

2017 FD1 – Advanced IP Law and Practice

FINAL Mark Scheme

PART A

Question 1

Your UK client Perpetua Ltd. (**P**) asks you to draft and file an International application on their behalf without claiming priority. They ask that the application is filed before the end of the month as they intend to demonstrate the invention in early November 2017 overseas.

The subject matter relates to a new spring mechanism for use in tank and heavy artillery guns allowing the cartridges to be expelled from the barrel more quickly after the gun has fired and for another cartridge to enter the chamber.

Advise your client regarding their filing proposal.

4 marks

Mark scheme

- 101** Subject matter relating to military tech may be covered by security provisions...
- 102** You need to seek permission to file abroad and to publish the invention (FYI this is based on S22(1))
- 103** Advise filing a UK national application, but without prior permission will need to wait at least 6 weeks (before filing PCT or abroad or demonstrating the invention) in case S22 directions are issued.
- 104** Alternatively, can file a PCT application at the UKIPO (to comply with client's wishes) but if S22 directions are issued the application will not be forwarded to the IB or ISA.

Question 2

Your US client, Mr Smooth, comes to you with his new ring which has an adjustment mechanism allowing the ring to be resized for different fingers. The adjustment mechanism gives the ring a particularly distinctive appearance, and so he has replicated its appearance (but not the mechanism itself) in a matching bracelet and necklace. Mr Smooth tells you that he launched his jewellery range in the US around 9 months ago, and will shortly be launching in Europe.

Mr Rough, a competitor of Mr Smooth has a business making low cost replica jewellery. Three months ago, Mr Rough launched, in the UK, a matching ring, bracelet and earrings which can be sold individually or together as a gift set. The ring is not actually adjustable, but includes the appearance of Mr Smooth's mechanism. The bracelet appears identical to Mr Smooth's. The earrings include the appearance of the mechanism.

Mr Smooth asks for your help in stopping Mr Rough. He has not yet taken any steps to protect his products.

Make notes, relating to registered designs only, in preparation for a meeting with your client.

10 marks

Mark scheme

Registerability

- 201** Registered design protection can still be sought in the UK/Europe because less than 12 months has lapsed since your clients disclosure (grace period).
- 202** Grace period does not protect against 3rd party disclosures however, Mr Rough copied from Mr Smooth
- 203** The mechanism appearance may not be solely dictated by function, so it is likely that registered design protection would be available for these items as a whole.
- 204** Recommend filing a single or multiple Community design registration **covering the mechanism per se**
- 205** Recommend filing on the appearance of the mechanism, **when applied to each jewellery item.**

Infringement

- 206** **From registration** – it will be possible for Mr Smooth to enforce his reg design right.
- 207** For infringement the mechanism must confer on the user the **same overall impression** which is likely due to being replicas (conclusion required)
- 208** The bracelet at least is identical therefore if Mr Rough has copied then this was not in good faith and prior user rights will not apply.
- 209** Because the design was copied before the registration no criminal sanctions will apply to Mr Rough.
- 210** The earrings/ and giftsets containing them would be covered by the appearance of the mechanism RDR as design is not limited to the article to which it is applied.

Question 3

The Managing Director of a lighting company, Lights R Us (L), comes to you and explains that on 6 Jan 2015 the company filed a GB patent application (GB1) in the name of Lights R Us, disclosing and claiming a special bulb filament. Development did not progress as quickly as expected, as it was difficult to manufacture the special bulb filament at a commercially viable cost. Lights R Us therefore withdrew GB1, in writing, on 4 Dec 2015. A second GB application, GB2, was then filed in the name of Lights R Us on 5 Jan 2016. In addition to disclosing and claiming the special bulb filament, GB2 disclosed and claimed an improved process which enabled the special bulb filament to be made more cheaply. The search reports for GB1 and GB2 did not identify any relevant prior art.

On 5 Jan 2017, a PCT application, PCT1, claiming priority from GB2 was filed in the name of Lights R Us. PCT1 contains claims to the special bulb filament and the improved process for making it.

GB1 published on 5 July 2016. The UKIPO have no record of the withdrawal letter being received.

Write notes for a meeting with your client considering only the UK market.

