

OCTOBER 2006 – 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 statements of fact or law without applying the law to the specific situation. Candidates should always consider the consequence of the advice they are giving.

P2 is not a theoretical legal paper, but a practice paper in which the majority of questions involve a client seeking advice and which require an application of the relevant law rather than simply knowledge of the law. This is spelt out clearly in the syllabus. Candidates who merely recite the law without reaching any conclusions as to how it applies to the situation in the question are not giving advice to their client and generally fail to come to coherent conclusions. Such candidates will always struggle with P2. Liberal use of suitable words and phrases, such as “because” or “in this case”, in an answer should encourage candidates to give advice.

It is very noticeable that questions requiring analysis of generally-stated situations and the somewhat more involved Part B questions are invariably answered more poorly than straightforward factual questions. 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. In an effort to improve the organisation of their answers, candidates could consider separating their material into two parts – analysis and advice. It is first necessary for a patent attorney to analyse the information given (such as determining a priority date, establishing the nature of a publication, or establishing whether a person is an employee or a consultant). Only when the information has been analysed is it possible to give advice to the client. There are marks both for analysis and for advice. Sometimes it is not possible for candidates to come to a firm conclusion, such as a priority date, and advice has to be given on the basis of more than one possibility.

A number of candidates appear to be unable to apply fundamental principles such as those relating to priority, ownership, novelty and inventive step. The examiners expect potential registered patent attorneys to have a sound understanding of these issues. Candidates who fail often do so as a result of serious gaps in their ability to apply these fundamental concepts of patent law.

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. Obvious points are also commonly omitted - what may be obvious to a patent attorney may not be obvious to a client and the responses need to be addressed to the client’s needs. It is strongly recommended that candidates should take steps during the examination to identify material that they have used in order to draw attention to material that has not been used.

The examiners endeavour to be flexible in their marking to ensure credit is given for valid and relevant points even if they are not part of the specific marking schedule being used. The examiners do not mark negatively.

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.

A brief analysis of the marks for this paper indicates an average overall mark of about 49.3%, with Part A accounting for about 29 to 30 marks and Part B accounting for about 18 to 19 marks, very few candidates (about 1 in 10) scored more than 25 for part B. Needless to say, the range of marks for any particular question was considerable. 53% of candidates passed the paper.

PART A

Question 1 – 10 marks

This was a straight forward procedural question dealing with a request to make a late declaration of priority and its consequences. The average mark awarded was about 7.

The period within which the priority date should have been claimed expired on 7 July 2006, but a request for a late declaration of priority can be made because the UK application was filed within 12 months of the missed priority. Many candidates muddled the two different situations covered Section 5(2A), one where the application was filed within 12 months of the relevant priority, but the priority date was not claimed (as in this case), and the other where the application itself was not filed within the 12 month period. Different periods apply to the subsequent actions and the comptroller's discretion only applies to the latter situation (Section 5(2C)(b)).

A request should be filed under Section 5(2A)(a) within 16 months of the missed priority date, that is by 7 November 2006 and the appropriate fee should be paid.

It is a condition that no request for publication has been made or that any such request has been withdrawn before the preparations for publication had been completed.

The new priority date re-sets the dates for completing various formalities, especially filing a Declaration of Inventorship and filing priority documents. These are both now due by 7 November 2006. This date is likely to be difficult to meet, especially for the priority documents. However, a 2 month extension is available as of right under Rule 110.

Candidates who relied on Section 5(2A)(a) and determined that a 14 month term was appropriate did not gain very many of the marks available. Other common omissions included the request for publication and the re-calculated dates for Patents Form No. 7/77 and the priority documents.

Marks were as follows:

- 2 Considering opportunity for late declaration
- 5 Setting out procedural requirements
- 3 Requirements and periods for dealing with other documents.

Question 2 – 10 marks

Question 2 required consideration of patent protection as well as registered and unregistered design protection. An average score was about 6 marks.

Many candidates failed to focus on the essential aspects of this question because they were too busy reciting the terms and requirements for the various forms of protection. The question asked for recommendations and for reasons for those recommendations.

A primary consideration is whether the discussion in Italy was in confidence. Insufficient details are provided to reach a firm conclusion, so both possibilities need to be considered.

If the meeting was not in confidence then no valid patent protection is possible, but design protection is still available because of the one year grace period.

With regard to unregistered design right, UK UDR will cover the design of the anorak with the seam and will be useful if the competitor in Scotland should copy the design. EU UDR will apply separately to both the anorak and the seam and can be used throughout the EU, including Scotland and Finland. Incidentally, many candidates appeared not to know that Finland is a member of the EU.

