

2012 PAPER P2

SAMPLE SCRIPT A

This script has been supplied by the JEB as an example of an answer which achieved a pass in the relevant paper. It is not to be taken as a "model answer", nor is there any indication of the mark awarded to the answer. The script is a transcript of the handwritten answer provided by the candidate, with no alterations, other than in the formatting, such as the emboldening of headings and italicism of case references, to improve readability.

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Question 1

1. Ask client for a copy of the letter from the patent office.

As the application was published, all actions necessary for publication must have been carried out.

The application is therefore likely to have lapsed due to failure to request examination and to pay the examination fee, the deadline for which was 6 months from publication: 14 Sept 2012.

This deadline has passed, but an extension of time of two months is available as of right under R108(3) and can be requested retrospectively.

I would therefore register myself as the representative for the case, and request a two month extension of time and pay the necessary fee (£135). This gives a new deadline for requesting examination of 14 Nov 2012. I would request examination and pay the fee by this date.

In addition, check that the applicant is correct and that the inventor is correct (probable that this information is correct as Mr Fox received a letter from the UKIPO and ∴ appears to be the address for service).

2. UK Unregistered Design Right (UKUDR)

As the cushion was designed as a commission, it is owned by the commissioner, and ∴ appears to be owned by the high street stores. As they are UK based, they are a qualifying entity for UKUDR.

UKUDR subsists in items that are not commonplace. Cushions are well known and commonplace, and the cushion per se therefore does not have UKUDR.

The picture of the dog appears to be original in the sense of not commonplace as it was only recently discovered. However, as it is an image on the cushion it may be surface decoration and ∴ UKUDR will not subsist in the cushion with the picture (as surface decoration not covered by UKUDR).

UK Registered Design Rights (UKRD)

As with UKUDR, any UKRD will belong to the commissioner, i.e. to the UK high street stores. The design must be new and have individual character. Though the picture is known from the archaeological discovery, it is doubtful if it would be known in the EEA in the sector concerned, being a recent discovery in a totally unrelated field. The cushion with the picture ∴ appears to be new, and is likely to have individual character (distinctive picture).

An application for a registered design covering the cushion cover with the picture could be filed, giving up to 25 years monopoly protection (renewable every 5 yrs) against designs which are identical or differ only in immaterial details. Any other soft furnishings in the range, with the same picture, could be protected in the same way provided any application is filed within 12 months of the first (grace period).

Cannot file a design registration for just the image of the dog, as this would lack novelty over the archaeological discovery.

Protection is limited to the UK.

Community Registered Design Right (CDR)

Comments as above for UKRD, except that first ownership of the design lies with the German designer and he could therefore file the relevant application unless his contract for the commission stipulated otherwise – need to see the contract. Protection is monopoly protection throughout the European community, for up to 25 years.

Community Unregistered Design Right (CUDR)

Comments as for CDR except, this right arises automatically so there is no need to file a registration. In addition, this is not a monopoly right so it is necessary to prove copying in order to enforce, and it lasts for 3 yrs from first marketing in the EEA.

Recommend that a community design application is filed as this gives protection throughout Europe.

3. As intention was to claim priority from GB1, assume it was not withdrawn with no rights outstanding, but need to check this.

As GBI was never published, it does not form part of the state of the art and, as it currently stands, would not be prior art for PCT1 and any UK national phase application. Could therefore enter UK national phase based on PCT application by 31 months from PCT filing date (6 Dec 2013). This carries the risk that intervening disclosures made between 8 April 2010 and 6 May 2011 would be prior art. There do not appear to be any published applications which fall into this category as only A citations were raised in the search report. However, the client started selling product in Sept 2010. Assuming that the product is enabling, this is prior art for PCT1 and any UK national phase application filed as above would lack novelty.

Therefore, recommend entering the UK national phase by 31 months from GB1 filing, i.e. 8 Nov 2012. As PCT1 was filed within 14 months of GB1 filing date, within 2 months of filing (by 8 Jan 2013) request restoration of the priority claim for GB1, providing evidence that the failure to file the PCT application on time was unintentional. This appears to be the case as failure was due to a postal delay. However, in order to claim priority, the applicants must be the same at the time the application is filed. GB1 and PCT1 have different applicants. Therefore, immediately assign PCT1 to Bill Trout (with effect from date of filing of PCT1), file GB1 in the name of Bill Trout, and subsequently transfer the GB national phase application into joint names.

Find out if client owns a share in the application (i.e. has there been any transfer of rights from Bill Trout?). If not, they should not be named as an applicant.

4. As the deal document is long and in Chinese, it will be costly to translate.

Recommend obtaining a short assignment document, signed by company Y (the assignor), in English. Alternatively, identify the important parts of the Chinese document, and obtain translation into English only of these parts.

English is an official language of the PCT, the EPO and the UKIPO, and a document in English can therefore be used to record an assignment in all three cases, saving money by not needing multiple translations.

For the pending UK applications, the assignment should be recorded within 6 months of the assignment, i.e. by 5 May 2013, to ensure that costs and expenses are awarded in any subsequent infringement proceedings. Submit a copy of the assignment document, signed by Y, to the UKIPO to record the change in ownership.

For the PCT application, recordal can be done centrally with the IB up to the end of the international phase at 30 months from the earliest priority date (i.e. 1 Dec 2012). Therefore, before this date, submit assignment doc (signed by X and Y) to the IB. If this deadline is not met, it will be necessary to separately assign in all countries in which it enters the national phase which will be much more expensive.

For the European case, as within the opposition period, can register assignment centrally with the EPO – need to do this by 15 Nov 2012, by submitting assignment document to the EPO, signed by Y. Failing this, it would be necessary to separately record the assignment in each country in which it was validated, which would be expensive and require multiple translations (into each language).

5. As EPIB has been revoked it is no longer in force and cannot be enforced against Miss Badger (B). In addition, even if B's yoghurt fell within the claims of EP2, this has lapsed and cannot be enforced against B.

Therefore, B appears to be free to launch her yoghurt outside the UK.

In the UK, GBIB is in force and could therefore be enforced. Check the claims of GBIB to see if B's yoghurt is covered by them (if not, B is free to sell her yoghurt in the UK as she wouldn't infringe). As the claims of EPIB were found to lack novelty over EP2, it appears that the claims of GBIB (The same as EPIB) would also lack novelty over EP2. Find

out if EP2 had a priority claim. If not, it is likely that it was not published before GBIB was filed (4 months later). Assuming that EP2 designated the UK, it is therefore S.2(3) prior art against GBIB.

If it was published before Aug 2008 (e.g. there was a claim to priority and early publication was requested), then it would be full prior art against GBIB.

Either way, as the claims of EPIB lacked novelty over EP2, even as S.2(3) (novelty only) prior art EP2 will likely destroy the novelty of the claims of GBIB.

