

Examiner's Report Year

FD1 – Advanced IP Law and Practice

Introduction

This year's pass rate of 48% was comparable to previous years.

Although it is stated every year it seems the message is still not hitting home that the clear reason that candidates are failing is that reciting everything they have learnt is not sufficient – the FD1 paper is an advanced paper to determine suitability to practise as a patent professional by giving advice to clients regarding complicated scenarios.

This year candidates scored better in Part B than they did in Part A. It is concerning that such low marks on question 3 were being obtained when this relates to Priority which is a fundamental concept.

FD1 is a difficult examination and candidates who are scoring in the low 40% region perhaps need another year of experience to get them to a position where they are ready to sit the examination and have the confidence to know when information is and is not relevant to a question.

The greatest concern is the number of candidates that are scoring below 25% each year. These candidates are not at the right stage of their professional careers to be attempting Final Diploma examinations. The standard of candidates at this lower end of the mark range is concerning and it calls into question the quality of supervision/training some candidates are receiving.

Finally handwriting is important – this year there were several scripts that were verging on illegible. Examiners will mark these as best they can. If they cannot be read, they cannot attract marks.

Part A

Question number	Comments on questions
Question 1	<p>The average mark achieved for this question was 2 out of 4.</p> <p>This question required candidates to consider a situation where a client wanted to file an International patent application and to demonstrate an invention relating to military technology which is likely to be subject to security provisions. Candidates appreciated the restrictions on <u>filing</u> and often overlooked the intention to <u>demonstrate</u> the invention. This is significant in that the intended date falls within the initial 6 week period following any patent application filing. It was an issue that clearly needed addressing.</p> <p>The obvious way to accomplish the client's wishes would be to seek permission from the IPO to file abroad and to publish the invention. The best route is to file a UK patent application (in the absence of prior permission, it will be necessary to delay filing an International application or any other application abroad). This is because a UK application has the advantage of fewer complications if directions under S22 are issued.</p>

Examiner's Report Year
FD1 – Advanced IP Law and Practice

	<p>The client specifically requested a PCT be filed therefore this should be addressed. An International application could be filed at the UKIPO, which has the advantage of complying with the client's wishes. In the absence of prior permission there is still the need to wait six weeks before publishing the invention. An International application has the disadvantage that if directions under S22 are issued the application will not be forwarded to the IB or the ISA.</p> <p>Security provisions should be borne in mind when filing any application as security provisions apply across sectors (e.g. telecoms, software) and the onus is on the patent attorney to assess if permission should be sought.</p> <p>Most candidates identified that the question related to military technology and national security. Many candidates did not appreciate that permission was required to file abroad and to demonstrate the invention. This requires a proactive step by the attorney to seek permission, so is an important practice point.</p> <p>Candidates missed out on marks for not dealing with the client's express wishes to file a PCT and advised filing at the UKIPO. Although your client may not be requesting the best course of action it needs to be explained to them why there is a better route.</p>
Question 2	<p>The average mark achieved for this question was 4 out of 10.</p> <p>It is important for question 2 to bear in mind that it is the design of the adjustment mechanism that is under consideration, even if that design may be applied to different products, such as a ring, bracelet, necklace or earrings. Candidates are told the adjustment mechanism has a particularly distinctive appearance and what is more it is found on items which are not themselves adjustable. This should indicate the design is unlikely to be solely dictated by its function and is likely to be registrable.</p> <p>The client has disclosed the design as part of the ring, bracelet and necklace around nine months ago. Registered design protection can still be sought in the UK or Europe due to the grace period. Although the grace period does not protect against third party disclosures, the question makes it clear that the competitor is known for making replica jewellery and launched his products after the client's launch in USA. To the extent that the competitor copied the design from the client (which seems very likely) the disclosure can be discounted.</p> <p>Since the design does not appear to be solely dictated by function, both the mechanism itself and all the products sold by the client should be registrable. Given the client's intended launch in Europe, a Community registered design is indicated and registration should be sought at least for the mechanism itself and ideally also for each of the products (ring, bracelet and necklace) sold by the client. This can be accomplished by filing several independent applications or preferably by filing a single multiple application to save costs.</p>