EU registered designs should be sought for the anorak and for the seam. These will be effective in Scotland and in Finland.

Provided the discussion was in confidence, an EP application should be filed for the seam and for the modified sewing machine, designating at least GB, FI and IT. Many candidates overlooked IT here.

Marks were as follows:

- 2 Effect of disclosure in Italy
- 5 Consideration of UK and EU registered and unregistered designs
- 3 Consideration of patent issues

Question 3 – 10 marks

Question 3 illustrates that there are no trick questions in P2, but nevertheless candidates will do all they can to look for problems. Question 3 is a straightforward question about taking action for infringement. An average score for this question was 6 or 7 marks.

Most candidates noted that no action is possible until grant and that, when granted, it is in theory possible to secure damages back to the date of publication (or date of first infringement, if later). However, the claim as it was granted is different to that in the

published application so further consideration of the potential for recovering damages is necessary. The original claim was very broad and has been amended. Consequently, the claim is very likely to be infringed both as granted and as published. On the other hand, because the original claim was very broad it could be considered that it was unreasonable to expect a patent to be granted which would cover the infringement and so damages could be reduced.

Consideration should be given to drawing attention to the application and the claims in the form they will be granted in order to put the infringer on notice. This could improve the position regarding damages, but could invite observations which may delay grant.

As soon as the patent is granted, and there is no good reason to request accelerated prosecution because the question specifically states that allowance is expected very shortly, a letter before action should be sent to the infringer and proceedings started if there is no satisfactory resolution. Credit was alternatively given for proposals to seek an interim injunction.

Remedies include an injunction, delivery up or destruction, and damages or an account of profits.

Candidates proposed adding claims to the application, which would only delay grant in this situation, or filing a divisional application which, although potentially helpful to the client, does not provide an answer to the question as set.

Marks were as follows:

- 4 Patent not granted and effect of amendment
- 1 Consideration of action before grant
- 2 Possible actions to take after grant
- 3 Remedies available

Question 4 – 10 marks

Question 4 follows a theme that is often seen in P2. A client has made a potential disclosure and candidates are expected to advise the best course of action to retrieve the situation. An average mark was about 5 marks.

The first consideration is whether there has been an abuse of confidence and there are two instances to consider – leaving the paper on the plane and the conference disclosure. Many candidates overlooked the conference disclosure. As part of the discussion it should have been noted that carelessness does not give rise to rights under Section 2(4) and that, if Section 2(4) does not apply, there is no valid patent protection available in Europe either to the client or to the competitor.

In any event, it is best to file a UK or European application immediately in case there are any further disclosures. After all, the specification has already been drafted. Advice to file within 6 months of leaving the paper on the plane is clearly not good advice to the client in this situation. In the US, an application should be filed within 12 months of the flight, but again it is advisable to file the application as soon as

possible. The US is a first-to-invent country so the problem may not be insurmountable, but details showing the date of invention should be kept safely in case of future need.

Many candidates suggested checking the EP register for applications in the name of the competitor without first considering that this information will only become available on publication and that is nearly 18 months away. The client should be advised that a watching search is established and that, if a relevant publication is identified, entitlement proceedings should be initiated at the UK Patent Office. At the same time, the EPO should be contacted and the EPO proceedings should be suspended under Rule 13, which does not happen automatically. If the entitlement proceedings before the UK Patent Office are successful, the client can contact the EPO to take ownership of the application or have it discontinued.

Marks were as follows:

- 3 Application of Section 2(4)
- 3 Actions to minimise further damage
- 4 How to deal with competitor's EP application

Question 5 – 10 marks

Question 5 sets out a situation in which there are potential conflicting rights and candidates needed to identify and explain the various possibilities to the client. An average mark was about 5 marks.

As an initial point, it should be noted that no action, not even the filing of observations, is possible during the International phase. Furthermore, even if a patent is granted which is effective in the UK, there is no possibility of seeking a declaration of invalidity which is what the client has requested.

There will be no prior art effect from the PCT application unless it enters the UK national phase or the EP regional phase designating the UK. Even then consideration must be given to the priority date of the PCT application because it is based on a "sketchy" US provisional application.

If the PCT application is entitled to the US priority date, it will be Section 2(3) prior art against the client's application and will be considered for novelty purposes only. However, if the PCT application is not entitled to priority it will have no prior art effect on the client's application.

If the PCT application is not entitled to priority then the client's application, when published, will be Section 2(3) prior art against any national or regional phase application and can be cited for novelty purposes.