Review GBIB to see if there are any amendments which the proprietor could make to establish novelty over EP2 and which would still cover B/s product. As EPIB was not amended during opposition, this appears unlikely.

B could bring revocation proceedings against GBIB for lack of novelty over EP2. However, this would be expensive. As B appears to have a strong case, would therefore recommend contacting the owner of GBIB first and notifying them that you believe their patent to be invalid. Would additionally seek an opinion on validity from the patent office, prior to launching the product. This is quick, but is not ultimately binding on the courts. Given invalidity, B may consider risks associated with launching the product to be acceptable, as the proprietor is unlikely to bring infringement proceedings in relation to a patent they know to be invalid. If not, and if do not get satisfactory reply from patent proprietor, then bring revocation proceedings.

6. As GB1 was not withdrawn before GB2 was filed, GB2 cannot serve as the basis for a priority claim as it is not the first application filed (as defined by the Paris Convention). Find out if the withdrawal was 'with no rights outstanding'. Assuming not, GB2 was filed within 12 months of GB1, can make a late declaration of priority. The deadline for doing this is 26 Jan 2013 (16 months from GB1 filing date). Therefore, register myself as agent for the case, and make a late declaration to priority under S.5(2) by this date. The GB application will then have a priority date of 26 Sept 2011.

Cannot file a PCT application, or EP or US national filings, which claim priority from GB1 as the deadline for doing this was 26 Sept 2012.

For EP, recommend filing a PCT application by 26 Nov 2012 (14 months from priority) and requesting restoration of the priority claim. For EP, would have to demonstrate that failure to file on time was in spite of all due care, and it appears that this may be difficult as client did not intend to file internationally by Sept 2012.

Could alternatively file an EP application, instead of PCT, but will face the same problem in establishing all due care. Advise client that GB1, as withdrawn before publication if request is unsuccessful. GB2, when published, would be novelty only prior art against the UK designation only, which is not needed due to pursuing GB2 in parallel. The US does not accept restoration of priority under the PCT unless the US is the RO. Therefore cannot use this. However, US as 12 month grace period for disclosures by the inventor. In addition, as client is still finalising product it is likely she has not disclosed it publicly (N.B. public use in the UK would not be prior art in the US, only a publication) but need to check this. Therefore, either file PCT and take PCT into US national phase or file US application ASAP to get earliest possible filing date, but cannot restore priority claim to GB1.

Advise client that GB1 itself cannot be reinstated as the withdrawal of this application appears to have been deliberate (i.e. it was not withdrawn in error), and S.117 therefore does not apply.

7. As GB1 is granted, it can be enforced immediately, but check that all renewal fees are paid up to date.

Validity of GB1

As the prior art was published before the priority date, it is relevant for novelty and inventive step of GB1.

The prior art found by MM does not disclose the use of yeast X, which is required by Claim 1. Claim 1 therefore appears to be novel both over this, and over the general knowledge that X was known. However, the use of yeast X in gluten free dough was known before the priority date. There is therefore an argument that it would have been obvious to combine the features of the prior art found by MM with Yeast Y to arrive at Claim 1, and that Claim 1 therefore lacks an inventive step.

In addition, check whether the single example enables the claim across its entire scope. If not, there could be an issue with lack of sufficiency.

Recommend amending the claim to ensure that it is valid over the prior art, for example by introducing the ratio of flour to yeast of at least 60:1, which appears to be novel and inventive (it is not previously known), provided there is basis for this in the specification. It is a narrowing amendment, so should be allowable.

Recommend doing this under S.27 immediately. Amendment will be at the discretion of the UKIPO but likely to be allowed to establish validity. In addition, note that MM could oppose the amendment but only on limited grounds (e.g. claim is still not valid).

Alternatively, could wait and amend during proceedings under S.75 (e.g. infringement/revocation – see below). This is also at the discretion of the UKIPO but may be more limited, and may affect damages award in infringement proceedings as proceedings were not brought in good faith (i.e. knew patent was invalid), or if it was not clear to MM that they infringed (limitation of damages is at the discretion of the courts).

Comments re letter from MM

MM can go to courts for declaration if it is not provided within reasonable time by NS.

MM cannot claim invalidity in a declaration of non-infringement, and cannot bring proceedings merely to claim invalidity. They could, however, bring a revocation action against GB1. The claims should be amended as discussed above to reduce the risk that the patent could be revoked in a revocation action.

Infringement by MM

NS's claim is to a process, and therefore also covers the direct product of that process (the dough). MM may therefore infringe the claim either by making the dough or by using/selling the dough. As the dough itself appears to be new (different consistency), the burden of proof shifts and it would be up to MM to prove that their dough is not produced using the patented process, rather than being for NS to prove that it is.

∴ Recommend contacting MM and asking them to provide details of their process, without which you cannot provide the requested declaration. At the same time, send them a copy of the amended claims filed as discussed above to ensure they are aware of the amendments and that the claim is valid. As MM appears to be a manufacturer, the groundless threats provisions do not apply and can therefore state that infringement proceedings will be brought if they launch their product. NB MM are not currently infringing as they do not appear to be selling their product. However, once they launch, an action can be brought.

As the consistency of MM's dough is the same as NS's, the assumption will be that they do infringe, unless they can prove that they do not.

Other Action

If MM launch their product (and it infringes) then proceedings for infringement could be brought under S.60, seeking damages or an account of profits, declaration of infringement, and/or an order to deliver up and destroy all infringing articles.

However, given potential damage caused by launch, recommend an interim injunction is sought against MM's launch as soon as possible (show no delay). Due to size of market and apparent clear infringement it appears that there is a serious issue to be tried, and loss of market share may not be financially compensable. Given this, the potential damage, and the fact that MM have not yet launched their product it seems likely that the balance of convenience will be found to lie with NS to maintain the status quo, and an injunction will be granted. Advise NS that they will have to give a cross-undertaking as to damages.

In addition, recommend carrying out a prior art search to find out if there is any other prior art which should be taken into account when amending the claim.

Do not give MM the requested declaration.

8. Check whether the GB patents are in force (if renewal fees have been paid), and find out who is named as inventor. It appears that client invented all three prototypes, though check whether he invented them alone or with anyone else, and he is therefore entitled to be named as inventor. If necessary, can bring proceedings under S.13 to enforce this right.

PROTOTYPE X

When the client developed X, he was not employed. This invention therefore belonged to the client as the inventor.

Client later assigned X to his employer and received compensation. Ask to see a copy of the assignment document to see the terms of the assignment and whether it provides for further compensation. However, it appears that rights in X were passed to his employer.

As client was not employed by the DIY store at the time he made the invention, he cannot bring proceedings against the employer under S.40, despite the fact that it appears now that the compensation (£1,000) received may be inadequate in view of the profit made by the DIY store.

Compensation can therefore not be obtained in respect of X.

