

## Introduction

This year's pass rate (48%) was lower than last year but still comparable to previous years.

The clear reason that candidates are failing is that reciting everything they have learnt is simply not good enough – the FD1 paper is an advanced paper to determine suitability to practise as a patent professional by giving advice to clients regarding complicated scenarios and not a memory recall test. It is clear every year that candidates who are simply not at the right stage of their professional careers are attempting to sit the examination. Perhaps there is an attitude of 'having a go' unfortunately, this rarely benefits anyone involved.

Those candidates who were scoring with marks in the low 40% region perhaps simply need another year of experience to get them to a position whereby they are ready to sit the examinations and the confidence to know when information is relevant to a question and what is simply not required. There are also a number of candidates who are scoring below 25% each year and the examination Board urges firms with trainees to really consider whether these candidates are ready to be entered into the Final Diploma examinations.

It was acknowledged by PEB that some examination venues experienced some disruption during the examination and this has been taken into account at the awarding meeting.

## Questions

### Part A

| Question number | Comments on questions   |
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| Question 1      | <p>The average mark on this question was 4 out of 7.</p> <p>Most candidates scored adequately on this question which was a straightforward query regarding filing by reference however, this simple formalities based question is where candidates should really be scoring very highly.</p> <p>Many candidates did well in identifying the acts that needed to be carried. Many did not know the timelines that were associated with each act or whether dates ran from priority or filing.</p> <p>It is important to distinguish between the various requirements. A certified copy of the Chinese application and a translation are required under Rule 22(3) within 4 months from the filing date, which is by 16 January 2017. Priority documents would have been required within 16 months from the priority date, that is by 17 January 2017 but this requirement will have been met by the documents required for the application by reference.</p> <p>Many discussed the possibility for extensions of deadlines which were still 3 months away...there was no indication that meeting these deadlines may be difficult and it is a waste of time writing information that is clearly not relevant to the facts at hand.</p> |

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| <b>Question 2</b> | <p>The average mark on this question was 4 out of 10.</p> <p>Those candidates who approach the designs questions in the same manner they approach the patents questions with sensible analysis generally score better than those who simply regurgitate information.</p> <p>Most candidates identified the possibility that prior art may exist to invalidate the design or identified potential for prior user rights to have been generated. A disappointingly small number contemplated that your client may in fact have deliberately copied in which case there would have been infringement.</p> <p>A number of candidates discussed in great detail the registerability of the kitchen appliances and the possible term they could attract whilst not appreciating that prior user rights only protect against continued preparations and not extrapolation to the other appliances. Additionally many candidates appeared not to appreciate that, although a registered design application is required to specify a product, the resulting registration is not limited to that product. Such a registration will therefore be part of the prior art for a later application for the same design for a related product, which is the situation set out in the question. As nothing could be registered no discussion of Locarno classes or term was required.</p> <p>Candidates should ensure they are up-to-date with developments in the law. Prior user rights for designs became available as from 1 October 2014.</p> |
| <b>Question 3</b> | <p>The average mark on this question was 5 out of 10.</p> <p>Most candidates scored well on this question however, many are too quick to make assumptions – your client stating that she made the invention in her own time whilst on holiday is not necessarily factual information and should be checked. Additionally, it cannot be assumed that even if the invention was made on holiday that it necessarily falls outside of the agreement – these kind of automatic assumptions can lead you to give dramatically differing advice for your client and it is very risky to assume one interpretation is correct without considering the repercussions the other way – candidates who considered both or said the information/agreement would need checking generally picked up many more marks.</p> <p>A large number of candidates started to discuss employee/employer rights although there was no indication in the question to suggest this was an employment relationship.</p> <p>Many still seem to struggle with the concept of priority – there was nothing to be gained by claiming priority from GB2 to GB1 ...GB1, in so far as it was prior art to GB2, can only be used for novelty and the GB2 application contains a different embodiment – too many candidates are not considering the relevant subject matter when discussing claims to priority. It is possible to claim priority, but doing so does not solve a</p>  |

