



**A DIALOGUE WITH DAVID KAPPOS
DIRECTOR OF THE U.S. PATENT &
TRADEMARK OFFICE**

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DIRECTORS ROUNDTABLE INSTITUTE

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P R O C E E D I N G S

JACK FRIEDMAN (Directors Roundtable Institute): Good morning. I am Jack Friedman, President of the Directors Roundtable Institute. We are a charitable organisation that does programming for boards of directors and their advisers, including the Bar. On a global basis, we have done 750 events during 21 years in 14 countries. We have never charged anyone to attend or to get any of the transcripts or materials.

I would like to thank various organisations which invited their members. They are The Chartered Institute of Patent Attorneys; The Institute of Trade Mark Attorneys; IPKat (Jeremy Phillips); AIPPI UK; and the UCL Institute of Brand & Innovation Law.

I want to acknowledge how this programme started because it is remarkable and shows how the British are able to move quickly. We received the final okay from the US Government agency to do the programme about a week-and-a-half ago. On Friday at 5 o'clock London time, I called London and spoke to barrister Denise McFarland. On her way out for the weekend, she emailed her colleagues, and by Sunday we had already spoken with the key people she had contacted. By Monday, Lord Justice Jacob kindly said that he would participate. By the next day, the University and the different groups were happy to help. So within about four days, internationally, this whole event was organised. We are very thankful.

We will not spend extended time introducing the Distinguished Speakers who are on our dais. People know their reputation and quality. We could spend the whole morning just talking about their tremendous credentials and accomplishments. I would like to hand over the Panel to the Programme Chair

Lord Justice Robin Jacob. He will be leading the discussion from here forward.

We thank you all for coming. (*Applause*)

LORD JUSTICE JACOB (Programme Chair): Good morning, everyone. Welcome to University College London yet again. Welcome to IBIL. Thank you very much to the Directors Roundtable for organising this. Today, we have the advantage that a shorthand note is being taken by Marten Walsh Cherer. So you will find in the shorthand note everything that every speaker wished they had said! (*Laughter*) They are the greatest shorthand writers in the world.

Our first speaker is David Kappos. I expect that he is the reason why most of you are here. He tells me that his father's family comes from the Isle of Samos, the Isle of Pythagoras. He is going to tell us a bit more than about the square of the hypotenuse. He is going to explain how the law of the United States and possibly world patent law is going to square the circle and become perfect. (*Applause*)

DAVID KAPPOS (Director, US Patent and Trade Mark Office): Thank you very much, Sir Robin, for that very brief introduction, which is in keeping with the spirit of this morning. Thanks to the Directors Roundtable folks for setting up this meeting. It was, as you heard, at short notice, but it is wonderful to be here in London, having an opportunity to spend time talking about intellectual property issues.

The topic of the day is harmonisation. I want to spend a little time talking about that. It is a concept that is dear to many of us in the intellectual property world, which is to find a way, finally, to come to one common language. It has often been said that Great Britain and the US are two countries separated by a common language. In the patent system, we have many countries separated by

so many different languages that it has become truly an impediment to global commerce. That is why in the US and for the USPTO – using the aggressive term – we are frontally assaulting the issue of substantively harmonising the world’s patent system and our patent laws.

To start on that and to talk intelligently about harmonisation – I think everyone in this room is probably in the category of IP experts – you are all thinking to yourself, “What are you doing, you cheeky American, coming over here, talking to us about harmonisation, when you carry the ball, as we say, in sports terms, in getting things done and cleaning up your own house? You Americans need, finally, to get your act together on moving to first to file, and offer that anachronistic US-only system of first to invent as a means for determining priority in gaining access to patent protection. And you Americans need to get your act together on finally abolishing the anachronistic Hilmer doctrine. You Americans need to get your act together on finally doing away with the bizarre notion of the ‘best mode’ requirement to patent protection.”

Finally, as if that wasn’t enough, “You Americans need to get your act together on full 18-month publication and not play any more games with the concept of publishing patent applications”, because after all, the whole idea of the patent system is that it is to be a disclosure tool. Ever since the Venetian Act, it is a tool for bringing knowledge to the public domain.

So you would be justified in saying that the US owns responsibility for taking the first, second, third and fourth steps as a pre-condition, as you like to say here in Europe, for substantive patent harmonisation. Well, I am here to tell you that we are rapidly getting our act together in the US. We have been working on this threshold for 60 years. We have finally reached the threshold of

reforming our patent system in the US through important legislation that we needed to pass through both Houses of our Congress.

To start off with a brief update on that, the legislation, about three weeks ago, stunningly passed our US Senate by an overwhelming majority of 95 to 5. Even Moses couldn't have achieved that. (*Laughter*) It was a 95 to 5 majority after a spirited debate on the floor of the US Senate on the subject of first to file. You always have this notion – at least I always did – that patent law and the patent system are so important that the United States Congress needs to be discussing this, and it needs to be on the floor of our United States Senate. Then you sit there and watch the feed coming off the Senate floor, you watch the Senators debating the intricacies of patent law and the subject of first to file, and you find yourself thinking, “When you get what you wish for, you know how you regret it”. I was very much in that role a few weeks ago and I was sitting there wincing. But the right decision was made. After a floor amendment was introduced on the subject of first to file and a spirited debate took place, the United States Senate, overwhelmingly, by a vote of 87 to 13, specifically approved first to file rights.

That is a very definitive stake. Some say it was a stake in the ground. I say, hopefully, it was a stake in the heart of the first to invent system. So we got legislation out of the US Senate at 95 to 5. It has first to file in it. It has the abolition of the Hilmer doctrine in it. It has, essentially, the abolition of best mode in it. I plan to implement that. The other half of that that is not exactly in the legislation is owned by the USPTO, and we plan to implement that on a regulatory basis, which I can do. We will have taken care of the best mode defence.

Then that leaves 18-month publication. We can talk about that in Q and A, if you want to, but we have 18-month publication between what is happening on the ground and some regulatory changes that we can make and will make in the US PTO. The 18-month publication will be taken care of also.

Last Wednesday, our other branch of legislative government, the House of Representatives, introduced companion legislation. The good news is that the Bill that passed out of the Senate is nearly identical to Senate 23. It is based on Senate 23. The differences between the House legislation and the Senate legislation are very minor. There are just a few very specific different provisions that will be negotiated out and dealt with during the House process in the upcoming weeks. It is likely that the House will move to mark-up, which is part of the parliamentary process to move the legislation out of committee – in this case, the Judiciary Committee – and on to the floor of the House, over the next few weeks. It is likely that we will see floor attention given to this legislation during the months of April or May. The US could be looking at what is allegorically referred to as the Rose Garden signing ceremony some time even this spring or, in any event, by the summer.

So there were big doings. A hearing occurred last Wednesday. I testified at that hearing before hopping on a plane to come to London. I would say that the atmosphere in the room – the subscript on the part of the members of the House Judiciary Committee – is very, very positive. This feels really good to me and I would estimate it is likely that we are going to get this legislation done.