PROTOTYPE Y

At the time Y was developed, clients' normal duties do not appear to have included any design work (being till work). In addition, as it was made on his lunch breaks, it may not have been made 'in the course of his duties'. Finally, as a till worker, he would not have a special obligation to further the interests of his employer.

It therefore appears that Y belonged to client and not to his employer.

Ask for copies of the documents signed by the client – relating to his new position, did they include any assignment of Y? If so, the pay rise and promotion could be considered payment for the assignment.

If Y was not assigned to the company then it belongs to the client. Recommend approaching the company and requesting that the patent be transferred into the client's name or offering to sell the rights to the DIY store). If this is not successful, could bring entitlement proceedings against DIY company by Dec 2012 2 yrs from grant (though this deadline does not apply if the DIY store knew they were not entitled to the patent). If successful, can obtain transfer of the patent into the client's name (can simultaneously request client is named as inventor, if necessary, in the same proceedings), alternatively, can get patent revoked and refilled. If patent is transferred, then the licences under it will automatically lapse. The current licensees have the right to a licence from the new owner if requested within 2 months of the transfer, provided previous licence held in good faith. Therefore risk that licences will not be maintained and royalties will stop.

If Y was assigned (or exclusively licensed) to the company, then client can take action for compensation. It is necessary to show that the compensation received was inadequate in relation to benefit obtained by company (appears to be, as compensation was 'modest' pay rise compared to ~ £3 million in royalties though this is for X and Y). Note any compensation is at the discretion of the UKIPO (if they consider it just to award a fair share of the benefit to the employee). They will consider any contribution made by the employer (appears to be none as made on lunch break), the benefit already received (find out if there are any). It appears that the client would have a strong case for compensation.

PROTOTYPE Z

Z was made while the client worked in the design department, and it is therefore likely that it was made in the course of his normal duties. It is therefore probable that Z was automatically owned by the DIY store, and patent rights belong to them.

Can bring proceedings for compensation against the DIY store if client can demonstrate that an outstanding benefit has been obtained by the company through the patent and/or invention.

- need to verify the figures given in the article; if £4 million is accurate then appears to be outstanding benefit, particularly as it is the most money ever generated by single item by company. However, this figure appears to be for future sales, and it is only past and present sales which are taken into account for compensation; need to investigate value of these sales. If proceedings are brought, the court will consider the skill and effort of the client in making the invention, the contribution of any co owners, the duties of the client at the time and any contribution made by the employer.

As only figure is for future sales, would be preferable to first write to the DIY store requesting a share of the profits from Z, stating that you will take action if not resolved satisfactorily.

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SAMPLE SCRIPT B

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Question 2

The application was filed with all fees and documents for publication. Presume this included statement of investors (PF7, free).

Register self as new agent (PF57, free) so get further notifications.

The request for exam + fee (PF10, £100) was due within 6m of publication. 14/3/12 + 6m = 14/9/12. This has passed which is why the application has lapsed.

Request 2m extension as of right under R108(2) (PF52, £135) before the 2m period expires: 14/11/12. With the request, file request for exam and pay the fee. No 3rd party rights will accrue so the apparent disclosure to the other company will not be detrimental.

Question 2

UKUDR

The cushion cover image appears original because it is not commonplace. This is a lower standard than novelty so the archaeological discovery is not prejudicial to protection. The design is fixed therefore the criteria for protection are met.

To the extent that the image is surface decoration it is excluded from UKUDR protection. However, if the image is woven in the cushion cover fabric this is probably not surface decoration. Request sample to analyse. The UK high street chain is the owner because it is the commissioner and is from the UK.

UKUDR is not a monopoly right so infringement requires copying. The right lasts for 15 years from the end of the year of fixture or, more likely in this case, 10 years from the end of the year of 1st sale (or hire) in the UK. Note that licences of right are available in the last 5 years.

UKRDR

The design may be considered new because it is not the same as the archaeological discovery since it is in a different medium. The design gives a different overall impression of an informed user and so meets the individual character criteria. There is no surface

decoration exclusion for UKRDR and the must fit exclusion does not apply. Therefore, the design is eligible for registration.

The UK chain is again the owner because it is the commissioner. There is no qualifying person requirement.

Register designs in a single application covering the cushion cover, image of the dog and any other soft furnishings designs so far envisaged. The UKRDR subsists for 25 years, provided renewal fees are paid every 5 years, and provides a monopoly right so copying need not be proved for infringement.

CRDR

The same criteria apply as for UKRDR so the designs are also eligible for CRDR registration (same term).

Note that the German designer is the owner because there is no employer. Therefore, negotiate assignment of the design right before applying for CRDR and rely on unregistered rights in the meantime.

Recommend filing UKRDR immediately, as already the owner, then file CRDR within 6m claiming priority to the UKRDR to extend the term of protection.

CUDR

The same criteria apply as for CRDR so the design is eligible for CUDR which arises automatically. Again the designer is the owner so negotiate to take assignment.

CUDR lasts for just 3 yrs from 1st disclosure in the EU and is not a monopoly right so infringement requires proof of copying.

Question 3

PCT1

The PCT1 was filed outside the convention period (8/4/10 + 12m = 8/4/11). Therefore the priority claim to GB1 is not valid.

Check the date PCT1 papers were posted. If it was more than 7 days before the convention year ended (1/4/11 or earlier), the papers were sent by surface mail and proof of posting was obtained it may be possible to use the PCT excuse provisions. Ask client to confirm this.

Applicant

The applicant must be amended because PCT1 had a different applicant to its priority document GB1 and so the applicant was not entitled to claim priority. Confirm that no assignment from Bill to Bill + Gizmo took place between GB1 filing date (8/4/10) and PCT1 filing date (8/4/11, attempted, 6/5/11 actual).

If the late filing is excused, it is too late to correct the applicant at international phase so correct at national stage.

If the late filing is not excused, the applicant must be given an opportunity to be excused under national law so the priority date would stand. Thus, it is still too late to correct at international phase.

Restore priority

Restoration of priority in international phase requires that the application be filed with the declaration of priority within 2m of the end of the convention year ($8/4/11 + 2m = 8/6/11$). It seems this was done.

For IB or UKIPO as receiving office, the standard to meet is unintentional. It seems no evidence was supplied to prove this so the priority has not been restored at international phase.

National Phase entry

GB national phase begins 31m from priority ($8/4/10 + 31m = 8/11/12$). This date applies because the priority claim was made on filing and the national offices, as designated offices, must give the applicant the opportunity to restore the priority.

Within 1m of GB national phase entry ($8/11/12 + 1m = 8/12/12$), file evidence that failure to timely file PCT1 with the priority claim was unintentional. For example, proof of posting for an affidavit from the person who posted the documents.

Within 2m of national phase entry ($8/11/12 + 2m = 8/1/13$), request search and pay the fee (PF9A, £120), pay the application fee (£30) and request exam and pay the fee (PFO, £100). Also file with same applicant as for PCT1 (Bill + Gizmo) then file PF21 (£50) to register transfer to Gizmo only. May need to register corrected applicant for lapsed GB1 also (PF21, £50).

