Summary of Resolutions – AIPPI World Congress, Sydney 2017

Patentability of computer implemented inventions

This Resolution concerns the patentability of computer implemented inventions (*CIIs*), an issue which has been highly debated for decades. While national/regional laws and practices have significantly evolved over time, the development of the various practices has not been at all linear. This has created a high degree of confusion and frustration among users of the patent system and practitioners.

This Resolution updates AIPPI's position regarding the patentability of CIIs which, in broad terms, had been that any software should be eligible for patent protection. AIPPI reconsidered that position in view of diverging practices around the world. In the U.S., after *Alice*, examination practice differs significantly from the European "modified inventive step" test, which is in further contrast to the "whole claim concept" in Asia.

By this Resolution, AIPPI resolved that, as a question of principle clearly reflected in the TRIPS Agreement, and taking into account other reasons of a legal, economic and practical nature, patents should be available, and patent rights enjoyable, without discrimination for inventions in all fields of technology, including CIIs.

The Resolution contains important guidelines for a harmonised practice of patentability assessment of CIIs. In particular, it was resolved that a claim directed to a CII should be eligible for patent protection if it defines an invention in at least one field of technology. That assessment should be made on a claim by claim basis, and in relation to each claim as a whole. This aims to address the current European practice of a selective assessment of inventive step. In keeping with that position, AIPPI also resolved that the eligibility of a CII for patent projection should not depend on the prior art or any assessment of novelty or inventive step.

The Resolution also sets out a non-exhaustive list of permissible subject matter for claims directed to CIIs.

Bad faith trademarks

Bad faith most commonly arises if a trademark is used by a party in one or more jurisdictions, and is then registered by another party in another jurisdiction. Repeat filings and filing of defensive marks may also qualify as bad faith. There are differences in the treatment of bad faith between jurisdictions, causing a lack of predictability.

AIPPI resolved that an action should be available to a Party B against the application or registration for a trademark in a jurisdiction by a Party A, if the sign or a similar sign is already used in one or more jurisdictions by Party B, but is not registered by Party B in the jurisdiction where Party A has registered or applied for the trademark, provided that Party A filed the application in bad faith.

The Resolution sets out a number of factors to be taken into account in assessing bad faith, including whether Party A knew or ought reasonably to have known of use of an identical or similar sign in the same or another jurisdiction for identical and/or similar goods or services, and the factors to be taken into account in establishing whether Party A knew or ought reasonably to have known those matters.

AIPPI also resolved that it should be possible to refuse or cancel a "repeat filing", being the filing of a trademark which is identical or substantially identical to an existing trademark owned by the applicant in the same jurisdiction. This assessment may also depend on a number of factors.

The Resolution states that any factors set out are the minimum criteria to be considered, but without prejudice to any other relevant factors or the weight to be accorded to the various factors, and always depending on the circumstances of the case.

The Resolution also sets out the types of proceedings in which bad faith can be invoked, namely opposition or cancellation proceedings before IP offices, as well as court proceedings.

Protection of graphical user interfaces

Graphical user interfaces (*GUIs*) are interfaces which allow users to interact with electronic devices through graphical elements (e.g. icons, menus, scroll bars, windows, transitional animations, dialogue boxes) rather than by typing commands. This Resolution addresses the protection of GUIs by means of "traditional IP rights", namely, patents, design rights, copyright and trademarks. In each case, the Resolution holds that GUIs should generally be capable of protection by each of these types of IP rights.

Concerning patents, AIPPI resolved that involvement of a user's mental activities in an interaction with a GUI, or lack of a physical feature, should not preclude the patentability of a GUI. The Resolution also states that a specific patent claim format should not be required.

In relation to designs, AIPPI resolved that design protection should generally extend to movements and transitions in a GUI projected on a screen. Further, design protection should not require any connection to a physical device.

In relation to copyright, AIPPI resolved that the fact that GUIs are computer generated should not exclude their eligibility for copyright protection, and that the threshold for copyright protection should not be higher than for other works.

Regarding trademarks, AIPPI resolved that movements and transitions in a GUI should generally be capable of protection by trademarks. Further, AIPPI resolved that protection should not depend upon acquired distinctiveness through use. However, acquired distinctiveness is required if a GUI has no inherent distinctiveness.

A goal of the Resolution was to determine whether other forms of protection for GUIs should be available, such as a *sui generis* right. Having regard to the other forms of IP protection detailed, the Resolution holds that *sui generis* protection for GUIs should not be necessary.

By this Resolution, AIPPI also urges the competent authorities to adopt measures to accept and publish electronic data that can dynamically represent movements and transitions in a GUI.

