UK act, Apple argued that Samsung should not be in a better position purely by using the EPO's central limitation process.

Ultimately, Kitchin LJ disagreed: since the Court of Appeal was powerless to prevent Samsung exercising its right to rely on central limitation, the fact that they filed such applications cannot itself amount to an abuse of process. On behalf of the court, he wrote that "we do not believe it would necessarily amount to an abuse of process for a patentee to seek to rely upon claims which have been limited by the EPO following a central limitation amendment application, and that is so whether the application has been made before or after trial."

Both the court and Samsung acknowledged that central limitation could be used abusively (in which case one supposes that the court would refuse a stay), but in this case the court could find no abuse of the kind alleged by Apple. The court's written decision stops short of defining circumstances in which the use of central limitation could amount to an abuse, but signalled that "all the circumstances" must be taken into account, including probable timescales and the likelihood and implications of a retrial, and that it may be best to determine the question on a case-by-case basis.

The court was also keen to distinguish the present case, which concerned the comparatively quick central limitation procedure, from similar cases involving whether to grant a stay pending the outcome of a comparatively slow opposition procedure.

At the time of writing, one of Samsung's central limitation applications has been allowed, whilst the other is awaiting a reply to objections raised by the examiner. The court was careful to make clear that Apple will be able to "make such further submissions (and any necessary application) about the conduct and further progress of the action as it may consider appropriate" when the appeal hearing resumes later this year.

MAKING SENSE OF THE CJEU'S RECENT SPC DECISIONS IN GEORGETOWN II, ACTAVIS AND ELI LILLY

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In the IPO Committee Newsletter of December 2013 ("A Disappointing Week for European SPC Law"), we reported how the Advocate General's pronouncement in C-484/12 *Georgetown II* added to the uncertainty of whether an absolute restriction of one supplementary protection certificate (SPC) per patent would be enforced.

In news that will be welcomed by innovative pharmaceutical and biotechnology companies, the Court of Justice of the European Union (CJEU) has issued its final judgment in the C-484/12 *Georgetown II* matter, in which it made clear that there is no such bar on obtaining more than one SPC based on a given patent. However, uncertainties still persist, with the CJEU's parallel judgment in C-443/12 *Actavis* indicating that there are circumstances where multiple SPCs cannot be based on a given patent. Further uncertainties remain over the question of how to determine whether a product is "protected" by the patent in question, this being one of the requirements for an SPC (Article 3(a) of Regulation (EC) No 469/2009). A third decision, C-493/12 *Eli Lilly*, which issued on the same day as *Georgetown II* and *Actavis*, sheds some light on the "protected" point.

One frustrating theme common to all three of these judgments is that the CJEU prefers to answer its own questions, rather than the carefully worded questions referred to it. Unfortunately, this makes it a challenge to apply the CJEU's judgements to future cases, not least because it is not clear the extent to which the Court's rulings may be divorced from the specific facts in question and applied more generally to different factual situations.

Georgetown II (C-484/12)

Georgetown University holds a patent that covers antigens for use in vaccines against human papillomavirus (HPV). It filed an SPC application for an HPV16 protein as a single antigen, but received an objection because it already had two SPCs on the basis of the same basic patent, one for the combination of proteins from HPV 16 and 18 and the other for the combination of proteins from HPV 6, 11, 16 and 18.

The CJEU asked whether "on the basis of a basic patent and an MA [a marketing authorisation] in respect of a medicinal product consisting of a combination of several active ingredients, the patent holder has already obtained an SPC for that combination of active ingredients, which is protected by the basic patent[, the SPC provisions] must be interpreted as precluding that patent holder from also obtaining an SPC in respect of one of those active ingredients which is also protected as such, individually, by that patent." The CJEU answered its question by allowing a further SPC to be based on the same basic patent, because (a) there was nothing in the relevant legislation to say that it should not do so, (b) this was consistent with the objectives of the Regulation, and (c) any rule to the contrary might be easily circumvented, e.g. by filing divisional applications.

However, is more than one SPC per patent allowed in all situations? Apparently not, since a similar issue arose in *Actavis* where the second SPC was not allowed.

Actavis (C-443/12)

Sanofi had obtained a first SPC for the antihypertensive drug irbesartan, marketed under the trade name Aprovel®, and a second SPC for the combination of irbesartan and the diuretic hydrochlorothiazide, marketed under the trade name CoAprovel®. Both SPCs were based on the same patent, which claimed irbesartan alone and had a dependent claim relating to "a diuretic."

