

THE JOINT EXAMINATION BOARD

PAPER P2 - EXAMINERS' COMMENTS

PATENT AGENTS' PRACTICE

APRIL, 1996

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General

The two questions (numbers 4 and 8) which were much more specific in the information demanded than others produced a larger number of good answers than the others. It seems some candidates otherwise knowledgeable in the law have difficulty in applying that knowledge with the degree of discrimination required to identify and respond to issues which may be buried in a mass of information provided. P2 is arranged to test both academic knowledge and the ability sift information to enable knowledge to be applied to real situations.

A number of candidates wrote at considerable length about issues vaguely related to the question being asked but without making specific points relevant to addressing the needs of the question. Answers of this kind rarely attracted very many of the marks available for the question, as core issues were not addressed. It was evident that, whilst a group of candidates plainly did not have sufficient knowledge to pass, others need to spend more time practising sifting information, identifying issues and applying knowledge to those issues.

In a similar vein, candidates were sometimes content with general references to sections of the Patents Act 1977, without specifying what would need to be done in the circumstances of the case. For example, in question 3, a vague and general reference to Section 22, would not allow the examiners to give marks in respect of the process needed to be gone through to do in order to disclose information in China. Similarly in Question 6, a statement that there is no consequence from a disclosure of confidential information does not inform the examiners that the candidate knows that patent applications must be filed within six months of the disclosure if advantage is to be taken of the period of grace allowed under the Paris Convention or Section 2(4).

The questions in part A contain 15 marks and in part B 20 marks, candidates can be pretty certain that around 15 or 20 specific points respectively will be needed in answers to approach full marks. It is made clear in the instructions to candidates that answers in the form of letters are not required unless specifically sought (no question asked for answers in such a form this time). The individual questions gave considerable freedom to candidates over the choice of answer formats. In general, the most satisfactory answer format is a series of pithy sentences (which may even be expressed as bullets), each sentence making perhaps one or two points.

Particular issues which were almost universally addressed poorly were:

- ⇒ the periods to enter the national/regional phase of a PCT (Question 1)
- ⇒ the effects Section 52 of the Copyright, Designs and Patents Act 1998 ("the CDP Act"); (Question 2)
- ⇒ the differences in the rules governing ownership between Section 11 of the CDP Act on the one hand, and Section 215 of the CDP Act and Section 2 of the Registered Designs Act 1949 on the other; (Question 2)
- ⇒ the criteria for a valid application for a selection patent and how to best present an application for selection; (Question 3)
- ⇒ disputed ownership and applications to the Comptroller under Section 8 of the Patents Act 1977; (Question 7)
- ⇒ the requirements of the Paris Convention and Section 5(2) concerning priority documents and addressing defective documentation under Section 117 (Question 8);
- ⇒ protection, other than patent, when available (several questions but especially question 6) - candidates in this paper should always look to best protection of the client even if this means consideration of non-patent options.

In many cases, there was no black or white answer, marks were awarded for identification of a point and consideration of how it affected the position, together with a sensible suggestions for proceeding meeting, as far as possible, the notional clients needs.

The following is offered as observations and guidance on the points the examiners were expecting to be made in response to the questions set.

Question 1

Candidates need to make points which might appear obvious, for example tackle overdue renewals, check for letters from EPO etc.

- A. Renewal for 5th year was due 2 September 1995, as six month grace period expired 2 March 1996 restoration is necessary.

Restoration as a result of lack of funds might be possible in UK burden high. must establish reasonable precautions were taken to pay fees (not immediately apparent in this case).

- B. EP renewal was due 30 September 1995, 6 month extension expired 31 March 1996 - restoration necessary. Many candidates missed this.

Lack of funds has been grounds for restoration, but again must show all reasonable precautions (e.g. money not diverted funds elsewhere).

Application within 12 months of lapsing (30 September) and within 2 months of cause of non-compliance. Applicant could borrow £1500 on 11 April 1996, therefore safest to pay fees and apply for restoration by 11 June, rather than wait until August.

