

Examiner's Report Year

FD1 – Advanced IP Law and Practice

Introduction

This year's pass rate of 60% was slightly higher than in the last few years.

This year it was again evident that candidates who failed tended to recite everything they had learnt. This is not sufficient. FD1 is an advanced examination to determine suitability to practise as a patent professional by giving advice to clients regarding complicated scenarios.

FD1 is a difficult examination and too many candidates appeared to have attempted to take the paper before they had sufficient experience in handling a number of issues and giving clear, sound and reasoned advice to clients.

This Examiner's report is intended to help candidates to be aware of common pitfalls that are seen every year. It is hoped that this will help candidates to interpret the law correctly and not to write incorrect statements, for example by paraphrasing. Candidates are strongly advised to make use of the scheme which details where the most important marks were considered to fall.

Part A

Question number	Comments on questions
Question 1	<p>The average mark achieved for this question was 3 out of 5.</p> <p>The question addresses a new formality introduced shortly before the examination and which was highlighted in a notice to candidates on the PEB website.</p> <p>Some candidates did not recognise the seriousness of non-payment and the resulting consequence that without payment the application lapses. This fundamental point was rarely communicated to clients. It is important that if you are going to suggest to a client that you take action or incur fees you need to explain to your client why this needs to be done.</p> <p>The fact that the extension is <u>as of right</u> is important, as it means negative consequences can be cleanly avoided by taking appropriate action, for example the specific wording used is not relevant. However it needs to be clear this is a certainty for your client. Claims fees are payable for those in excess of 25. Many candidates stated that claims fees were payable for more than 15 claims, therefore confusing with EP practice.</p> <p>A least one candidate failed to correctly add two months to September 2018 and consequently lost a mark by making an inconsistent statement that a two month extension to December was available. Although it is appreciated that the 2 month time period was correct, the incorrect calculation of the date could have serious consequences for the client so this attention to detail is vital.</p>

Question 2	<p>The average mark achieved for this question was 6 out of 10.</p> <p>Generally this question was well answered but incomplete analysis meant available marks could not be awarded.</p> <p>The designs question covered a number of aspects of designs law and practice including application procedure, representations and ownership. Candidates were expected to advise their client that two UK designs applications should be filed, one to the shape and one to the pattern. The design was created by an external design agency and candidates were expected to explain that the first owner is the designer and not the client. Although most candidates scored well on the ownership part of the question there were still some who referred to ownership by commission, which is not current law and changed in 2014.</p> <p>The separate needs of the shower tray (shape) and the surface pattern (decoration) were often blurred together and not recognised. When filing strategy for both was discussed very few mentioned the possibility of later dividing a single application.</p> <p>Although candidates often recognised the benefit of line drawings for optimal protection of the tray, discussion often did not extend to the related point of appropriate drawings for the pattern and the incompatibility of both drawing types in a single application. The available mark for discussing the use of a disclaimer was infrequently awarded.</p> <p>The client had provided solid CAD drawings and candidates were expected to appreciate these might not be ideal. According to Designs Practice Note 1/16 line drawings are required to best protect the shape, but this is not necessarily the case with the pattern and some discussion of the practicality of using the solid drawings was expected. However, it is not permitted to mix simple outline drawings with tonally shaded CAD drawings in the same application. The practice note also explains that for shapes it is best to include a disclaimer to pattern, for example along the lines of “protection is sought for the shape and contours alone”.</p> <p>Finally, although many appreciated the existence of a grace period, many still did not advise to act quickly and that reliance on the grace period is inadvisable since it does not protect against independently derived disclosures: this is a way of mitigating risk for your client.</p>
Question 3	<p>The average mark achieved for this question was 4 out of 7.</p> <p>Most candidates realised the question related to provisional protection. However, marks were often missed due to a poor understanding of the applicable legal tests i.e. failure to mention the need for infringement of the claims as published and of the patent as granted; also that there required a <u>reasonable expectation</u> that a patent would grant covering the infringing act (not that the published claims would grant) and that amendment to a dependent claim is considered to meet this</p>

