

**FD1 Advanced IP Law and Practice
FINAL Mark Scheme 2022**

Part A

Question 1

Your long term client J handles their own formalities system and renewal fees.

They have recently carried out an internal audit and found that due to an error in their system it appears some deadlines have been missed and some fees have not been paid on some key patents in their portfolio.

The audit showed the following:

Fees for UK patent GB-1 filed 15 May 2014 and a divisional filed from it on 20 July 2017 GB-2 (also now granted) have both recently been missed. J, realising that the 2022 renewal fees had not been paid, attempted to pay the fees and surcharges to the UKIPO. However, the UKIPO refused the payment on the basis that the 2021 fee had also not been paid.

In reviewing the situation they have established that when their system was upgraded an error in the system meant that no reminders for deadlines were generated for their GB cases. J works in a fiercely competitive field and is worried that their missed actions will give a competitor the opportunity to sell key products in the UK where there is a considerable market.

J would like your advice in how to handle the missed deadlines

7 marks

Marking Scheme

Granted GB cases

- 101** The renewal date is the same for the parent **and** the divisional and the 2021 renewal fee was due 31 May 2021
- 102** Could have been paid (in grace period) by **30 November 2021** (or end of November 2021)
- 103** Case has lapsed so need to apply for restoration showing that it was **unintentional** that the deadline was missed
- 104** Should be possible given the evidence...(sensible discussion required)
- 105** Needs to be done by 13 months from end of grace period – ie **end of or 31 December 2022**
- 106** Possible that **after the grace period ends** 3rd party rights may have accrued so apply immediately do not wait.
- 107** If the first communication (within the grace period) from the UKIPO regarding lapse for failure to pay the renewal fee was not sent, then it may be possible to rely on a failure of the UKIPO

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Question 2

Your UK client X is a well-known manufacturer of hairdryers which are sold in the UK and widely throughout the EU. The client has sent you details of a new design, created in-house, for a hairdryer which it will sell only for the next three years, after which it will be replaced by a future design. Launch is scheduled to be in London in November with live streaming to retail customers based in the UK and the EU and who operate throughout the UK and EU.

Prepare notes for a discussion with your client as to the forms of design protection that may be available during the intended period of sale and what might be done to maximise design protection throughout the UK and the EU.

10 Marks

Marking Scheme

- 201** Client is owner of all UK/EU design rights **because** this is an in-house design (i.e. created by an employee in the course of employment)
- 202** UKRDR and UKURD are forms of design right available to the client
- 203** UKSUDR is available from date of launch **because** it will be a first disclosure and in the UK
- 204** EURDR is available to the client
- 205** EUUDR is available from **first disclosure to the public within the EU** (unless the design has previously been disclosed in such a way that, in the normal course of business, the design could reasonably have become known to circles specialised in the sector concerned, operating within the EU)
- 206** Both UKSUDR and EUUDR should be available because first disclosure in the UK and EU will be **simultaneous** (retail customers from the UK and EU who operate throughout the UK and EU).
- 207** Registered design applications can be filed within 12 months of first disclosure (disclosure at the launch would establish a date of first disclosure)
- 208** Care should be taken, for the registered design, to ensure that the design does not publish before the launch
- 209** One of UK or EU RDR can claim priority from the other within 6 months of filing
- 210** Advise J that although registered rights incur a cost, they have the advantage of no requirement to prove copying

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Question 3

You have just had a regular call with your client, Alex, who has no active businesses but owns a portfolio of Intellectual Property.

Alex has been made aware of a company (C) who have started selling a dimmable long-life light bulb in small outlets throughout Germany, Spain, Italy and the UK. Alex is aware that the market potential in the UK is vast.

Ahead of the call you reminded yourself about the status of Alex's existing portfolio and checked for any updates and noted the following:

- A European patent, EP1, filed in Aug 2018 which validly claims priority from a GB national patent (GB1). EP1 granted, and entered into force in all countries where C has outlets, with claims to a long-life light bulb
- GB1 was filed in Aug 2017 with no priority claim and granted, shortly before EP1, with claims to the long-life light bulb (identical to EP1)
- Examples in the specifications of both GB1 and EP1 show long-life light bulbs and dimmable long-life light bulbs

EP1 was later opposed and revoked on the basis of a lack of novelty over an EP application (EPX). It was agreed with Alex that no appeal was to be filed and the deadline has now passed. EPX was filed in May 2017 and has since lapsed. EPX does not describe a dimmable bulb.

