

THE JOINT EXAMINATION BOARD

NOVEMBER 2003

PAPER P2

EXAMINER'S COMMENTS

General

In this paper candidates are presented with a number of different situations that they are expected to assess and respond to by giving advice to their client. As always, what is required is clear, cogent advice, not rambling statements of the law without applying the law to the specific situation. Candidates should always consider the consequence of the advice they are giving: advice for example to abandon and re-file an application or to relinquish a claim to priority should not be given lightly. In addition, candidates should clearly set out the reasoning behind their conclusions. It is very difficult for the Examiners to allocate marks for bald statements of fact not backed up by reasoning.

Candidates are reminded that they must write legibly: if the Examiners cannot read an answer they cannot award marks.

It is reasonable for candidates to assume that every phrase in a question is there for a purpose. Many candidates clearly fail to answer a question in its entirety, omitting to make points that appear obvious to the Examiners. It is recommended candidates should take steps during the examination to identify those parts of a question they have used in order to draw attention to those they have not.

Candidates are reminded that paper P2 is not a theoretical legal paper, but a practice paper in which the majority of questions relate to a client seeking advice. Candidates who merely recite the law without reaching any conclusions as to how it applies to the question and to come to coherent conclusions will always struggle with this paper. It is very noticeable that questions requiring analysis of problems, for example questions 3, 4 and the somewhat more involved Part B questions are invariably answered more poorly than the straightforward factual questions such as number 6. This suggests candidates need to be more organised in the way they analyse problems. In particular, there is a need for candidates to identify and follow through the separate threads of Part B questions.

Once again, a disappointing number of candidates at this level appear not to have come to grips with fundamental issues such as priority dates, and the difference between novelty and inventive step. The examiners expect potential registered patent attorneys to be rock solid on such issues.

Although the following comments do not constitute a model answer as such, they provide a brief analysis of each question and then highlight the main issues to be considered by candidates. The most common errors and omissions have also been noted.

PART A

Question 1 – 10 marks

Candidates should think very carefully before giving up a priority date. Those candidates who thought Monday 10 November 2003 was outside the convention term should study the Paris Convention Article 4(D)(3) and Rule 120(2) more carefully. The latter makes it clear that ANY business due on an excluded day can be carried out on the following day. Similarly, candidates who suggested Patents Form No. 9/77 could be filed up to 1 month late should study Rule 25(2)(b), candidates should distinguish carefully between the correct term under Rule 25(2)(b) and possible extensions of term at an extra fee under Rule 110 – clients will not thank an attorney for incurring extra fees unnecessarily! The final way in which candidates potentially lost rights for their client was by noting the priority documents and Declaration of Inventorship should be filed within 16 months of the earliest priority date and then giving the date as 10 March 2004 (i.e., 4 months from the filing date) instead of 9 March 2004. Candidates who stated the correct period but then either did not calculate the date incorrectly or state the due date did not gain all the marks available. This question concerns a number of straightforward issues that might arise when filing an urgent case on behalf of a US client.

a. Deadline for filing

The deadline is 10 November 2003 because 9 November, which is 12 months from the earliest priority date, was a Sunday and the Patent Office was closed. 10 November 2003 is the first day following the anniversary of the earliest priority date on which the Patent Office is open.

b. Additional documents

The application should be filed with PF9/77.

A clean copy of the specification and formal drawings may be called for. The deadline will be set by the Patent Office, but is usually 15 months from the earliest priority date (i.e., 9 February 2004).

Certified copies of both US priority applications should be filed by 16 months from the earliest priority date (i.e., 9 March 2004).

A Declaration of Inventorship (PF7/77) should be filed by 16 months from the earliest priority date (i.e., by 9 March 2004).

c. Issues arising

The surgical method claims will be rejected because surgical methods are not patentable in the UK.

The US style claims may not give the best protection (e.g., dependency on only a single preceding claim and no omnibus claim) so recommend revising the claims to accord with UK practice.

Question 2 – 6 marks

This question was generally well answered. However, little or no credit was given to statements such as “design right applies” with no further consideration of what aspects of the object the right might apply to.

This question relates to issues that might arise when conducting an interview with a client. What types of protection are available for the client’s product and what problems might arise when that product is put on the market?

Forms of protection

File a patent application for the speaker arrangement. File registered designs for the picture and frame arrangement. Design right applies to the speaker and frame design. There is no need for registration, but unregistered design right does not cover the pictures because these are surface decorations.