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	<p>requirement. Some thought that the infringer was required to infringe (only) the independent main claim for provisional protection to occur contrary to s.69(2)(b) which refers to claims (plural) i.e. the entire claim set.</p> <p>It is important to note that damages would not be available for a period of innocent infringement. Comments stating that damages would be reduced were not correct.</p> <p>This period of time for which damages could not be obtained also gave the justification for putting the infringer on notice. This mark was picked up more frequently. Good candidates recognised the disadvantage of putting the infringer on notice before grant, as it could result in observations and delay the expected grant.</p>
<p>Question 4</p>	<p>The average mark achieved for this question was 4 out of 8.</p> <p>While many candidates may not undertake a lot of UK prosecution, it is important for the UK papers to test candidates' competency to practise before the UKIPO. Q4 was a very practical question which required an understanding of processes approaching the compliance date. Marks which were less commonly awarded included stating the significant consequence of non-compliance, appreciation that the examination response date will be shorter than normal and earlier than the compliance date, and that the deadline for response must be extended separately from the extension to the compliance period itself.</p> <p>The majority of candidates appreciated that the compliance period was imminent and could be extended. Almost all candidates realised that a response to the examination report needed to be filed as soon as possible. However, candidates often did not handle this part of the question well regarding what to actually do. A surprising number recommended the filing of a divisional despite this course of action not being helpful to the client and being out of time.</p> <p>Finally, only a few suggested calling the Examiner for discussion as a practical suggestion to move the application along.</p>
<p>Question 5</p>	<p>The average mark achieved for this question was 7 out of 10.</p> <p>Candidates generally scored well on this question but those who dropped marks did so for merely reciting the law and not applying it to the fact pattern given to show that each legal requirement had been met. Almost every candidate mentioned the words "essential element" or "staple commercial product" but marks were not awarded unless candidates then discussed why, based on the information given, the ball bearing might meet this part of the test.</p> <p>Before considering contributory infringement, it is worthwhile concluding that direct infringement is not relevant. Supply to an entitled person is not contributory infringement, though consideration of entitlement of the recipient to work the invention was less common.</p>

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	<p>Many discussed the double territorial requirement but then explained it incorrectly. First, the supply or offer must be in the UK, and second the invention must be for putting into effect in the UK.</p> <p>As a result, this was often weakly handled. Few gave the correct reasoning for why the US/JP activities would not meet this requirement: because it is not where the supply occurred that mattered in this case but where the invention was intended to be put into effect.</p>
Question 6	<p>The average mark on this question was 5 out of 10.</p> <p>Year on year it is concerning how many issues arise with questions relating to priority, which is a fundamental principle of patent law and one that candidates should be able to deal with by the time they sit advanced level exams.</p> <p>One common area where marks were lost was the deadline by which the priority period could be claimed. Few candidates were familiar with the two ways in which the deadline could be calculated, though many got the correct date from the 16 month calculation. When there are two possible ways to calculate a deadline it is important to state both and to explain then which applies (e.g. the earlier or later). Although very few appreciated this, most managed to at least get the correct date and were awarded one of the 2 marks available.</p> <p>A number of candidates erroneously went down the reinstatement route, which was not necessary in this case.</p> <p>The impact of the disclosure of Y on inventive step for X was sometimes overlooked – it is important to consider the impact of a disclosure for both novelty and inventive step.</p>

Part B

Question number	Comments on question
Question 7	<p>The average mark achieved for this question was 9 out of 25.</p> <p>This was clearly a popular question to answer. However, there are still topics which require a more thorough analysis and where it is important to be specific with language to gain the marks.</p> <p>This question had key topics relating to ownership, confidentiality of the client's invention and questions over the use of data and the confidentiality of Perfecto's information.</p> <p>Frequently the marks available for the concerns over the confidentiality of the client's invention were missed, despite the question stating the invention has been given to a third party and there being no detail on the nature of this disclosure. Those answers that made generalised comments about confidentiality without explaining what it related to did</p>

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	<p>not attract the marks because discussion of confidentially obligations on the client regarding, for example, Perfecto is not the same issue.</p> <p>The ownership section was often complicated by candidates writing several pages of notes regarding employer/employee relationships when in fact Pete's role was fairly straightforward as an independent inventor. Pete was unlikely to have been employed and, therefore, these sections of the act did not apply. Some candidates discussed right to compensation, which applies to employees only, despite having concluded that Pete was not an employee. This sort of answer gives the impression that candidates do not understand the law but are merely reciting topics they have committed to memory in the hope they are relevant.</p> <p>Ownership followed inventorship and Pete was the first owner. Your client would, therefore, need Pete to assign. However, at this point many candidates stopped. Very few went on to appreciate that Pete might not agree to assign and that your client could not force him to do so. Very good candidates did, however, appreciate the leverage they had regarding the previously filed broad application that would mean that if Pete did not assign that he would not be able to work the invention without a license from your client anyway. Resolving the current problem still leaves the possibility of future inventions having the same issue, so recommending a general contract be put in place was sound advice.</p> <p>The issues concerning the test data and how it was obtained (in Perfecto's confidential process) was often handled poorly.</p> <p>A number of candidates attempted to answer this question by simply asking a series of questions but without providing any conclusions to those questions. Highlighting a point in the form of a question may be a succinct way of illustrating an issue. If no conclusions are given, however, then little advice is given to the fictional client and few marks can be awarded.</p> <p>In general, candidates failed to distinguish between the data generated and test procedure itself. The procedure is clearly confidential, but the data may or may not be. The procedure clearly belonged to Perfecto, but the data could be owned by either party. Therefore the client could potentially use the data for their own benefit, subject to confidentiality issues in respect of the process.</p> <p>Candidates who separated and discussed the process and the data generally gained higher marks.</p>
Question 8	<p>The average mark achieved for this question was 11 out of 25.</p> <p>On the whole, this was a well answered question despite the number of applicants and different subject matter in different applications.</p>