Where does that bring us? That brings us to the starting line. The US will now, unilaterally, without pre-condition, have harmonised with Europe on the many foundational issues that are required to move to what the folks at Nokia

need and what, I think we will discuss here a little further, which is a single system that enables practitioners, whether they be in Europe or Asia, to file a single patent application and get it examined once, and then get respect paid to that examination around the world. Then, furthermore, when they are later asserting that, resulting in an intellectual property right, they will be able to have some confidence that it will be looked at in similar ways – and Sir Robin Jacob will talk about this – in Europe, the US and even in Asia. That is what patent harmonisation is about. The stakes can't be higher.

So, getting ready for this day and seeing that legislation was coming, we, the United States, began running a substantive harmonisation play several months ago.

The first affirmative public step occurred last month in March, when we called together meetings on the margins of APEC – the Asia-Pacific Economic Cooperation forum – of which the US took up leadership this year in February. The USPTO called together a meeting of the APEC economies to discuss patent law harmonisation. We had European observers there. It was a very fruitful meeting. We talked about things that you would hope we would talk about, such as first inventor to file, the Hilmer doctrine and all of that. We also talked about a grace period, definitions of prior art and other topics that build off of that common platform. Frankly, I would say they are areas where best practices like grace periods are inventor-friendly, disclosure-friendly, research-friendly, commercial-friendly and innovation-friendly. We need Europe to make some moves, and we need Europe to come to the table and figure out what the best practice is.

We began to discuss those topics. We did not attempt to reach any conclusions, and we did not reach any conclusions, but we did get, importantly, a strong endorsement for the concept that the time for harmonisation is now, that it is overdue, we have waited too long and we need a global commercial system in which companies like Nokia are required to operate internationally and, in fact, across borders. Their products, commerce and innovation moves across borders. It is bizarre that intellectual property is still stuck not just in the 20th century but, in fact, in the 19th century, and we have got to change it.

So we got that declaration coming out of this meeting in March. Importantly, also, we invited developing countries to this meeting. We had Brazil, Peru, Chile, Mexico and, of course, the People's Republic of China, as well as the developed countries in north Asia. I would put Korea into that category and certainly Japan. A combination of developing and developed countries all signed up to this declaration that the time for harmonisation is now.

Following that meeting, this is why I came over to Europe last Wednesday and conducted meetings on the Continent with the EPO, the German Patent Office and the Ministry of Justice, with IMPE in Paris, France, and over in Geneva with WIPO. Now I have meetings here tomorrow with the UKIPO team to talk about harmonisation as a global topic, with Europe very much central to it and capitalising on the unilateral moves that we are making in the US to really move to a harmonised patent system and seriously fix these 19th century eccentricities with which we are all dealing. We must get ourselves on to a level playing field so that the patent system can be an accelerant and not an impediment to global commerce. That is a sort of a blow-by-blow update on where we are.

Lastly, I will make a few comments about trade marks. Without trying to characterise the views of Offices here in Europe, I think it is fair to say that there is a strong uptake in Europe for renewing harmonisation discussions. There is a strong desire to work together between the Americas, Asia and Europe, towards a harmonised patent system, including the developing world, the Middle East, Africa and its important constituencies in those discussions, and substantively – I will say it again – to get our act together as a global intellectual property community relative to the patent system.

I did want to mention a little bit about trade marks. My day job is to run what I refer to frequently as the United States Trade Mark and Patent Office. I do a lot of trade mark-related work, of course, in the US. We are currently dealing with a couple of important issues there. The issue that we are not dealing with in the US but I wish we could talk about more here in Europe is what I believe is the best practice of a use-based trade mark registration system and the advantages that accrue to a use-based system. They are far more cost-effective for the user community, there are far fewer oppositions and there is far less contention, because trade mark rights are drawn from the very beginning around the uses that are made or planned to be made.

If you follow US trade mark law, you will probably know that we have had our bumps in the road in recent years going into what is called the *Bose* line of case law. We have had a confusion of bumps in the road because in the use-based system, of course, it is required that one has some way to police use and some way to deal with registrations and classes of goods and services that are included in use affidavits that are not actually being used. That is a place where the US trade mark system comes somewhat into disalignment with systems used

frequently in Europe and where we have seen some tension. You might be aware that we had a line of case law that came through our Court of Appeals for the Federal Circuit that involved spreading the unfortunate doctrine of equitable conduct over to the trade marks system and cancelling entire registrations on the basis of non-use in classes of goods and services that were included in the affidavits of use. We fixed that recently, through this *Bose* line of case law. We have straightened that little bump out of our system so that we are, hopefully, no longer cancelling entire registrations on the grounds of the registration not being used in all registered classes of goods and services.

However, we are now at a junction where we are trying to determine, if you don't have strong penalties associated with non-use in areas that are registered, how you get your user community to conform its classes of goods and services for use-based purposes with what they are actually using. The register has to be accurate in order for a use-based registration system to actually work. That is a line of cases that is currently open for us and we are working at the USPTO on this. We held a public meeting a while ago and we are working with our user community. We would like to hear from you, as you are part of our user community, as to what the best way is to ensure accuracy of the user register without having to go to the draconian kinds of penalties like cancelling the entire registration.

The other thing I will say about important trade mark happenings right now in the US is that we are struggling also with the concept of trade mark bullying. If you are not familiar with that, that has come up by way of some legislation that required us at the USPTO to conduct a study of the user community – the trade mark community – and to find out if there was really a

problem with big trade mark holders asserting rights over-aggressively against small entrants, small companies that were trying to use the names or possibly register trade marks in narrower fields of goods and services.

So we conducted a study. We got a lot of input and we are just in the process of finalising our report to Congress right now on that subject. However, it brings into relief, again, an important set of problems when you have a trade mark system but you want to champion the interests of small new entrants, innovative entrants, small and medium businesses, which at least in the US is the creator of virtually all new jobs. You want to have a system that is friendly to those kinds of folks and, therefore, you do not want to be overly-protective of the interests of the large, established intellectual property holders. We want to be able to provide room for new entrants to enter the marketplace.

On the other hand, enter “famous marks” and the “famous marks doctrine”, and the understandable interest of famous companies like Nokia that have a very well established brand, that want to use those brands and don’t want new entrants coming in and trading off their goodwill and free riding. If you represent stylish brand owners, they are concepts that you would know well. So we are wrestling how to balance those two interests in the US also. Look for that report coming out, possibly as soon as this week and going to Congress. So there is lots going on patent-wise and trade mark-wise. We can talk about any of that. We can talk about the issues that you want and I will stop there.

LORD JUSTICE JACOB: Thank you very much, David. I quoted him in a judgment and I am going to quote him again because your account of the legislative process reminds me. Bismarck said: “If you are fond of laws or sausages, you should never see them being made.” (*Laughter*)

We are going to start talking about innovation, because Avril tells me she has a grumpy client. As a consequence of a grumpy client, she has to attend on same by 10 o'clock. So we are going to ask Avril Martindale from Freshfields to talk about something really rather different, which is to do with the physiology of the IP system as opposed to the pathology. Most of the lawyers around here, judges and what-not, deal with pathology, when something has gone wrong. But most IP practitioners never see a court. It is just like you hope you don't see a pathologist. Avril is an M&A lawyer, particularly concerned with M&A involving huge IP portfolios. She is going to talk to us about that.

