

**THE JOINT EXAMINATION BOARD**

**PAPER P2**

**PATENT AGENTS' PRACTICE**

**Tuesday, 2nd November, 2004**

**10.00 a.m. – 2.00 p.m.**

*Please read the following instructions carefully. **Time Allowed – FOUR HOURS***

1. You should attempt **ALL** questions from Part A and **TWO** (2) questions from Part B. There are 9 questions altogether, 6 in Part A and 3 in Part B.
2. The mark attributed to each question in Part A is shown. Each question in Part B carries 25 marks. If more than two questions are answered in Part B, only the first two presented will be marked.
3. Where a question permits, reasons should be given for the conclusions reached.
4. Please note the following:
  - Start each question (but not necessarily each part of each question) on a fresh sheet of paper.
  - Enter the Paper Number, the question number and your Examination number in the appropriate boxes at the top of each sheet of paper
  - Write on one side of the paper only, within the printed margins using a **BLACK** pen.
  - **DO NOT** use coloured pens or highlighters within the answers – they will not photocopy.
  - **DO NOT** staple or join pages together in any way
  - **DO NOT** state your name anywhere in the answers
5. **Unless specifically requested answers are NOT required in letterform.**
6. **NO** printed matter or other written material may be taken into the examination room. **ALL** mobile phones and electronic equipment **must be** switched off and stored away.
7. Answers **MUST** be legible. If the examiners cannot read a candidate's answer no marks will be awarded.
8. **NO WRITING OF ANY KIND WILL BE PERMITTED AFTER THE TIME ALLOTTED TO THIS PAPER HAS EXPIRED. At the end of the examination assemble your answer sheets in question number order and place in the WHITE envelope provided.**
9. This paper consists of six pages, including this page.

**PART A - ANSWER EACH OF QUESTIONS 1 TO 6**

1. The administrator of a small company, OUTABUSINESS Ltd. (OB), approaches you.

The administrator was appointed in January 2004 following cash flow problems and a number of OB's headquarters staff were made redundant to reduce costs.

The administrator has discovered renewal of two patents critical to the future of OB have not been paid. One renewal, for Patent A, was payable in March 2004, the other, for Patent B, in September 2004. The discovery was made following receipt of a letter from the UK Patent Office saying that Patent A has lapsed.

***The administrator asks you what can he do to salvage the two patents? Do any consequences flow?***

(8 marks)

2. Your client manufactures novelty clocks. He has designed a new clock with a face in the outline shape of a sphinx with an escapement (the mechanism to drive the clock) that is a replica of an escapement from a hand made clock recently found by an archaeologist in Egypt. The clock face and its escapement are mounted in a transparent case.

Your client is planning to show his new clock at a number of local exhibitions in the next several months. He thinks that there will be a significant market in the UK, Europe and US. At present he has very little money but anticipates that if the market is demonstrated in the next 6 months or so he will be able to raise some more. He wants to prevent others taking his market.

***Explain the options open to your client to protect the clock, the deadlines that should be considered, and the periods of protection available.***

(9 marks)

3. On 7 August 2003, you filed a new UK patent application (GB/03August) for a client. You relied on the "grace" allowed under the Patents Act 1977 because on 5 March 2003 an employee of your client had disclosed the invention to the Chief Engineer of another UK Company. Your client had not consented to the disclosure.

On 7 August 2004 you requested a search and a preliminary examination report from the UK Patent Office. The search report now to hand contains an X citation (under Section 2(3) of the Patent Act 1977), which is a published European application (EP/04Appl) in the name of the other UK Company. EP/04Appl seems to be based on the employee's disclosure and was filed on 7 March 2004 claiming priority from an UK application (GB/03March) the name of the other UK Company and filed on 21 March 2003. EP/04Appl was published in September 2004, all EPC countries were designated, and the Chief Engineer of the other Company is named as inventor.

***Write notes explaining the UK position and proposing how the client could proceed in the UK and in respect of EP/04Appl.***

(7 marks)

4. Your client, a UK manufacturer, with a worldwide market has received a letter from a rival US manufacturer drawing attention to that rival's UK Patent Application filed on 10 September 2004. The letter indicates that, if the patent is granted, proceedings will be brought to stop your client's manufacture of his product. Your client says that he rang the Patent Office who said that the relevant patent application is unpublished. Your client explains that his new product, introduced last month, is an obvious improvement on previous similar products. "How can I deal with the unknown?" he asks.

