

The Patent Lawyer

March/April 2017

GLOBAL REACH, LOCAL KNOWLEDGE

www.patentlawyermagazine.com

CTC Legal Media

Increased value of intangible assets

Fenix Legal KB explain why Sweden is the second most innovative economy worldwide



PLUS

Why standard setting organizations need to promote clarity: Roya Ghafele, OxFirst, provides lucidity on the disputed matter of the IEEE's updated patent policy

- The application of schematic diagrams
- Grace period laws
- Software related invention in China
- Product-by-process in Russia
- Determination of non-obviousness in India
- Patent abandonment

Contents

March/April 2017

6 Meet the editorial board

Meet all 18 editorial board members who help determine the direction of this magazine.

7 News

All the top news stories from the last month including stories about patent trolls, record-breaking patent applications, and the future of technology.

14 Application of schematic diagram in response to the inventiveness of chemical patent

Hui Hu, Jiaquan IP Law, introduces the application of schematic diagrams in response to the inventiveness of chemical patents.

17 Claiming product-by-process in Russia

Yury Kuznetsov from Gorodissky and Partners Law Firm gives an overview of the product-by-process claiming practice in Russia, as well as outlining a brief history of the practice.

24 Grace period laws around the world: A comparison

Cindy Shu-Tzu Hu from Hu & Wu Patent Office, compares the similarities and differences between grace periods in the USA, Japan, China, EPC, and Taiwan.

27 Cover Story: Increased value of intangible assets – the road to knowledge on how you make it!

With the news that Sweden is now the second in the world for the most innovative economies, Maria Zamkova from Fenix Legal KB investigates why this is the case in relation to patent activity and creativity.

The Patent Lawyer will be located at booth A32 in Barcelona for the INTA annual meeting



JuliusKielaitis / Shutterstock.com



31



31 The power of the platform: Why the next generation of IP technology will be platform-based

Glen Nath, CPA Global, thinks about the emergence of platform technology and how this will impact the future of the intellectual property industry.

35 Patent prosecution for software-related inventions in China

YUAN Yue, WEI Xiaowei and CHEN Xin, from CCPIT, look into the significant changes being made to patent protection in China in relation to software inventions.

39 Skilled person for determination of non-obviousness under the Indian patent system

Rajeev Kumar and Pankaj Musyuni from LexOrbis explore the Indian patent system, thinking specifically about the determination of non-obviousness by looking at a selection of past cases as examples.

43 Why standard setting organizations need to promote greater clarity

Roya Ghafele, OxFirst, contends that the updated patent policy of the Institute of Electrical and Electronics Engineers (IEEE) is an important step to decrease transaction costs, while at the same time providing further clarity in a much disputed area.

47 Shipping components abroad: U.S. Supreme Court weighs in on infringement based on foreign supply

Kenneth R. Adamo, Brent P. Ray, Eugene Goryunov, and Brian A. Verbus from Kirkland & Ellis LLP explore the *Life Technologies Corp. v. Promega Corp.* decision.

51 No need for reckless abandonment

Mike Caldwell, Director of Business Development at Anaqua, highlights three of the most important factors to consider before abandoning patents.

55 Directory of services

The DOS is where you can find contact information on International law firms who provide IP related services. For reference purposes, firms are placed under country headings which are listed alphabetically.

35



43



47



51





Yury Kuznetsov

Claiming product-by-process in Russia

Yury Kuznetsov from Gorodissky and Partners Law Firm gives an overview of the product-by-process claiming practice in Russia, as well as outlining a brief history of the practice which is important for understanding the current situation both with the examination and judiciary approaches.

In the Soviet Union time, from 1941 up until 1991, patent protection was not granted to chemical substances – they could be protected only indirectly by a method of their manufacturing. The main document that regulated in those years for the protection of rights for inventions was the Statute on Inventions and Technical Innovations. In its Par.2, the Statute stated that author's certificates and patents could not be granted for solutions obtained by a chemical process, and that such solutions could be protected by new methods of their manufacturing. The same Statute allowed for medicals, food and flavoring substances obtained in a non-chemical way, granting author's certificates only and mentioning patent protection as available for methods of their manufacturing. Author's certificates in that period are the main form of protective document declaring the authorship of invention, and allow the inventor to get remuneration for use of the invention with exclusive right for invention belonging to the Soviet State. The nature of author's certificate as a sort of State property is very illustrative on the above mentioned example – the Soviet government intentionally did not want to allow anybody's monopolization of domestic market by getting patent protection for chemical and food products, while favoring inventive activity about developing new methods of their manufacture.