AVRIL MARTINDALE (Freshfields): Thank you. Interestingly, I think that is the first time I have ever been described as an M&A lawyer. I actually call myself an IP lawyer. But, like some of my colleagues from Linklaters that I can see in the audience, we IP lawyers in firms like Freshfields and Linklaters get called into some pretty huge M&A deals, but not just M&A deals. We get called into all sorts of deals that have been spawned by the financial world out there: securitisation, security rights and tax-driven restructurings. We get called into disposals and divestments that are forced upon clients as a result of the antitrust authorities. Increasingly, there is an enormous IP aspect to these deals.

Way back when, in the olden days, when I started off as a baby IP lawyer, coincidentally in a firm that did a lot of M&A work, the deals that we were looking at then would either involve the acquisition of a company with a big brand or a portfolio of big brands, or involve a company with fabulous technology and maybe one brand (often not regarded as particularly important).

Now that is not the case at all. The big consumer-driven brand companies have also spent a lot of time working on their technologies. Now there is always

a technology aspect to a consumer brand deal. With a technology deal today, you will find that there are always a number of brand-driven issues in play.

Why is this? I mentioned the role that our colleagues in the City have played in coming up with increasingly sophisticated ways of slicing and dicing deals, the ways that companies operate and the way that money moves. IP just happened to be a very interesting hook for some of that. There are, for example, the tax-driven structure products that we see today. And today (although it has improved a little) we still see accountants and tax advisers coming up with tax-driven schemes based on moving IP around which pay no regard to the protection of the IP rights in question, or their reason for being. Take, for example, a pharmaceutical company that relies on its patents to prevent copycat products coming to market. Some of these tax structures the accountants come up with would prevent the pharma company from obtaining an injunction under its patents.

So my job, as an IP lawyer, has often involved spending considerable time unravelling that sort of structure. That has been quite interesting.

Then there are securitisations. As securitisation lawyers ran out of motorway service stations and bricks and mortar to securitise, they started looking at other assets, such as IP. These deals are exciting and generally more challenging than a standard securitisation. They involve careful consideration of issues such as value, if, for example, the rights can be invalidated or are difficult to enforce.

The final change that I have seen over the years in relation to IP and the way that we do deals involving IP is globalisation. Almost every deal that I get involved in now has an international angle to it. Deals which involve an

assessment of the competing IP regimes in a range of countries can be tricky, especially in the face of client desires to get them done within a short timeframe.

LORD JUSTICE JACOB: You did Volvo?

AVRIL MARTINDALE: I did Volvo, yes.

LORD JUSTICE JACOB: Tell them about Volvo.

AVRIL MARTINDALE: Until August of last year, the Volvo Car Corporation was part of Ford. It was acquired by Ford about 10 or 11 years ago from AB Volvo, the Swedish company. Shortly after it was acquired Ford centralised all its intellectual property, relating to the various marques they owned (including Aston Martin, Jaguar and Land Rover) into one company, Ford Global Technologies Inc.

Ford, a couple of years ago then, decided to focus on the Ford brand, and put a number of other brands and their associated businesses up for sale.

Ford was rightly concerned that this divestment project should not jeopardise its intellectual property rights. And Chinese companies have a historic reputation for not respecting IP rights as much as western companies might.

I was acting for a Chinese company called Geely, which wanted to buy Volvo.

We came up with a way of managing the interests of both sides on the deal that gave Geely the business freedom to operate Volvo and also gave Ford a lot of comfort. It was very exciting to be able to do so.

This deal is still the largest ever industrialist acquisition by a privately owned Chinese company. It may set the scene for other such acquisitions.

The Chinese Government has issued an outbound deal for a folio catalogue.

It lists the sorts of areas in respect of which Chinese outbound investment is encouraged, including many technology-driven industries, such as automotive, IT and healthcare.

What about China's historic reputation in relation to IP? We have seen great strides in recent years in the improvement of the Chinese IP system and the Chinese IP enforcement regime. A number of large western companies, such as Microsoft, have been very successful in enforcing their IP rights through the Chinese courts.

China's court also now hears approximately five times as many patent litigation cases as have been heard in the US.

We have judges in the Chinese Supreme Court who have stated publicly that IP will now be dealt with in the Supreme Court as a matter of priority.

LORD JUSTICE JACOB: That was fascinating. I saw a story on television news about a month ago. There are two companies in the Isle of Man that hate each other: Strix and Otter. They are the world kettle kings. They, basically, innovate to beat the other. The managing director of one of them came on television to say that he had been ripped off by a Chinese company. He had a patent in China so he had a go at enforcing it. He said it all worked. That was very interesting. A pretty small western company goes to China, sues and wins. It gets an injunction, and damages. It was a very satisfactory result and the defendants stopped. That was a huge message to me. Of course, if you don't register your patent in China, you do not get any rights.

Avril has to go by half-past, so let us have a very quick Q and A, for Avril, particularly.

KERRY TOMLINSON (Dehns): I have a quick question in your area. Are there any points of global harmonisation that you would like to see? I guessed, when you started speaking, that you were talking about the difficulties of tracking down intellectual property ownership, registers all round the world and that sort of thing. I know it is extremely time-consuming. As we are on the topic of where we are heading, is there anything on the transactional side that perhaps you would like to see happening in the future?

AVRIL MARTINDALE: I do not know if “harmonisation” is the right word here. I would like IP owners across the world to think about their IP not just in the context of enforcement, but in the context of the deals that they might want to do, and organising their IP rights in such a way that makes those deals easier to implement in a way which preserves IP value would be very helpful.

JACK FRIEDMAN: Let’s take the viewpoint of the buyer of a company doing due diligence. How do you know that you are getting the accurate data that you need, the written documentation or agreements that really help you know what you are buying?

AVRIL MARTINDALE: Well, you don’t, actually. Warranties and indemnities are used. If you are a purchaser, there is a limit to the amount of due diligence that you can do because of cost and timing constraints and the reliability of the diligence you can do. So reliance is generally placed on warranty protection from the vendor. Warranty and indemnity protection in relation to IP rights is carefully drafted and often hotly negotiated.

JACK FRIEDMAN: What are the types of experts that you use in addition to the lawyers in your firm?

AVRIL MARTINDALE: It depends on the company concerned and the importance that the purchaser places on the technology.

DAVID KAPPOS: I would like to make a comment on that. Avril, one thing you did not mention, but I felt from my 26-plus years in the private sector doing many M&A deals, buying and selling, including in China, is that, nowadays, no matter whether you are buying or selling in the pharma sector, the automotive sector, the IT sector or the mobile devices sector, you will have open source software in that product. Whether it is in the controller for the disc-braking system or the software that operates a user interface, there will be open source software. I wonder if you would comment a little about the expertise in due diligence that is needed in the thinking around finding, dealing with and assessing whether, for the buyer or the seller, that the risks are not too associated with open source software.

AVRIL MARTINDALE: That's the great thorny question, isn't it? Thank you, David.

DAVID KAPPOS: It is gunk at the garden party.

AVRIL MARTINDALE: You start by asking the question. You say to the target, "Have you used any open source software?" Often they look at you blankly and refer you to the R & D director. So the R & D director comes along and says, "Oh, yes, I'm sure we have." So you say, "What have you used?", and they say, "Oh, I don't know. I leave that to my engineers actually." So you call the engineers out and they say, "Yes, but everyone else does it." You say, "Can you identify what it is?" "That will take me about six or eight weeks. When do you

want to do this deal by?” “The day after tomorrow.” “Oh, oh. That’s actually very difficult.”