Write notes for a discussion with your client, including what actions that you would recommend taking.

8 Marks

Marking Scheme

- 301** There is freedom to operate for company C in DE, ES and IT but not currently in the UK.
- 302** But EPX is novelty-only prior art against GB1.
- 303** C could apply to the comptroller to revoke (or continue and if sued counterclaim for invalidity)
- 304** Client needs to use post grant amendment to limit to the dimmable long-life light bulb
- 305** This is allowable because it is a narrowing amendment
- 306** These are discretionary **and** must be justified
- 307** Better to do before any proceedings are commenced (an appreciation that proceedings may start is required)...act quickly...
- 308** **GB** can be licensed

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Question 4

You work in-house as a patent attorney for UK Company Horizon. In **early June 2021** a research scientist named Drew submitted a detailed Invention Disclosure Form for review. It was agreed that the concept (Concept X) was commercially significant and should be progressed, and so shortly afterwards, your predecessor (Attorney P) drafted and filed a GB patent application. The patent application GB-1 was filed on **30 June 2021**.

Today, a literature article by UK Company Skyline has come to light, which contains a full disclosure of Concept X and Drew is mentioned as deviser of Concept X and the leader of the team that developed the invention. The article was submitted on 31st May and the publication date is **10 August 2021**.

A report from Human Resources shows that Drew joined Horizon from Skyline on **1 June 2021**, having worked there as a research scientist.

Prepare notes for a meeting with your Leadership Team to discuss the issue.

8 Marks

Marking Scheme

Entitlement

- 401** Horizon does not appear to be the rightful owner **because** – reason required (eg the submission date of the article, the information in the article, the full description etc)
- 402** Investigate the situation and talk to Drew and/or collect evidence (eg look at lab books, find evidence of when Concept X was invented)
- 403** Skyline would appear to be the first owner
- 404** The invention may be owned by Drew (discussion required...for example he may not have been employed by Skyline)
- 405** Entitlement proceedings may be brought.

Other considerations

- 406** Analyse the ethics of continuing prosecuting the application based on a concept not originating from Horizon (e.g. was a Form 7 filed by Attorney P, do have Horizon have a duty to Skyline...)
- 407** The technical preparations for publication are due soon (5 weeks), therefore action is required asap.
- 408** Discuss any measures to reduce future risk (eg of another inventor bringing confidential information from a previous employer) (such as recommend rolling out training at Horizon to remind the employees of their fiduciary responsibilities, revising the invention disclosure form to state date invention made, etc).

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Question 5

You are approached by the CEO of Go-Sail Ltd, a company that builds ocean-going racing yachts. Such yachts often incorporate hydrofoils. In use, and at sufficient speed, the hydrofoil raises the hull of the yacht out of the water while the hydrofoil itself remains submerged. When not in use, such as when sailing slowly, the hydrofoils are raised out of the water and are visible.

Go-Sail has recently been testing a yacht with new hydrofoils, which are made in accordance with a complex mathematical function that is difficult for others to identify without close inspection. Tests have shown that the hydrofoils generate a surprising amount of lift with minimal resistance through the water. It is important to the company to minimise the risk of reproduction of the features of the hydrofoils by competitors.

When not in the water, the yacht is kept away from the public in the company's boatyard, and when sailing, care has been taken to sail as far away as possible from other vessels.

Despite its precautions, your client has found on the website of a UK competitor an image, clearly taken by a drone, of part of the yacht in the boatyard together with its raised hydrofoils with a message to be on the lookout for the competitor's new yacht.

Your client has potential sales in the UK, European Union and USA.