10 marks

Mark scheme

Priority

- 301** GB2 is first filing for the improved process (effective date 5 Jan 2016)
- 302** GB2 is first filing for the filament only if GB1 was abandoned or withdrawn **without leaving any rights outstanding** before the filing of GB2
- 303** Does the client have any evidence that GB1 was validly withdrawn (dated letter, proof of postage, proof of delivery, fax confirmation)?
- 304** If evidence of withdrawal is available priority for filament is valid for GB2
- 305** and GB1 was not S2(3) art because it was withdrawn before the publication date.
- 306** If no evidence is available then the priority for filament is not valid for GB2

Patentability

- 307** There is no prior art for the process claims, therefore they are likely valid
- 308** If the priority claim is valid, there is no prior art and the claims to filament will be valid
- 309** If there is no valid priority claim then publication of GB1 is full prior art and the claims to the filament lack novelty.
- 310** May be possible to gain UK protection anyway for filament– consider what can be recovered from GB1 or GB2.

Question 4

Your client, Mr Smith (**S**), calls to say he is considering making and selling a product which he believes falls within the scope of the claims of unrelated patents GB1 and EP2 which are directed towards different subject matter.

GB1 was filed on 7 February 2013 and granted on 18 March 2016.

EP2 was filed on 10 September 2013 designating GB and the mention of grant in the European Patent Bulletin took place on 24 August 2017.

Mr Smith tells you he has checked the UK Register of Patents and there is no record of any renewal fees having been paid to the UK Intellectual Property Office on either of the two patents. He believes he is therefore free to make and sell the product with no risk of infringement in the UK.

Write notes for a meeting with your client.

10 marks

Mark scheme

UK

- 401 The first renewal fee (for year 5) on GB1 was due on 28 (end of) February 2017 and has not been paid.
- 402 The renewal fee for GB1 could have been paid late together **with an additional fee**, up to 31 (end of) August 2017.
- 403 This has not been paid so GB1 has lapsed.
- 404 It may be possible to seek restoration of GB1 (up to 30 (end of) September 2018) provided the failure to pay was **unintentional**.
- 405 But **serious and effective preparations in good faith** would permit the client to continue his activities.
- 406 providing the client's activities began after 31 aug/ from 1 September 2017/after grace period and before publication of the notice of an application for restoration

EP

- 407 The first renewal fee (for year 5) on EP2 is due 30 (end of) November 2017 because...
- 408 EP2 was granted within 3 months of the anniversary of the filing date so a three month period is permitted from the grant in which to pay the renewal fee (ending on the last day of the month).
- 409 EP2 is still in force and will be infringed if the product is (made and/or sold) in the UK.
- 410 File opposition to EP2 by **24 May 2018/within 9 months from grant**

Question 5

You recently filed a UK application for a new client. The application has the following claims:-

Claim 1: A shampoo comprising a herbal active ingredient.

Claim 2: The shampoo as claimed in claim 1, wherein the herbal active ingredient is from mint.

Claim 3: The shampoo as claimed in claim 1, wherein the herbal active ingredient is from basil.

Claim 4: The shampoo as claimed in claim 1, wherein the herbal active ingredient is from fennel.

A partial search report has been carried out on the basis of claim 2. In the light of the search, the examiner deems claim 1 not novel and, therefore states that the claims lack unity of invention.

The applicant is invited to pay additional search fees in respect of claims 3 and 4. Your client asks what the report means and what they need to do.

Write notes for a meeting with your client.

7 marks

Mark scheme

- 501** Unity of invention requires that the claim or claims shall relate to **a single inventive concept**.
- 502** The first claimed invention is unpatentable, so the Examiner has directed the search to the first patentable invention (claim 2).
- 503** Could argue novelty of claim 1 (or unity of claims 2-4) in light of the prior art (check if possible) or amend if basis in the spec.
- 504** Can pay the additional fees for a further search for claims 3 and 4 **plus a suggestion it's a good option because** eg ...which will give max flexibility/help determine patentability
- 505** There is no immediate deadline for doing so/ by 3m from end of compliance period
- 506** If successful in restoring unity – fees may be refunded
- 507** Can file a divisional to pursue non unified subject matter.

Question 6

Your client is a GB company which manufactures and sells bird feeders in the UK and has called you to ask your advice.

“Last week we received a letter from a major competitor bringing to our attention their patent EP1234567.