The first Patent law of the Soviet Union – and it happened so that it became the shortest acting patent law with its

termination occurring less than a year after enactment with the Soviet Union denunciation – introduced protection for chemical substances in their broadest variety. Furthermore, the Patent Law of the Russian Federation that was enacted in year 1992 to substitute the Soviet patent legislation similarly included chemical substances in the list of protectable subject-matters.

Partially to compensate the previous practice and partially to harmonize the Russian patent law with the international agreements, the provisions on indirect protection of products were introduced both in the Soviet and then Russian patent laws. These provisions (that are now contained in the Article 1358 of the Part IV of the Civil Code of Russian Federation) expand protection on a product not directly protected by a granted patent if such product is made directly by a patented method. Expressly, subpar.2 of Par.2 of this article declares that when a product made by the patented method is novel, then an identical product shall be deemed produced by the patented method, unless it is otherwise proven. Such provisions are also notable because they shift the burden of proof to the defendant which, dissimilar to other accusations on infringement, shall present own proof on non-infringement rather than demand proof of infringement from the plaintiff's side.

Concluding now the historical insight, it is to be mentioned that in modern Russian patent practice the definition "product-by-process" is mainly associated with the cases of providing protection to a non-patented but supposedly new product through a patented in Russia method of its manufacturing. The most recent comments, both legal and practical of the Part IV of the Civil code, as well as general practice mainly use terminology "product-by-process" without the word "claim" in it, and even when word "claim" is used it denotes a set of claims with method but without product claims but potentially enforceable with regard to third party products. Such tendency in the vast majority of situations reduce "product-by-process" institute to chemical or biotechnical substances only.

World practice, however, does recognize such term more broadly. A product-by-process claim is understood a claim that defines a product as own subject-matter by

Résumé

Yury Kuznetsov, Partner, Russian and Eurasian Patent Attorney, Head of Patent Practice

Yury has an engineer diploma (the Moscow State Technical University) and a diploma in law (the Moscow State Legal Academy). He worked as an examiner in the Russian PTO.

Yury represents multinational and Russian clients, and his primary focus is prosecution and enforcement of patent rights in the fields of electronics, communications, computer systems, audio and video engineering. He has a great experience of oppositions and appeals before the Russian and Eurasian Patent Offices and representing clients in a number of litigation cases. Yury is a Member of AIPPI, FICPI, LESI, Russian Chamber of Patent Attorneys and Council of the Eurasian Patent Attorneys.

features related or inherent to a process, e.g. of manufacturing. Such understanding assumes existence of a product claim in the set of claims contrary to the above mentioned indirect protection approach that regulates a situation with absence of a product claim. Further, the mentioned broad understanding of product-by-process claim expands the art that is covered by them potentially to all technological areas, but not only to chemistry or biotechnology.

In all different approaches to admissibility of a product-by-process format across various countries laws and regulations, it is common that their use is limited to situations where the product could not be defined in claims otherwise but by mentioning a process by which it can be made.

Basing on such understanding, and noting the above mentioned with regard to Russian legislative and regulatory tradition, we now will try to find in acting Part IV of the Civil Code and the Russian PTO regulations any concepts of what is broadly understood under product-by-process claim type.

“It became the shortest acting patent law with its termination occurring less than a year after enactment with the Soviet Union denunciation.”

Russian patent legislation is silent on anything that may be interpreted as special requirements to particular claim type setting forth in Article 1375, generally that the specification of invention shall disclose its essence in sufficient detail and that claims are to clearly express the nature of invention.