	<p>Unnecessary time was sometimes spent considering patentability of the US cases. Your client is not working/using the invention outside the UK and has no apparent need to do so. It is important to focus on the client's needs. Those candidates who structured their answers poorly produced inconsistent statements about priority entitlement, effective dates and relevant art, and lost marks as a result. An analysis is perhaps best undertaken on a case by case basis (for the relevant cases) and subject matter by subject matter within that. It is disappointing to see candidates lose marks as a result of an unstructured approach to questions.</p> <p>Some candidates mentioned that the US cases would be novelty only prior art (not true under US practice where unpublished cases are full prior art and not true under EP/UK law where US cases are not citable for S2(3)/Art54(3)). Revocation for lack of entitlement is not an action which is available to your client, as they are not an entitled party. Finally, under current case law, lack of entitlement to claim priority at the time of filing cannot be resolved through subsequent agreement.</p> <p>The majority of candidates appreciated there were issues around the priority rights of USCIP/PCT1/EP1 for the general coiled and three coiled widgets.</p> <p>Most candidates discussed the general coiled widgets well. The three coiled widgets were handled less well. Most candidates identified that the applicants for USCIP (Rachel and Harry) were different to the applicant on PCT1 (Rachel). The impact of this difference, however, was often incorrectly analysed and, as a result, the patentability analysis was likewise incorrect.</p> <p>Candidates often realised the importance of contributing to the existing opposition but missed intervention as a route if an action were brought. The fact that the critical new grounds could then be raised was poorly understood.</p> <p>The majority of candidates discussed the four coiled widgets well and picked up the available marks. Better candidates mentioned the uncertainty around equivalents following Actavis. A detailed analysis was not required but recognition is expected that some caution is required in making definitive non-infringement conclusions for 3 or 4 coiled widgets.</p> <p>As the risk of infringement sits with your client, conclusions regarding obviousness (in the absence of definitive information) and a consequential lack of infringement should be made carefully.</p>
Question 9	<p>The average mark achieved for this question was 11 out of 25.</p> <p>Very few candidates chose to answer Question 9 but those that did so, answered it well. It is difficult to provide reasonable comments when so few attempted this question as trends cannot be seen as to where</p>

	<p>candidates missed the marks. It was surprising how few chose to answer such an open question, but those that were not put off by its brevity scored highly.</p> <p>This question presented candidates with a situation that might regularly arise in practice, where at the outset you have incomplete and potentially inaccurate information, but the client still requires an opinion as to their potential for patent enforceability and infringement. The question referred to medical diagnosis, but very few marks related to this aspect and it was subject matter that all should be comfortable with advising on at this level. Candidates were expected to explain the initial actions they might take, to advise on the potential validity and risk of infringement of the earlier patent, to discuss the potential patentability of the client's invention and to consider how the concerns of the potential investor might be addressed.</p> <p>Initial actions include reviewing the activities around the earlier patent, such as noting the patent is granted and that it is too late to file an opposition, looking to see if an opposition has been filed and advising that, if so, observations might be filed. The status of the patent in the EP states should be established and a search for equivalents in non-EPO countries should be carried out together with their status and any cited prior art. A watching search should be put in place to monitor the status of all cases identified. The client can be advised that it is free to continue its activities in any country where there is no patent protection or freedom to operate issues. It should also be explained that the negotiations with the potential investor need to be in confidence because the investor is, at present, a third party.</p> <p>With regard to potential infringement, we would need to assess the scope of the claims of the patent because we do not know exactly what they cover. However, we can explain to the client that diagnostic tests of this type are not excluded from patentability if conducted in certain ways (in vitro/ex vivo). A prior art search should be carried out and the patent should be assessed for validity. Sufficiency should be considered because there is a broad claim and only a single example. The potential for amendment should be considered, for example to cure any issues with prior art identified in the search or to cure any insufficiency problems. The risk of infringement by the client should be considered in both granted and potentially amended forms and a freedom to operate analysis should be conducted.</p> <p>With regard to patentability of the client's new test, there should be an assessment of novelty and inventive step. The test appears to be novel based on the information provided and inventive due to the improved accuracy. A priority application should be filed as soon as possible followed by a PCT application within 12 months, for example to defer costs and/or to maximise term.</p>
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	<p>With regard to the concerns of the investor, the client could request an IPO infringement opinion or a declaration of non-infringement, but these would disclose the client's test. Similarly, an IPO validity opinion could be requested or a revocation action could be started, but this would reveal the client's interest (but not the actual test). If considered necessary or desirable, once a patent application was filed the owner of the EP could be approached with a view to licensing. The client's patent application should be expedited to improve the position with the potential investor, for example a positive search report would help investor confidence. Finally, since the invention is in the field of medical diagnosis, the client should be advised the claims may vary depending on the local jurisdiction.</p>
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