Problem

The paintings could be subject to copyright. The term of copyright is the life of the author plus 70 years, so choose a picture out of copyright or obtain a licence.

Question 3 – 10 marks

This question was one requiring some analysis of the issues and was answered poorly, yet the issues raised are very practical. You have a client who has entered into an agreement that is not being honoured – what should be done? A dispute between joint applicants is dealt with under Section 10 and not Section 8.

Question 3 is primarily concerned with issues of ownership. How can the client make the best of the situation he finds himself in?

We need to see the agreement and check whether it has terminated so that we can advise the client. Alternatively, it could be argued that the new invention does not fall within the agreement because it was developed by A and not W. The overriding requirement is to give advice to the client.

There is a conflict of interest now that A and W have fallen out. W should be advised it must appoint a new patent attorney.

Although the client has advised the development is obvious, he has the benefit of having made the initial invention. It is necessary to advise the client that obviousness is not an available attack because the earlier application has not been published.

Similarly, the client now wants the joint application to proceed in his name alone. He must be advised there is no automatic transfer of a joint application to one of the applicants if the agreement is terminated. The joint application could be discontinued or proceedings started under Section 10.

If the joint application is discontinued, a new application can be filed in A's name for his improvement. Priority should be claimed from A's original application. Accelerated prosecution should be requested in view of likely infringement by W.

The joint application (which has been discontinued, not withdrawn) should be monitored in case W should proceed alone and A should take action under Section 10 if it does.

Question 4 – 8 marks

Like question 3, this question was not well answered. Once again too many candidates do not seem to understand the fundamental concepts of priority dates. Candidates should bear in mind a patent attorney should never relinquish a priority date for a client without very good reason. Where a claim to priority is made wrongly the consequence is simply a loss of that priority. However, where a claim to priority is relinquished unnecessarily the entire patent could be lost. Thus, candidates who suggested the earlier US application should be withdrawn, or that priority should not be claimed for whatever reason, tended to score low marks. Candidates who suggested filing a UK/EP application in joint names with the former employee were not doing their client any favours. Candidates who thought the priority problems with the second US application (which was not the first application for at least part of the subject matter) could be solved by withdrawing the first US application should pay particular attention to the Paris Convention Article 4(C)(4) and Section 5.

In Question 4 the client is faced with a number of problems. Its invention has been taken by an employee and the steps it proposes to rectify the situation, although possibly acceptable under US law, will not work in the UK or EPO. There is also a risk that third party sales of the product will shortly appear in the UK.

The proposed action will not work in the UK or EP because, unlike the US, there is no grace period. However, it is possible to use either Section 2(4) or Article 55 EPC. Any UK/EP application must be filed within 6 months of the date of publication of the article (i.e., by 20 November 2003).

The priority of 4 November 2003 is not valid because this is not the first application and the earlier application was not withdrawn.

An EP application should be filed claiming the 4 December 2002 priority as well as the 4 November 2003 priority. Also file a UK application claiming the 4 December 2002 priority and the 4 November 2003 priority and a request for accelerated prosecution in view of likely infringement by the UK company.

Note that because the first US application was of poor quality and may not be enabling, the UK/EP applications may not be entitled to the priority date of 4 December 2002. In such a case, the Navigation World article, which as is identical to the first application, may also not be enabling, but it would still be fully citeable prior art for novelty. In this situation, the breach of confidence provisions should still be used.

Question 5 – 10 marks

Question 5 was in general answered reasonably well.

In Question 5 candidates are expected to give advice to their client in different situations where documents have been mislaid.

a. Further information

Need proof of action taken, such as certificate of posting. Ask S whether the subject matter of the application has been made public (this being a situation in which it may be difficult and costly to revive the application and in which, if there is no intervening publication, it may be worth re-filing).

b. Cheque cashed

Write to the Patent Office under Rule 110 explaining that the cheque has been cashed (and providing evidence) and explaining that there has been an error by the Patent Office. Explain that PF9/77, the claim and the abstract were filed in time, but have been lost within the Patent Office. File replacement papers to complete the Patent Office file.

c. Cheque not cashed

File the missing papers (claim, abstract, PF9/77) and PF52/77 and pay the fees on PF9/77 and PF52/77. Request an extension under Rule 110(4) and provide an explanation and evidence. An extension is discretionary and there is a significant risk an extension may not be granted.

If the extension is granted it will be necessary to file PF53/77 and pay a further fee under Rule 110(6).

Advise the client it may be simpler and cheaper to re-file the application (provided there has been no public disclosure).