Since the ISR had only A citations, it seems grant will be swift.

Note it is too late to reinstate GB1 since it is more than 12m since it terminated (June 11 + 12m = June 12).

Question 4

PCT application

The 30m international period ends 1/12/12 ($1/6/10 + 30m$). Most cost effective to register centrally although some national offices will require proof of the transaction on national or regional phase entry.

Register by writing. Recommend writing directly to IB as deadline is less than 1m away and must be received by IB nat receiving office before 30m. No fee to register change of applicant. File evidence of transaction signed by the assignor (Company Y) or his agent (me). The deal document could be used as evidence, redacted to remove confidential

information, as Chinese is a publication language of the PCT. (Check whether PCT application is also in Chinese.) Alternatively, prepare short confirmatory assignment document in English signed by Company Y or me as agent and file as evidence. This can be revised for the other applications and patent.

EP patent

The transaction must be registered at the national offices in which the EP patent was validated. Central registration is not possible after grant, although it may be noted on the file if notified to the EPO.

Check register to determine where the EP patent was validated and register in each country according to national law. Check with local agents as needed.

The opposition period expires 15/11/12 so do notify to EPO so any opposition notices are correctly addressed. Since I am agent for both companies I will receive notices in the meantime.

GB applications

The same applies for the GB validation of the EP patent (if any).

Register the transaction using PF21, £50 and get it signed by the assignor, Company Y. Register within 6m of the transaction, 5/5/13 (5/11/12 + 6m) else costs will not be awarded in any further infringement action.

Register transaction in relation to both pending applications and GB validation of EP in single document so only 1 fee to pay.

Although an English language confirmatory assignment or redacted translation of the deal document can be filed as evidence of the transaction, signed by Y, it is easier to have Y sign PF21 which must be filed anyway.

Question 5

Confirm whether Miss Badger's yoghurt falls within the scope of the claims of GB1B. if not, there is no infringement.

Miss Badger is free to manufacture and sell her yoghurts in EP countries outside of GB because neither EP2 nor EP1B are in force. I assume there are no other relevant rights in force in these jurisdictions.

GB1B validity

Confirm whether EP2 has a priority claim to an earlier date and the date on which it published – assume no early publication requested.

Assuming EP2 has no priority claim and it designated GB because all states designated a publication, it is s2(3) prior art against GB1B because it has an earlier filing date

but a later publication date than GB1B. this means it is available for novelty only against GB1B but this should invalidate GB1B because it has the same claims as EP1B which was found to lack novelty over EP2.

If EP2 has an earlier priority date it is unlikely to have published before GB1B and so the same s2(3) situation applies. If EP2 was published early it may be full s2 prior art, if published before GB1B filing date (8/08). Again it is available for a novelty attack against GB1B.

Actions

Bring revocation proceedings against GB1B on the basis of lack of novelty over EP2. Success would leave Miss Badger free to manufacture and sell in the UK.

Alternatively, seek a non-binding patent office opinion under s74A on the validity of GB1B. This is quick and cheap.

Alternatively, approach the owner of GB1B for a royalty-free licence on the basis that the patent is invalid but it saves both parties the time and expense of proceedings. The owner of GB1B may be willing to surrender his patent under s29 if prompted.

Question 6

GB

GB2 was timely filed at the end of the convention year and is identical to GB1. GB1 is therefore the first filing of the subject matter so GB2 cannot be used as a basis for a priority claim for the subject matter.

Because GB2 was timely filed, priority claim to GB1 can be added within 16m of the priority date: 26/9/11 + 16m = 26/1/13. Use PF3, £40.

Prosecute GB2 to grant. Term is 20 years from GB2 filing date: 26/9/2032. Novelty and inventive step is assessed as at the priority date of the application (26/9/11).

No need to reinstate GB1 because priority claim can be made validly.

EP

An EP filing, or a PCT application intending EP regional phase, should have been filed within 12m conversion period ending 26/9/12. Although within 2m period to late file and declare priority (26/9/12 + 2m = 26/11/12), it is unlikely that the due care standard will be met because Vicki deliberately did not file in an attempt to extend protection.

File EP direct application (or PCT) before GB2 publishes (26/3/13 if priority claimed and early publication not requested) without a priority claim. GB1/2 will not be available as prior art because it is not published first and is not an EP application (or PCT). GB1/2 will be s2(3) art to a GB validation of the EP patent so do not seek to validate in UK – GB2 provides protection.

Note novelty and inventive step assessed as of EP filing date so intervening prior art may be problem.

US

As for EP, late to timely file conversion application. Unlikely to meet (lower) standard of international since intended to delay filing.

Therefore file US national application (or PCT). US national can be filed up to 12m after disclosure so could file up to 26/3/14 if publication of GB2 is first disclosure. However, recommend filing before this (ASAP), relying on the grace period only if necessary.

Question 7

Infringement

Company X – s60(1)

Company X makes harvesters which have wheels not tracks. Therefore the manufacture and sale is not within the scope of the claim of GB123 and no infringement has occurred.

Tracktors-R-U's – s60(1)

Tracktors advertise (offer) and presumably sell (dispose) harvesters with fitted track system which is within the scope of the claim in GB123. Therefore Tracktors is a primary infringer whom company Y could pursue.

Check contract between Company X and Tracktors to determine whether Company X could be liable as a joint tortfeasor or if there are limitations of liability or warranties protecting Company X.

Company X – s60(2)

Company X supplies harvesters to Tracktors. The harvesters are farm machines and are therefore a means relating to an essential element of the patent claim since that requires only two elements (machine, track system). Supply (and offer if that has also occurred – check) is an infringing act under s60(2).

Tracktors is not a person entitled to work the invention – this assumes Tracktors does not have a licence from Company Y.

It is clear that the harvester is suitable for having the track system fitted since Tracktors offer to fit it for customers – assume in UK since Tracktors is UK supply store.

It is not clear that Company X supplies the harvesters to Tracktors with the intention that the track system is fitted, since Company X has sold the harvesters for many years without the track system. Check with Mr Lamb what the intention was in supplying to Tracktors.

There is a reasonable argument that the harvester is a staple commercial product since it can be used with wheels in a non-infringing configuration.

In any case, subject to confirmation from Mr Lamb, it seems that the supply was not done to involve infringement. Therefore, Company X has a defence to contributory infringement.

If Company X were found to be a contributory infringer by supply (and offer if appropriate) to Tracktors, it could be enjoined against continued supply, made to pay damages or an account of profits, made to destroy or deliver up infringing products (that is harvesters with the track system fitted) and pay costs. However, note that damages would only be awarded for the period of 6m since Tracktors began advertising and not for all the years that Company X has been making and selling non-infringing harvesters. Also damages

would only be in relation to infringing products and not sales of harvesters without the track system fitted.

