

The Joint Examination Board

Paper P2 - Patent Agents' Practice: November 2009

Examiner's Comments

General Comments

The 2009 paper had a very practical focus. Marks on part A were lower this year, on average about 23 or 24, whilst marks on part B were often higher than in previous years, on average 22 or 23. The marks ranged from 15 to 70, with an overall pass rate of about 49%. Nearly a quarter of all candidates gained a mark 55 or higher. The Examiners noticed a number of candidates, even those that marginally failed, had a better exam technique than seen in previous years, in that answers were generally a little more focused and concise. Candidates are encouraged to continue adopting and improving this approach. Examiner's take this opportunity to also remind candidates that they need to analyse the given situation by accurately applying the required legal tests to the facts presented in the questions and then to give advice to the client on the basis of the outcome of the test applied. Inaccurate application of the required legal test generally gives rise to poor advice to the client and generally poor marks.

Q1. PCT formalities have not come up for a few years. This question seems to have caused some difficulties. Most candidates scored poorly on this question with many gaining a mark in the range 1-2. Having said this, the question was a relatively straightforward procedural question requiring advice to a client who was lacking resources.

A PCT application should be filed by the 12 month convention deadline of 6 November 2009. Clearly, abandoning and refiling the application was not an option because the product had been launched and is in the public domain (1). PCT fees are due 1 month from filing the application (i.e. 6 December 2009) but can be paid within one month from the invitation from the receiving office with payment of a surcharge of 50% of the unpaid amount (excluding the transmittal fee) (3). Many candidates stopped after saying that fees were due 6 December even though the client said monies would not be available until mid December. A number suggested filing the application outside the convention year and relying on the unintentional requirements of S5(2B) but this was not good advice and introduces unnecessary risks for the client.

Those with practical experience realised the invitation from the receiving office will not be issued immediately on expiration of the 1 month period from filing, which is 6 December 2009 (1), and that no surcharge is payable provided the fees are paid before the invitation is issued (1). In order to keep costs to a minimum the client should pay the PCT fees before the invitation is issued if funds become available (1).

Q2. The design question this year focused solely on registered designs. Most candidates managed to score adequately on this question. The average mark was about 5 or 6 out of 10.

The design of the blades and the head have a very distinctive appearance and therefore appear to meet the criteria of new and individual character so *prima facie* can be made the subject of a registered design application (1). Protection can be sought for the head as a whole and possibly the blades separately to the extent that they each meet the relevant criteria (2). The head is part of a **complex** product, the dough-mixing machine, and thus there is a **requirement that the design be visible in normal use** (1). In this case the head/blades is/are visible when the ingredients are added and when the mixed dough is removed. This intermittent visibility is sufficient to meet the criteria of visible in normal use (1).

The client should be advised to file an application for a Community registered design because his business is Europe-wide. There is a 12 month grace period in Europe so the disclosure at the Bakers' Convention in the USA, 6 months ago, is not novelty-destroying (1). Nevertheless, the application should be filed as soon as possible because the grace period does not protect against independent designs published by a third party and/or because of the interest in the designs at the conventions (1). However, the overall term of protection could be increased by filing first a UK application and filing within 6 months (and within 12 months from the first convention) a Community design application with a claim to priority (1).

A Community registered design gives rise to a monopoly and therefore does not require copying to be proved. Furthermore, it has a duration of 25 years with the registration being renewable every five years (1).

A United States design patent application should be filed within 12 months from the disclosure at the US convention (1).

The approach proposed above is based on an expectation that a disclosure at the Bakers' Convention in the USA would like have become known in the normal course of business to the circles specialising in the sector concerned, operating within the Community.

Q3. The average mark for this question was 6 to 7 out of 10.

The first renewal fee was not paid by the due date of 31st March 09 (1) nor was it paid within the grace period which expired 30th September 09 (1). It is therefore necessary to seek restoration (under S28) showing that the failure to pay the renewal fee was unintentional (1). Restoration should be sought as soon as possible because no infringement action can be taken until the patent has been restored (it may be correct that restoration should be sought at soon as possible to minimize third party rights, but in the circumstances this is not the most relevant reason) (1). Given the facts there is a reasonable prospect of success with the restoration.