The referred questions concerned firstly whether the term "diuretic" specified or identified hydrochlorothiazide, and secondly whether a second SPC to a combination of irbesartan and hydrochlorothiazide is invalid because the patent had already supported an SPC to irbesartan alone. The CJEU declined to answer the first point and redefined the second, asking if the patentee could obtain "on the basis of that same patent but an MA for a different medicinal product containing that active ingredient in combination with another active ingredient which is not protected as such by the patent, a second SPC relating to that

combination of active ingredients." The CJEU held that in cases such as the one in dispute, a second SPC for the combination would not be available.

Unsatisfactorily, it is not clear why exactly Georgetown was permitted more than one SPC on its patent whereas Actavis was not. One possible reason is that Actavis's second SPC was not deemed to be directed to the "core inventive advance" of the basic patent. If this indeed was a material factor, it seems likely that there will be future disputes about how to identify a "core inventive advance."

***Lilly v HGS* (C-493/12)**

Lilly had developed a fully human IgG4 monoclonal antibody (LY2127399, also known as tabulumab) with *in vitro* neutralising activity against both membrane-bound and soluble TNFSF13b. Lilly's antibody was argued to fall within the scope of a patent owned by Human Genome Sciences Inc. (HGS), which claims antibodies in terms of their binding characteristics to neutrokine-α. However, Lilly's antibody is not explicitly named, e.g. by reference to its sequence.

The CJEU was asked specifically to explain the criteria applicable under Article 3(a) of the SPC Regulation, which required the product to be "protected by a basic patent in force." However, the CJEU redefined the question, asking whether "in order for an active ingredient to be regarded as 'protected by a basic patent in force'…, the active ingredient must be identified in the claims of the patent by a structural formula, or whether the active ingredient may also be considered to be protected where it is covered by a functional formula..."

The CJEU held that the answer is a matter of national law, but did add that the rules governing infringement are irrelevant. So it has been argued that the correct test appears not to be an "infringement test" (requiring an infringing act, a complication which the CJEU appears keen to avoid) but rather a "falling in the scope of the claims" test. The Court also stated that functionally defined claims can be used as the basis for an SPC provided they relate "implicitly, but necessarily and specifically, to the active ingredient in question," words which will inevitably cause further argument.

So while these three decisions clarify that there is no blanket one-SPC-per-patent rule, they throw up further uncertainties which will give rise to future debate.

RECENT CHANGES IN GERMAN IP LAW

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This year both the German Patent Law and the German Design Law have been changed, the major changes are shortly discussed.

1. Changes in German Patent Law

Most changes follow the EPOs practice and were already present in the draft which was subject of a previous article in this newsletter.[3] They came into force on 1 April 2014.

a) Translation Requirements

In Germany, applications may be filed in any language. So far there has been a three-month deadline for filing a German translation. The good news for foreign applicants now is that the deadline for applications filed in French or English has been prolonged to twelve months. Furthermore, so far the failure to file translation had led to a non-acquirance of an application date, i.e. the application was considered as never been filed. This harsh consequence has now been corrected in that if the translation is not filed, the application will be deemed to be withdrawn, i.e. it will not lose its application day.

Please note that the GPTO may require a translation in case that a search or examination request is made - but this is not obligatory. Therefore it might be that foreign applicants will use the GPTO as an Office of first filing since the quality of its searches is fairly high, but fees are rather low.

b) Searches

Following the EPO's practice, the GPTO will now also give a written statement about the patentability when issuing a search report; the search fee has been raised to 300€ - which in comparison is still rather low. It will no longer be

[3] Aloys Hüttermann, "Coming-up amendments to German IP Law", The IPO Intl' Patent Law and Practice Committee Newsletter, April 2012, p. 5-6.

possible for third parties to request a search, a possibility which was, however, rather seldom used, so that this is no real disadvantage.

Also following the EPO's practice the found prior art has to be shortly discussed in the issued patent.

c) Hearings

Following the EPO's practice, it is now possible to demand a hearing also before the GPTO in application procedures. So far, hearings were in the discretion of the examiner.

d) Opposition Period

The opposition period has been prolonged from 3 months to 9 months, in accordance with EPO practice. Given the fact that in German oppositions, the bar for admissibility is higher than with the EPO, this is good news for possible opponents.

2. Changes to Design Law

The most striking change is the name of the law itself - now also in Germany, Designs are officially called Designs and not Geschmacksmuster anymore. The name "Geschmacksmuster" comes from the first design law in Germany, which was passed in 1876 and at that time was the first ever German law in the field of intellectual property - German patents were only available in 1877, one year later. The name "Geschmacksmuster" means translated "taste model", in comparison to "Gebrauchsmustern", which means utility models, and resulted from the fact that for many years it was possible to actually file a model or sample to acquire protection.

However, since German practitioners were always referring to Geschmacksmustern as Designs, the name was changed to fit the daily routine - and to confirm Malraux' bonmot that in politics as well as in language, an error that everyone constantly is making will eventually be accepted as a rule.