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|                          | <p>problem because no problem exists. Good candidates realised that as GB2 only needed to be novel over GB1 and not inventive that there was nothing to be gained by abandoning GB2 and Sylvia would be better continuing with the application in her own name following entitlement proceedings under S8. It is vital to address this point as the client is proposing abandoning a right and it is important to provide advice.</p> <p>We are told a payment from BladeZ was due in June 2016, but in October no payment has been received. The agreement therefore terminated in September 2016.</p> <p>What are the consequences of termination?</p> <p>With regard to GB1, since the agreement has terminated, so has the exclusive licence. It is not sufficient, though, to state that the exclusive licence has terminated because this does not tell the client the consequences of termination. Some candidates advised the client is now free to work the invention. This does not address the reality of the situation. The client is a private inventor and has sought to exploit the invention through the agreement with BladeZ. It is unrealistic to expect the client to work the invention herself. However, the client is now able to licence or assign GB1 and already has another company interested.</p> <p>With regard to GB2, what will happen to the application? In practice, nothing will happen - there is no automatic transfer to your client and the application will remain in joint names irrespective of who is the true owner. At present, therefore, the client has no right to licence or assign GB1 so we therefore need to consider true ownership.</p> <p>The question tells us that patent applications arising under the agreement would be jointly owned provided they have arisen from work directly undertaken as part of a specific defined set of experiments. We also know the client says she had the idea for the improvement whilst on holiday with her family so we need to clarify that the improvement was made outside the scope of the agreement and not as part of the defined set of experiments. Of course, otherwise BladeZ is legitimately a joint applicant.</p> <p>BladeZ has allowed the agreement to terminate through non-payment. Perhaps BladeZ is no longer interested in working under the agreement. The client should seek to minimise costs by asking BladeZ to agree that sole ownership should be transferred to her otherwise, assuming the invention of GB2 to have been devised by the client outside the agreement, we can initiate entitlement proceedings under Section 8 and the Comptroller may decide to allow GB2 to proceed in the name of Sylvia Sharp alone.</p> |
| <p><b>Question 4</b></p> | <p>Average mark for this question was 3 out of 5.</p> <p>This question generally scored quite poorly despite it being a straight forward question on patentability.</p> <p>Candidates are too eager to advise the filing of Patents Form 51/77 when there is no existing patent application or when the only applications are in the name of third parties. Candidates should also note it is not necessary to file Patents Form 51/77 when filing a new application. Thoughtless advice concerning the filing of Patents Form</p>   |

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|                   | <p>51/77 makes Examiners wonder about a candidate's competence.</p> <p>Candidates generally identified the separate concepts and discussed that the algorithm as such was likely to be a computer program and not patentable but that the application of it might be if it displayed a technical effect.</p> <p>Few discussed that the tabulated information was mere presentation of information and as such missed an easy mark and even fewer discussed the wipe – It was not enough to state that the wipe must be novel and have an inventive step – a discussion in order to show some thought was going into the patentability of the wipe was expected - good candidates commented that this may be due to the material it was made of/chemicals soaked onto it etc.</p>   |
| <b>Question 5</b> | <p>Average mark for this question was 6 out of 9.</p> <p>This question was the best answered on Part A. Sadly this appears to be because the question requires a more stepwise formulaic response rather than any real analysis.</p> <p>Most candidates identified that restoration was required and managed to calculate the correct deadline. Also many having calculated the deadline also appreciated that it would in fact be prudent to act quickly to prevent the accrual of any third party rights which is good practical advice.</p> <p>The fact that it is the intention of the Applicant that is determinative was widely appreciated and that as such restoration was likely to be successful. As Mr Jones's activities were carried out in bad faith his activities could not attract 3<sup>rd</sup> party rights and so would be considered to be infringements. Where candidates lost an easy mark is to not take this one step further and to state that as such it would be advisable to start an infringement action against him.</p> |
| <b>Question 6</b> | <p>Average mark for this question was 5 out of 9.</p> <p>This was probably the most concerning question on the paper for being poorly answered as it centred on the fundamental principle of Priority and the Paris Convention.</p> <p>The key issue that was missed by candidates was that although GB1 and PCT1 had been withdrawn with no rights outstanding before publication – GB1 had in fact already served as basis for a priority claim and as such the subject matter of GB1 – which related to the coffee machine per se can no longer be the subject of a new priority claiming application.</p> <p>As such candidates simply bundled both the coffee machine and nozzles into a new national filing and then filed a PCT a year later claiming priority from it. This leads to an invalid priority right for some of the subject matter and as such would have lost potentially a huge</p>   |

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|  | <p>commercial opportunity for your client.</p> <p>Whether national or PCT filing strategies were made as a first filing did not affect the marks available to the candidate providing the correct assessment relating to priority was made – the nozzles can benefit from a new priority filing whereas the coffee machines cannot.</p> <p>Again candidates are encouraged to focus on the key aspects of the question – many went off on a detailed discussion of breach of confidence despite there being no indication that this had occurred.</p> |
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**Part B** All Part B questions were answered evenly with the number of candidates answering as if no question was seemingly 'preferred' or 'least preferred' this year.

