



The Interview

Readers have told us that they are interested in learning more about the world of IP and especially patents – in this interview Richard Jackson of Carpmaels & Ransford answers our questions

The issues surrounding patents and trademarks are notorious in the investment world and we are always seeing people (both entrepreneurs and investors) failing to understand them.

Our Preferred Partner, Carpmaels & Ransford, is possibly the oldest patent attorney firm in the UK and therefore our Editor, Modwenna Rees-Mogg has asked Richard Jackson, one of the partners at the firm, to answer her questions and tell us a bit more about the world of patents and trademarks.

Q. *So you work for possibly the oldest patent attorney firm in the UK, please tell us how the world of patents got started and what were Mr Carpmael and Mr Ransford like?*

A. The world of patents (ie the rights to exploit a monopoly) began in 1684 when the King decided to grant patents for monopolies for importation. To get that patent granted you had to see a number of registrars who represented the King and get their seals on the patent.

Our origins go back over 200 years. The profession of patent agent or patent attorney, and the business which became that of Carpmaels & Ransford, were both started by a man of enterprising spirit named James Poole, who in 1776 was appointed Clerk of Inventions in the Patent Office of the Attorney General. At that time, applications for patents for inventions in England were subjected to a series of procedural steps beginning with a humble petition to the Crown and involving referral to several different Government departments and the payment of about 20 different official fees. Inventors found the procedure very confusing. As one of the principal officials applying part of the procedure, James Poole was familiar with the system. He had the bright idea of helping both the inventor and himself. For a modest fee he would offer to represent the inventor and relieve him of the trouble of personally going through the various procedural steps. The Attorney General had no objection to this extra-curricular activity, and Poole gradually built up a substantial practice under the title of patent agent.

As part of the service it became clear that you needed to describe the technical nature of what you were patenting and therefore it became important for patent attorneys to employ scientists and engineers.

The business passed to William Carpmael in 1848, an engineer who had joined the firm to assist its clients in drafting patent specifications. In 1852 a new Patents Act brought English Patent law and procedures into something resembling its modern form. William Carpmael was one of the creators of the new law.

In its first years, most of the inventions with which the firm was concerned were in the mechanical and engineering field. As time went by other technical fields were opened up. At an early stage the firm became involved in the electrical and radio industries as well as in the chemical industry. Among the earliest foreign clients of the firm in these fields were Giuseppe Marconi and Farbenfabriken Bayer (now Bayer AG).

The 7th generation of Carpmael works in the firm today.

Q. *Are patent attorneys lawyers?*

A. Yes because we deal with the law and we have a 4-5 year legal training through the Chartered Institute of Patent Attorneys, but by background we are all scientists.

Q. *What exactly is a patent and how long does it last for?*

A. It is a monopoly right granted by the national Patent Office to do what is defined in the claims of the patent and it typically lasts for 20 years from the date you file it, but this can vary from country to country.

Q. *What can you patent?*

A. Anything which is novel and not obvious and which can be applied industrially. Basically you can protect most things, although there are a few exclusions such as methods of doing business, playing games and computer software in its broadest sense, but even with these exclusions there are avenues and techniques for obtaining useful rights. Things that are morally not appropriate cannot be patented.

Q. *I am always being told by entrepreneurs that they have a patent over their invention, how do I know whether this means anything or not?*

A. You can check the status of a patent on the official Patent Office register (see www.patent.gov.uk), but applicants only have an enforceable right once a patent is granted. Too often people claim to have a patent when they only have a patent application.

Q. *I hear stories of companies spending years getting a patent, why does it take so long?*

A. The statutory situation is that you have to go through a process which involves a search followed by publication and then an examination. The search step will take some months. The publication takes place at 18 months from filing and the examination procedure follows on from that. The length of the examination procedure depends on the objections raised by The Patent Office and the difficulty in defining a claim which is new and inventive, so there is a negotiation between the applicant and The Patent Office. Like most negotiations, the time taken depends on how hard you are prepared to fight. It is also the reason why you need to employ an expert to help you.

Q. *I don't understand about patents overseas, can you explain why I should fund a company for its international patent applications?*

A. A patent is a national right and provides rights in a single jurisdiction, so if you want protection elsewhere for your idea you must apply in different countries. There are some regional routes to obtain multinational coverage but they are few and far between. So if you want to protect all your markets internationally, I am afraid you will have to ensure that patents are granted in all countries where you think the invention will be sold.

Q. *You work for some of the biggest companies in the world, what is their attitude to patenting their inventions?*

A. Some of them go for volume to swamp the market for patent protection and others pick and choose the important inventions that they know they are going to use and only protect those. Also, certain confidential information can be kept confidential and not patented, but these days once something is in the market it is difficult to keep it confidential, so we find that increasingly our clients are looking to obtain patent protection.

Q. *How easy is it to fight the infringement of a patent?*

A. Typically most infringements are dealt with via a negotiation and are fairly straightforward to resolve, often ending in a licensing agreement between the patent holder and the people using the patent in their product – Blackberry is a recent example of this. It is usually only the big value patents (typically pharma) or cases where there is existing animosity between parties which end up in the courts

There are mediation facilities if people want to use them or you can go through the courts if the negotiation fails. The role of the court, assuming the patent is upheld, will also be to agree what damages should be paid.