Other defences

Although Company X did not know about GB123 until the recent event when Mr Lamb received the letter from Company Y it is unlikely that Company X is an innocent infringer because patents are freely available on the web.

Check with Mr Lamb when Company X began making and selling harvesters. If before GB123 was filed in 2009 (check exact date), or serious and effective preparations were made before this date, Company X has prior user rights to continue these acts. The rights do not extend to developments.

Validity of GB123

Recommend conducting a prior art search to try to invalidate GB123. If suitable art found consider requesting Company Y to surrender on the basis that their patent is invalid, obtaining a non-binding patent office opinion on the validity or bringing revocation proceedings.

Revocation has effect ab initio so no infringement would be found.

Threats

The letter given to Mr Lamb is a threat to sue Company X for infringement. Company X is aggrieved both as the threatened person and because sales have slumped in response to Company Y circulating copies of the letter to Company X's potential customers.

In respect of the harvesters with wheels, the threats are unjustified because there is no infringement. However, the threats are not actionable because Company X is a manufacturer.

In respect of the harvesters with track system fitted, the threats are justified because the patent is granted, there is infringement and the patent is valid – unless prior art search can show invalid in relevant respect.

These threats are actionable because Company X is a supplier to Tracktors and not a manufacturer or importer of the harvester with fitted track system. The threats are not justified as made to Company X because it does not infringe.

Company Y does not have a defence. It should have tried to find Tracktors, who manufactures the infringing product by assembling the harvester and track system. If unsuccessful, Company Y should have ratified its attempts to find Tracktors to Company X no later than when making the threats in the letter which it seems was not done – check letter.

Thus Company X can bring an action for unjustifiable threats against Company Y on the basis of the threats in relation to harvesters with track system fitted. Remedies are an injunction against continued threats, damages and a declaration that the threats were unjustified which will be helpful to reassure customers.

Other actions

Consider whether a licence from Company Y would be beneficial given benefit of track system over wheels. If Company X has a patent for the harvester, consider cross licensing.

Question 9

Prototype X

Owner

In 2001 the client was not employed. Thus he owns the invention of prototype X in the first instance.

Entitlement

The client assigned prototype X to his subsequent employer for an agreed sum of £1,000 which was considered fair by both parties (client “happily” signed documents). Thus employer now owns the invention and was entitled to grant of the patent on it.

Compensation

S40 does not apply since the client was not an employee at the time of making the invention. He agreed a price for the assignment so he cannot in law get more compensation.

However, approach former employer to try to negotiate goodwill gesture payment given significant benefit they have got from client’s inventions. Note royalties are for combination of X and Y licensing.

Prototype Y

Owner

The client invented prototype Y during his employment so s39 applies.

He was employed to work on tills and assist customer queries, refers to ‘management’ and was later promoted. Thus he appears to be relatively junior and so does not owe a special obligation to further the interests of his employer.

His normal duties – working on tills and answering queries – do not encompass prototype Y. Check with client whether he was specifically assigned the task of improving prototype X – unlikely as he did so in free periods and lunch breaks. Thus the client owned his own invention, not his employer.

Entitlement

Try to confirm what documents the client signed when provided. Was one of these an assignment of prototype Y to his employer?

If not, first try to resolve amicably by approaching (former) employer to explain that client is the owner of the invention under s39. The client may wish to own the patent to prototype Y or he may be willing to assign it to his former employer. If negotiation is unsuccessful, he can bring entitlement proceedings under s37 before the comptroller or court.

Start proceedings before 2 yr deadline from grant (Dec 2012) although this time limit will not apply if it can be shown that the employer knew he was not entitled to grant, due to s39, at the time of grant. Request patent to be transferred into client's name.

Current licensees and former employer as previous owner can request new licences within 2m of the order transferring ownership on terms to be agreed so client can secure licensing revenue streams.

Compensation

If the client assigns or exclusively licenses prototype Y to his former employer s40 compensation provisions apply.

The patent is granted so he can apply immediately or at any time until 1 year after the patent ceases to have effect – use PF49, £25 caveat to watch for this date.

The client must prove that the benefit he has derived from the patent and/or the invention is inadequate relative to the benefit his former employer has derived. His benefit seems to be a small pay rise and a promotion – check whether any other benefit derived by him. The former employer's benefit is the share of the £3m royalties due to prototype Y (licences include prototype X which must be excluded for this calculation). Client must file evidence of his benefit and his former employer's benefit which may be difficult to obtain.

It seems just that the client is awarded compensation since he has clean hands.

The amount of compensation is calculated so as to provide a fair share of the benefit and may be in the form of a lump sum or ongoing royalties.

Prototype Z

Owner

The client invented prototype Z when employed in the design office so s39 applies.

Designing improvements appears to fall within the client's normal duties in the design office. It was reasonable to expect an invention to occur since he had previously invented prototypes X and Y and been promoted to the design office due to his innovative nature. Thus his (former) employer is the first owner of the invention of prototype Z.

Entitlement

The employer as first owner under s39 was entitled to grant of the patent.

Compensation

Since the employer is the first owner of prototype Z, compensation may be claimed under s40. It is just (seems so given client has clean hands). The patent and/or invention has given outstanding benefit to the employer because it has made £4m profit in the UK according to the building magazine. Try to verify this from company accounts – can be obtained from Companies House for a small fee if listed. Client will need evidence of outstanding benefit to file in compensation action.

The outstanding benefit must be assessed having regard to the size and nature of the (former) employer's undertaking. Gather company accounts to prove this. Since the magazine asserts that £4m is the most profit to be generated by a single product by the company it seems likely this test will be met, providing proof can be obtained.

It appears that the client has not received any payment or other benefit in relation to prototype Z: check this. The amount of compensation is calculated to give a fair share of the benefit to the client but will take into account the resources made available to the client to make the invention, for example lab facilities to test material properties and to construct the prototype.

As for prototype Y, the client may apply for compensation immediately because the patent is granted or at any time until 1 yr after the patent ceases to have an effect so file PF49, £25 to watch for this date.

Consider approaching former employer for amicable discussions over compensation first to avoid incurring unnecessary costs and expenses by bringing proceedings before the court or comptroller.

2012 PAPER P2

SAMPLE SCRIPT C

This script has been supplied by the JEB as an example of an answer which achieved a pass in the relevant paper. It is not to be taken as a "model answer", nor is there any indication of the mark awarded to the answer. The script is a transcript of the handwritten answer provided by the candidate, with no alterations, other than in the formatting, such as the emboldening of headings and italicism of case references, to improve readability.