	<p>It is then necessary to consider how the applications can be used to carry out the client's wish to stop the competitor. This is only possible after registration and to prove infringement the competitor's designs must confer on the user the same overall impression. This seems likely to be satisfied because of the replica nature of the competitor's products.</p> <p>The competitor's bracelet at least, is the same as the client's product and to the extent the competitor has copied the client's design the bracelet was not sold in good faith and prior user rights will not apply. Because the design was copied by the competitor before registration, no criminal sanctions will apply.</p> <p>The earrings and giftsets are covered by the proposed registered designs in a number of ways. A design is not limited to the article to which it is applied so a registration of the appearance of the mechanism itself will prevent sales of both the earrings and the giftsets, (as arguably would registrations of any of the client's individual products), while the giftsets also include the ring and bracelet as specific products and either registration would prevent sales of these.</p> <p>It is evident that candidates continue to find the design question challenging. Fewer candidates attempted a 'data dump' of everything they knew about registered designs and the majority attempted to tailor their advice to the situation at hand which is very encouraging. Some candidates felt the disclosure by the third party in the grace period was a disclosure that meant the designs were not registerable and as a result lost a few marks for not appreciating they had been copied and was a disclosure that could be ignored. Those that stated they could file a design did not say what they were filing for. It is important to be specific when giving information; saying 'file a design' is not good enough. You need to show you have an understanding for what is registerable (and what might not be) as this may well be important later in discussion about what rights you can enforce.</p>
<p>Question 3</p>	<p>The average mark achieved for this question was 4 out of 10.</p> <p>This question related to priority. GB2 is without question the first filing for the improved process and can only be the first filing for the filament if GB1 was abandoned or withdrawn <u>without leaving any rights outstanding before the filing of GB2</u>. Unfortunately, the IPO has no record of the withdrawal letter being received. That does not mean it was not sent. The client should be asked whether there is any evidence, for example proof of postage, proof of delivery, or fax confirmation. If this exists the IPO will most likely accept the application was withdrawn as intended and GB2 can serve as priority for the filament. Also, GB1 will not be S2(3) prior art because it was withdrawn before the priority date. Unfortunately, if there is no suitable evidence then GB2 cannot provide a valid priority date for the filament.</p>

	<p>The priority situation will have a significant effect on patentability. In any event there is no prior art for the process claims and these should be patentable. If the priority claim to GB2 is valid, there is no prior art for the filament and these should be patentable. If the priority claim to GB2 is not valid then the earliest date for the subject-matter of the filament in PCT1 is 5 January 2017 and GB1 is prior art for both novelty and inventive step with the result that the claims to the filament lack novelty. It is worth considering what subject-matter might be recovered for the filament in the UK from GB1 and/or GB2.</p> <p>Many candidates were able to provide advice regarding a) the process, and b) the filament when GB1 was not withdrawn without leaving any rights outstanding. Fewer candidates were able to provide advice as to whether c) GB1 was published in error and, if so, how to rectify the error.</p> <p>Candidates who just assumed one way or the other that GB1 was or was not withdrawn failed to gain marks. If a situation is presented that requires further information (in this case whether or not withdrawal had occurred) it is done deliberately to encourage candidates to consider the two possible outcomes. Very few seemed to ask the simple question of whether any evidence of the withdrawal was available to the client, for example proof of postage or a receipt and so on.</p>
Question 4	<p>The average mark achieved for this question was 5 out of 10.</p> <p>This question unexpectedly demonstrated a lack of understanding of the London Agreement by a significant number of candidates. There is no need for validation in the UK and checking whether or not the European patent has been validated is pointless, although in appropriate circumstances payment of renewal fees should be checked.</p> <p>The first renewal fee, in respect of the fifth year, on GB1 was due by 28 February 2017 and has not been paid. The renewal fee could have been paid late, together with an additional fee, up to 31 August 2017. The renewal fee has not been paid, so GB1 has lapsed.</p> <p>It may be possible to seek restoration of GB1 up to 30 September 2018 provided the failure to pay the renewal fee was unintentional. The client would be able to continue any activities commenced between 1 September 2017 and publication of the notice of an application for restoration provided those activities included infringing activities or serious and effective preparations in good faith to commit infringing activities.</p> <p>With regard to EP2, the first renewal fee, in respect of the fifth year, is due by 30 November 2017. This is because EP2 was granted within three months of the anniversary of the filing date so a three month period is permitted from grant in which to pay the renewal fee (ending on the last day of the month). So EP2 is still in force and will be infringed if the product is made or sold in the UK. It is possible to file an opposition to EP2 within nine months from grant, that is up to 24 May 2018.</p>