| Question number   | Comments on question   |
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| <b>Question 7</b> | <p>Average mark for this question was 11 out of 25.</p> <p>Question 7 was directed towards advising a client on an infringement and validity scenario. This sort of scenario should be common place to someone who is at Final Diploma level and candidates should be scoring highly on such questions.</p> <p>As always those Candidates with a thorough and systematic approach scored best and that it was sensible to break the answer up into a claim by claim analysis.</p> <p>It is best to first assess and construe GB-X and GB-Z. Section 2(3) applies to only part of the subject-matter of GB-Z and the terms 'paint' and 'varnish' require construing. Validity of the claims of EP1 next needs consideration, together with any amendments that may be required or desirable to restore validity. Only when all this information is available can infringement reasonably be assessed.</p> <p>A number of marks were available for simply stating the effective dates of the subject matter of each claim and what was citeable against each – this was generally well done.</p> <p>Far too many candidates missed the fact that claim 2 of EP1 was directed towards Paint whilst the disclosure of the prior art (GB-Z) related only to Varnish – it was therefore not enough for candidates only to consider the 0.5-1% range but also to provide some discussion over whether paint was the same as varnish or in fact different. Regardless of the conclusion reached, the same number of marks were available to candidates who gave this consideration.</p> <p>A number of candidates also correctly concluded that GB-X was citeable only as 54(3) novelty only but then later went into detail on whether claims 2 and 3 had an inventive step.</p> <p>Candidates are encouraged where they have come to a conclusion to</p> |

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|                          | <p>also provide possible outcomes – for example if claims are invalid the case may be revoked but an opportunity to amend may be available.... This is what you would expect to advise a client – you would not simply tell them they have invalid claims but offer no repercussions or solution.</p>   |
| <p><b>Question 8</b></p> | <p>Average mark for this question was 7 out of 25.</p> <p>Question 8 was an inventorship and ownership analysis. Very few candidates chose to answer this question and those who did generally did not attract high marks.</p> <p>The only feedback that can be provided here is that it seemed to be a lack of confidence in a style of question where there is probably no definitive answers.</p> <p>The scenario was based on an inventive concept made by one party and who had enlisted the help of another party to overcome a problem they had encountered. As such various aspects of the patent application may arguably have been devised by either party and a discussion was expected for each claim. In addition as with any relationship it would be necessary to consider the terms of the agreement that were in place and any potential background know-how or IP each party had brought to the table as well as any clauses that dealt with breach of any obligations under the agreement. No detailed knowledge here was required other than appreciation that it would be prudent to check.</p> <p>It was not clear from the question what involvement and contribution to the invention each party had made and therefore who contributed to the subject matter of each claim as such most answers were fairly muddled and many generalised statements made which left out much of the detail that would have been attributed to marks.</p> |
| <p><b>Question 9</b></p> | <p>Average mark for this question was 11 out of 25.</p> <p>Question 9 was answered fairly well in the most part although marks were dropped through not following through on points or observations that were made.</p> <p>The question related to a scenario wherein a large company with a patent position had exclusively licensed erroneously more than one party to the same subject matter in the same territory. The issue centred on whose license was ultimately valid. Candidates on the whole identified the issue but explained the legal scenario surrounding it badly.</p> <p>The lack of recordal of the earlier license within a 6 month time period was not the issue at hand – what mattered is that the later recorded license had been done so in good faith before the earlier one was licensed at all – it is at the time of the execution of the later license that is critical - this is what gave rise to the exclusive license being valid for P.</p> <p>The 6 month time period relates to whether in infringement proceedings the licensee can claim for damages – this is a separate issue from the validity of each license.</p> <p>Many candidates appreciated that there was no priority claim for the</p>  |

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|  | <p>PCT and just used the filing date as the effective date of the subject matter. Others became muddled on whether in fact there had possibly been one and then tried to determine dates and scenarios on whether the journal was or wasn't citeable prior art - candidates are reminded to trust the information they are given.</p> <p>A good number of marks were also available for a discussion on interim injunctions and although many candidates discussed whether or not to ask for one – very few analysed the scenario and determined whether each of the criteria for the test for an interim injunction was met. It is frustrating to see a candidate who had identified the issue and the point of law or relevance but then drop marks through not being thorough in their approach.</p> |
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