Official Action overdue, case will be deemed withdrawn.

Check if letter of withdrawal sent by EPO. Probably still within two months of letter and can apply for further processing, incurs a modest fee, if not make restoration request as above.

Response to action may be expensive - funds sufficient to pay bill? - consider minimal response and risk of rejection at next action with a request for oral proceedings as a delaying tactic.

- C. There is no requirement to respond to IPE report and the cheapest action, in short term, is to ignore it.

The 30 month date for the case proceeding under Chapter II of the PCT 1 August 1996, should pay national fees in US by then. Suggested solution is to enter US national phase late, in late August, and pay largish revival fee (as of right) or, preferably, enter US national phase on time as continuation and pay for late one month after request for missing parts. Agents' billing lag would also have assisted the client in the circumstances.

Regional fees in Europe not due to 1 September 1996.

There is no single correct answer to parts (b) and (c), rather the examiners sought an awareness of the problems and a rational proposals.

Question 2

This question was a straight forward application of fundamental provisions of the CDP Act. The very poor standard of most answers indicates that this is an area in which further study is required by candidates. Points to be made include:

- ⇒ Rings one off artistic work protected by copyright;
Subsequent industrial application limits copyright to 25 years from end of 1991 (Section 52 of CDP Act);
No transfer of ownership of artistic works under Section 11 of CDP Act as a result of commissioning, therefore copyright in earrings J's.
- ⇒ Was goblet design made with intention of industrial application?- If so design not artist work as such (consider effect of intention).

Design right probably applies to goblet and is exclusive for 5 years from end of 1995 with licence of right for further five.

Goblet apparently commissioned by C. Assuming Design Right applies C would own if he had paid for it, would form of protection (copyright or design right) make any difference? However, there was no payment made for the design by C, and ownership therefore J's. (unless 20 off included full payment for design - unlikely in view of J's comment).

- ⇒ C is not entitled to market the Birmingham produced earrings until 2017.
- C is not entitled to market pewter goblet at least until 2001, and must then seek licence of right to 2005.
- C knows J designed earrings and goblet, Birmingham producer may not know.
- As only 20 of the original goblet design were produced, design is still registerable (under Registered Designs Act 1949 has not yet been applied to more than 50 articles (Section 6(6)) - also new designs and sets.

Question 3

- ⇒ Can H file a patent application for the particular composition ? consider selection patent as there appears to be an unexpected advantage for a range which is not yet used or tested;
- ⇒ If H is going for selection, he would need to disclose the advantages could not simply refer to the slight increase in nominal performance. The big change is in other behaviour and that might affect the question of secrecy if it was made clear in the specification.
- ⇒ If H can get patents then, in theory it has the right to control exploitation, it could try to restrict to non-weapons fields;
- ⇒ In UK Crown Use provisions are such that he could not prevent MOD or the like using the invention for military purposes but there would be a compensation entitlement on a fair and reasonable basis;
- ⇒ H would need to file a patent application before disclosing his invention in China or elsewhere - there is need to comply with UK law by filing here first or getting approval there is a risk secrecy order under Section 22 especially as the particular advantage probably needs to be disclosed in order to provide a proper basis for selection;
- ⇒ If order imposed, H will not be able to disclose in conference unless approval sought and given, similarly for any overseas applications.
- ⇒ Compensation under S22 if application accepted but exploitation prevented.

Question 4

A. Bag Pipe Shaped Whiskey Bottle:

Consider Registered Design, Design Right, Trade Mark.

B. Apple

- Patent for the gene sequence involved, patent for the genetic engineering technique;
- Patent for genetically engineered apple as fruits but apple trees and variety of apple trees probably excluded from patentability as plant varieties;
- Consider plant varieties protection for plants.

C. Computer program

- Computer programme per se not patentable, protection by copyright.
- Mathematical techniques cannot formally be protected except as know-how.
- Consider patent for a method and apparatus compressing video images and digitising them for telephone lines.