Examiner's Report Year
FD1 – Advanced IP Law and Practice

	<p>Candidates were comfortable with the subject-matter and this was reflected in the good marks obtained by many. A significant number of candidates did not identify that it was possible to oppose EP2 and, of those that did, a number miscalculated the nine month opposition period. More worryingly few candidates having realised there is a granted patent covering the client's activities advised them to stop! Some candidates frustratingly failed to gain marks; erroneously counting dates (6 months, 13 months, 9 months!). Candidates cannot afford to be careless.</p> <p>Others realised that restoration would be an option but failed to mention the standard of '<i>unintentional</i>', which is key to whether or not the restoration will succeed</p> <p>Otherwise, a well answered question.</p>
Question 5	<p>The average mark achieved for this question was 4 out of 7.</p> <p>The majority of candidates had few problems with the question in providing advice on the basis the unity objection was correct, that is advising the client that additional fees could be paid leading to the filing of divisionals. Fewer candidates advised well in the instance where the unity objection was incorrect or where unity could be restored.</p> <p>Many candidates missed the straightforward mark for stating the claims should relate to a single inventive concept and went straight into 'fixing' the issue without explaining to their client what the issue was. This is basic practise for advising a client as they need to understand why something needs to do be done not just what can be done.</p> <p>On the whole, this seemed to cause few candidates issues.</p>
Question 6	<p>The average mark on this question was 4 out of 9.</p> <p>This question related to your client wishing to take a proactive approach to challenging the validity of a case that caused a freedom to operate issue. Although it is acknowledged that sometimes an amicable approach is wise, this scenario did not warrant such an approach and too many candidates recited what they have read from previous examiners' comments over the years without applying it to the facts given in the question. This approach brings into question a candidate's true ability to practise properly. We are told the third party is aggressive and would take action against the client. Seeking to cross license or asking the competitor to undertake central limitation does not take into account the comments in relation to competitor and clients wishes.</p> <p>Many candidates suggested an IPO opinion. How can a non-binding IPO opinion be of any significant benefit given the bad relationship between the parties and the indication the other company will be aggressive? Something more definitive is clearly required.</p>

Examiner's Report Year
FD1 – Advanced IP Law and Practice

	<p>Most candidates answered the client's question by providing options for bringing the validity issues to the attention of UKIPO (which is good). A lot of candidates did not look more broadly at the client's situation. Many just took the word of the client in stating that claim 1 lacked novelty, claim 2 an inventive step, and 3 fell outside of the scope.</p> <p>Good candidates appreciated that an assessment of inventive step is subjective and could easily be found to go against your client and that invalidating claim 2 was not guaranteed. In addition, claim 3 may have been upheld and may have limited the potential for your client to expand his business down the line in this area. These are both legal and practical considerations that should be discussed.</p>
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Part B

Question number	Comments on question
Question 7	<p>The average mark achieved for this question was 12 out of 25.</p> <p>The question related to ownership of employee inventions and validity of such inventions due to disclosures including possible breach of confidence.</p> <p>Most candidates who attempted this question scored quite well.</p> <p>There was a tendency in the answers to state the law regarding ownership of employee inventions and not to apply the law to the situation set out in the question. On the whole this was well answered. Only a few candidates approached the question with the confidence of someone who has fully appraised the facts.</p> <p>Edward had invented X for treating OMG whilst at work for Norfolk and as this was within his normal duties and it was reasonable that an invention would arise this would make Norfolk the owner. Few candidates mentioned that checking Edwards contract to see if this altered the situation was a good idea. It is possible that Norfolk could start an entitlement action against Creatz for this subject matter and because the time limit for doing so is two years after grant the client would not have legal certainty for some time. It is advisable to separate the subject matter of X from the later subject matter of Y. Some good candidates made a comment that in fact it is possible that Creatz came up with X for treating OMG independently and not in fact from Edward.</p> <p>The discussion in the pub to Dr Terrier was perhaps the least well answered part. Few candidates appreciated the need for the disclosure to be publicly available and enabling in order to be prejudicial to the filing relating to X. Most appreciated that by virtue of Edward's employment the discussion with Dr Terrier was likely in breach of confidence.</p>

