

The Joint Examination Board
Paper P2 - Patent Agents' Practice: November 2012
Examiner's Comments

This year's pass rate was marginally lower than previous years yet the spread of marks was comparable to previous papers, indicating that candidates are able to achieve good marks across the paper with the correct approach.

Candidates are reminded to read the questions and in particular the bold text at the end of each question carefully and to avoid "question spotting" type revision in their preparation.

Question 1

The average mark on this question was 4 out of 5.

Candidates should consider how many marks each question is worth when planning their answers. Writing more in an attempt to "fall upon" the answer is not a good technique.

Request for exam was due by 14th September 2012 (1). This deadline has passed however, it is extendible as of right according to R108(2) (1). A Form and fee is required (1). The extended deadline is 14th Nov 2012 (1). It is necessary to appoint yourself address for service (1).

It is important for candidates to note that the exact form and fee is not necessary to gain the points for this question. However, if you are going to attempt to write down what form is required you need to get it correct to gain the marks.

Overall, this question was generally well answered but those that did go wrong typically suggested reinstatement, without considering formalities. It should have been clear that all formalities that were due prior to publication were completed, or else the application would not have published. A few candidates appeared to panic because the reason for the lapse was not provided.

Since reinstatement is not an option when an extension remains available, those who advised reinstatement without considering the cause of the lapse scored poorly.

Question 2

The average mark on this question was 5 out of 10. Every year there is a design question and yet every year this is a poorly answered question. P2 is a practice paper and marks are awarded for applying the law to the facts and not simply for stating the law.

Candidates who have pre-prepared a script covering various aspects of designs law and which they reproduced in the exam generally score badly.

This year's design question related to ownership and what can be protected.

The disclosure of the Egyptian temple dog would not reasonably have become known in the normal course of business to persons in the EEA specialising in the field (1). The cushion therefore seems to meet the criteria of new and individual character (1). The surface decoration on the cushion can be protected using RDR (1). UK UDR - cannot protect the surface decoration of the cushion (1). CUDR will protect the surface decoration of the cushion (1). UK RDR will be owned by the commissioner i.e. the High St chain (1). Rights in the Community registered design right will be owned by the designer (1). The designer will also own any Community unregistered design right (1). The Commissioner is a qualifying person so will own UK UDR (1). It is important to check to see if any agreement is in place between the parties which could vary the default ownership position (1).

Those who appreciated that there was an ownership issue which differed according to UK and EU design rights because of the commission of the design scored well, however several candidates failed to explain this crucial point – advising a client to apply for a registered right without considering whether they are the owner of the right is poor advice.

The issue of how novelty is determined over a prior disclosure in a different business sector was generally poorly explained.

A large number of candidates still state the law but don't apply it for example, a justification as to why the cushion cover was new and had individual character, is required not just a statement saying it had to meet these standards.

Many candidates discussed ownership, however few picked up the very easy mark available for asking to see any agreement. In these circumstances, agreements usually exist and it would be expected that candidates explored at least whether or not one was in place.

Question 3

The average mark for this question was 4 out of 10.

Currently PCT1 lacks novelty due to the prior sale (1). PCT1 has two applicants, whereas GB1 has only a single applicant. This is not a bar to claiming priority. (1) A later application must have been filed within 14 months to rely on the late declaration of priority provisions (1). Can make a late declaration of priority on entry into UK national phase under S5(2B) (1). UK national phase entry is due 8th November 2012 (1). Late declaration of priority must be within 1 month of the date of national phase entry (1). Must be on Form 3 with £150 fee (i.e., file form and pay fee) (1). The reason for missing the priority period must be stated at the time of filing the request (1). Evidence must be provided that the failure was unintentional (can be provided later) (1). There is a reasonable prospect of success given the circumstances (1).

Q3 was generally poorly answered. Many candidates gave little thought to the timescales involved, advising that action be taken in the international phase (which has already ended) to secure the priority date and that if successful, national phase entry will then be due 8 November 2012. The key is to understand that the Receiving Office will recognise a priority claim on a late filed application (filed within 2 months of the end of the priority period) for the purposes of calculating time limits within the international phase, whether or not the restoration of the right to priority is requested or upheld. Therefore, national phase entry is inevitably due 8 November 2012 and no further action can be taken in the international phase. However, because the application was filed within the two-month period a late declaration of priority can be requested within one month of entry into the GB national phase.