Q. *I have heard rumours that it is always possible to “break a patent” – what does this mean?*

A. When you look to enforce a patent, the immediate reaction of the defendant is to try to invalidate the patent i.e. “break the patent”. This is achieved by finding prior publications which show that the invention as claimed is not new or inventive. It is certainly not always possible to break a patent as in the UK the Patent Office typically does a fairly thorough search during the examination, but sometimes it can be. Many patents are upheld, so if you can get a patent issued it can be very valuable indeed.

Q. *What is the standard way of valuing a patent – I assume the accountants would value it on the costs incurred in getting the patent issued – but is this right?*

A. The accountants are best placed to value patents and they take into account the cost of getting it issued, but they also bear in mind the value of having a monopoly in the market for 20 years. We do not value patents ourselves. I understand they use methods such as discounted cash flow valuation.

Q. *Is it really possible for a tiny company to own a patent that can stall an international corporate – have you heard of this happening?*

A. Things that spring to mind are the Black & Decker Workmate, which was eventually licensed from the patent owner (an individual) by Black & Decker, Mr Dyson did the same with Hoover Corporation in the US, and there was a similar situation with Blackberry which ended up with Blackberry taking a licence to use the technology.

Q. *Someone told me that the issue of patenting software is very hot at the moment – is this true or is there another “hot” area for patenting things?*

A. Patenting software has been a hot issue for some years now and has not yet been resolved. The law is different in US, Japan, EU and UK. The US patent office will grant patents readily for software, the EU will enable systems driven by software to be patented and the Japanese take a similar view, whilst the UK is taking a view that there must be a clear technical benefit if the software is to be granted. So the current tip is to file your application in the European Patent Office if you want to get a patent covering a software invention in Europe, but be aware that it may not be valid in UK.

Biotech is always pretty hot and there are lots of biotechnology innovations all the time. Traditional areas for patenting, such as in the engineering field, tend to be focussed on high tech applications rather than traditional manufacturing.

Q. *Are there any famous patents which you have worked on?*

A. We used to work for Marconi on the telegraph, but that was long before my time! More recently, I have worked on inventions used in the NASA space shuttle. Also, do you remember the white dots on batteries that were used to indicate whether the battery still had power in it (- the on-battery tester)? I defended that European patent for Kodak against EverReady.

Q. *Don't you also work on trade marks?*

A. I used to but not anymore since the law changed in 1994. I had too many other areas of the law to cover so my colleagues do that. Trade mark registration is a whole field of its own and we have 10 people who specialise in it.

Q. *What is the difference between trade marks and copyright?*

A. Trade marks are for marks (or indicators) that are used on goods or for services to reflect the originator of the goods or services. For example, if you see an HP printer you know it has quality (- I have to say that; HP is one of my clients!).

Copyright is aimed more at literary and musical works and so it provides a right to an artist. Did you know that computer software that is written has automatic copyright protection? Bear this in mind when you pay someone to develop your software and make sure they assign the copyright to you – if you are investing, check that copyright is in the name of the company and not the individual.

Copyright is only infringed if copying has taken place, whereas if you use a trade mark that is already registered then you have infringed. So, if you use someone else's trade mark without permission (e.g. on your website), watch out!

There are no automatic fines for infringement of a trade mark or copyright. In all circumstances you would negotiate or sue for damages or an "account of the profits" that you have lost as a result of the breach by the other party.

Q. *How easy is it to get a trademark – someone told me that I just have to get a trademark in Belgium and that will cover me – is this true?*

A. The Belgium trade mark will cover Belgium (or possibly the Benelux countries), and you will have to apply for it in Belgium. The Madrid Protocol allows you to apply for trade mark registrations in many countries via a single application, but that can be filed in the UK.

Under the Gowers report, the UK is looking to get trade marks issued in 10 days, so it is a relatively quick process over here. However, like many countries (unlike Belgium), in the UK they currently insist on doing a search before issuing a trade mark registration, so this inevitably slows the process down. In many countries there is an opposition procedure for trademarks post issue.

A trade mark registration is initially in force for 10 years, but can be renewed indefinitely. Copyright typically exists until 70 years after the author's death.

Q. *Can I trademark a sound or colour?*

A. Yes, and a smell! The smell of freshly cut grass has been registered for tennis balls. Also, the smell of roses was applied for for one brand car tyres, I think, but I have never been around my local garage sniffing tyres to find out which one!

Q. *What are the three most important things companies should consider when deciding whether or not to go for a trademark?*

A. How much use you are going to make of the mark, or whether you are going to change it.

Is your product going to get better marketing by having a trade mark and/or are you going to build up your business on the back of it?

Consider whether if you are going to patent something it also needs a trade mark. Circumstances will vary - maybe if you patent it you do not need a trade mark, but equally if the shape of your container will identify your brand, maybe it is relevant to trade mark it (or register the design) – imagine the power of the Coca-Cola bottle in marketing the soft drink for example.

If I may have a fourth thing for people to consider - Jurisdiction is also relevant – you need to get in first in some countries if you have a good trade mark.

For further information on patents and trade marks, please contact Richard Jackson, Partner, Carpmaels & Ransford on rej@carpmaels.com or telephone +44 (0) 207 242 8692.