D. Sap

- Sap not patentable (naturally occurring);
- Second use of sap in novel composition and the novel composition per se, together with presentation probably patentable;
- Consider whether treatment of insect bites patentable - cosmetic or method of treatment?

E. Tread

- design right - (not copyright as industrially applied) - dictated by function? -excluded as pattern or ornament?
- registered design - eye appeal? - dictated by function?
- trade mark?
- patent if pattern has beneficial effects - but may detract from design/trade mark protection as indicating function.

QUESTION 5

There was a number of poorly scoring answers to this question, because candidates did not make full use of the information available. The fact that the question asked for the patents to be put into the best possible shape to take action should have been sufficiently strong a hint that a good portion of the marks available for this question were for considering amendment. Whilst purposive construction of Claim 1 of the UK patent to catch the minor UK infringer may be an option, too many candidates were content with this approach alone despite the fact that the European examiner found the equivalent EP claim lacking inventive step. The examiners were expecting some consideration of how the UK patent and European application might be amended to ensure validity such that one or other could be made to cover both infringers. Candidates who ignored the possible need to amend the UK Patent in the light of the European art also ran the risk of being unable to amend at a later date because of delay (see CIPA Guide commentary on Section 27, for example). Points which the examiners had anticipated include:

- ⇒ Cannot extend breadth of UK patent. Limitation on amendment after grant. However EP designates UK, UK coverage possible through EP.
- ⇒ Expedited processing available under EP in circumstances of infringement.
- ⇒ Discussion of limitations on amendment before grant in EP - cannot describe or claim anything not present in application as filed, however, this does not prevent claims being broadened if the relevant basis is to be found in the specification.
- ⇒ Ability to amend EP depends on disclosure made, possibilities include amending claim 1 to encompass intruder alarms involving infra-red sensors producing an output signal in the presence of an object. This might be accompanied with an amendment to the specification discussing the prior art and "setting out a problem/solution" approach. This might be successful if the prior art can be shown to have some substantial disadvantage such as visibility to the intruder. At the same time argue that intruder and light detectors per se are in a different technical field. Possibly consider dividing with major concentration in divisional on delay system, however still need to watch added matter objection. Need to ensure wording covers IR cameras as well as simple IR device.

- ⇒ Request oral proceedings in EP.
- ⇒ Simple amendment of to combine claims 1 and 2, or claims 1 and 3 or 4 would overcome problem but leave minor competitor uncovered.
- ⇒ Need to file provisional translations in many EP countries to enable claim back to earliest possible date, cannot take action under EP until grant, but no need to wait opposition period, need to take timely steps to enter national phase.
- ⇒ Risk of GB national being revoked if EP(GB) and GB claim same invention, amendment to EP may avoid this.
- ⇒ Could take action under GB in UK right away against small firm, but beware of possible need to apply under Section 75.

Question 6

A number of different issues need to be reviewed.

Ownership

- Is B employee of U? If employee and unless contract B's contract with U states otherwise, any invention is owned by U.
- Is there an of agreement between E and U or B - does this agreement state that E owns? Do the circumstances of the relation between E and U or B infer E's ownership? Even if E has agreement with U this would not transfer ownership to E if U has no position with B.

Protection/Patentability

- Original system probably not patentable as it merely is a software implementation of the existing human system and therefore not an invention under Section 1(2) of the patents Act. It would be protected by copyright.
- Optimum temperature/pressure relationship may be patentable as it appears to be an unexpected result. Need to put reasonable boundaries around the temperature and pressure, inform B of the need to carry out further experiments to show the operative ranges for the improved yield.