Quantification of monetary relief

This Resolution formulates methods of quantification of damages to assist with a more harmonised and consistent recovery of damages. The principles apply equally to an IP owner and their licensee, provided the licensee has standing to sue for or intervene in an action for infringement (but any difference of interests should be reflected in the quantification of any resulting damages).

AIPPI resolved that damages should compensate the right holder for lost profits in respect of sales of products or services the right holder would have made but for the infringement, lost profits in respect of price erosion, and/or by a reasonable royalty in respect of infringing sales that are not proved to have been lost sales of the right holder, save that the right holder cannot recover twice for the same loss.

The Resolution provides a non-exhaustive list of the circumstances to be taken into account when assessing lost profits and a reasonable royalty. The Resolution also provided harmonised guidelines as to the information that can be useful to a court in assessing damages.

The Resolution also addresses a number of specific damages scenarios, including: damages from convoyed goods sold together with the infringing products; damages when a part of a larger assembly infringes; and damages for future losses.

AIPPI also resolved that relevant evidence in the possession or control of the infringer should be made available to the right holder and the court, and courts may consider ordering the discovery of relevant information if it is not otherwise provided. Where available methods for obtaining evidence have been

exhausted, the Resolution states that the court should be prepared to make an assessment even if it can only be approximate.

The Resolution also recognises that parties may have a legitimate interest in preserving confidentiality of certain information, whether from disclosure to the public or each other. It was resolved that mechanisms to preserve confidentiality should be available.

Gene Patenting

This Resolution was prepared by AIPPI's Sub-committee for Biotechnology and Plant Variety Rights (Standing Committee on Pharma and Biotechnology).

Until recently, isolated genes and genetic material have enjoyed general patentability worldwide. However, legal decisions in several jurisdictions have called into question the patentability of such material. There is also a lack of harmonization between jurisdictions as to the patentability of genetic materials.

By this Resolution, AIPPI states that, as a matter of principle clearly reflected in TRIPS Agreement, patents should be granted for any inventions in all fields of technology including genes or parts thereof isolated from nature by a technical process or nucleic acid molecules artificially synthesized, provided an industrial, agricultural, diagnostic and/or therapeutic application is identified and other patentability criteria are met.

It follows that AIPPI also resolved that genetic materials should not be regarded as subject matter excluded from patentability by virtue of the exclusions in TRIPS, and in particular, should not be regarded as inventions contrary to *ordre public* or morality.

AIPPI also resolved that genetic material "isolated" from nature by a technical process should not, for that reason alone, be treated as a mere "product of nature", and therefore patent ineligible. Rather, isolated genetic material, whether or not identical to that occurring in nature, should be treated for patent purposes as a chemical compound, its product and uses being "a manner of manufacture".

AIPPI also resolved that a patent claim to a nucleic acid molecule per se should provide a scope of protection no different to that afforded by any other claims defining a chemical compound.

The Resolution concludes with AIPPI urging governments to implement the necessary legislative measures to ensure that genetic materials, when isolated from nature or artificially synthesized, constitute patent eligible subject matter, and to avoid any measures that would apply a different scope of protection for patent claims to genetic materials and nucleic acids solely by reason of the subject matter of those claims.

Requirements for protection of geographical indications and appellations of origin

This Resolution was prepared by AIPPI's Standing Committee on Geographical Indications.

By a previous Resolution, AIPPI adopted the "first in time, first in right" principle for settling conflicts between geographical indications (**GIs**) and trademarks, and recommended protection for GIs either via trade mark laws or a *sui generis* right. This Resolution expands on AIPPI's previous position in a number of ways.

This Resolution covers and adopts definitions for the terms "geographical indication" and "appellation of origin", noting that appellations of origin (**AIs**) are a kind of GI, and require a stronger qualitative link between the product and its place of origin.

The Resolution sets out eight requirements for the content of an application for registration of a GI or AO, and proposals for the registration procedure, which include the availability of a process for a third party to oppose the registration.

AIPPI resolved that GIs and AOs should be protected against use that is misleading or deceptive to consumers as to the origin or characteristics of a product, and use that harms or unduly exploits or takes advantage of the reputation of the GI or AO.

The Resolution also states that there should be no discrimination in the protection afforded to domestic and foreign GIs and AOs.

The Resolution states that GI or AO right holders, those authorized by them, groups administering the GI or AO, and public authorities should all have standing to protect the GI or AO in the event of infringement. The remedies available should include at least an injunction and monetary compensation.

The Resolution also provides that a GI or AO should be invalid if it does not meet the definition of GI or AO, if it becomes generic, if it is not used for a specific period, or if it becomes misleading.