EP1234567 has claims to:

- 1. An automatic bird feeder*
- 2. The automatic bird feeder of claim 1 wherein the bird feeder comprises a spring mechanism.*
- 3. The bird feeder of claim 2 wherein the spring mechanism is made of biodegradable material.*

I know when we were setting up the business our company carried out a freedom to operate search and although we knew this application was pending we did not believe it would grant due to prior art which makes claim 1 invalid for novelty and claim 2 invalid for inventive step. The only claim we thought would grant validly was claim 3 but we weren't worried because our spring is made of a different material. We have a bad relationship with this company and know they will be aggressive with enforcing their patent against us. What can we do to bring the validity issues to the attention of the UK Intellectual Property Office?”

Your client explains that they wish to act. You check the register and see that EP1234567 was filed in 2014 and granted on 15th November 2016. You review the prior art and agree with their assessment.

Write notes for a meeting with your client.

9 marks

Mark scheme

- 601** There is no actionable threat (manufacturer) or confirm details of letter as only bringing attention to a patent is not a threat
- 602** It's too late to file an opposition as the deadline has passed (15th August 2017)
- 603** Patent is granted and can be enforced immediately.
- 604** Client is at risk of an interim injunction being brought against them.
- 605** Client should act quickly because it will give the client control of the situation
- 606** Revocation or declaration of non infringement should be sought
- 607** claim 2 is novel but arguably not inventive may go either way - client may still infringe claim 2
- 608** claim 3 does not currently cover our clients activities
- 609** The client is likely to be countersued for infringement and possible remedies include damages or account of profits, final injunction, delivery up or destruction, declaration of validity and infringement (and costs). (all needed)

PART B

Question 7

A new client, Creatz UK, writes to you to discuss an issue that has come to their attention regarding their employee, Edward.

“In November 2016, Edward, whilst at work in his previous UK employer’s research lab, accidentally mixed up his reagents and, based on the results, realised he had found a new use for a known compound (X) for treating a rare disease known as OMG.

He was very excited about his idea and contacted his innovation team, who collate all project proposals and decide which ones the company (Norfolk R&D) should fund and progress. After some internal meetings about his idea, Edward did not think it was one that the company, Norfolk R&D wished to progress.

Some months later, at the end of February 2017, Edward met an old friend, Dr Terrier (T), in the pub, where he spoke to Dr Terrier about his idea, and his disappointment that the previous company had not taken it up. Dr Terrier told Edward he now sat on the board of a leading research organisation, and suggested they might be willing to provide funding for the idea and to start a programme to investigate Compound X. Edward didn’t think any more of it and hasn’t been in touch with Dr Terrier since.

In May 2017, Edward left Norfolk R&D for a job in the academic lab at Creatz UK. Whilst at work, Edward’s new boss, who is also the CEO, suggested they do some experiments with Compound X. During this work together they in fact found that a totally unrelated compound Y works even better to treat OMG.

Creatz UK filed a UK patent application, GB1, on 1st September 2017 with claims to:

1. Compound X for use in treating OMG
2. Compound Y for use in treating OMG

Edward was named as sole inventor and Creatz UK as sole applicant.

Creatz UK also decided to put together a detailed review for submission to a leading journal. The paper was published on 15th September 2017 as a headline article and included reference to the unpublished patent application we had filed.

Interestingly, a week later, Norfolk R&D also published an article relating to Compound X to treat OMG with similar data, showing they had in fact continued to work on Edward’s original idea after all.

Edward has now received a letter from Dr Terrier saying that he has seen the review articles and is very disappointed with what he believes to be the leaking of his work and stating that Dr Terrier’s research organisation has spent a huge sum of money funding this research and that we will need to compensate them?

At Creatz UK we are angry because we believe the idea is owned by us due to Edward’s current employment with us and because we filed the application. The idea relating to Compound X was Edward’s and not Dr Terrier’s, therefore we don’t understand how we have done anything wrong – please can you help?”

Prepare notes for a meeting with Creatz UK.

25 marks

Mark scheme

Inventorship of X

- 701 Edward was the inventor of compound X for use in OMG whilst at Norfolk.
- 702 Edward was employed and the invention was made during his **normal duties** and it was **reasonable that an invention may arise**.
- 703 Default position is that Norfolk R&D were the first owners of the invention.
- 704 Check contract for ownership provisions that are more generous towards Edward?