PAPER: P2

Question 1

1. Check register – what acts have been missed?
 - The application was published which means description, drawings, claims and abstract were filed on time (within 12 months of priority) and application fee and search request + search fee were filed on time (within 12 months of priority). Also PF7 must have been filed.
 - The examination fee and request (PF10 + £100) were due 6 months from publication = 14 Sept 2012 → missed.
 - However it is possible to pay the exam fee late using an as of right 2 month extension of time (r.108(2) PF52). This can be done up to 14 Nov 2012, and is retrospectively active. There is a fee of £135 for obtaining such an extension.
 - Therefore I suggest we pay same fee late. I will need to register myself as the agent for this application at the UKIPO (PF51).
 - Since another company are interested re the application I suggest we try and secure granted rights a.s.a.p.
 - Request accelerated prosecution (using potential investment as reason) and consider narrowing claims to be novel and non-obvious over citations on the search report to accelerate grant. I would also suggest filing a divisional application (if money allows) to obtain broader protection.

Question 2

UK Unregistered Design Rights (UKUDR)

- UKUDR can be used to protect original, non-commonplace designs designed by a suitably qualifying person.
- Design = the shape or configuration of all or part of an article
- Qualifying person includes national, habitual resident of a qualifying country, and businesses incorporated in a qualifying country with substantial business activities there. Qualifying country = UK, EEA, HK, NZ.
- In this case the designer is German so is a suitable qualifying person.
- However, he is commissioned to produce the designs so UKUDR will belong to the high street store, which is a suitable qualifying person.

- UKUDR arises automatically when designs are first recorded on a design document. Lasts for 15 years from first recordal, or 10 years from first sale or hire, whichever's earliest (periods running until the end of the year). Licences of right are available in the last 5 years.
- In this case the design relates to an image on a cushion cover. UKUDR is not available for surface decoration. In this case then, it seems highly likely that the image itself is not protectable by UKUDR – ask for sample of cushion cover to check whether any other aspects of the cover that might be protectable e.g. shape.
- If not considered to be surface decoration, image appears to be original and not commonplace in design sector of soft furnishings.
- UKUDR only protects against copying of the design.

UK Registered Design (UKRD)

- Does not arise automatically – need to apply.
- Can be used to protect new designs possessing individual character.
- Design = the appearance of the whole or part of an article. In this case includes surface decoration, so would be used to protect image if new ...
- Is image new? Dog was copied from an archaeological discovery. However, could persons specialised in the relevant design sector (soft furnishings) in the EEA reasonably have become aware of the design? If yes, image is not protectable. If no, can be protected. To assess whether would be known ask how German designer found out about the design. How well publicised was the discovery (e.g. if on all newspapers then reasonable it was known).
- Check sample of cushion to see whether any other protectable features.
- The commissioner (UK chain) would have the right to file for UKRD for cushion with image since commissioned design.
- Protection lasts for 25 years from filing with renewals due every 5 years.
- One year grace period for filing after disclosures resulting from the designer, but file a.s.a.p. because grace period does not protect against others filing for the design.
- Stronger form of protection than UKUDR – monopoly right – not just copying.

Community Unregistered Design Right (CUDR)

- Same requirements as UKRD in terms of what's protectable so cushion + image should be protectable (if image 'new').
- Lasts for three years from first marketing in the EEA.
- Only protects against copying.
- Unlike UK rights, CUDR does not automatically transfer to commissioner so German designer would own.

Community Registered Design (CRD)

- Same as UKRD but, as with CUDR, designer retains ownership (does not transfer to commissioner).

Suggestions

- I would suggest filing for a UKRD since UK-based company, to protect cushion with dog image. Could use this as basis for CRD within 6 months if wanted, but transfer right to file from designer to store. Could file up to 12 months after first disclosure, but I'd recommend filing before for safety.
- Cushion + image should be protectable with CUDR, but should transfer ownership from designer to store. Protection will last 3 years from marketing – perhaps sufficient if product life span is short – what is product life span? UKUDR probably not available for the image + cushion in this case because = surface decoration.

Question 3

3. Restoring priority

- Convention priority deadline = 8 Apr 2010 + 12 months = 8 Apr 2011 → missed.
- However, filed within 14 months of priority date (14 months = 14 June 2011) so may be possible to restore right to priority.
- National phase deadline in UK = 8 Nov 2012 (31 months) → enter national phase in UK by filing NP1 with application fee (£30). Search request (PF9A) search fee (£150) + exam request (PF10), exam fee (£100) and PF7 due 2 months from filing.
- To restore priority, within one month of national phase entry must request late declaration of priority. To be successful must provide evidence that failure to file PCT on time was unintentional.
- Bill Trout intended to file on time so good prospects. Prepare witness statement from Bill Trout, with any other relevant information as exhibits. Useful info would be if BT has receipt for posting, or any emails discussing intention to file PCT pre- 3 Apr 2011.
- To make late declaration need to file PF3 with fee of £90 + late fee of £135.
- Fact that Gizmo and BT listed on PCT okay → okay to add people to subsequent application compared to priority application.
- If successful, right to priority will be restored. If not successful then effective date of GB application = 6 May 2011. Could be a problem given sales of accessory.
- In addition to this route, I suggest we also, concomitantly, request that an extension of time of priority period be retrospectively allowed due to failure of a communication service (r.111). Again, would need to provide evidence.
- Want to preserve priority date because if we do not then sale of accessories in Sept 2010 likely to be an enabling disclosure of invention. Ask for sample of accessory to check whether enabling.
- Cannot simply re-file a new application because PCT is published.

Question 4

4. PCT application

- PCT priority date = 1 June 2010 so national phase starts:
30 month deadline (US, JP) = 1 Dec 2012
31 month deadline (EP, UK) = 1 Jan 2012 = bank holiday in UK and EP so rolls over to 2 Jan 2012 there.

- To save costs want to notify IB of change of applicant a.s.a.p. before national phase begins i.e. before 1 Dec 2012, otherwise will be necessary to register transaction in national/regional offices when filing applications there.
- To notify IB, ask Company Y to write to IB notifying them that PCT is assigned to X. Alternatively, if Y unwilling/unable to do so, write to IB myself notifying, providing copy of assignment as proof (no need to translate from Chinese because Chinese is an acceptable language for PCT prosecution).

EP Granted

- EP has granted, so will have turned into national rights in countries where the patent has been validated.
- Will be necessary to register transaction at national offices.
- In UK, for example, registering transaction at EPD after grant does not lead to corresponding change in UKIPO register (unlike for EP application) → see Schütz v Werrit.
- Should do this within 6 months of transaction because otherwise X will not be entitled to costs on infringement proceedings (in UK at least). In fact, should do a.s.a.p. because registering the transaction establishes priority on the register against others obtaining a conflicting right (in UK at least).
- Should also register at EPO, however, as could be useful if opposition is filed (deadline = 15 Nov 2012) or central limitation or revocation (A.IOSA) is wanted because these require actions to be carried out by proprietor.
- Also check of renewal fees = due.
- N.B. There is a fee for registering transactions at EPD.