The answer is, every time I look into it, there is usually a green light there and we end up protecting ourselves, unless there is something that is absolutely crucial and it becomes a deal stopper. I have seen it once become a deal stopper, where you say to the clients, “Look, we just cannot evaluate the risk for you in doing this. We just can’t. So it’s your choice. If you get it wrong, here is the likely downside and you get sued. But you could go ahead on the basis that the vendor will indemnify you if that happens.” Indemnities are only going to be as good as the financial viability of the indemnifier. “So it is your call.”

Apart from that one where it eventually collapsed, we have always had ways and means around it, having an engineer speak to engineer and covering it with warranties and indemnities. Is that a sufficient side step?

LORD JUSTICE JACOB: Avril, thank you very much. Her partner at Freshfields tells me that she is one of the hundred hot lawyers of this year. I asked whether she got any more money as a result of that, to which he said, “No.” I said, “Well, does she walk around with a bigger swagger?” She is certainly entitled to. Avril, thank you very much, indeed. (*Applause*)

Back to harmonisation. I am going to call on Richard Vary, who is having to live with Nokia problems all round the world, because he has interesting views on harmonisation which might be useful if we covered them now, and then I will talk about harmonisation at the end.

RICHARD VARY (Nokia): Good morning, everyone. Five years ago today, it was a beautiful sunny day, just like it is today, outside. I remember it because I was on a flight to Munich. It was my first day at Nokia. I was frantically reading a

mobile phone patent. If you have ever read a mobile phone patent, you will know that it is not something that you can read during a flight to Munich. I was on my way to the Bundespatentgericht – the Federal Patent Court – for my first Nokia patent case. It was tremendously important. It was one of Nokia's first cases in Germany. If we lost, then there was a very good chance that, fairly shortly, an injunction would be coming along from the regional court in Mannheim and we would be shut out of our biggest market. I did not fancy my chances of a second day in their employment if that had happened.

When I arrived it was all very strange. The taxi was a brand new Mercedes S Class. I was dropped off outside a building which did not look like a court house. It looked rather more like a hospital. That was, I learnt, because it was a hospital until recently. There were five judges dressed in blue, taking it very seriously. Within about five minutes of us sitting down, and before any argument had even been made by either side, they told us that they had already decided and that we had won. So at least I was still employed.

That gave me quite an insight into how very different the German system is to the system that I was used to – the English system. Since that day, we have litigated some 84 patent cases across Europe in various courts. After those 84 cases, what I would quite like to do, apart from to have a holiday, is to tell you a little about what I have seen by way of harmonisation, how the courts do work together on occasions, and what the differences are.

First of all, where are these 84 cases? Nineteen of them have been here in London, four in Paris, and three in The Hague. The overwhelming majority of these cases, 51, are in Germany, which have all been either in Düsseldorf or Mannheim, except for one in Nuremberg, interestingly. There have been six in

Italy and one only in Vienna, which, sadly, after five years, still is not progressing so I have yet to go to Vienna.

The statistics are a little skewed because I am only counting the German infringement cases. If I counted the separate parallel validity cases in Germany, it would be well over 100 there alone. What is important today is that many of these cases are parallel between the two countries. In the Apple and Nokia litigation ongoing at the moment, there are 10 patents that are common to the UK and Germany. In IPCom, there have been 14 that have been in the UK and German courts, and five of those were in Italy as well. In the KPN litigation, we have had parallel patents in The Netherlands, Germany and France. Qualcomm was the most obliging because they sued us on the same two patent families in France, Germany, Italy and the UK, also in China and the US. So thank you, Qualcomm, for giving us an unrivalled opportunity to compare them.

So where are we saying that the system is largely harmonised? There are some very great differences obviously, the most apparent being the split system in Germany. One thing that has struck me is that, in every case so far that has come to trial in more than one country, we have had, overall, the same result. The patent is either invalid or not infringed, and that finding has been common across the courts.

Why is that? I suspect that there may be a certain degree of informal harmonisation between the judges going on. In Germany, on 15th April 2010, there was a Federal Supreme Court case. I was very much hoping when I sat down today that we would be having slides behind us because then the name of the case would be on the screen and I could point to it. Instead, I am going to have to try and pronounce it. It is the *Walzenformgebungsmaschine* case, in

which the Federal Supreme Court has asked all German courts to take account of and recognise the decisions of other courts on related patents. They don't have to follow them. They can depart from them if they disagree, but they do have to take account of the decision in order to fortify legal certainty and to further the harmonisation of jurisdiction under the EPC.

So we are seeing it now written down in German case law that harmonisation of courts is required.

Most often we are seeing this applied in decisions about stays. If you have litigated in Germany, you will know that there is a split system, which means you have the infringement proceedings in the regional courts, the Landesgericht, and the validity decision is in the Bundespatentgericht. In the way of things, the Landesgericht is usually faster. A lot of the cases turn on whether or not you will get a stay in the Landesgericht of the infringement proceedings pending a decision of the Bundespatentgericht or the EPO on validity.

We are now seeing that the Mannheim court, in particular, is looking at the decisions of foreign courts. For example, it will look at a decision of the English court on validity to decide whether or not to stay, to see whether the German validity proceedings should go first or not. We also have seen the Mannheim court looking at USPTO re-examined decisions to decide whether or not to grant a stay. We are seeing this now coming back at us in practice. For example, in the *Apple v Nokia* litigation we sued Apple on one patent in Germany only, which relates to scrolling. You scroll down on a touch screen. It continues to scroll. If you touch it, it stops. We brought an infringement claim on that in Mannheim. Apple has brought a revocation action in the UK, even though we haven't sued

them here on it. Presumably they are hoping to get a decision in the UK that the patent is invalid before we can get to an infringement decision in Germany.

The English courts are also taking note of German decisions. In the *IPCom v Nokia* Court of Appeal decision on 20th January 2011, Lord Justice Jacob quoted the decision of the Federal Patent Court on two grounds. On the technical decision he considered the findings of the Federal Patent Court. But he was also looking at the procedure adopted by the Federal Patent Court. In effect, the English court is applying similar reasoning to the German Federal Supreme Court in the *Walzenformgebungsmaschine* case.

In Italy, we have a number of cases where local prosecutors are being asked to seize Nokia products from the shelves, by alleging infringement of patents. This is rather like infringement of copyright or trade marks, piracy, or counterfeit cases you might see here. It is very persuasive to a prosecutor if the patent has been found not to infringe or is invalid in another court in a European state.

Where there are still differences, but we are seeing things moving closer together, is in regard to amendments. In the UK, amendments to patents must be filed substantially in advance of the trial if they are to be considered. In Germany, the standard tactic is not to file your amendments before you get to trial or, perhaps, to file a dummy set. Then, at 4 o'clock on the afternoon of the hearing, you pull out of your back pocket the real set of amendments that you want to file, when there has not been time to consider them. Hopefully, the Federal Patent Court judges or the EPO panel are tired and they want to go home. They are going to allow one of them. It is a tactic that we have seen used successfully on several occasions.

Section 83 of the German Patent Act, which was brought in last year, entitles the Federal Patent Court to reject amendments if they are not filed sufficiently in advance of the hearing, if consideration would either delay the hearing or make a necessary postponement, and if there is no particularly good excuse. So we are starting to see now harmonisation of the practice of amendments between Germany and the UK, and it is very welcome.