Pub discussion

- 705 Was Edward's conversation to Dr Terrier of Compound X for treating OMG a publicly available disclosure?
- 706 Was Edward's conversation to Dr Terrier of Compound X for treating OMG an enabled disclosure.
- 707 if the disclosure in the pub was public **and** enabling then the application is not novel in respect of X for OMG
- 708 This was likely made in breach of confidence by Edward
- 709 Dr Terrier made no contribution to the inventive concept
- 710 Dr Terrier has no entitlement to application under S8 against Edward nor to any compensation.
- 711 Write to Dr Terrier to explain the position.
- 712 If a breach of confidence the breach would need to be no later than 6 months from FD in order to be excluded from the prior art
- 713 Pub discussion was in Feb therefore more than 6m therefore cannot be discounted by any party.
- 714 Search/Watch for applications from Norfolk and Dr Terrier.

Y

- 715 is Y for use in OMG inventive? Unrelated compound? Reason given...
- 716 Edward and CEO should be named as inventor on application.
- 717 Edward was employed and the invention was made during his **normal duties** and it was **reasonable that an invention may arise**.
- 718 CEO's contribution may or may not have been normal duties but irrespective his position falls under a **special obligation**
- 719 Creatz UK therefore will be entitled to subject matter of Compound Y for use in OMG

Entitlement/Risks

- 720 Norfolk may bring an entitlement action in so far as it relates to Compound X
- 721 a new application may be made to X, naming N as owner.
- 722 Timeframe for doing so is far away therefore no certainty can be obtained at the present time.
- 723 Explain to your client that filing of the application and Edwards' current employment does not automatically mean that Creatz own the invention
- 724 If Creatz have entitlement it did not derive from Edwards current employment
- 725 Suggest separating the subject matter of X and Y either by amendment or could file a divisional

Question 8

A new client, Vera, contacts you today. She tells you that she makes and sells lipstick and explains that, for many years, lipstick has commonly contained a wax such as beeswax and a dye X, which gives a good, long lasting colour. However, the lipstick causes staining of the lips, which consumers dislike.

A year ago, she discovered that by adding a small amount of two more dyes, Y and Z, the lipstick gave the same colour benefit but without staining. This only worked when the level of dye Y was used at less than 25% of the total amount of dye.

Eleven months ago (11th November 2016), her previous patent attorney filed a GB application to her new invention with the following claim:

1. A lipstick comprising beeswax base and a mixture of dye X, Y and Z.

Vera began selling the new lipstick in the UK 6 months ago and as sales have gone through the roof she now wants to expand to other markets. Her marketed lipsticks contain a total amount of dye of 1.4 % in a beeswax base in the amounts of X=1%, Y=0.3% and Z=0.1%.

Vera has recently received two letters:-

The first, from a large cosmetics company BeautiQue, enclosing a published PCT application, filed October 2015 with no priority claim.

The patent application has the following claim-

1. A lipstick comprising a beeswax base and from 1.35 to 20 % of a mixture of dye X and dye Y.

The lipstick is shown to give enhanced glossy colour, compared to dye X alone, or dye Y alone.

The second, from another large cosmetics company, Solitaire (a great rival of BeautiQue), that says "We wish to inform you of the existence of our patent, which was filed in January 2014 and is pending in the UK. We further inform you that we have requested accelerated grant in the UK by reason of infringement."

The patent application has the following claims:-

1. A lipstick comprising a beeswax base and at least one dye.
2. The lipstick as claimed in claim 1, wherein the dye is selected from dye A, dye C, dye X, dye Y and mixtures thereof.

Write notes for a meeting with your client.

25 marks

Mark Scheme

Infringement of B's patent application

801 Does 1.3 % (X+Y) dye infringe the range 1.35 – 20?

802 discussion required as to ranges and infringement

803 Conclusion – **not** infringed (if application granted with claim in current form). If using Actavis needs to say so to conclude infringement and why.

Infringement of S's patent application

- 804 Vera infringes **both claims** of S's case (if application granted with claim in current form).
- 805 Neither B's nor S's letter leads to a groundless threats action **because**– not actionable as manufacturer (or because only drawing attention if explained).

