



## Newsletter 2/2018 Edition

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### Legal certainty regarding Great Britain on the horizon for holders of EU IP rights

There is encouraging news to report from the Brexit negotiations between the United Kingdom and the European Union.

Until now, the question of what would happen with EU IP rights, i.e., Union trade marks, IR trade marks with EU designation, Community designs, and Community plant variety rights, when the UK withdraws from the EU had not been resolved. Thus far, it had been assumed that EU IP rights would cease to be valid for the UK after Brexit in the absence of further agreements.<sup>1</sup>

As recently as January, the European Commission and EUIPO jointly published a blunt [warning](#) to all holders of IP rights that the United Kingdom would be considered a ‘third country’ following its withdrawal from the European Union.

Which makes it all the more encouraging that EU trade marks, Community plant variety rights, and Community designs have been included in the agreement between the EU and the United Kingdom regarding the transition period slated to end on 31 December 2020. Under its terms, all such intellectual property rights that have been registered or granted by this date can be converted into British intellectual property rights.

Unregistered Community designs for which protection arose before the end of the transition period shall also continue to apply analogously in the United Kingdom after the transition period.

When proceedings such as opposition or cancellation procedures are pending against EU intellectual property rights at the end of the transition period, the British right shall likewise be cancelled or limited if the opposition prevails unless the grounds do not apply in the United Kingdom.

The agreement can be seen [here](#) – interestingly enough, in the form of a preliminary draft from the EU, in which the passages that have been

#### And in our own affairs...

We extend warm congratulations to Dr. Christoph Volpers on passing the patent attorney examination. He has already begun to be an asset to our team.

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We’d like to remind you of our [patent seminar](#) taking place on 11 April 2018 at the Industrie-Club Düsseldorf. There are still a few spots open! If you would like to participate in this free seminar, please send an email to: [seminar@mhpatent.de](mailto:seminar@mhpatent.de).

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We’d also like to remind you of our event during [Startup-Woche 2018](#), which will take place on 17 April 2018 from 4:00 to 5:30 PM at our office.

You can register with the Startup-Woche organizers at their Web site.

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Dr. Patrick Liptau will speak at NMWP’s evening event, “Patente und mehr: Strategisches IP-

<sup>1</sup> See, for example, *Hüttermann*, Mitt. 2016, 353, see also our [Newsletter](#) 2/2016

agreed upon are highlighted in color. Although it is not yet final and binding, there is basic agreement between the EU and UK on the conclusion of an agreement as well as on the validity of the highlighted sections.

Of course, the sections that have not been highlighted in color are equally interesting, since these sections mean that negotiations have at least taken place on these topics. Thus, based on the color-highlighted Article 50, it was agreed that conversion of the above-mentioned IP rights is possible in principle, but not whether this will be free of charge, since the relevant Article 51 is not highlighted.

It is interesting to note that agreement was not reached on how to handle supplementary protection certificates, as the applicable Article 56, which would have ensured that applications for supplementary protection certificates filed before the end of the transition period would also be valid in the UK, is not highlighted.

Geographical indications – a particular passion of the European Commission – were discussed as well, but so far without result.

For holders of EU trade marks and Community designs, this is all good news, since it means that there is every prospect they will be able to maintain their established IP rights in the UK even after Great Britain's withdrawal.

It remains to be seen whether and how this will be possible. However, since existing EU IP rights are to remain unchanged in any case until the end of the transition period, which means till the end of 2020, there is still time for Great Britain to work out the necessary details.

This draft contains no provisions regarding patents. Nor is there any need for provisions concerning validated European patents, since they are always national patents. For unitary patents, there is certainly hope that Great Britain can remain part of the Unitary Patent system even after Brexit.<sup>2</sup>

It is worth repeating that only registered and granted IP rights are mentioned in the agreement, whereas applications for IP rights are not included.

This is especially important for EU trade marks against which opposition has been filed, since they are not registered until after the conclusion of the opposition proceeding.

Consequently, such proceedings would have to be completed in time before the end of the transition period in order to preserve the option of an established IP right in Great Britain.

## When is replacement re-manufacture? Federal Court of Justice "Trommeleinheit" [drum unit] case

In patent law, a repair of a patented object does not represent patent infringement - whereas re-manufacture, by contrast, does.

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<sup>2</sup> See our [Newsletter](#) 3/2016

Management" [Patents and more: Strategic IP Management]. His topic will be "Case study: 3D printing of ceramics." The event is being held on 17 May 2018 at the Life Science Center in Düsseldorf. For more details and to register, visit [here](#).

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Dr. Aloys Hüttermann will moderate a panel on the Unitary Patent system at the seventh European [Conference](#) of the IPO on 3 May 2018 in Amsterdam.

### Proposals and Questions

If you have any proposals or questions, please don't hesitate to contact us [here](#).

Particularly in areas where replacement and wear parts are especially profitable commercially, and the manufacturer therefore attempts to secure the related business for itself by patent protection, the distinctions between the two are important, but not always easy to make. So, too, was the case in the matter at hand before the German Federal Court of Justice, [case](#) X ZR 55/16 "Trommeleinheit" [drum unit].

The subject of the dispute here was toner cartridges that included a drum unit with a coupling member and a flange. The patent holder and plaintiff owned a patent on the interaction of the coupling member with the flange and the drum unit.

The defendant dealt in reprocessed toner cartridges by *"employing used cartridges that had originally been placed on the market by the plaintiff. In doing so, he replaces the used imaging drum unit and, if necessary, also the flange with new, functionally identical parts that do not come from the plaintiff. Using these components and an original coupling member, he constructs a functional drum unit, which he installs in the used cartridge."* (quote from the judgment)

The patent holder considered this to be re-manufacture and sued for patent infringement.

The defendant based its defense firstly on exhaustion and secondly on the submission of a voluntary [agreement](#) in which the patent holder had committed to the EU that it would not hinder the recycling of such toner cartridges.

The Federal Court of Justice did not see this voluntary agreement as providing any basis for letting the defendant be, however – no rights accrue to third parties from the agreement.

With regard to exhaustion, however, unlike the lower courts the federal court ruled in favor of the defendant: the process does not constitute re-manufacture. As already noted, the applicable patent in the present case related to multiple components present in the toner cartridge, namely the drum unit, which represents the lion's share of the commercial value, the flange, and the coupling member.

The Federal Court of Justice now ruled that re-manufacture occurs only *"when the technical effects of the invention are reflected in the very parts replaced."* (quote from the judgment)

In the present case, however, the technical effect resided neither in the drum unit nor in the flange - quote: *"The imaging drum is a mere object in this regard that is involved in the inventive effect as a component of the process cartridge without being influenced in its function or service life in so doing."* The same holds for the flange.

Consequently, re-manufacture does not occur when these components are replaced by new ones, in particular including those that do not come from the plaintiff. In contrast, the coupling member - in which the actual invention is realized – has not been changed.

This judgment is significant for many commercial areas where profits are primarily achieved through replacement parts. It limits the opportunities of patent holders to forbid the substitution of replacement parts through patents in which the invention does not reside in these replacement parts, but rather in their interaction with other components of a larger unit.

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