We are also seeing a difference in the approach to construction. Again, if you litigate in a split system, you present your patents before the novelty court as being very small. I once used the analogy, not original I must say, of a cat being presented before the Federal Patent Court as wet, very small and very sleek. It doesn't cover very much. When you get to the infringement court, you get out your hair dryer. The cat is big, fluffy and it is all-encompassing.

The Federal Patent Court in one of our recent *IPCom* decisions has set out very plainly what construction needs to be adopted in a patent in order to find validity. This, presumably, is to try and restrict the ability of the patentee to show up in the infringement court with a cat and a hair dryer.

The Federal Patent Court is also giving preliminary opinions on validity now, which again will assist the infringement court in Germany on deciding on whether or not to stay.

All these things are helping to reduce the difference between the split system in Germany and the combined system in other countries where we consider infringement and validity together. We are starting to see discovery being applied for in the German courts. Again, it was thought previously that you do not have discovery or disclosure in German proceedings. We are now seeing applications for disclosure of documents being brought in the German

actions, and requests to hear evidence. For the first time last year, the Federal Patent Court heard four witnesses give evidence on the publication of documents. That is not something in any of these previous cases that I have seen happen. Again, there is an indication of a harmonisation.

Big differences still exist in the treatment of opposition proceedings. If you file a patent in the European Patent Office and it is granted, there is a nine-month opposition window following grant. Then opposition proceedings can continue. In many European countries, you can go ahead with a nullity action, an invalidity action, during that period. In Germany, you cannot. That is still one of the major differences. With a new patent, first of all, you have to wait in Germany for the nine-month opposition window to expire. Then you go to the very slow EPO opposition proceedings, whilst the infringement action races ahead. The end result is that other countries deciding validity make their announcements substantially in advance of Germany. In one of our patent cases, we had a very real prospect of even the Italian patent's validity being challenged before the German patent. So, next time you get a German IP litigator telling you how quick his system is, draw this to his attention.

The final big difference I see is the existence of negative declaratory relief. In the UK this is very usefully available. We can get a declaration of non-infringement either under section 71 or under the inherent jurisdiction of the court. We can get a declaration of non-essentiality. The *InterDigital* litigation showed an example of that. We can get declarations now that it is not possible to infringe a patent when making a product. In one of the *IPCom* cases, the patent told you to do one thing, but the standard told you to do something very different. There we had obtained a declaration that, by implementing the

standard, it was not possible to infringe the patent. In the *Arrow* UK litigation, we have seen that it is possible, when you are dealing with thicket and divisional patents, to get a declaration that no patents granted from the application would be infringed by the products.

In Italy, I understand that there is now an accelerated procedure for granting declarations of non-infringement. In Germany, however, they remain, effectively unavailable. Although they are available on the face of it, we have not succeeded in getting one. In one recent case, we were sued for infringement of two patents. The patentee withdrew the infringement action but declined to admit to non-infringement or grant a licence, and it withdrew without prejudice so that it could restart at any point. We brought a declaration of non-infringement, and we failed. It was held that, even though we had been sued for infringement and even though there was an outstanding allegation that we infringed, we did not have a sufficient legal interest for a declaration of non-infringement. That, I think, is an unbelievably high threshold and one I fail to see how anybody could meet.

So there are still some differences and disharmonies. That is a summary of my experience.

JACK FRIEDMAN: I have a couple of questions regarding the trade mark and copyright areas. I assume that European manufacturers have the same type of problems that the Americans do. People are constantly using their name or trying to sell low quality goods to make it appear as if it is your goods. Is that not a problem here?

RICHARD VARY: It is.

JACK FRIEDMAN: How do you patrol around the world to make sure that they are not just selling knock-off of the product?

RICHARD VARY: It is certainly a problem. Nearly 10% of the mobile phone market globally is now comprised of counterfeit products. I particularly like the enterprising Chinese manufacturer who produced “Mokia”. *(Laughter)* There was also a manufacturer selling in India who produced an identical version of a Nokia mobile phone that had an improvement. You could use dual SIMS so that you could have more than one operator on them. It has taken us years to produce dual SIM mobile phones. So, yes, we do have a certain amount of problems. How you police them is exceptionally difficult.

JACK FRIEDMAN: Lord Justice Jacob was talking about harmonisation and different litigation environments within Europe. The transcript of this event, by the way, is going to be sent out to a large number of leaders including a sizable American audience.

DAVID KAPPOS: You mention that now! *(Laughter)*

JACK FRIEDMAN: The question I have now is for the Americans who will be reading it. What are some of the differences between the British and the American IP process? I am referring to jury trials, etcetera. I would like to hear a British judge’s point view.

LORD JUSTICE JACOB: Obviously, jury trial looms very large over the whole area. With all due respect, I think the American courts are making a terrible dog’s dinner of claim construction, which they are building into a branch of metaphysics. Martin Adelman is kind enough to say, “The Brits have got it right”, and keeps sending messages to Randy Rader, saying, “Look what the Brits are doing. Why don’t you do that?” I think there is something in that, but,

of course, claim construction itself has got itself mixed up with the jury trial question. You now have a Markman hearing and things like that, which we don't have.

Another big change of which the Americans are very conscious and which they are trying to do is to reduce the amount of discovery in a patent action. I gave a judgment some time back and I tried to see how much, over the years, discovery had made a difference. Yes, it had made a difference in a few cases but mostly it had not. Obviously, you will want discovery on a particular topic such as prior publication or prior use which is a question of straight fact. But discovery of all the research notebooks of both sides is a huge expense. All the lawyers spend months ploughing through them, looking for little nuggets. Occasionally, you get a nugget but mostly you don't.

Sir Hugh Laddie found one once in the Kevlar litigation between Akzo and DuPont, where the DuPont people were trying to say the patent was obvious. The first copy of the Akzo patent seen in the research department of DuPont had written on the side of it, "Hot rats". (*Laughter*) It was a bit difficult to say it was obvious after that.

Is the value of the case right for huge discovery? If the case is worth no more than, say, £5 million, what then? Discovery could send the costs towards £1 million. That is one of the big things with the American system – you cannot cut out full scale discovery on the grounds that it is disproportionate to what is at stake. It is not as flexible as it could be

The other huge difference, of course, is the nature of the trial court itself. In some US jurisdictions, you have judges who have done quite a bit of patent work, but most of them have never been patent lawyers before in their lives

before they became judges, still less being scientifically numerate. They end up in a jury trial and they have to decide Markman issues. To contrast that with a really specialist court in London is quite significant. The debate about trying to create specialist courts has run across Europe. There is a quasi-European view that specialist courts are called for. There is a Directive calling for a concentration of patent expertise in a limited number of courts. Paris now, for example, has the only court in France that deals with patent actions.

