

Lundbeck v Infosint: The importance of registering assignments

A recent judgement in the Patents Court [\[2011\] EWHC 907 \(Pat\)](#) by the Hon Mr Justice Floyd has emphasised the importance of registering assignments and exclusive licences relating to European patents designating the UK at the UK Intellectual Property Office (UKIPO) separately to avoid the penalty imposed by Section 68 of the UK patents act for non-registration or unduly delayed registration. However, assignments or exclusive licences in connection with European patent applications, i.e. before grant, still have to be registered at the EPO, and these cannot be registered with the UKIPO.

The judgement related to patent revocation proceedings between Lundbeck and Infosint, where Lundbeck sought revocation of Infosint's European patent covering a method of making 5-cbx, an intermediate compound used in the manufacture of Lundbeck's anti-depressant drug citalopram. Infosint counterclaimed for infringement of the patent.

The patent, originally owned by Norpharma, was transferred to Infosint after grant. The transfer was subsequently registered at the European Patent Office (EPO), but, despite instructions to a UK agent to register the transfer at the UKIPO, the transfer was not registered at the UKIPO for some eight years.

Lundbeck successfully argued that the patent was invalid on the grounds of inventive step, i.e. the patent was determined to be obvious in consideration of the prior art. Nevertheless, the court provided guidance on whether Lundbeck could rely on the partial defence to infringement under Section 68.

Readers will be aware that Section 68 provides a partial defence, where assignments or exclusive licences are not registered with the UKIPO within six months of transaction (or, if not practicable, as soon as reasonably practicable thereafter). In particular, the

assignee will not be awarded costs for infringements occurring before the transaction was registered. Consequences of failing to register were potentially more severe before April 2006 and precluded the award of damages or an account of profits in infringement proceedings, thus preventing a patentee from obtaining monetary relief for the infringement of the patent.

In absence of any transitional provisions setting out application of pre or post amended version of Section 68, the judgement concluded that since the amendments to Section 68 have no retroactive effect, Infosint would not have recovered either damages or an account of profits for infringements prior to April 2006, and would not have recovered costs after it, had their patent been found valid and infringed. How this would have been calculated in practice remains unclear. Lack of monetary relief for infringements before 29 April 2006 seems straightforward enough. However, deciding on the costs which will be unrecoverable is less clear. If it is to be simply costs before successful registration of the assignment, then this may not present much of a deterrent, as a party could simply register the assignment shortly before, or shortly after the commencement of proceedings and so before much cost has been occurred (in this case the assignment was successfully registered three weeks after the proceedings were initiated). Alternatively, will costs have to be allocated to any pre 29 April 2006 infringement, any post-registration infringement and any intervening period, with costs deducted only for the intervening period? Although the latter seems likely, this remains to be decided.

The court further clarified that because on grant, a European patent separates into a bundle of national rights, each of which can be assigned independently of each other, registration at the EPO of assignments of granted European patents does not count as registration for the purposes of Section 68.

The court also emphasised the strict interpretation of the exception provided under Section 68, which limits application of Section 68 where registration of the assignment or the exclusive licence was not practicable within six months. In this case, the judgement concluded the fact that Infosint's UK attorney had not succeeded in registering the assignment despite being instructed to do so did not mean that it had not been practicable for Infosint to register the assignment.

This case highlights the importance of registering any transfer of patent rights within six months of transaction in each individual country where a European patent has been validated.