Examiner's Report Year
FD1 – Advanced IP Law and Practice

	<p>Having appreciated that this was likely a disclosure made in breach, few then discussed why this may be relevant – in particular that the conversation in the pub was more than 6 months before the priority date of the application and as such could not be used to discount the disclosure.</p> <p>As Dr Terrier made no inventive contribution and had no ownership rights his claim for compensation is unlikely to be successful. It would be prudent to write to him and explain the situation.</p> <p>Regarding Y for use in OMG – few commented on its patentability by virtue of X – e.g. novel but is it inventive? – likely due to improved technical effect. The same analysis for ownership should be carried out for Edward. Additionally, it appears the CEO was also an inventor and as such should be added to the application as such. The CEO is likely to have a special obligation to further the interests of the company and again the invention would pass to the employer.</p>
Question 8	<p>The average mark achieved for this question was 12 out of 25.</p> <p>This question related to infringement, validity and patentability and generally the number of marks scored was high. Few dealt with the infringement section well.</p> <p>There was a significant lack of understanding about handling ranges and selection inventions. Ranges and selection inventions do not arise solely in the field of chemistry. They also commonly arise in mechanics (relating to pressure or temperature, for example), and there is no reason why any candidate should not know how to handle these issues. Marks were given to candidates for stating that as a result of the amounts in the client's product compared to the range that there was no infringement. Equally, if candidates explained that they were basing their assessment on the Actavis decision prior to the examination and as such argued infringement there was equal award to given to each.</p> <p>Almost all candidates appreciated that claim 1 of Solitaire's application was infringed and many failed to understand that claim 2 was also infringed because claim 2 comprises a beeswax base and a mixture of dye X and dye Y, both of which are present in Vera's product. Some people seemed to misunderstand infringement and seemed to conclude that Vera did not infringe on the basis of having an additional feature Z in the lipstick - this was the rationale for why Vera's product was novel, not an argument for non-infringement! Inventive step was generally dealt with well and was attributed to the non-staining effect from the addition of compound Z.</p> <p>A surprising number of candidates thought Beatique's PCT application was full prior art against Vera's application (rather than being s.2(3) art if it entered the GB national phase). In relation to Vera's application many</p>

	<p>candidates as usual stated they would file a PCT and did not state explicitly that they would claim priority from it to the GB application – filing a PCT does not automatically claim priority and it is important to be specific in your advice to your client on actions he/she must take. A good number of candidates identified and commented on the potential sufficiency issue of Vera's claims (regarding the 25%). Few appreciated that any amendment now must have basis in the priority application as the lipstick has now been disclosed.</p> <p>Finally, candidates managed to pick up straightforward marks on practical advice such as watching the applications, checking for equivalents, filing 3rd party obs and so on. Candidates made errors in giving conflicting advice such as advising cross licensing with Beautique having decided there was no infringement. Justification of a course of action would help candidates score better and avoid mistakes.</p>
Question 9	<p>The average mark achieved for this question was 12 out of 25.</p> <p>This question was noticeably unpopular with candidates. Candidates often scored well by taking a systematic and methodical approach to identifying a) each potential infringing act, b) each potential infringer, and c) assessing whether a defence to infringement was available. Those who answered question 9 achieved fractionally higher scores than those achieved by candidates attempting questions 7 and 8.</p> <p>This question required an appreciation that there were parts for import, boats for resale, boats for export, and a boat which would be taking part in a race in the UK.</p> <p>Each of these separate acts needed discussion as to whether or not they were infringements. A number of candidates in the comments regarding the examination have since stated this is an unreasonable and spurious section of the act to test. There was no obligation to answer this question, and secondly, only 5 marks of the question relied on being aware of the exemption relating to 'temporarily in UK waters' so candidates could have answered the question and obtained a pass mark without being aware of the exemption. Many candidates did not identify there are three classes of boat and an exemption should normally be constructed narrowly (if not registered outside UK, there is no reason to consider it temporary).</p> <p>Although it has become commonplace to advise your client to obtain proof of infringement for example sales, it is considered a little overzealous to advise your client to purchase a very expensive speedboat. Candidates are asked to use a little more common sense.</p> <p>Many candidates appreciated that an interim injunction could be requested and started the analysis well. Many then did not appreciate that in this case damages <u>would</u> be an adequate remedy and as such an interim injunction seems unlikely.</p>

Examiner's Report Year
FD1 – Advanced IP Law and Practice

	<p>Most candidates identified the numerous parties and dealt with dealers, charter companies and private individuals. Retrofitting was dealt with well. Few discussed the right to repair fully and came to a simple conclusion that repair was infringement without justification for their reasoning being that the part related to the heart of the inventive concepts.</p>
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