Question 6 – 6 marks

Question 6 requires a straightforward discussion of the PCT in relation to a substantive error in a claim and was in general answered well. The most common errors related to the dates.

There are three possibilities:

Seek correction of the error under Rule 91 PCT. Both the error and the correction must be obvious.

Amend under Art 19 PCT, due date 16 months from earliest priority or 2 months from transmission of the search report, whichever is the later. (Note, although only the claims can be amended at this stage, the Examiners did not require this as part of the

answer. Also, since search reports are generally issued late, no marks were deducted if the date of 16 months from priority was not mentioned).

Amend under Art 34 PCT, either with IPE demand or before the IPER is established.

No amendment can add subject matter to the application.

PART B

The great majority of candidates answered Question 9. A slightly smaller number answered Question 8. Question 7 was noticeably unpopular. The average mark for Questions 7 and 8 was not significantly different, with Question 9 scoring on average a few marks more.

Question 7 – 25 marks

A significant number of candidates omitted to discuss unregistered design right despite the reference to “design” in the question. A number of candidates simply used a stock phrase indicating the status of the EP(UK) patent should be checked without noting that the patent had been granted in July, while the European application had been filed in September. A mere reference to checking the patent was in force without appreciating the details was considered inadequate.

The theme running through Question 7 relates to the rights of exclusive licensees, both in relation to patents and to design right.

Checks to make and immediate actions to take

Check the UK register for details of EP 0700001 and confirm the designation of GB. Check that the UK renewal fee due October 2003 (3 months from grant) has been paid. Check whether the exclusive licence has been recorded.

If the renewal fee has not been paid, then do so to maintain the patent in force. If the exclusive licence has not been recorded then do so without delay.

VS’s rights

VS may have unregistered design right in WR’s design as exclusive importer (CDPA S234). If the exclusive licence is recorded, then VS also has the rights of an exclusive licensee to take action under the patent.

Actions against DUUK

If the UK manufacturer of base plates can be identified, VS can take action for infringement.

VS can take action against DUUK for keeping and selling base plates made in or imported into the UK and can also take action against DUUK for importing into the UK base plates made by DUMP.

With unregistered design right VS can take action against the UK manufacturer and against DUUK, but will need to show there has been copying. DUUK's literature only says the base plate is compatible. It is also necessary to consider must fit/must match issues in relation to the base plate.

Actions against SD

Purchases made in France and subsequently imported into the UK are generally not an infringement because to the principle of exhaustion of rights. In any event, private individuals will not infringe because of Section 60(5).

However, an English-language website operated by a French company and offering discounts to UK residents is probably an offer for sale in the UK and consequently actionable under UK law.

Further, delivery of the jet skis and spares by lorry to such customers in the UK is probably infringement by importation and also actionable. It is possible to request Customs & Excise to intercept such infringing goods.

It may be possible to challenge the differential pricing policy adopted by SD by complaining to the EU Commission.

It should be possible to take action against SD and importers in respect of the whole jet ski and the base plates.

Actions against WR

Write to WR requiring it to take action against DUMP, DUUK and SD. In the absence of a satisfactory response it may be possible to take action against WR for breach of the exclusive licence agreement. In the event of any patent infringement action WR should be joined as defendant. However, this is not necessary under design right because VS is the design right owner.

Other points

There is a risk DUUK and/or SD may be able to seek a compulsory licence under S48A on the ground that a demand is not being satisfied. However, this is not possible until 2006 (i.e., 3 years from grant – S48). DUUK and/or SD may be able to seek a licence of right under the unregistered design right from January 2006.

Question 8 – 25 marks

The major errors in Question 8 involved candidates proposing course of action that would involve abandoning the original application and filing a new application in order to restart the priority year. If nothing else the student's thesis will most likely have been published which would probably be novelty-destroying for the new application. Many candidates failed to recognise that foreign applications could still be filed, but simply not claiming priority.

Candidates often failed to distinguish between ownership of copyright and ownership of an invention. Although the student wrote the software, he may well only have been implementing a procedure set out by the client.

Most candidates neglected the fact that the advice to be provided was for the purpose of briefing venture capital companies. As such detailed reviews of patentability and the risk of infringement will be important in addition to advising on the scope of protection and ownership.

Question 8 sets out a situation in which a client has an invention which it has failed to protect adequately. It has also commissioned software, the ownership of which is not clear. To compound the situation, the author of the software appears to be setting up in competition. What can be done to improve the client's position?