Discuss the possible issues in a note for your client and advise how they might proceed

10 Marks

Marking Scheme

Patentability

- 501** Have the features of the hydrofoils been disclosed by raising the hydrofoils outside the boatyard in an enabling manner? **Discuss and conclude.**
- 502** Does the image on the competitor's website disclose the features of the hydrofoils in an enabling manner? **Discuss and conclude.**
- 503** Was the image taken with the intention of doing harm? **Discuss and conclude.** (Was there any wrong doing? Was the competitor implying that the technology will be used on their forthcoming new yacht)
- 504** Can only use the EP grace period if there has been evident abuse
- 505** In any event, can use the 12 month grace period in the US **because** the disclosure on the website was derived from Go-Sail.
- 506** The technical details of the hydrofoils are potentially inventive – (reasoning required, eg surprising effect).

Filing

- 507** Filing an application would, in due course, result in full disclosure of the hydrofoils.
- 508** File (UK) priority application asap

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- 509** Sensible subsequent filing strategy required (based on the Art.55 grace period) to get protection where available (eg PCT or national applications in US & EP from appearance of image)
- 510** Accelerate proceedings to obtain protection in UK (so ready to act as soon as possible if required)

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Question 6

A new client contacts you about their invention. Recent confidential market analysis has identified a valuable global business opportunity which is expected to influence the relevant field for many years to come.

During your initial discussion the client commented that, before the significance of the invention had been appreciated, they drafted and filed their own EP application but decided not to continue with it. The client stresses they would now like to move forward quickly with a new application. The client provides you with a copy of the previous EP application and all official paperwork.

You note from the bundle:

- the earlier application was awarded a date of filing of 8 September 2021 without any fees
- a loss of rights notice, due to a lack of payment of filing and search fees, was issued by the EPO in November 2021

Prepare notes for a follow-up meeting with your client with advice for what your client can do

7 Marks

Marking Scheme

- 601** The convention deadline has passed
- 602** There is no possibility of restoration of priority because there was no intention to file (14 months from filing)
- 603** Re-establishment of current EP is not possible because all due care cannot be proven
- 604** Advise client that the text of the previous filing should be reviewed to ensure it is adequate
- 605** Propose new priority filing to secure earliest date
- 606** In order for a new filing to be made promptly but still be considered a first filing under the Paris Convention, the **previous EP filing must first be withdrawn leaving no rights outstanding**
- 607** In 12 months proceed with foreign filings (PCT and others as appropriate) **with reason** (eg to maximise term or geographical area)

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Part B

Question 7

Early in 2021, an inventor of your UK client (ShinePans), who had worked in the development team, left ShinePans and went to work for another company (CrackPots). ShinePans and CrackPots both develop non-stick coatings.

A GB patent application, GB1, has recently published from CrackPots which relates to non-stick coatings using a diamond additive, a technology that ShinePans was working on when the inventor left the company. GB1 has a priority date in April 2021.

CrackPots' patent application claims:

A pot having a non-stick coating having 1 wt% of diamond additive.

ShinePans filed an EP patent application, EP1, without claiming priority, to non-stick coatings using a diamond additive in November 2021. ShinePans realised that the invention could be performed with a broader range of diamond additive than they initially thought. As such, ShinePans' patent claims:

A non-stick coating for a kitchenware appliance having 0.2 – 2 wt% of diamond additive.

Your client is planning to release a pot having a coating with 1 wt% diamond additive within the next month and want to know if they can go ahead. 1% provides the best heat conductivity while maintaining the non-stick properties of the product, even if other percentages work. The CEO of ShinePans is also very upset and has told you that they “want to sue CrackPots for everything we can.”

In reviewing CrackPots' company, you find that they recently launched a pot on the market in the UK, with a non-stick coating having 1 wt% of diamond additives and are considering launching the same pot in Japan and USA.

Technical problems with online patent registers have prevented you from looking at any patent family members of Crackpots' GB application prior to your meeting.

An EP search report that you received on ShinePans' invention in January 2022 indicated that the claims were novel and inventive pending a top-up search.