UK application

- We should register the transactions a.s.a.p. because establishes priority on the UK register against those registering a conflicting right, in good faith. Also, should ensure registered within 6 months of transaction otherwise X will not be entitled to costs re infringement proceedings.
- To register, file PF21.
- If PF21 signed by both X and Y no need to send agreement document.
- If not signed by Y, however, will be necessary to file a translated version of the document (into English) when registering. If important, we could request sensible information be redacted, if we provide sufficient reasons within 14 days of filing.
- Check → since I am agent for both X and Y may be possible for me to sign PF21 on behalf of X and Y without need to file transaction.

Other matters

- Does transfer from Y to X create any conflicts of interest: - check.
- Check renewals for granted EP.
- Check deadlines for UK patent applications.
- Note to client that national/regional phase of PCT begins 1 Dec 2012 (US/JP) and 1 Jan 2012 for certain countries (UK, EP), although latter rolls over to 2 Jan 2012 since 1 Jan 2012 = bank holiday.

Question 5

5. GB1B is in force, so could be enforced immediately.
- Renewal fee = due 31 August 2012 → was it paid? Check register. If not, still possible to pay within 6 months grace period = 28 Feb 2013 and no third party rights to Miss Badger would arise if she started infringing acts up to 28 Feb 2013 and patent was renewed in grace period.
 - If renewal fee not paid file caveat (PF49, £25) asking to be informed if it's paid.
 - Ask Miss Badger for details of yoghurt → check against claims of GB1B → does it actually infringe?
 - Could request infringement opinion from UKIPO (s.74A).

Validity of GB1B

- EP1B was revoked because of EP2 → is EP2 prior art for GB1B?
- EP2 filed April 2008 → did it claim priority? If no, will have published October 2009 = after filing date of GB1B.
- EP2 filed April 2008 so will designate all member states incl. UK, meaning EP2 is prior art against GB1B under s.2(3) = novelty only.
- This means that EP2 should invalidate GB1B for the same reasons.
- Note that terms of EP1B are same as GB1B so will be entitled to the same priority date → invalid for the same reasons.
- In view of this, there are a few options:
 - (i) begin revocation proceedings in Court = expensive.
 - (ii) request a validity opinion under s.74A = cheaper.
 - (iii) write to owner of GB1B informing them of intention to make product and view that patent is invalid and therefore not infringed.
- since Miss Badger appears to be an individual inventor, I suggest option (ii) (s.74A) would be a good option.
- Of course, UKIPO or UK courts could come to a different conclusion about validity (decoding valid) in which case Miss B may need to take a licence.
- We could also do a search for other relevant prior art if wanted.

Other comments

- EP2 has lapsed → when? Is it recoverable under FP or re-establishment? If yes, we should be aware could be relevant to Miss Badger's activities. If no, not a problem.

Question 6

6. GB1 and GB2

- GB2 was filed within convention priority period = 12 months from GB1.
- GB1 was withdrawn after GB2 filed → did withdrawal expressly state that the right to claim priority was being withdrawn? If not, it is still possible to make a late declaration of priority for GB2 claiming priority from GB1. Deadline for doing this = 26 Sept 2011 + 16 months = 26 Jan 2013.

- Therefore, before 26 Jan 2013 file PF3 with fee (£40) with details of GB1 requesting that GB2 claim priority.
- This will set a new deadline for other acts.
- For example, the claims and abstract, search request (PF9A), search fee (£150) and application fee (£30) will be due two months from filing of GB2 = 26 November 2012 → have these already been filed? If not, do so. 2 month extension of time is available as of right for these acts (r. 108(2)) if needed (26 Jan 2013), and can be requested retrospectively. There is a fee for such an extension (PF52, ZBS).
- Also need to file PF7 by 16 months from GB1 = 26 Jan 2013, although a two month as of right extension (26 Mar 2013) is available if wanted (same as above).
- I will need to register myself as the agent before doing the above (PFS1).

PCT and foreign applications

- It is no longer to file applications claiming priority from GB1 since outside 12 month convention period.
- Although within 14 months (26 Nov 2012) from GB1, filing PCT application late not possible because PCT receiving office would require evidence that failure to file in priority period was either unintentional (if UK = receiving office) or despite all due care (of EP = receiving office) [different rOs apply different tests]. In this case failure to file PCT on time was unintentional, and not in spite of due care, so cannot claim priority from GB1.
- In addition GB2 cannot serve as a valid priority document for other applications because it is identical to GB1, and hence the second application for such subject matter and because GB1 had rights outstanding when GB2 was filed.
- So, not possible to claim priority from GB1 or GB2 for PCT.
- However, has there been public disclosure of the hand whisk?
- If not, should still be possible to file PCT application. I assume not disclosed.
- If GB2 validly claims priority from GB1 then it will be published 26 March 2013 → I suggest we file PCT before then and a.s.a.p. to avoid 3rd party disclosures. Can be identical to GB1/GB2 because these will only be state of the art in the UK.
- PCT can then be used to obtain an EP application and US application.
- If there has been a disclosure by Urchin Sponge could still file in US within 12 months of disclosure due to grace period for inventor's own disclosures.

Summary

- GB2 claim priority from GB1 by 26 Jan 2013 → + complete relevant acts.
- File new PCT, without priority claim, a.s.a.p. and me to obtain EP and US patent application.
- Ask for sample of whisk to see whether design rights may be applicable.

Question 7

7. Infringement

- GB123 was filed in 2009 so no renewal fees due until 2013.

Company X

- It appears that Company X's machine as sold does not infringe the claim of GB123 → no direct infringement. However, check claim and product to be certain.
- However, they are supplying machines to Tractors-R-Us (TRS) who offer a machine falling within the claim in a track system copied from GB123) → i.e. TRS put the invention into effect.
- Are Company X indirectly infringing the patent, therefore?
- X are supplying and offering to supply in the UK means relating to an essential element of the invention → the turnip harvester.
- Is that supply to a person entitled to work the invention? i.e. are TRS entitled to work the invention? Does TRS have a licence under GB123? → check register. Seems highly unlikely. In addition TRS only began offering for sale 6 months ago meaning their infringing acts began after the priority date, furthermore seems unlikely they had made serious and effective preparations to begin offering for sale and conversion to track systems before priority date, so highly unlikely to have prior user rights. However, check with L and possibly TRS to see whether prior user rights. On balance, seems unlikely TRS are entitled to work the invention.
- Did X know, or would a reasonable person know in the circumstances, that their turnip harvesters were capable of, or intended to put the invention into effect in the UK? X were unaware of the patent, but did they know of Y's product? Was Y's product well known? If not, may mean that X did not know and reasonable not to know. Letter from Y and knowledge of TRS's activities mean that X are now aware of capability and intention to convert their machines to tracks.
- Are turnip harvesters a staple commercial product? Arguably yes, particularly in light of the fact that X have produced the machine for years and sales have been very consistent.
- If it is judged to be a staple commercial product then X's supply to TRS and others in the UK will not be indirect infringement, because X are not inducing users to fit the tracks.
- If the turnip harvester is not considered to be a staple commercial product, I believe a UK Court could decide that indirect infringement has occurred since Y's letter to X drawing attention to TRS's activities. The UK Court may also consider X's actions pre-letter to be indirect infringement if it was serious their turnip harvesters could be converted with the track.
- On balance, I think it is arguable that no indirect infringement (turnip harvester = staple commercial product), although a Court could easily decide otherwise.