Extent of protection

As a preliminary matter, record the new attorney in respect of the present UK application. Note the present application is UK only and does not cover any other country; consider non-convention applications overseas depending on an assessment of whether there has been publication by the student. The claim is restricted to ovens and does not directly cover the manufacture or sale of updating modules. However, since the module is an essential element of the oven, there should be no serious problems with an action for contributory infringement.

Actions to improve position

If there is sufficient basis, an independent claim should be added to cover the updating module directly. Further, if there is sufficient basis, an independent claim should be added to cover the advanced model directly. If there is no sufficient basis, then file one or more new applications, again depending on an assessment of whether there has been publication by the student. Consider applications overseas to protect these additional aspects. In view of the likelihood of infringement, consider requesting accelerated prosecution.

Problem areas

Consider the relationship between the client, the student and the university. For example, was this an employment situation, is there one or more specific agreements, or is there no contractual basis? If there was no contract, then some rights may belong to the student or the university.

Consider specifically the inventorship rights. Was the student an inventor of the automation system. Inventorship seems unlikely because it was only the software that was written by the student.

Consider specifically the copyright issue. If the relationship between the client, the student and the university is not clear, there is a significant risk the copyright in the software will be owned by the student or the university. In such a case the client may not be able to use the software without a licence from the student or the university.

Investigate whether the student has published his work. This could be as a PhD thesis, by way of marketing literature, or even as sales of a product. If there has been any public disclosure, determine when this took place and investigate whether the student was entitled to do so or whether any such disclosure was in breach of confidence (S2(4) or Art 55 EPC).

Consider whether the software could have given rise to a patentable invention. Although a program for a computer as such is not patentable, claims are allowed provided the subject matter has technical character, which would be the case for example if the software is an integral part of the updating module or automatic oven.

Other due diligence aspects

A thorough prior art and infringement search should be conducted for third party patents and applications.

A review of patentability of the client's inventions should be prepared in the light of the search.

An assessment should be made of the risk of infringement should also be undertaken in the light of the search.

A reasoned opinion should be prepared for use with potential investors.

Question 9 – 25 marks

There were no particular difficulties with this question, although most answers began to break down by the time Part d) was reached. It was difficult to allocate marks in situations where candidates had stated "claim to polyfoam lacks novelty" without indicating which prior art documents destroyed novelty and why.

This question sets out a conflict situation in which it is necessary to evaluate validity and infringement.

a. Infringement of Stateside's GB 9000000B

There is no direct infringement of claim 1 because:

Polyfoam is not made by the client, only by customers who do not infringe because of Section 60(5);

Infringement by the client is only contributory infringement in that he makes and sells a device which, in use, produces Polyfoam.

It should be noted contributory infringement is not avoided simply because sales are to private persons who do not infringe.

The client directly infringes claim 2 because it makes and sells a device which, when triggered, ejects a mixture of X and Y towards a fire.

b. Possible revocation of Stateside's GB 9000000B

Claim 1 is entitled to the priority date of 30 June 1999 because the manufacture of Polyfoam is clearly described in the U.S. application.

However, claim 1 is not valid because it lacks novelty under S2(3) in view of MoD. MoD has a priority of 1991, but was only published in 2001, and describes X and Y mixed to form Polyfoam.

Claim 2 is not entitled to priority so the relevant date is 30 June 2000. MoD does not describe a hand-held fire extinguisher and cannot be used. Can try EP 1999999B which has a priority date of 2 September 1999, but there is no detailed description of a fire extinguisher so claim 2 may well be valid.

c. Is EP 1999999B valid?

The claims are entitled to the priority date of 2 September 1999. This is later than the priority date of both GB 9000000B and MoD so S2(3) is relevant.

The claim to Polyfoam lacks novelty over each of GB 9000000B and MoD, but although the claim to Polyfoam is invalid in the UK it is valid in DE and FR because the s2(3) argument applies only to the UK.

There is no disclosure in GB 9000000B or MoD of the manufacture of Polyfoam using J and K so this claim is valid over the prior art.

d. Can Fireout enforce EP 1999999B?

Fireout could enforce the claims to the manufacture of Polyfoam using J and K in the UK, DE and FR, but Stateside does not use a mixture of J and K.

Fireout cannot enforce claim 1 (to Polyfoam) in the UK, but there is no apparent reason why it cannot do so in DE and FR.

Perhaps the best way forward is to cross-license. Fireout has Polyfoam in DE and FR and also manufacture using J and K in the UK, DE and FR, while Stateside has Polyfoam in UK which is particularly important to Fireout.