Prepare notes for an urgent meeting with your client

25 Marks

Marking Scheme

Entitlement

- 701** Is the inventor who left ShinePans named as an inventor on GB1 (and EP1)?
- 702** Inventor was employed by ShinePans at the time the invention was devised
- 703** Invention was developed during the course of their **normal duties and was reasonably expected that an invention would arise**, as a researcher.
- 704** It appears that, between the employee and ShinePans, ShinePans is the rightful owner of invention of the 1% coating

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- 705 However, CrackPots have filed on this so it is likely that this information was misappropriated OR
- 706 were CrackPots working on the same project simultaneously?
- 707 Collect evidence that ShinePans invented it while the employee was with them (gather documents, check any lab books left by the inventor)
- 708 Consider advantages of contacting CrackPots to try to solve amicably
- 709 If not, then recommend starting entitlement proceedings **in the UK** (under Section 8)
- 710 If entitlement proceedings are successful, could take ownership of the application **or** have it refused/treated as if never existed (both required for mark).
- 711 Discuss at least one option **with reasons** (Depends on quality of application...is the seven months between filings important?)
- 712 Look for international family members **and** raise entitlement if applicable.

Effect of GB1 on EP1 validity

- 713 C's GB1 application acts as 2(3) prior art for the GB designation of the EP application
- 714 If there is an EP application on file from C, then this will act as 54(3) art against the whole of Europe.
- 715 If there is a PCT application on file from C, then this will act as 54(3) prior art if it enters the GB national or EP regional phase.
- 716 At the moment, it appears that the patent application will be novel over GB1 in European territories other than the UK
- 717 Could file a separate set of claims (disclaimer/amendment) to **exclude the 1% in the UK**

What to do with EP1 application

- 718 Request accelerated examination (PACE) at EPO in order to get grant as quickly as possible
- 719 Request accelerated publication of EP1 in order to maximise provisional protection
- 720 File a PCT (to cover JP and US/ or nationals in JP and US) application claiming priority from the EP application by the end of the priority year

C's product

- 721 As things stand, we don't currently have an enforceable patent against C.
- 722 However, we may be able to enforce if entitlement proceedings for GB1 are successful.

Freedom to operate

- 723 At present the diamond content in the non-stick coating is the same and so ShinePans' product may infringe CrackPot's GB1 claims as currently on file.
- 724 The claims as currently on file only protect CrackPot's products in relation to pots, so other kitchenware appliances (or even non-kitchen appliances) may have freedom to operate.
- 725 CrackPots only have provisional protection at the moment but you will infringe at least in the UK if your product falls within the scope of the claims **as published and as granted**.

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Question 8

A longstanding client calls you sounding panicked. They inform you that they have stumbled on a third-party EP patent which granted a few months ago with claims which they believe, despite using unusual terminology, encompass a very profitable product which the client has been making and selling in the UK for nearly 8 years. The client is particularly concerned as the case was not identified during analysis of a freedom to operate search, which your firm conducted prior to product launch.

Prepare points to consider as part of a subsequent analysis.

25 Marks

Marking Scheme

Consider prima facie relevance of case:

- 801** Review relevance of claims to product
- 802** Identify effective date of EP case
- 803** Confirm EP case designates **UK**
- 804** Renewal fees are still payable, therefore **monitor**
- 805** Consider if EP case lacks novelty over client sales (unusual terminology may have helped an invalid case sneak past Examiner)

Consider if client has prior user rights:

- 806** Investigate if client made **serious and effective preparations** for the UK sales and in advance of the effective date of the claims

Consider potential liability:

- 807** Activities of client prior to publication of EP are not an infringement
- 808** Activities after publication could constitute infringement of **provisional protection**
- 809** If published in English
- 810** If acts infringed case as published and as granted **and** if reasonable to expect patent would have granted
- 811** The client may be infringing **because** it is at least making and selling (no mark for MUDIOK), (using and importing do not appear to be undertaken by the client, but check).
- 812** Check whether client has a contractual liability to customers who infringe

- 813** Remedies include damages/account of profits, delivery up/destruction, injunction, declaration of infringement (and validity) (**need to say all for mark**)
- 814** Preliminary injunction unlikely due to 8 years on market

Consider mitigations:

- 815** Client may be able to avoid damages/account of profits if can show defence of innocent infringement...
- 816** ...as (i) did not know about case **and** (ii) was diligent in undertaking FTO review prior to launch - so may not reasonably be expected to know
- 817** Customers may have other defence to infringement (e.g. if private non-commercial)

If a potential concern:

- 818** Check for divisional filings/other family members which could also be relevant to UK (eg national GB)
- 819** Undertake validity search/analysis
- 820** If validity analysis is contrary to client position, suggest cease actions/seek license to continue

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- 821** If validity analysis supports client position, consider possibility of continuing or
822 taking positive action such as opposition filing/national invalidity challenge

Check FTO search was adequate:

- 823** Was the technical scope of search sufficient (i.e. should it have included the unusual terminology)
824 Check when the FTO search was done and whether the EP patent was published at that time
825 Was a top-up search carried out (18 months) after launch?