There are huge differences, but they are undoubtedly getting less. There are several reasons for that. One is the very big driving force of international parallel litigation. Of course it has not been written down and not been called for by anybody, but it has happened because the judges have started talking to each other. It started with the Europeans talking to each other through the European Patent Judges' Symposium, to which the older British judges, perhaps, did not pay too much attention. Some of those guys fought in the War!
(Laughter)

When I became a judge, I found myself, in the first of the Symposia I went to, which was in 1994, starting to make friends. By the third, Madrid 1998, we got as far as saying, "Look, we have got to do something about this European litigation system. Nobody else is doing anything. We'd better start having a go." Something called the Madrid Group was formed, with the President of the Federal Patent Court operating it through her office. There has been a constant drive. I have to say that I have made some very good friends. They are people I have emails with every day. Somebody comes along with a case – the *Grimme* case – and I ask, is there any German case law on this.? I was not not. But I just thought I would send an email to Klaus Grabinski." "Have you got any cases on

this?” A pile of stuff came back. I had to put it to counsel after the hearing. That was not a great moment from the British Bar’s perspective, for some of the cases were bang on the point. This was to do with contributory infringement.

That brings me to another aspect of harmonisation. In that case we had to consider for the first time Article 26 of the Community Patent Convention, which is our section 60(2). You look at this slightly impenetrable piece of legislation and you ask, “Where does it come from?” You try to find out. You find bits of it in the American legislation. They had a statutory provision and quite a well developed doctrine. We never got to the bottom of where the European version came from. What it looks like is that somebody, probably a civil servant somewhere, took the American legislation and changed it in ways which are not entirely intelligible or wise. That is such a daft thing to be doing. The Americans had a section. It had been working it for some time. You could look and see how it was working. So, if it is okay, why not just copy it? You don’t have to have a special European thing. Just because it is American, it doesn’t mean that they have got it wrong. (*Laughter*)

JACK FRIEDMAN: That is very gracious of you. (*Laughter*)

LORD JUSTICE JACOB: It is quite serious. We have got to be looking around the world at what other people’s legislation is in order to produce a really good model for what will undoubtedly happen in maybe the next 10, 15, 20 or 50 years, but there will be a world harmonisation of patents.

I think it is more likely, actually, than the world harmonisation of trade marks, because with trade marks there are huge cultural differences. On the Continent, and particularly in France, a trade mark is an object of reverence, a thing to be worshipped and to be treated as such. In this country, until recently,

in the United States and, I think, in the Far East, a trade mark is basically a marketing tool. It is a very important marketing tool to distinguish your goods from other people's. It is the same as the cultural differences in copyright, where copyright is seen as an extension of your personality in continental law. In France, you can't even colorize a movie, even if you say you have done it, whereas the English and the Anglo-American view of copyright is that it is an economic piece of property which you can buy and sell and deal with as much as you like.

JACK FRIEDMAN: I have a quick story regarding Coca-Cola, a gold standard of brands. A few years ago, three to five years, a secretary got a hold of secret Coca-Cola information. She approached Pepsi and said, "We'll sell to you secretly your competitor's key information." Pepsi's response was no meeting, no discussion, but a call to the CEO or the general counsel of Coke, saying, People have approached us with a great secret of your company and we are not touching it. Here are their names and contact information.

Getting back to the broad issue of infringement, there is the question to what extent people are honourable or the legal system forces them to be honourable and not take advantage of the circumstances.

LORD JUSTICE JACOB: Of course, we do not often get to see the things that do not happen.

JACK FRIEDMAN: The judges don't.

LORD JUSTICE JACOB: No, the judges don't. That is the good thing working as a consultant. I have actually always wondered about that secret formula of Coke and whether their real secret is that they haven't got a secret. *(Laughter)* Certainly they changed the formula, because, as you know, it used to contain

cocaine. Some federal judge in 1919 said that the trade mark was deceptive because it didn't have any cocaine in it any more. If he had been upheld, that would have been the end of Coca-Cola.

We can have Q and A for a bit.

ILYA KAZI (Mathys & Squire LLP): I have a question for David Kappos about harmonisation. Given the different approaches to local prior art – Articles 54(3) and 102(e) – and the different approaches to added matter and support, how quickly, realistically, do you see harmonisation between the US and the EPO for examination?

Secondly, how quickly do you see harmonisation within the USPTO, because it has been an observation that the experience one gets is a non-zero function of the examiner to which the cases are assigned? It seems a lot better since you took over, but do you see that happening before or after the EPO and the USPTO harmonise?

DAVID KAPPOS: Thank you for the questions. Taking the second question first, the USPTO is a modest-sized family of about 11,000 people and 7,000 plus examiners. I am fond of saying that it is like being the father of a large family. Not every one of your children gets up feeling the same every day. Some of them have sniffles and others are on target. We will continue to work with our examining core. We will have to in order to get everyone on tighter, clearer standards. You can see us moving in this direction in the US by means of putting out much more directive guidelines.

The most recent set of those are what we call our 112 Guidelines, which is the section of our statute that is used to examine and evaluate patents as to clarity, correspondence between the specification and the claims, ensuring that

there is an enablement or a teaching of how to make and use the invention – topics that go to ensuring that there is a strong relationship between the scope of the claims and the scope of the exposure. In my view, it is really important to have a tightly administered patent system. It flows over into these and other important topics that we are talking about, namely, the use of patents in the licensing context, in M&A contexts, and, ultimately, in potential litigation. In my experience, it is a lot about clarity in the guidelines that govern examiner behaviour. We are working on that with really clear guidelines.

One of the most recent ones we did was a revision of our so-called KSR 102 and 103 Guidelines that were actually the vision that originated from this very country, in one of the first actions that I started taking when I joined the USPTO. We put out guidelines very quickly following our important section 101 subject matter discussion around the *Bilski* decision in the US. All of those are part of very basic leadership philosophy in that you must give your people really clear guidance. You have to give it quickly, you have to educate them on it, you have to train, mentor and coach them, and then you have to measure and expect them to comply. That is exactly what we are doing right now. So we are giving mandatory training and some good examples of the 112 Guidelines.

Before I go back to the first question, we are putting a lot of effort in the US into getting our act together on our manual of patent examining procedures. For the trade mark lawyers in the room, our manual of trade mark examining procedures is the TMEP. We have done this by putting them on the web. You can now go to the USPTO website and comment on the MPEP and TMEP. That was always frustrating for us that these documents were on more of an infrastructure that made it hard to edit them quickly. You are talking about

documents that are the better part of a foot thick and you would not be able to update them, essentially, in real time. It puts you at a disadvantage when the law, courtesy of Lord Justice Jacob and others, is moving very, very quickly. We fixed those things. That, I think, is going to bring the US examination practice much more into a line of consistency that will be advantageous.

As to harmonisation, if you will, of section 102 (e) and other parts of 102, I think we are moving very fast in that regard. If you look at the legislation, in Senate 23, the Bill that came out of our US Senate, it moves to an entirely new approach to thinking about prior art. I am now going to use a term that gets people a little nutty at times. I believe it is a gold standard approach that is key to disclosure. Disclosure in any language, anywhere in the world, means not necessarily publication in some referee journal or the publication of a patent application, but the disclosure-based approach to evaluating prior art. It is an approach that is not burdened by anachronisms like the Hilmer doctrine that treats disclosures in various places differently. I believe it is a very global approach that was found as to how prior art is characterised. Yes, we are going to be on a global standard very soon in respect of how we look at prior art.

PAUL COLE (Lucas & Co): I would like to mention inequitable conduct as one of the most unharmonised areas of patent law. From our point of view in the UK, we represent university clients where the university people generate huge boxes of prior art. We send in bankers' boxes of prior art that we pretend are relevant and your examiners pretend that they read them.