Action can be taken against Company **A** for contributory infringement under S60(2). **A** has been advertising X for sale since July 2008, that is before the patent lapsed (1).

Action can be taken against Company **B** because **B** commenced manufacture and sale during the grace period (S28(3)(A)) and will be an infringer once the patent is restored (1).

No action can be taken against Company C because C only commenced manufacture and sale after the end of the grace period (S28A(4)) (1).

It should be noted that action can only be taken against Company A for supplying to B and not for supplying Company C because company C is a person entitled to work the invention (under S60(6)) (2).

Any damages are discretionary for the period during which the patent is lapsed (S62(2) and S25(4)) (1).

Q4. This question caused candidates difficulty, which is surprising given that questions on the direct product of a patented process are often found in P2 and the issues are nearly always the same. In the pressure of the exam sub-optimal comments can easily be made. However, a number of candidates recommended a post-grant amendment of the UK patent to add a product claim to the patent. Such an amendment is not permissible and this is not really an appropriate comment for final standard candidates. The average mark for this question was 3 to 4 out of 8.

What is there to suggest that the paint is made by the client's patented process (1)? Would an analysis of the paint confirm use of the process or do we need to rely on the levels of shine and durability?

The client only has a UK patent and action can only be taken if the paint on the cars is **made using the patented process** and it remains **the direct product of the process** after cars have been painted (2), i.e. provided the paint remains **unchanged** after it has been applied (1).

Consider approaching the importer (who may or may not be the car manufacturer) and offer them a licence (1). If the outcome is unsatisfactory and the paint on the cars is the direct product of the patented process an action for infringement could be taken against them (1). Because the product is new the reverse burden of proof will apply (s100) (1).

No action can be taken against the competitor because none of his actions are in the UK and the client has not rights in France (1).

Q5. This question approached entitlement from a slightly different perspective. The average mark was 2 to 3 out of 7.

Although John Smith wishes the patent did not exist, he cannot at present seek revocation (1) because any action under S72 requires successful action under S37.

Advise John Smith to apply under S37 to remove Joe Last as co-owner and co-inventor and to substitute John Smith as both co-owner and co-inventor (1). This can be done in a single application and there is no need to take a separate action for inventorship under S13 (1).

It is unlikely when John Smith is a co-owner (c.f. sole owner) that he will be able to have the patent revoked in view of S36(3)(a) (1) because it is improbable that there will be an agreement between the two co-owners that would vary the standard provision of S36 (1) to allow revocation.

However, as a co-owner then John Smith will be able to work the invention, and James Able cannot take action against John Smith's suppliers or his customers because they are dealing with a person entitled to work the invention (2).

One way in which the patent may cease to exist is if John Smith makes no arrangement to pay the renewal fees. The responsibility will then fall on James Able and if he does not pay the renewal fee the patent will lapse (1).

Q6. This question was all about filing strategy. It caused candidates huge problems and a small number gained 0 marks on this question. The question does not contain any tricks and some candidates gained 7 or 8 marks. The average mark was 3 to 4 out of 8. A common mistake was to try to abandon GB1 with no rights outstanding but this is not possible given that it has served as basis for a priority claim.

A PCT application (PCT1) should be filed corresponding at least to the subject matter of GB2, by 4 November 2009 because that is when GB2 will publish (1). Priority cannot validly be claimed from GB1 or GB2 for PCT1 because:

- outside 12 month convention year of GB1 (1), and
- subject matter in GB2 is identical to GB1, which has already been the basis for a priority claim. Therefore GB2 is not the first filing within the meaning of the Paris Convention for this subject matter (1).

An application for the improved nozzle (which is a new invention) should be filed before 4 November 2009 (1). This subject matter could be incorporated into PCT1, or alternatively a separate UK, EP or PCT application could be filed. A further PCT application (PCT2) claiming priority from the latter should be filed within 12 months (by November 2010) to give a maximum term of protection (1).