The material changes also follow partly the draft which was previously presented and have been in force since 1 January 2014.[4]

a) Collective applications

In Germany as well as before the OHIM collective applications are possible, which is a widely used tool to save registration costs. However, the regulations before the GPTO now are even more liberal and the requirement that in a collective application all designs must belong to the same locarno class is now lifted.

b) Cancellation actions before the GPTO

The most significant change is the cancellation/nullity proceedings concerning German designs. So far, there was no cancellation proceeding before the GPTO, one had to file a cancellation action before a regular court.

Now there will be a cancellation action before the GPTO which largely follows the cancellation action for utility models, especially in that if the design owner does not react to the cancellation action within one month, the design will automatically be revoked. Also, the appeal will be held before the Bundespatentgericht.

The possibility, however, to file a cancellation action as a counter-measure in an infringement proceeding will still be open for defendants, as long as there is no cancellation action pending or has been decided between the both parties. The infringing court will then decide both on the infringement as well as the validity of the design.

[4] cf *Id.*

ARGENTINA: ON THE TERM OF PATENTS FILED AND GRANTED IN TIMES OF STATUTORY CHANGE

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On November 27, 2013, Division 2 of the National Court of Appeals on Federal Civil and Commercial Matters issued an important decision on the term of patents applied for and granted in Argentina during the transition from the old law to the current one ("Bayer CropScience AG *et. Al.* v. Agrofina S.A.").

Under section 5 of the repealed patent law (law No. 111, enacted in 1864), patents were issued for a 15-year term from the date of grant. This system was amended by the current law No. 24,481 (enacted in 1995), where section 35 provides that patents will be granted for a 20-year

term from the application date. Finally, section 97 of this law's regulatory decree provides that section 35 will be applied only to applications filed after the new law became effective, which in practice means that those applications filed under the old law and granted under the new one are issued for a 15-year term for the date of grant, i.e. the system of the old law. The constitutionality of this section 97 was challenged here.

In this case Bayer CropScience AG ("BCS") and Bayer S.A. had sued Agrofina S.A. in February 2010, seeking to enjoin the latter's use of BCS's patent and an award of damages. Said patent, as provided for by section 97 of the regulatory decree, had been granted on November 28, 1997, for a 15-year term, and accordingly it would expire on November 28, 2012.

In its response Agrofina submitted a motion to dismiss, arguing that according to section 35 of the new law the patent at stake had expired, as more than twenty years had elapsed since its filing date: as the application had been filed on December 21, 1978, Agrofina held that it had expired on December 21, 1998.

The district court rejected this motion. It pointed out that in "Unilever v. INPI" the Supreme Court had held that the law applicable to a patent was the one in force when the application was filed (i.e., law No. 111 with its 15-year term from the date of grant). Furthermore, section 97 of the regulatory decree provided that the new term would apply only to patents applied for after the new law became effective. To declare that this provision was unconstitutional would lead to the absurd conclusion that the patent would have lasted only one year.

Agrofina appealed from this decision, arguing that the case law cited by the district court was not applicable because the facts were different; that the sentence was arbitrary as it failed to set forth the reasons for ruling that section 97 was constitutional; and that it had applied a repealed provision, instead of the one in force.

The Court of Appeals affirmed the district court's sentence. As a preliminary issue, it pointed out that Agrofina's contention was not abstract, although BCS's patent had expired in the meantime, because the plaintiffs' request for damages still stood and this meant that it was necessary to decide exactly when said patent had expired. Then it went on to distinguish this case from the precedent cited by the defendant, which referred to a different situation (the extension of patents issued under law No. 111 for a shorter term than that provided for in section 33 of the GATT TRIPs Agreement and section 35 of law No. 24,481).

With regard to the central issue at stake, the Court ruled that section 97 of the regulatory decree, which had been challenged by Agrofina, was not unconstitutional because it addresses a situation not foreseen expressly by law No. 24,481, namely that of patents applied for under law No. 111 and granted under law No. 24,481. In consequence, the Executive branch could validly fill that void by way of the regulatory decree, as had happened in other instances. The Court added that although other interpretations were possible, between two explanations, one leading to the annihilation of the inventor's rights and the other to its continued existence, the latter was to be preferred.

The significance of this sentence lies in that a contrary decision might affect the situation of some 4,000 patents granted in the same terms as the one involved here. This judgment is not yet final, as Agrofina has filed an extraordinary appeal requesting that the case be heard by the Supreme Court. The Court of Appeals has accepted this appeal; this is not a decision on the merits but only on the admissibility of the appeal and means that the case is to be taken up by the Supreme Court.