**Advise your client, covering how and when the client can find out about the application, options to deal with the application and/or any granted patent, and what scope there is for the US rival to obtain damages or an injunction against your client in the UK.**

(10 marks)

5. Your client has a recently granted Patent GB5B and a related pending European Patent Application EP5. EP5 has the same priority date as GB5B but the application was filed a day earlier.

The client has just received a letter from a competitor noting the GB5B, informing the client that the competitor considers GB5B invalid because (a) of a particular publication that has been cited against EP5, (b) GB5B and EP5 relate to the same invention and you cannot have two patents for the same invention, and (c) EP5 was filed before GB5B. You are prosecuting EP5 and amended the claims to overcome a novelty objection based on the publication. The publication was not cited by the UK Patent Office.

The client now wants you to apply to the UK Patent Office to confirm the validity of GB5B.

**Write a memorandum commenting on:**

- a. **Your ability to fulfil your clients instructions;**
- b. **The various propositions put forward by the competitor; and**
- c. **Other proposals you have that might help your client.**

(9 marks)

6. Your private client Alec Brown writes, "Thank you for sending me the recently granted UK Patent 3000000B. I have noticed a problem. The patent was granted to my company AB Ltd, and form 7/77 states that AB's entitlement was as a result of employment of the inventor. I realise now that my other company DROPABRIK LTD in fact employed the inventor. I am thinking of selling DROPABRIK Ltd to raise capital to enable AB Ltd to develop the ideas in UK Patent 3000000B."

AB Ltd and DROPABRIK Ltd are both private companies wholly owned and controlled by Alec Brown.

- a. **Explain any problems you see with the patent being in the name of AB Ltd.**
- b. **Review what options there may be to remedy the situation.**

(7 marks)

## **PART B - ANSWER TWO QUESTIONS FROM QUESTIONS 7 TO 9**

7. You are the patent manager of Sportifootware plc (SF). On 8 August 1999 Sportifootware filed a new UK patent application (GB9977777.7) for the sole construction of its new design of trainer (the SF777). Almost immediately afterwards Sportifootware restructured and decided not to manufacture trainers. Instead it granted an exclusive licence on 5 November 1999 to the United States company Utah Sports Regalia (USR) to enable USR to manufacture and sell the SF777 in the UK and USA. The licence would be null and void if UK or US patents covering the SF777 were to be declared invalid.

On 6 April 2000 Sportifootware filed a PCT application PCT/GB7 claiming priority from GB9977777.7 and designating GB and US, that PCT application has resulted in UK patent GB7B and US Patent US7B.

USR terminated the licence (as it was entitled to do) 12 months ago, but continued to manufacture and sell trainers identical to the SF777 model. As a result and on your recommendation, Sportifootware recently started litigation proceedings against USR in both the UK and US under GB7B and US7B respectively. Prior to termination USR had paid several million pounds in royalties in respect of trainer sales in the UK and US respectively.

In defence of its actions USR produced a Sportifootware sales brochure marked © Sportifootware 1999, which clearly (in your opinion) shows a Sportifootware trainer (model SF100) falling within the scope of claim 1 of Sportifootware's UK and US patents, but is different from the embodiment covered by claim 2. It also states this model SF100 is the subject of UK patent application GB9800007.4.

Your Chief Executive has had cold feet about the litigation. He argues that litigation is expensive and time consuming, trainers are fashion items and the market for the SF777 is likely to decline. In consequence and because of the brochure publication, the Chief Executive proposes to surrender the patents and abandon the litigation. As your Chief Executive gets impatient with legal argument, please:

**a. Write notes for yourself setting out:**

- i. Your opinion on the proposal to surrender the patents;**
- ii. Your views on the prospects for success and damages in the litigation in the UK and US giving reasons (assume there is no other material other than that in the question relevant to this discussion);**
- iii. If the litigation proceeds, what might be done to improve the situation in the UK,**
- iv. Your thoughts on any other step you might take in the UK.**

**b. Write a brief memorandum to the Chief Executive summarising your recommendations.**

(25 marks)