GB2 should be prosecuted to grant to preserve the earliest date in the UK (1). Because GB2 is not published before the filing date of PCT1 and the earliest priority of PCT2, GB2 will be s2(3) prior art, for this subject matter, in respect of the UK only and will not be prior art in any other territory (1). GB1 does not have a relevant prior art effect in the proposed strategy because it only becomes available when the file for GB2 is open to public inspection, i.e. when GB2 is published (1).

Q7. About 62% of candidates answered question 7. The average mark was about 10 to 11 but a number of candidates gained 17 or 18 marks on this question. A number of candidates had difficulty deciding whether an inflatable spacehopper was a solid ball. It may help if candidates bear in mind that this is an exam and a certain amount of pragmatism is required when considering the problems presented.

On the basis of the information provided the letter from FIXIT only draws attention to the existence of EP1. This does not constitute a threat because notification of the existence of a patent is not a threat (1). However, EP1 is granted and therefore can be enforced immediately (1). Although under the London Agreement no action is required to validate EP1 in the UK, payment of the renewal fees should be checked (1).

Consider filing an opposition to EP1 by the due date of 7 April 2010 (1). Search for prior art to invalidate the claims (1) and try to obtain evidence of the launch of the solid balls before the filing date of EP1 (1).

Considering freedom to operate, claim 1 is clearly limited to a solid ball comprising at least 40% polyex. The client does not infringe this claim because its spacehopper is inflatable (and therefore not solid) and because it uses no more than 25% polyex (only one reason was required) (1).

Claim 2, is much broader in that it simply requires the use of polyex for increasing bounce and there is no limitation in relation to the type of article or the specific proportion of polyex (1). There is a risk that the client's spacehopper containing polyex for extra bounce will infringe claim 2. In the event the claim turns out to be valid then a licence will be required (1) or the client will have to cease selling its spacehoppers. Bearing in mind that the client "must be allowed to continue to selling its spacehoppers" it should be noted that, even if claim 2 is invalid the client has the risk of the patentee starting an infringement action in the UK (1).

Given the client only recently launched the product there is also a risk that an interim injunction will be granted to FIXIT (1). A pending opposition is unlikely to result in a stay in UK proceedings and/or prevent an interim injunction being granted because the opposition is at such an early stage (1). If commercial certainty and expediency is required then a licence with a small royalty may be acceptable to the client (1). The prior art could be used to ensure a reasonable price (1). A patent office opinion favourable to the client may also be useful in the negotiations (1). Damages back to A publication were not a big issue here because the client has only just launched and claim 2 was added just before grant.

With regard to validity, claim 1 appears to be entitled to the priority date of the GB priority application which is said to exemplify solid balls (1) and thus the solid ball disclosure is not damaging to the validity of the claim 1 (1). Claim 2 only appears to be entitled to the date of filing because there is no mention of extra bounce provided by polyex in the GB application (1). Consequently, claim 2 may lack novelty if the earlier launch of solid balls by FIXIT was an enabling disclosure (1). If claim 2 is not valid then EP1 will not be an obstacle to the sales of the client's spacehopper (1).

Considering patentability of the client's product:- due to the dates (client's application recently filed, EP1 recently granted) it seems likely that EP1 will be full prior art (1). According to the information available, there is no disclosure of a (hollow) spacehopper comprising polyex in EP1 (1). The client's claimed invention therefore appears to be novel (1). However, the subject matter in its broadest form (a spacehopper comprising polyex with

extra bounce) is likely to lack an inventive step over EP1 given that spacerhoppers themselves are not said to be new (1). Provided there is basis in the client's application, The claims may need to be amended to the specific range 10-25%, (at least 10% polyex is required for extra bounce and above 25% results in weakness, which is *prima facie* surprising (1).

Q8. About 64% of candidates answered question 8. The average mark was about 12 and certain individuals gained high marks on this question.

The claims of the application as they presently stand only cover reinforcing at the toe and/or heel and do not cover the socks with a reinforced ankle (1). Given the client's commercial product is covered by the present claims and the lack of unity with the ankle reinforcement, suggest continuing with present claims to grant (1). There does appear to be basis in the application as filed for specific claims direct to a sock with a reinforced ankle (1). Recommend filing a divisional application directed to the reinforce ankle (1).