I am aware from talking at an AIPLA luncheon and raising this question that what I am saying is very unpopular in the US, and the US profession is wedded to this inequitable conduct doctrine. I wonder whether it would be worth

investigating its cost-effectiveness, both at the examination stage and at the litigation stage, because I suspect that most of this stuff is completely irrelevant. It costs clients money, it costs examiner time and it is merely a waste of space and paper.

DAVID KAPPOS: Thank you for that intervention. Just to comment, briefly, the inequitable conduct doctrine is not very popular in the US, especially in its current form. There is case law pending in the Federal Circuit, the *Therasense* case, which will be decided very soon, I think. We are very much hoping that it right-sizes the law of inequitable conduct, dramatically drawing it back in around the truly egregious behaviour. I believe that inequitable conduct should be, essentially, equated with fraud, saying you need a strong proof and scienter requirement. I hope that we get back in that direction. It will take a lot of the heat out of inequitable conduct.

We still have more work to do relative to another doctrine in the US that came out of a case called *McKesson*. There is some significant responsibility that we have in the USPTO to flatten that issue, and we are working on it. We will be coming out later this year, in fact this spring, with our first set of new approaches for applicants that will enable much less of that redundant prior art to be sent in. We will be giving directions to say, “Look, we just don’t need you to send that stuff to us any more. We can find it or we’ve got it ourselves”. Then, over time, as we make some information technology improvements, we will be asking for much less of that kind of redundant, *McKesson*-compliant documentation to be sent in. I get this from audiences in the US, Asia and obviously here in Europe, also, that the US inequitable conduct doctrine is a point of disharmonisation. Got it; fair point; we are working on it. We will be

moving it in a positive direction, I think, here over the course of the next year or two.

ALASDAIR KENNINGTON (Scott & York Intellectual Property Law): Paul just picked up on part of a larger issue that I wanted to talk about, which is what I call harmonisation of the philosophy of the approach. It seems to me that, in Europe, we regard obtaining a patent as essentially an administrative act. The Patent Office investigates whether, as a matter of fact or law, the applicant is entitled to a patent, whereas it seems to be that, in the US, this is seen as, essentially, a legal procedure so that all the legal issues of equitable conduct and other equitable doctrines come in. Not only do I find in dealing with things like prior art that inequitable conduct is an issue but also in things like admissions. If I get an argument wrong and I say something relevant and it turns out it is not relevant, at the UK Office or at the EPO, I just say, “Look, if you read this document carefully, it says this and not that, and it is not relevant”, but in the USA they take it as relevant and that’s it.

It seems to me that a view of the Patent Office procedure has been quasi-legal rather than government administrative. It is a harmonisation of that underlying philosophical approach that I would find very welcome, preferably harmonising towards us and not towards Europe. *(Laughter)*

LORD JUSTICE JACOB: My own comment is that there is something in that, but I think I would rather harmonise the American way. I think the trouble with our European opposition system is that it is regarded as administrative, but it is not administrative. You are coming to ask for a monopoly. It is not a bad thing to say that a chap has said something and hold him to it. I wouldn’t hold him to it so that he cannot get out of it, but, if he said it, he has to explain why he said it

and why it was wrong. I have never heard the United States go so far as to say that, when you have said something, you can't withdraw it unless, of course, it is too late and the patent has been granted. That is another question. Before then, if you made a mistake in US Patent Office proceedings – tell me if I am wrong, David – you can say, "I'm sorry, Mr. Examiner, I got that wrong."

JACK FRIEDMAN: Does the outside counsel who prepares it have to sign the patent application in Europe, which I understand happens in the US?

LORD JUSTICE JACOB: No, and not in Europe. It is all this casual approach which I think causes some of the trouble in the EPO, frankly.

DAVID KAPPOS: Those were great comments, and thank you Lord Justice Jacob for that. I would like to make the point that patent rights in the space of our careers, of all of us in this room, have really changed a lot. They have gone from being important but, in many cases, not central, to now being extremely central to commerce. When you are taking out a long-term monopoly and you are doing it regarding something that is so central to opportunity, to the creation and maintenance of jobs, to wealth creation and to the economic prosperity of our countries, it has to be a really serious business. You are talking about judgments on both of our continents that routinely run into billions of dollars now. It used to be very occasional or not at all, but now, routinely, you are talking about judgments running into the billions of dollars. I think there is something to be said that this is a serious business now. We are not playing games any more in the patent system. Patent Offices need to be and are being held – mine certainly is and those in Europe also; the UKIPO is one example – to higher standards of accountability ourselves. It is just a matter of reality that the Bar and the applicants who are coming in front of our agencies are going to be looked at that

way also, because they are asking for something that has really serious consequences.

JIM BOFF (Phillips & Leigh): Someone referred to the European Patent Office as exercising a quasi-judicial role. I actually think it is more a queezy-judicial role. *(Laughter)* Admittedly, when you get to the level of the Boards of Appeal, you encounter people who you think might be capable of exercising a quasi-judicial role. But the fact is that not every case goes before the Boards of Appeal. Lots of patents just go before the ordinary examiners. If you are going to expect a very high standard of examination at that stage, are you going to have to train the ordinary examiner to a quasi-judicial level? You have to deal with reality, and most reality is messy. To expect a very high level from examiners is hopeful. We actually get quite a good level quality examiner, but we cannot expect perfection and we cannot expect the process to be perfect. I would far rather see it being seen as an administrative process, albeit with judicial control after the event. But, placing too much emphasis on the prosecution process, I think, is completely damaging and it just pushes up the cost to everybody.

LORD JUSTICE JACOB: I am not sure I understand what you are talking about. The examiner has an application and he has to deal with the application in accordance with the law. That's all. That is what, by and large, they are doing in the EPO. That is not quite the same thing as saying it is judicial. It is not judicial. As soon as you get any kind of confrontation, there is one view and the other view. Then somebody has to take a view about it. I have never found the British Office, for example, regarding their job as administrative. "Administrative" has a feeling about it that it does not have to comply with the law in some way or another. *(Laughter)*

JACK FRIEDMAN: Regarding administrative hearings, the General Counsel of a famous tech company commented at our event about a European antitrust proceeding. He said that, once they had got to the court trial, the judges were sophisticated and very fair. He said that the problem they had was that, at the administrative level, you don't have a chance to give a presentation to the actual decision makers. You have a junior person who comes in and simply listens. Then the judges tend to say, "You've had your day before the administrative officials, and we will defer to them." That was his concern.

LORD JUSTICE JACOB: That, I suspect, is the European Commission's Competition Directorate. That is a whole subject for a different seminar, or possibly a whole course at University College London.

I think we had better stop now because people have got to go to work and there are a lot of clients out there. I want to thank our speakers very much. I think this is the first time that the boss of the USPTO has ever come and spoken himself and answered questions. He seems quite incapable of behaving like a politician. If you ask him a question, he answers it. *(Laughter)* Thank you very much, David, and thank you, Richard, too. It has been a marvellous insight into modern litigation by big companies within Europe. Thank you very much indeed. *(Applause)*



[David Kappos](#), *Under Secretary of Commerce for Intellectual Property and Director of the USPTO*

David Kappos is the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. In this role, he advises the President, the Secretary of Commerce, and the Administration on intellectual property matters.