Disclosure by D

- Whether E has a right of action for breach of confidence depends on contractual relationship with U and U's with B.
- In view of B's comments on D's disclosure, D's disclosure may be in breach of B's or U's (or indeed E's) rights. Need to file application in UK within 6 months of disclosure (but see below re San Diego). Application should be complete application as second case claiming priority from this UK application will be outside period permitted by Section 2(4). However, it might be noted that a European application claiming priority from a UK application might be permissible because of different approach in EPO.
- In Japan application must be within 6 month (Paris Conv), (but see below concerning San Diego).
- In US, D's disclosure is not novelty destroying, as it wasn't written nor was it known in the US. There is, of course, a risk that someone may have heard the interview and taken the information back to US, however, invention record will establish date of

invention before this knowledge was imported into the US. The 12 month grace period does not apply since the disclosure was not in the form of a printed publication nor public use or sale. Need to discuss quality of B's invention records. For safety file in UK as quickly as possible to minimise the possibility of importation of the knowledge from the radio programme into the US.

San Diego Conference

- The conference proceedings should not damage B's interest immediately in US because of the 12 month grace period, oral presentations to contacts at conference are different but if proven would establish date of invention.
- Conference disclosures would destroy novelty in Japan.

Possible way forward

- Need permit under Section 22 to file direct in US and Japan.
- A possible solution would be to file PCT designating US and Japan in UK office as receiving office, this will overcome the need for permission and get the earliest filing dates for US and JP. (Sophisticated candidates will also appreciate the date of patent problem for US arising from PCT applications and suggest going national by way of a continuation as a possible remedy.) PCT applications count as regular national applications from the point of view of abuse of rights of the applicant in Japan. Need to watch dates and be sure of B's ownership.

Question 7

Like question 2, answers indicated substantial weaknesses in knowledge/experience slightly out of mainstream patent prosecution. Patent Agents are frequently called upon to advise on ancillary matters and should be aware of the broad principles.

This question is usefully considered as a series of mini questions.

Use by A of H's drawings

- H's drawings may have contained confidential information relating to tolerances and detail design, this could expose A to action for breach of confidence, ensure that A has made detailed design and tolerances etc. from scratch (or reverse engineer). As other parts of H's drawings appear to be A's copyright he should not have a problem in respect of those aspects.

Use by H of A's drawings

- Action can also be taken by A in respect of copyright infringement by H of A's drawings and for breach of confidence in view of the clear statement of confidentiality contained in the 10 October 1993 letter. An indicated lack of copyright ownership marking may require A to provide evidence of copyright (Section 104 of the CDP Act). Consideration could also be given to an Anton Pillar order.

Threats and Liability

- As publication was on 4 February 1996 the UK patent application is certainly still pending. However a threats action could arise in respect of a pending application. In this case as A is a manufacturer no action is available to A under Section 70(4) of the Patents Act.
- H cannot take action under UK or EP patent application until grant, which is some time away in the case of the EP.

- No copyright or design right action possible by H against German company as German law does not have design right or copyright protection in respect of three dimensional articles.
- Liability for damages in patent infringement action cannot be based on punitive damages.

Priority Date - Novelty.

- UK Patent application and EP Patent application may not be first application for the subject matter, the original lapsed application of H was still pending at the time of the priority claim. (Also see below also).
- Novelty of applications in doubt if priority claim not valid since the invention was known by L in Dec 94. (This could be rectified with the right request under Section 8 - see below).

Entitlement Action

- As the invention appears to belong to A, application could be made under Section 8 of the Patents Act to determine entitlement of the UK application and the European Patent application. Make application to the EPO to suspend prosecution of the European case (rule 13 EPC) pending resolution of the Section 8 application.
- Section 8 action should cover the earlier lapsed application. The Comptroller may allow a replacement application to be filed going back to the original date. Possible in Europe to re-file EP application with new priority claim if Section 8 decision favourable. This would overcome the novelty problem.

Question 8

The standard of answers to parts A to E of this question was high. However, answers to part F and to previous questions) indicate extensive difficulty in identifying and handling defective priority claims This surprised the examiners as the Paris Convention and Section 5 of the Patents Act 1977 are fundamental to the patent system.