The Russian Patent Office Regulations on inventions do contain provisions that introduce certain requirements alike those inherent to product-by-process claiming style, although there is no further development of such requirements in the Regulations namely with regard to product-by-process type of claims. In Par.38 of the Regulations it is explained that a chemical composition of undetermined structure may be characterized in particular by physicochemical and other characteristics, as well as by the features of a method of producing if they provide for distinguishing this composition from other ones. Par. 41 of the Regulations allows characterizing essence of invention related to microorganism strain, cell line or microbial consortium by conditions of their cultivating. It is clearly seen, however, that these requirements are set forth with narrow technical understanding of product-by-process claiming institute as attributable only to chemical and biotech solutions.

Therefore, the examination of the Russian Patent Office expectedly will apply to the “product-by-process” type claims general approaches, with somewhat minor specifics in the view of provisions of Par.38 and 41 explained above. Although the Russian PTO regularly issues new updates on existing manuals on examination, internal guidelines for examiners regarding special procedural situations in all previous manuals of this type of claim was never mentioned.

However, on the enforcement stage, the specifics of claims with “product-by-process” appear far away from recognition as general one. A notable example is a Special Written Opinion of Her Honor





Judge N. Rassomagina of IP Court in case SIP-196/2014. In this case a decision of the Russian Patent Office appellate body – the Chamber on Patent Disputes – on recognizing a utility model for “A case of apparatus for disinfecting air” as invalid was appealed with the IP Court. The Russian PTO recognized the disputed utility model patent invalid because its claim contained a feature that a reflecting inside screen was produced by vacuum deposition while the prior art reference taught aluminum non-vacuum deposition. Such reference was recognized by the Russian PTO as clearly novelty destroying because the difference in the way deposition was made did not affect the functioning of the patented utility model. The IP Court in appellate hearing agreed with the Russian PTO conclusion that the patent was to be considered invalid on the mentioned grounds, however Judge N. Rassomagina expressed own opinion that both Russian PTO and IP Court had not revised the arguments of the utility model owner that the vacuum deposition allowed to produce a principally new element of the apparatus comparing to simple depositing of a metal, namely that the element after vacuum depositing obtains a new reflecting surface having higher reflection factor than after a non-vacuum metal depositing.

The IP Court Presidium later agreed with the Judge N. Rassomagina opinion and basing on further appeal of the patent owner dismissed the Russian PTO invalidating decision remaining the patent in force.

At least this court case shows insufficient methodological support of the Russian PTO for recognition and examination of “product-by-process” type claims as requiring definite special approaches, both on obtaining and enforcement of patent rights stages. It is the general approach of the Russian PTO not to distinguish such type of claims unless they characterize chemical or biotechnological products. It is nevertheless clear that enforcement practice already dictates necessity of elaborating the Russian PTO guidelines for their addressing the

“Enforcement practice already dictates necessity of elaborating the Russian PTO guidelines for their addressing the “product-by-process” claims in their broadest meaning.”

“product-by-process” claims in their broadest meaning – both from technical and procedural standpoints.

Negligence to development of methodological approaches for treating such type of claims is certainly dangerous because may result in granting patent rights contrary to public interests due to allowing claims in which known features are substituted with literal constructions introducing the same features but characterized through intentionally complicated processes of their manufacturing or implementing e.g. on some intermediate phases. Similarly inappropriate is rejecting claims with features that indeed cannot be presented otherwise but by processes with all their peculiarities which together with the rest combination of features result in truly novel and inventive solutions bringing technological advance.

Gorodissky & Partners Russia

MOSCOW / ST. PETERSBURG
EKATERINBURG / KRASNODAR
N. NOVGOROD / SAMARA / KAZAN
PERM / TECHNOPARK «SAROV»
VLADIVOSTOK / KIEV (UKRAINE)

patents, trade marks, designs, utility models
copyrights, litigation, ip due diligence, anti-
counterfeiting, mediation, licences, searches
translations

Head Office:
B. Spasskaya Str., 25, bldg. 3
Moscow 129090, Russia
Tel.: +7 (495) 937 6116
Fax: +7 (495) 937 6104/6123
E-mail: pat@gorodissky.ru
www.gorodissky.com



GORODISSKY GORODISSKY & PARTNERS
PATENT AND TRADEMARK
ATTORNEYS IP LAWYERS