TRS

- TRS are making, disposing of, offering to dispose of, keeping infringing products in the UK (UK supply store) so are direct infringers.
- X unlikely to be joint tortfeasors, however, because haven't entered into a common design with TRS to warrant infringement.

Prior user rights

- X have been making and selling wheeled-machine for “many” years → how long?
- If before priority date of GB123, as seems likely, X could be entitled to continue those acts (i.e. sale of machines), in spite of GB123 (likewise if they made serious and effective preparations to begin those acts before priority date).
- X could authorise partners in business to make/sell their wheeled-machines. However, the right cannot be licensed, and will only transfer as part of the business.
- Significant expansion from the original acts would not be allowed.
- In conclusion, I think that if a court were to decide sale of wheeled-machines = indirect infringement, that X would have prior user rights entitling them to continue making/selling machines. These rights would not enable them to start fitting tracks themselves however.

Remedies

- In court infringement proceedings Y could apply for a final injunction, damages/account of profits, destruction/delivery up and/or declaration of infringement.
- X was not aware of GB123 until letter from Y, so Y may not be entitled to damages/account of profits for acts committed before X received the letter if it was reasonable not to be aware of GB123’s existence.

Threats

- Analyse letter from Y – actionable threats?
- Y have alleged infringes manufacture (allowed) but have also alleged infringement by sale. Since X are not a manufacturer of the directly infringing product I believe this is an actionable threat if the threat proves groundless. As specified above, I think there is a reasonable case for X’s activities not being in infringement, in which case the threat would be groundless.
- Furthermore, X have been affected by the threats → their orders have dropped off despite the fact that they are normally consistent.
- I believe, therefore, that there are reasonable grounds for starting groundless threats action at the UKIPO. Remedies available include an injunction against further threats, a declaration that previous threats were groundless and damages for losses attributable to the threats. In this case I believe there are reasonable grounds for obtaining damages in view of X’s losses if those losses are attributable to the threats and not, for example, due to people buying Y’s new product in preference to X’s.
- Customers received letter:- did any attendees interpret as a threat to bring infringement action against them if they bought X’s product? If so, this is also actionable by X in the same proceedings.

Actions

- Ask for infringement opinions from UKIPO → s.74A.
- Include notice with product advising not to convert to tracked version.
- Start groundless threats proceedings.

Question 9

9. Prototype X ('X')

- X was invented when client was unemployed. Unlikely to be based on work from his former employer since local planning office do not develop tools. Therefore client initially had right to a patent for X.
- Assignment took place assigning X to DIY store. Ask client for copy of assignment. Seems valid because in writing, signed by assignor (client) and there was consideration (£1,000).
- Assignment was to his employer → the DIY store.
- The DIY store have made lots of money from licensing X and Y → how much of this is due to X? If a fair portion of the £3 million is attributable to X? Also, how much of company profits are attributable to X?
- In the circumstances, it seems likely that the benefit arising from the invention and patent to the DIY store is high (pending verification from client).
- However, is this benefit high taking into account the size of the business and the contribution that marketing by the DIY store will have had? Need to ask client for details about size/turnover of DIY store and about marketing of drill bit. I should also check company accounts – should be available online. Form an opinion based on their date.
- It seems likely that £1,000 received by the client is inadequate compensation compared to the benefits derived from the DIY store in licence royalties and sales.
- Therefore, there seem reasonable grounds for beginning an action for employee compensation.
- Deadline for requesting this is one year from lapse of the patent covering X, so file caveat (PFL9 £25) requesting to be informed if/when patent lapses. Note that if patent lapses and restoration is unsuccessfully requested, the deadline is six months from refusal of restoration.
- Compensation cannot take into account future benefits, so we should only file request at end of patent's life, although could file sooner if X begins to become unprofitable.
- Note that if the patent covering X also covers Y and Z then the contribution of the patent, not just X, could be taken into account.

Prototype Y ('Y')

- Y was invented when client was employed by DIY store on the tills and as an assistant.
- Was DIY store entitled to file a patent application for Y?
- Seems highly unlikely. As a fill worker/assistant it seems unlikely that it was part of client's normal or specially assigned duties to design drill bits. Furthermore, the invention was devised in client's spare time (free periods + lunch). Furthermore, it

seems likely that there was no expectation that client would make Y as part of his duties (even in spite of his inventive activities).

- Ask for copy of client's employment contract to look for details of his duties and IP clauses. If IP clauses present likely to be unenforceable if job role simply relates to till work/customer assistance.
- On balance, it seems highly likely that client is entitled to the patent covering improvement Y.
- One option would be to start entitlement proceedings at the UKIPO (PF2, £200) under s.37. Deadline for doing this is 2 years beginning with the date of grant (i.e. day before 2nd anniversary of grant) → check exactly when in December 2010 patent was granted. Deadline will be soon – December 2012, so should make application soon requesting sole ownership.
- If successful patent could be transferred to client, who could subsequently assign/licence.
- Client could also be entitled to a share of the profits derived from the patent.
- However, in view of the fact that the client is a sole inventor, and not in a great position to exploit the patent himself, perhaps we could approach the DIY store without starting proceedings asking for compensation due to client's entitlement to the patent.

Prototype Z ('Z')

- Z was invented when client was employed in the design department.
- Did client's normal or specially assigned duties involve design of drill bit? (Ask for copy of employment contract to check.) If yes, as seems likely, was it reasonable to expect that the drill would arise from these duties? If yes, DIY store will own right to file patent application to the technology behind Z, i.e. invention always owned by DIY store.
- Client could be entitled to compensation if the invention or patent is of outstanding benefit to the DIY store, taking into account the size of the business and benefit attributable to other causes such as advertising.
- Company has sold a large number of Z, and it is predicted that significant sales will occur. However, are these benefits 'outstanding' in view of the revenue generated from X and Y? Perhaps not, even though could become most profitable product.
- As with X, not possible to obtain compensation for future benefits – prediction in UK magazine may not be accurate ...
- As with X, deadline for applying for compensation is 1 year from lapse of the patent covering Z (although save caveat as X if restoration is unsuccessfully requested).
- Therefore file caveat at UKIPO (PF49, £25) to be kept informed about renewal fee payment.
- Should be noted that very few decisions where employees have got compensation for inventions always owned by employer.
- As with X, delay compensation proceedings until profits have been generated.