Question 4

The average mark on this question was 4 out of 10.

PCT – record transaction at IB before 30m (1st December 2012) (1), it will then be effective in all states (1) and no translation of deal document required (1).

EP – record before 9m opposition deadline expires for central effect (15th November 2012) (1). Some countries (depending on validations) may still require separate action before national offices (1). Chinese is not an official language of the EPO (1), therefore to evidence the transaction it would be best to obtain a simplified assignment to avoid high translation costs (1).

GB – don't need to file deal document so no translation costs or further documents required, just sign Form 21 on behalf of both parties (1). Register asap but within 6 months of transaction (register by May 2013) (1).

Need to pay an official fee in each case (although PCT is currently zero).

This question was about the need to file a translation of a lengthy Chinese document in order to record a transaction in the PCT international phase, EP and GB. The need for a translation should have been considered in each case. Obvious marks were lost by candidates not realising that they could file centrally in Chinese at the IB, but of course Chinese is not an official language of the EPO.

Lots of candidates missed out on marks because they failed to pinpoint the critical point. For example, the transaction MUST be received at the IB by the end of the international phase (not RO) and that there does not need to be an opposition actually filed to enable registration at the EPO merely that the registration must be done during the 9 month period. Other candidates said 'before National Phase Entry' but in light of different 30/31 month deadlines this is not necessarily the same as saying during the international phase, which strictly ends at 30 months. Candidates should take care with these sort of details.

Question 5

The average mark on this question was 3 out of 7.

There is freedom to operate in Europe but not UK (1). The granted GB may be immediately enforced (1). The novelty only prior art was filed under EPC2000 (or after December 2007), therefore all states will have been automatically designated, including GB (1). Art cited under Article 54(3) EPC is also citable under Section 2(3) UK PA (1). The GB patent is unlikely to be valid(1). Under S73(1) can apply to the Comptroller to revoke of own initiative (1). May also advise...revocation or in fact launching at risk and counterclaiming for invalidity if sued or getting a Patent Office Opinion or finally a license. (at least one of these suggestions was required for the mark to be awarded) (1)

Q5 was relatively straight forward, although candidates should be reminded to consider the best advice for their client. Clearly the option provided under S73(1) to file observations identifying S2(3) prior art and requesting revocation by the Comptroller would be significantly cheaper than commencing revocation proceedings.

It was surprising how many candidates thought that EP cases could only be citable under S2(3) if the EP case was granted or validated in the UK.

Question 6

The average mark on this question was 3 out of 8.

GB1 cannot be reinstated because its abandonment was intentional (1). Since GB2 was filed within the convention year a late claim to priority from GB1 can be added to GB2 (1). This must be done within 16m of 26 September 2011/earliest priority date i.e. by 26 January 2013 (1). You cannot file a PCT application claiming priority from GB1 because there was no intention to file a PCT by 26 September 2012 (1). You cannot file an EP application claiming priority from GB1 because there was no intention to file by 26 September 2012 or that all due care was not taken (1). You cannot file any applications claiming priority from GB2 because GB2 was not the first application for the subject matter and GB1 was not abandoned until after GB2 was filed (1). It is still possible to file any application which does not claim priority (1), this should be filed as soon as possible but in any case before any publication/GB2 publishes/client launches (1).

Candidates need to be more familiar with the Paris convention. It was quite surprising how many candidates thought they could claim priority from GB2 as GB1 had been withdrawn before publication of GB2. Of course the test is that GB1 needs to be withdrawn before filing of GB2 which it clearly was not. This is very basic law and should be understood.

Candidates should also be bolder when considering giving advice. The question clearly states the client's intention not to file a PCT by 26 September 2012 and those candidates who discussed the possibility of arguing that the failure to file was unintentional wasted valuable time. People lost easy marks for trying to "hedge their bets" around this point.

When recommending that a new application be filed candidates should make it absolutely clear whether they are advising that priority can or cannot be claimed. It is not sufficient to state that "a new PCT can be filed" and assume that this implies "without claiming priority" – no such assumption can be made.

Finally, a US grace period is not always the answer, particularly where there has been no

publication.

Question 7

83% of Candidates attempted this question. The average mark on this question was 9 out of 25.