- A. Thirty month period allowed under UK rules for paying national fee expired on 12 March 1996. Further one month extension obtainable as of right under Rule 110 on payment of a fee, that period passed on 12 April. It is now necessary to apply under Rule 110 for exercise of Comptroller's discretion. A fee is payable on application, and another on approval, and explanation is required (which might need proof or amplification) on the circumstances which led to the oversight.

There may be need in this case to explain gap in activity between the previous attorney leaving N at the end of December, and the request for the new attorneys to take over the portfolio in mid April. Further clarification of the events and monitoring procedure used needed.

In any event a translation the PCT application, of any amendments made during the International Preliminary Examination, and of the priority document must be filed. Other forms/fees needed are the UK search request and fee (form 9/77), examination request and fee (10/77), and declaration of inventor (7/77), all to be filed within the 32 months of the priority date (12 May 1996). Despite the need to seek exercise discretion for the filing fee, it is advisable to comply with the formalities for the other documents by the due date, and ask for return of these fees if the decision is unfavourable.

- B. In respect of the European Regional phase of JP94/44444, formalities to enter the European Regional phase - translation of the application, payment of the national basic fee, designation fees, claim fees, examination fees, and any supplementary search fees should have been filed by 31

months from the priority date, 12 April. A request for examination should have also been filed by 31 months. The national fee, search fee, examination fee may be paid within one month of an invitation to pay from EPO and subject to a 50% surcharge, equally the examination request may also be filed within one month of an invitation made by the EPO. The translation of the specification and priority document can be filed late within the period specified by the EPO in its invitation. Thus for the European application nothing is fundamentally lost, the penalty will be surcharges.

In both A and B an authorisation of the agent is required. This need not normally be presented in the UK but does need to be filed in Europe.

C. It is necessary to register GB or Euro(GB) in Hong Kong within 5 years of grant. A certified copy of the patent and a register extract is needed. Candidates should note a problem if Euro(GB) leads to revocation of GB patent and the Euro(GB) must be registered in that case. The very best answers noted the present uncertainty of the position after 1997.

D. Strictly there is no need to proceed with both the British Application the British Euro designation. If the Japanese language PCT is translated into English, the European route will be marginally cheaper to secure UK protection as official actions in the UK will be avoided and the extra designation fee in Europe is less than the fees payable to enter the UK national phase. It might be argued also that the European examination is more thorough and the resulting patent stronger. On the other hand UK prosecution is undoubtedly quicker, and will certainly lead to the grant of a UK patent which will enable registration to take place in Hong Kong more quickly. Both the UK and Europe have the possibility of speeded procedures. In circumstances, best option might be to abandon GB designation in Europe to avoid later revocation of UK case.

E. The UK national patent will be revoked in favour of the European patent under Section 73 if the claims cover the same subject matter. Revocation come into effect after the expiry of the European opposition period, or conclusion of opposition.

F. Depending upon the nature of the correction, it is possible that the Japanese application 333333/1993 will not be regarded as being an application for protection of the device. The final decision might depend on whether the error was immediate apparent to one of normal skill reading the Japanese specification, and whether he would read-in the correct information. The nature of the amendment suggests that this is not be the case and probably only a general process claim would be entitled to priority.

The exhibition disclosed the device, it is not clear exactly what was disclosed, but there is a risk that this may destroy novelty of device claim if priority date cannot be secured. The manufacturing process was, presumably, was not disclosed. If so the process claim could be amended in the application to the generalised process and thus secure priority, as this was in the original description in the PCT application.

As the certified copy originally filed is not a copy the first application filed in a convention, it cannot support the priority claim. However, the defective priority document itself can be rectified under Section 117 and Art 26 PCT, file the correct document and correct translation (the latter 2 month after notice - Rule 85).

A FINAL GENERAL COMMENT

Specific reference has been made to section and rule numbers in these comments. These have been included for cross reference purposes: candidates are expected to know the underlying principles not the specific numbers.