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Question 9

You are informed by US attorneys of your acquaintance that their new client, Tempo USA, has been developing a novel catalyst and has filed a United States patent application (US1) claiming a catalyst comprising constituent X in a range of 185 to 220 parts per million (ppm) in April 2020.

Further development work showed that a broader range of X was also effective and a continuation-in-part application (US2) was filed in November 2020 and includes all of the content of US1 as well as including specific examples at 170 and 180 ppm and claiming a range of 170 to 220 ppm of constituent X. Tempo was surprised that the extended part of the range was effective and it offered economic benefits due to the lower amount of costly constituent X.

A corresponding European patent application (EP1), for which you are not at present responsible, was filed in November 2021 claiming priority from, and using the description of, US2 and claiming a catalyst comprising constituent X in a range of 170 to 220 ppm.

US1 was recently issued as a patent with no relevant prior art. Tempo commenced sales in December 2020 of a catalyst in USA in accordance with US1 and containing 200 ppm of constituent X.

Tempo has a UK-based competitor, Beat UK, which has a UK patent application (GB2) filed in July 2021 claiming priority from and using the same description and claims as a now irrevocably lapsed GB application GB1 filed in July 2020 and describing and claiming a catalyst with a range of 190 to 210 ppm of constituent X.

You are requested to assume responsibility for EP1 and to advise on the situation in Europe.

Prepare notes for a discussion with the US attorney acting for Tempo

25 marks

Marking Scheme

Effective dates

- 901** Sub-range 185-220 ppm not entitled to priority in EP **because** US2 not first filing
- 902** Effective date in EP for 185-220 ppm is Nov 2021
- 903** Effective date in EP for remaining part of the range is Nov 2020 **because** the first filing for that range is US2 filed Nov 2020 (i.e. before sales and earliest GB2 date)

Patentability of EP1

- 904** The claim (170 – 220) lacks novelty in EP1 due to sales (200 ppm) from December 2020 or possible publication of US1 in October 2021
- 905** Also lacks novelty in UK over GB2 (190-220) (published January 2022) if EP1 grants
- 906** But GB2 cannot be cited for novelty against EP1.
- 907** The specific examples of 170 ppm and 180 ppm in EP1 are novel (all disclosures too late)
- 908** Review EP1 to look for basis for new upper limit that does not include 185 (between 180 and less than 190).
- 909** The specific examples of 170 and 180ppm provide a basis for a new range of 170 – 180 ppm
- 910** Amend claims of EP1 to ensure novelty
- 911** Discuss inventive step for EP1 in range 170-180 ppm **because** surprisingly it works at lower amounts

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Actions for EP1

- 912** Take over responsibility for EP1 - **need authorisation or co-operation of current representative** (only one required for mark)
- 913** Check status of EP1 especially in respect of search report (publication of A1/A2 was due May 2022)
- 914** Request PACE (at least to prevent Beat using less X)

Competitor activities

- 915** Tempo cannot enforce EP1 until grant
- 916** If Beat are using catalyst described in GB2 (190 – 210 ppm), no potential infringement in EP countries by Beat of patentable subject-matter in EP1 at present
- 917** Search for competitor publications (patents and applications) in other territories (e.g., EP, US).
- 918** Check competitor activities for changes in catalyst composition (particularly lower amounts)
- 919** Granting a licence under EP1 may not be in Tempo's interest given that Beat is a competitor

Tempo activities

- 920** Beat cannot enforce GB2 until grant
- 921** But potentially can claim damages back to publication
- 922** Tempo would infringe GB2 when granted if it sells the same composition (200 ppm) as in US
- 923** But composition in the range of 170-180 ppm would not literally infringe 190-210 ppm in GB2 but...
- 924** May fall foul of Actavis: is 170 – 180 an immaterial variant?
- 925** Put watch on GB2 due to potential infringement