If and when the national or regional phase is entered, consideration should be given to filing observations at the relevant Patent Office, seeking revocation of any patent covering the UK (when granted), or seeking a Patent Office opinion.

Marks were as follows:

- 3 Responding to the client's immediate questions
- 1 Consideration of priority date
- 5 Advice if not entitled to priority date
- 1 Advice if entitled to priority date

PART B

Most candidates answered Questions 6 and 7, while Question 8 was answered by about half the candidates. The average marks for Question 6 was about 9 to 11, the average for Question 7 was a little better at 10 to 12 marks, while the marks for Question 8 were lower at 7 to 9.

Question 6 – 25 marks

The principal themes in Question 6 concern whether and to what extent the client and its associated joint venture can continue to manufacture and sell their products. This requires candidates to seek further information from the client, assess the prospects for prior user rights, consider priority and assess validity.

Candidates should first consider what further information they might require. This could include, for example:

- When did the client start development of the container
- Were discussions with the packaging manufacturer confidential
- Were the trials of the container in public
- Was the packaging machinery specially adapted
- When was the packaging machinery ordered
- Does the client know of any other disclosure or publication which may serve as prior art
- Were the client's drawings made public
- Could the drawings have been leaked to Pentapax

With regard to prior user rights, preparations for dairy packaging started, according to the question, in November 2002 and could potentially give rise to such rights. However, there was a gap in activity between 2003 and 2006 and so there must be considerable doubt as to whether serious and effective preparations took place. Preparation for non-dairy blanks only began in 2003 after the trials, which is well after the priority date of EP0666666 and cannot give rise to any prior user rights.

The priority date for the claims to a laminated blank appears to be 17 November 2002, while the claim to a container for dairy products is only entitled to the date of 1 November 2003.

The claims to a laminated blank are likely to be valid unless any relevant prior art can be found. Enquire of the client as to whether there is any evidence of a public disclosure before 17 November 2002. Consideration should be given as to whether the claim to a container for dairy products adds matter to the EP application – the claim was not present in the application as published. It is probable that there is no

added matter because of the discussion of liquids, including milk, in the application as filed.

If the trials in June 2003 were public, then the claim to a container for dairy products is not valid because it has a later priority date.

The client raised a number of specific issues which should be addressed if they do not appear elsewhere in the answer. Contamination itself is not a ground for invalidity, but it may be possible to argue that the application does not sufficiently describe the invention. Even though the client may have copyright in the drawings a patent can be used to stop exploitation of the subject matter of the drawings. If the drawings are not published they are of no assistance.

With regard to infringement, the “approach” by Pentapax was intended to indicate that no threat had been made. Sale of blanks for non-dairy use by the JV is direct infringement, while the machinery itself may well be an indirect infringement. Sale of dairy products by the client is also direct infringement.

The opposition period for EP0666666 expires 17 November 2006. Opposition could be considered, but unless further evidence can be found the case is unlikely at present to be sufficiently strong to justify filing an opposition.

The client has a new patent application which is commercially valuable and could potentially be cross-licensed for EP0666666 in order to resolve the situation.

Marks were as follows:

6	Questions to ask the client
3	Prior user rights
2	Priority dates
5	Validity of EP0666666
3	Specific issues raised by the client
3	Infringement
2	Possibility of opposition
1	Cross-licensing

Question 7 – 25 marks

Question 7 explores the theme of ranges in conjunction with the amendment, validity and infringement of claims to ranges. There are subsidiary issues about priority, ownership, entitlement and prior user rights.

One of the first issues to consider is that of ownership, with entitlement following on. Candidates should enquire whether there was any contract between Fibrex and Dr X or Bicester University. What are the terms of Dr X’s employment and, indeed, who was his employer in this respect? Copies of any contracts should be obtained and examined for this purpose. Only once all the background information is available can a determination be made of the likely ownership of any inventions.

An action for revocation for non-entitlement can only be brought by a party claiming a proprietary interest. Deutschfibre has no such interest and therefore cannot apply for revocation on this basis. However, Dr X could apply for revocation or he could assign his interest to Deutschfibre. Action for revocation must be brought within two years of grant unless it can be shown that Fibrex knew it was not entitled to the patent.

Consideration is required as to the priority date of claim 1. There is only a single example in the priority document so an assessment is required as to whether the invention is enabled over the entire claimed range. This appears unlikely. In any event the subject matter of claim 1 lacks novelty over the CFR paper.