Misc

GB123 is a granted patent and therefore could be enforced immediately (1).

Direct Infringement

Since company X is not doing any of the acts of infringement under S60(1) (MUDOK), they cannot directly infringe GB123 (1). The tracked harvester made, disposed of, offered for sale or kept (MDOK) by the farm machinery store would be an infringing product under GB123 (1).

Contributory Infringement

Would the turnip harvester be considered an essential element? (since the patent relates principally to the advantage of the track systems) – a discussion of the point was required regardless of the conclusion candidates come to (1). Supply of the component is in the UK (1) ...and the invention is being put into effect in the UK... (1) ...to/by a person who does not appear to be entitled to work the invention (1). Company X was not aware that tracks were being fitted to his machine nor of GB123 existing therefore could not know that the component was either suitable for or intended for putting the invention into effect (1). It is unlikely to be reasonable to expect that company X should have known about GB123 (e.g. revenues from the infringing product do not appear to have notably impacted sales/the GB123 patent does not relate to turnip harvester technology *per se*) (1). Discuss whether a turnip harvester could perhaps be a staple product in the context of the GB123 invention – discussion required regardless of conclusion (1). Since company X was not aware of GB123, there was no inducement of infringement (1). It appears that any case for contributory infringement for previous acts is unlikely to succeed (1). Advise L to request a declaration of non-infringement from the Patentee (Y) (1). By providing full details of activities to Y (1).

Threats

The letter from Company Y would constitute a threat (1). Company X is an aggrieved party as they could/are losing sales (1). The threat in respect of making the product is not actionable (1). A threat has also been made in respect of the selling of a product covered by

GB123, although Company X is not a manufacturer or importer of the product covered by GB123 (s70(4)(b)) (1). The threat in respect of selling is therefore actionable (1). Since the actual harvesters made and sold by company X are not infringing products, the acts undertaken by company X are not an infringement (justification) (1). The selling threat is not justifiable (1). Company X will be entitled to a declaration of groundless threats, injunction against further threats and damages (all needed to gain the mark) (1). It would appear loss of sales would be a reasonable recompense – damages (1).

Future

Now that company X is aware of the activities of the farm machinery store, this changes the liability (1). Sales could be stopped or could be made only on the condition that harvesters are not adapted to have track systems unless licensed by agreement with company Y (1).

Q7 was attempted by most candidates but generally scored poorly. A good answer required a methodical step-by-step analysis of both contributory infringement and threats applied to the facts of the question. Many candidates quoted the requirements for determining contributory infringement but failed to go on to discuss each step against the circumstances outlined in the question and therefore missed marks. Again, candidates need to identify which party they are advising – those who provided a detailed analysis of the infringing activities of Tractors-R-Us wasted time. Few candidates clearly explained the distinction between actionable and unactionable threats when the products are not, in fact, infringing products – a threat in respect of an infringement alleged to consist of making or importing a product is never actionable; such threats can be made with impunity. However, a threat in respect of any other infringing act is actionable unless the recipient has actually made or imported an infringing product for disposal. Since Company X has not made or imported a farm machine fitted with a track system a threat in respect of selling is actionable (S70(4)). Also, candidates should know that remedies for threats include a declaration that the threats were unjustified, not a declaration of non-infringement.

Question 8

Only 20% of candidates attempted this question. The average mark was 10 out of 25. The low number of candidates attempting this question raises concerns about candidates confidence to deal with infringement. Those that did attempt this question managed on the most part to pick up reasonable marks.

Declaration of non-infringement

Before they can apply for a declaration of non-infringement, the applicant is required to furnish full particulars in writing of the act in question to the proprietor (1). The letter sent does not fulfil this requirement as it does not enable you to determine infringement of the claim (1). Suggest responding in the first instance to MM and request further details of the process that they use to make their gluten free dough (1). MM is a user of a patented process and so the threats provisions do not apply (1). In the absence of further information being provided to your client, the Comptroller should not allow the declaration of non-infringement (1). Client (NS) should be advised not to provide a declaration of non-infringement at this stage (1).