Over a 20-year career in intellectual property, Mr. Kappos has accrued deep knowledge of the intellectual property system and broad respect from professionals across the field. Mr. Kappos directs an office that provides incentives to encourage technological advancement and helps businesses protect their investments, promote their goods and services and safeguard against deception in the marketplace. The Office continues to deal with a patent application backlog of more than 700,000, long waiting periods for patent review, information technology systems that are regarded as outdated and an application process in need of reform.

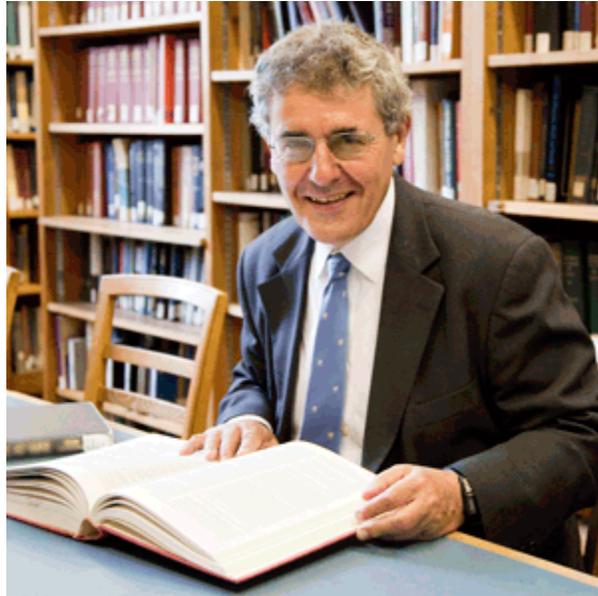
Before joining the USPTO, Mr. Kappos served as Vice President and Assistant General Counsel for Intellectual Property at IBM. Mr. Kappos managed IBM's patent and trademark portfolios – protecting and licensing intellectual property worldwide. He has served on the Board of Directors of the American Intellectual Property Law Association, the Intellectual Property Owners Association, and the International Intellectual Property Society. He has held various other leadership positions in intellectual property law associations in Asia and the U.S. and has spoken widely in Asia, Europe and the U.S. on intellectual property topics.

Mr. Kappos received his Bachelor of Science degree in electrical and computer engineering from the University of California-Davis in 1983, and his law degree from the University of California Berkeley in 1990.



The Rt. Hon. Professor Sir Robin Jacob

Sir Robin attended Trinity College Cambridge from 1960-1963 where he read natural sciences, mainly physics. He then read for the Bar (called in 1965 by Gray's Inn) and also took a law degree from the London School of Economics (1965). He commenced practice at the patent (intellectual property) bar in 1967. His practice covered all types of IP - patents, trade marks, designs, trade secrets, licensing disputes and so on as well as more



general matters. The kind of case ranged from cases involving dishonest counterfeiting ("pirate chasing") to very technically complex patent cases (e.g. genetic engineering and electronic painting). He appeared not only in cases in England but also in Singapore, Hong Kong and Australia as well as the before the European Court of Justice and the European Commission. He travelled extensively to see clients in very many different countries.

He was appointed junior counsel to the Treasury (i.e. Government) in 1976 and was made Queen's Counsel (i.e. Senior Counsel) in 1981. He was appointed a judge in 1993 and to the Court of Appeal of England and Wales in 2003. As a judge he sat on a great range of cases. About half have involved IP. For four years, until 2002, he regularly sat outside London in the cities of Birmingham, Bristol and Cardiff hearing commercial disputes.

He has written and lectured extensively on the law of intellectual property and has frequently advised the Government and the European Commission on the subject.

In May 2011 he chose to leave his full time place at the Court of Appeal (though he will continue to sit there from time to time) to take up the position of Professor of Intellectual Property Law at University College London.



Richard Vary is an English solicitor advocate, and Director of European Litigation for Nokia.

Richard has particular expertise in multi-jurisdictional patent litigation. Since joining Nokia's litigation team, he has managed the European and Asian aspects of the litigations brought by Qualcomm, Interdigital and IPCom. For these cases, Nokia was awarded the "in-house team" award in 2009 by Managing Intellectual Property, and has been nominated in the "in house" category by Juve. Managing Intellectual Property also named *Nokia v Interdigital* as European Patent Case of the year in 2008.

Richard has bachelors and masters degrees in Natural Sciences (physics, chemistry, molecular cell biology) from Downing College, Cambridge University. He studied law in London, then trained at Linklaters, qualifying into the Intellectual Property department. He joined Nokia's litigation team in 2006.

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Our strategic intent is to build great mobile products.
Our job is to enable billions of people everywhere to get more of life's opportunities through mobile.

Nokia's strategy is about investing in and ensuring Nokia's future. "I have incredible optimism because I can see fresh opportunity for us to innovate, to differentiate, to build great mobile products, like never before, and at a speed that will surpass what we have accomplished in the past," Elop said. "We are going forward. We are not going backwards. We have a strategy. We have a path. We have a future. And we can deliver great mobile products. And despite all of these changes, we remain true to our mission, that of Connecting People."



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Avril Martindale

Avril has been a partner since 1997. She was global co-head of the IP/IT practice group from 2000-2006, and head of the London IP/IT practice group from 1999-2007.

She advises clients on a wide range of IP, TMT and commercial matters, including the acquisition, disposal and exploitation of IP rights, outsourcing, licensing, franchising, publishing, broadcasting and other technology and media-related matters as well as data protection and privacy law. She has worked across a number of industry sectors including consumer products and retail, automotive, financial services, chemicals, TMT, healthcare, energy, sports and leisure. This has included advising:

- AstraZeneca on various matters;
- Campbell's Soup on various acquisitions and disposals;
- Corus on its outsourcing arrangements;
- CVC on its acquisition of Formula 1;
- Ford Motor Company on various matters including the acquisition of Volvo Cars, Land Rover and the Rover brand;
- Formula 1 in relation to various matters;
- ICI on various acquisitions and disposals;
- St Paul Travelers on its acquisition of the Citigroup Red Umbrella logo; and
- Zurich Financial Services on various outsourcing matters.

Prior to joining Freshfields Bruckhaus Deringer, Avril was a partner at specialist IP law firm, Bristows.

Freshfields Bruckhaus Deringer is a leader among international law firms, providing business law advice of the highest quality throughout Europe, the Middle East, Asia and the US. With over 2,500 lawyers in 27 key business centres around the world, we provide a comprehensive service to national and multinational corporations, financial institutions and governments.

In our international IP/IT group, our specialists provide an integrated service to clients on a range of contentious and non-contentious IP, IT and internet-related issues, frequently on a multi-jurisdictional basis. We act for financial, commercial and industrial clients in the communications, IT, media, consumer products, healthcare and financial services sectors, among others.



Jack Friedman
President
Directors Roundtable Institute

Jack Friedman is an executive and attorney active in diverse business and financial matters. He has appeared on ABC, CBS, NBC, CNN and PBS; and authored business articles in the Wall Street Journal, Barron's and the New York Times. He has served as an adjunct faculty member of Finance at Columbia University, NYU, UC (Berkeley) and UCLA. Mr. Friedman received his MBA in Finance and Economics from the Harvard Business School and a J.D. from the UCLA School of Law.