8. Your client Halifax Cloths Ltd (Halifax) has written for advice concerning European Patent EP8 (designating the UK) which was granted on 9 August 2004. The European Patent Application leading to EP8B was prosecuted in German and was the regional of PCT application PCT/JP8 filed on 12 September 2000. EP8B is the subject of a well publicised exclusive licence (within the European Union) granted by the patentee Gifu Textiles KK (Gifu) to the German company Dresdener Fabrikwerk GmbH (Dresden). PCT/JP8 claimed priority from two Japanese Applications JP/A, filed on 12 September 1999, and JP/B, filed on 12 December 1999. The single claim of EP8 is as follows:

- A dye comprising a tungsten compound selected from WX, WY, WZ where W is tungsten, and X, Y and Z are each organic ions.

The specification of EP8B fully describes the preparation of WX, WY and WZ and their use as dyes. The preparation and use of WX as a dye was fully described and claimed in JP/A, whereas the preparation and use of WY and WZ as dyes were fully described and claimed in JP/B.

Halifax has recently announced that they will market cloths dyed with WX and WY imported from India. Dresden immediately wrote to Halifax drawing attention to Patent EP8B. Halifax, without consulting you, replied that as Dresden was not the patentee, Halifax could not understand why Dresden should write in this way. Halifax also informed Dresden that in Halifax's view EP8B was invalid because of the publication of Gifu's Japanese patent application JP/C on 21 August 2000.

You are aware of the following:

- a. Japanese patent application JP/C was filed on 21 February 1999 without a priority claim. It describes and claims WZ. The specification notes that the structure of WZ is such that it could be useful as a dye.
- b. In JP/B as filed, the structure of WZ was shown incorrectly, the correct structure was shown in PCT/JP8;
- c. WX as such was already well known when JP/A was filed. Research at Cambourne Textile Institute funded by Halifax in December 1998 had shown the possible use of WX as a dye. As the structure of WY is very similar, its possible use as a dye is obvious from the Cambourne work.
- d. Halifax has long been planning to import WX dyed cloths.

**Write notes to form the basis of advice to Halifax covering:**

- ***the validity of EP8B and the right to sue in the UK;***
- ***any other issues that you identify;***
- ***any action(s) you propose that Halifax should take noting any relevant deadline.***

(25 marks)

9. Your client Joe Smith (JS), an electronics engineer, was consulting designer to Luxamp Ltd (LL), a company founded by him to make and sell amplifiers and in which he had a substantial share holding. Earlier this year Luxamp had financial problems. An Administrator was appointed by the firm's bankers and laid off Joe Smith in June 2004. Since then Joe Smith has continued designing amplifiers and has also been investigating buying out the other Luxamp shareholders so that it becomes entirely his company.

In August 2004 Joe Smith asked you to prepare and file a new patent application for a new chip design that improves the performance of amplifiers; this you have done. On Joe Smith's instructions he and his wife, who you know runs a newspaper shop, were named as co-applicants and co-inventors. Six weeks later you filed a PCT application in Mr and Mrs Smith's joint names for the invention, designating all PCT countries and claiming priority from the UK application. Joe Smith has just received a letter from the administrator.

"In our discussion of your proposal to buy out Luxamp, you indicated that you had filed a patent application for a new chip that would form the basis of a revitalised company. I have to point out to you that anything arising from your engagement as consulting designer with Luxamp belongs to and is an asset of Luxamp. I am advised to apply to the Patent Office to enable your patent application to proceed in the name of Luxamp. Please let me have the patent application number so I can proceed expeditiously."

Joe Smith has left a message with your office to say that he will ring you to discuss the situation. Joe Smith was particularly upset by the behaviour of the Administrator as Luxamp had originally been created to exploit his innovations. He was now inclined to take his new idea elsewhere. Joe Smith was particularly keen to investigate sources of funds and wanted to discuss with you the patent issues that might need to be considered.

**Write notes in preparation for the telephone call, identifying particularly:**

- a ***the options open to Luxamp;***
- b ***the questions that you would want to ask Joe Smith to clarify the position regarding the UK and PCT applications, noting the consequences of his answers for those applications and his ability to raise interest elsewhere;***
- c ***more general advice you might give Joe Smith concerning the issues that potential financiers of new product development may wish to address.***

(25 marks)