Amendment

In the absence of any further information, it would seem that the claim may lack inventive step (1). MM could bring a revocation action (1). Amendments may be made, but must not extend the scope of protection (1), or add matter to the application as filed (two fold test post grant) (1). Consider amending to add the particular ratio into the claim (1). Amendments could be made during proceedings in which the validity of the patent may be put in issue (S75) (1). Amendments could be made at request before the Comptroller in the absence of any proceedings (S27) (so could be done before any proceedings are started) (1). In either case, the amendment will be advertised and MM will have the opportunity to oppose the amendment (1). Amendment should be made quickly to avoid the impact of S62 (restriction of damages for infringement carried out pre-amendment) (1).

Interim Injunction

If their acts infringe MM could be sued for infringement as there is a granted patent (1). Due to the fact that it is a process claim for a new product, the reversal of the burden of proof would apply (1), there will also be infringement as the bread is the direct product of the process (1). Conclude S27 proceedings before bringing action (1). NS should apply for an interim injunction (1). NS need to show that there is a serious issue to be tried and that the balance of inconvenience is in their favour (1). It appears on the information available that there is a serious issue to be tried...and give a reason e.g. MM's letter/dough consistency etc (1). Due to your client's success over several years and the imminent launch affecting sales, balance of inconvenience appears to lie with NS (1). Interim injunction likely to be granted (1). NS will have to give a cross-undertaking in damages in the event that they are unsuccessful at full trial (1).

A discussion of the requirements for providing a declaration of non-infringement, post-grant amendment and seeking interim injunction together with sound advice to your client were required. Candidates were expected to advise their client that a declaration of non-infringement should not be given unless MM provides further details of their process. In view of imminent launch by MM, the scope for post-grant amendment to secure a valid and potentially infringed patent should be considered immediately, so that an interim injunction can be sought on the basis of a valid patent.

Question 9

96% of candidates did this question. The average mark for this question was 13.

Prototype X

Invention X was made before the client was employed therefore Sections 39 to 42 do not apply (1). The assignment appears valid as was in writing and signed by the assignor (1), therefore Company appears to own Prototype X (1). Client is not entitled to any compensation from sales/royalties from Prototype X (1).

Prototype Y

Client did not make Prototype Y as part of his normal duties or duties specifically assigned to him (1). It is reasonable that Prototype Y belonged originally to the client (1). Has an assignment actually taken place (1)? Look at documents which were signed...(1)? In the absence of an assignment the client is entitled to the patent (1). The client may take action under Section 37 to gain ownership of the patent (1). There is a time limit of two years from grant to be taken into account (expiring in December 2012) (1). If the client becomes the proprietor can they take advantage of any royalties already paid to the company (1)? License to 3rd party DIY store would lapse (1) but the DIY store is entitled to a new license on reasonable grounds (1).

If an assignment had taken place - the employee can apply for compensation under Section 40(2) (1). Is the client's promotion and modest pay rise adequate given the benefit derived by the employer (1)? Discussion regarding a proportion of the £3m in royalties, which were obtained from X and Y?

Prototype Z

It is reasonable that client was employed to invent under normal duties (1). Prototype Z belonged to the Company due to client's position in the design department (1). Could seek compensation under S40(1) (1) if, having regard to size and nature of employers undertaking

(1), the invention or patent for it was of outstanding benefit to the employer (1). Reasoning – a discussion regarding sales costs, single best item ever sold by company, improved record company sales is expected to justify point above (1). Reasonable that client should be due compensation (1). A time limit of 1 year from patent ceasing to have effect exists to claim compensation (1).

Q9 was relatively straightforward. Candidates who handled prototypes X, Y and Z separately and analysed ownership and compensation in a logical step-by step fashion generally achieved high marks. Some candidates failed to identify that since prototype X was made while your client was unemployed S39-42 cannot apply. The vast majority of candidates applied the provisions of S40(2).

Many candidates considered the possibility that the documents the client signed with respect to his promotion may have included an assignment of prototype Y, but neglected to ask to see the documents.

Candidates were much better this year on the tests for compensation in different scenarios, but need to remember that the outstanding benefit under S40(1) could come from the invention or the patent. Many candidates simply stated down “invention”, or “prototype Z”. Prototype Y was either rightfully owned by your client, in which case a discussion of entitlement action and the effects on existing and future licences was required or it was first owned by your client and subsequently assigned to his employer in which case a discussion of S40(2) was required. Prototype Z was owned by the employer by virtue of your client’s employment and discussion of S40(1) was required.