Consideration is also required as to the priority date of claim 2. Claim 2 has a much narrower range, but again the proportion of C in the single example is right at the end of the claimed range. If claim 2 is not entitled to priority, as may well be the case, then the subject matter of claim 2 lacks novelty over EPA.

Consideration should be given to how best to amend the claims. Clearly claim 1 should be deleted. If claim 2 is not entitled to priority then an amendment is required to distinguish from EPA in respect of novelty only. It is important here not to add subject matter while at the same time to endeavour to cover the potential infringement. One possibility is to add a lower limit of 0.9 percent by weight of C on the basis of the additional example in GB7A to take the level of C above that in EPA. An alternative would be to insert a disclaimer to the subject matter of EPA and therefore to restrict the amount of C to more than 0.5 percent by weight. A further possibility is to limit the composition to that of the example of GB2000 which is clearly entitled to priority, i.e., 65% A, 25% B and 10% C.

Amendment is, of course, at the discretion of the Comptroller and, if it can be shown that Dr X and the client knew of the CFR paper, amendment may not be permitted. The amendment to set a lower limit of 0.9% C may not be permitted because it is disclosed only in conjunction with specific amounts of A and B and may be considered to add subject matter. Damages, in the event of infringement, may be limited because of a partially valid patent.

With particular regard to infringement, claim 1 is infringed but invalid. With claim 2, consideration needs to be given to Kirin-Amgen (Black Book 125-16) and Auchinloss: because the alleged infringement lies outside the end of a range it is possible there will be no infringement. A similar consideration of the limitation to 10% C could give rise to a different outcome because there is no range and there is a specific statement that it is desirable to maximise the proportion of C: Improver may also need to be considered here too.

With regard to prior user rights, Deutschfibre probably has no right to continue use because it only started preparations after the date of the relevant claim (claim 2 with restricted range or new claim to the example of GB2000). Moreover, Deutschfibre is not in the UK, although this aspect of the Patents Act may be *ultra vires*.

Marks were as follows:

- 4 Priority and validity
- 7 Amendments, discretion and partial validity
- 3 Infringement
- 2 Prior user rights

Question 8 – 25 marks

The major issues in Question 8 concern the acquisition of useful information and considering validity and ownership. Subsidiary issues include threats and design right.

The question presents a situation but provides little information about that situation. It is therefore necessary to seek further information. This could include:

- Clarifying exactly what the bank did in 2004
- Obtaining a copy of the project manager’s limited notes
- Enquiring whether there were any formal minutes of the meeting of 28 February 2005
- In the event of there being no minutes, establishing who said what to whom
- Obtaining details of all attendees
- Clarifying whether the meetings were in confidence
- Establishing what documentary evidence the project manager may have of the well-known basic solution
- Enquiring what is meant by the term “design specification” – does it suggest the “design” was obvious
- Does the contract with Banditscreens say anything about ownership of IP rights

Validity of the patent requires careful consideration having regard to the way in which the question is phrased. If the basic solution is indeed well known then claim 1 is invalid. There is, however, the possibility of deleting claim 1 to leave claim 2 to Banditscreen’s specific design. Consideration should be given as to whether claim 2 is obvious. In any event, there could well be bad faith in view of the well known approach and amendment, which is discretionary, could be refused.

With regard to ownership, if the bank or Alphascreens can demonstrate that it contributed to the invention an application for rectification can be made under Section 37. If Banditscreens made no contribution and the invention belongs to the bank, then an application for revocation can be filed under Section 72. However, the evidence will probably show that there has been a joint invention.

In the event of a joint invention (at least with the bank) then the bank will become a co-owner and can secure the screens from third parties such as Alphascreens. Moreover, in the event of joint ownership, Banditscreens may not be able to amend the patent to deal with the invalidity problems.

The letter to Alphascreens is not actionable because the allegation relates to manufacture.

Since the bank is under pressure from its trade unions, there is no time for lengthy legal action. However, a Patent Office opinion will be relatively quick and could apply pressure to Banditscreens and at the same time encourage Alphascreens to resume supply. Alphascreens could be given further encouragement if the bank was to indemnify Alphascreens against patent infringement action by Banditscreens.

Consideration should be given as to whether Banditscreens may have unregistered design right in the specific design supplied to the bank. This could be overcome by the bank not insisting on the same design. At the same time, this could overcome the problems with claim 2.

Finally, the bank could seek revocation under Section 72 in order to prevent Banditscreens taking precipitative action for infringement.

Marks were as follows:

- 9 Further information to acquire
- 2 Threats
- 4 Validity
- 5 Ownership
- 5 Opinion, design right and other minor matters