Patentability of Vera's patent application

- 806 File (national/PCT) application(s) **claiming priority from** current UK to protect future markets
- 807 By 11 Nov 2017
- 808 Vera's claims are novel because of the addition of Z
- 809 Vera's claims are inventive because of the non-staining technical effect
- 810 Comment on the sufficiency of the claim without 25% limitation
- 811 As the lipstick has now been disclosed/launched any amendment to deal with sufficiency will need to be entitled to priority to avoid being invalid

Patentability of S's application

- 812 Claim 1 is not novel over CGK
- 813 Claim 2 not novel as includes beeswax and X
- 814 Claim 2 may be amended to a novel combination and also still covering Vera's product.

Patentability of B's application

- 815 B's claim is novel and inventive due to the specific combination/selection

Other/Actions

- 816 Find evidence of CGK or additional prior art
- 817 Nothing is yet granted – no action can be taken
- 818 Liability has changed as you are now on notice
- 819 Continued sale – provisional protection may apply
- 820 Accelerate prosecution to grant for Vera's patent application but UKIPO will require a reason.
- 821 Cross license opportunities with B and S –to gain immunity from infringement – need to explain who you would license and why.... not just "license"
- 822 B's would be citeable under 2(3) if enters nat phase (May 2018)
- 823 Could file 3rd party obs
- 824 Watch B and S's applications
- 825 Search for equivalents **of S's patent** e.g. in the US and other markets.

Question 9

A new client, Flotation Developments Limited (FDL), has come to you to discuss their UK patent which claims a part which significantly improves the efficiency of speedboats. The patent was granted in 2012.

Your client informs you that they have evidence that a Far Eastern speedboat manufacturer is planning to import into the UK, a new range of speedboats which employ the same part, but which the speedboat manufacturer has sourced in the Far East. Some of the speedboats will be sold in the UK through a dealer network to both individual customers and charter companies, while others will be re-exported from the UK to other European countries. The speedboats for re-exportation are not registered in the UK.

Your client also advises you that the speedboat manufacturer is promoting the new range by way of a flagship speedboat, also employing the same part sourced from the Far East. The flagship speedboat was developed and built by a German based team who are competing in a world race series, which includes a race in the UK.

The speedboat manufacturer is also intending to import replacement exhaust systems employing the part (from the Far East) to service and repair both the imported speedboats and to retrofit existing speedboats, in the UK and other European countries.

Write notes for a meeting with your client.

25 marks

Mark Scheme

Infringement of parts in boats for sale

- 901** Check renewals have been paid and patent is in force
- 902** Importation of boats employing the part is a *prima facie* act of infringement.
- 903** Boats registered in the UK and intended for sale in the UK will infringe (both to individuals and to charter companies)
- 904** Boats for re-export which are already **registered outside** the UK will be considered **temporarily** in UK waters therefore will have a **defence** to infringement
- 905** Boats (in the UK) for re-export which are **unregistered** will be an infringement
- 906** We need to determine where the flagship boat is registered ...(eg Germany)
- 907** The flagship boat will not infringe because it seems it is legitimately only temporarily in the UK.
- 908** Need to review client's 'evidence' of the expected infringement
- 909** If successful at full trial remedies include.... **full injunction, delivery up or destruction, damages or account of profits, declaration of validity (if challenged) and infringement** (and costs.)
- 910** Contact speedboat manufacturer and draw attention to client's patent.
- 911** Could seek an interim injunction for the part – or boats containing the part.
- 912** Best to act promptly (before importation commences).
- 913** Need to show there is a serious issue to be tried. ...**which there is** ...this is not difficult and can be based on the information the client has.
- 914** Unlikely to be granted an interim injunction because damages are likely to be adequate compensation.
- 915** Can offer licence or agree supply of client's product to speedboat manufacturer.
- 916** This is a better course of action as may be commercially valuable to work together.

Retrofitting

917 Retrofitting the parts to boats will infringe.

Right to repair

918 The replacement part systems will infringe.

919 As repair of boats with the part uses the **heart of the invention/central inventive concept** (or appropriate wording)...

920 **repair would infringe**

Other parties/actions

921 Dealers will infringe

922 Charter company customers will infringe

923 individuals will be exempted to the extent any use is private and non-commercial

924 identify the Far Eastern supplier and out them on notice

925 check for equivalents in other territories (as these may be useful in additional actions)