However, divisional applications must be filed before the period ending 3 months before the compliance date (R19(3)b) and we are beyond this date. Examiners were looking for candidates to take a conservative approach and say we are within 3 months of the r30 period (1), divisional applications cannot be filed in this window (1). Therefore recommend requesting an as of right extension under r108 for extending the compliance period (1), a fee must paid (1). This will shift the 3 month window and allow the filing of a divisional application (1).

The application, search and examination fees for divisional must be paid on filing (2). The r30 period for the parent also applies to the divisional application (1). In addition to the as of the right extension there is also the possibility of a further discretionary extension in certain limited circumstances (1). In this case if the claims are carefully drafted then it is to be hoped that the first communication for the divisional application will be under s18(4) (1).

For each application the renewal in respect of the fifth year becomes due within 3 months from grant of each case (1). The fee payment in each case can be extended up to 6 months with payment of a surcharge (1).

The divisional application to the ankle reinforcement cannot be enforced until it is granted (1). If the client wants to get the competitor off the market then he might have to start an infringement action before the court (1). We will have to act quickly with grant and with initiating infringement proceedings because the longer the delay the less likely it is that an interim injunction will be granted (1). If the client is successful at full trial the remedies include a final injunction (1), damages or an account of profits, delivery up or destruction of any infringing goods and costs (1). In theory it may be possible to get damages back to A publication (1). Consider sending a copy of the claims of the divisional application to the competitor (1). This will ensure that the competitor cannot argue it is an innocent infringer and thereby obtain a reduction in damages awarded against them (1). In an abundance of caution take care not to threaten the competitor at this stage (because although he is a

manufacturer there is some case law that suggests threats in relation to an application are incapable of justification) (1).

Q9. About 73% of candidates answered question 9. The average mark was about 12 and certain individuals gained high marks on this question.

There is a question if there has been a disclosure at all, especially as the computer and/or patent draft may be password protected (1). In the event there has been a disclosure it would be helpful to be able to establish with some certainty if in fact it was lost or stolen because this may affect what can be done (1). UK and European law provides little protection for public disclosures that are acts of carelessness (1). However, if lost there is a reasonable argument that anyone finding the machine would expect it to contain confidential personal information and so it may be reasonable to argue that reading/using the material is a breach of confidence and s2(4) will apply (1). This argument would be even stronger if computer and/or document was password protected (1). In the event the computer was stolen and/or the password is by-passed then s2(4) will of course apply (1).

In theory a GB/EP application can be filed within 6 months of the "disclosure" (by 1 May 2010) (1). However recommend filing GB application immediately (1). Seek clearance under s23 or delay filing foreign applications at least 6 weeks (1) because permission has to be sought for foreign filings related to military technology (1). To the extent that the disclosure is not in confidence then there is a 12 month grace period for filing in the US (i.e must be filed by 1 November 2010) (1) but still file asap (1). The client should be advised that the ROW including UK and Europe does not have a grace period for disclosures that are not as a result of abuse (1). In an abundance of caution file a PCT application claiming priority, from at least GB by 2 May 2010, to catch other territories (or at least US and EP national filings) (1).

We should set up watches for applications published in the name of the competitor and/or related to the technology (1).

The competitor may have independently invented the improvement (1). In this situation then in the US patents will be awarded to the party with the earliest date of invention (1). Thus it will be important to have evidence of the date of invention (1). In the ROW it will be awarded to the first to file hence the importance of filing asap (1).

If the competitor has identified the improvement and filed on it already then ultimately if the case grants you will need to licence the technology to gain access to it and this may not be available (1). If the earlier competitor case grants giving a dominant position you may need a licence regardless of who owns the improvement (1). If you own the improvement then, if necessary, you may be able to cross-licence with competitor to gain access to the basic case (1).

Alternatively the competitors may have gained access to your lost/stolen application and taken the idea therein (1), then proceedings can be started under s8 for UK applications (1) and s12 for foreign applications (1).