
Candidate's Answer - DII

ELECTRIC OPTICS/OEDIPUS

- 1) Electra filed two applications in 1997, Electra FI and Electra-EP. Clearly more than 12 months have passed since these applications were filed, thus it is not possible to claim priority from either of these applications (A 4(1)PC).

It is, nevertheless, important to consider what these earlier applications described.

Electra-FI was the first application filed in the name of Electra to the basic software and a circuit for performing the software ("circuit"). Also, this application was used as the priority application in Electra-EP (under A 87(1)EPC). Electra-EP is the first application filed in the name of Electra to the improved software.

Neither of these applications will be prior art against any later filed application as they were withdrawn before publication. Their content is, however, relevant for determining whether any priority claims made from Oedipus-EP are valid.

- 2) Oedipus-EP was filed on 30/04/03, therefore a priority claim can be made from this application up until 30/04/04. This deadline has not passed therefore there is still time to file one or more applications making this priority claim.

The Oedipus application describes a digital camera carrying the software. This subject matter was not described in either of Electra's earlier applications of 1997, therefore Oedipus-EP is the first application filed to this subject matter.

The other subject matter disclosed in Oedipus-EP is the software and its use in image enhancement. The software and, as I understand page 1, paragraph 2, line 4, use of the software in image enhancement was, however, first described in Electra-FI. This means that any claim to priority to this subject matter by Electra must be based on the earlier Finnish application for it to be valid, unless the requirements of ART 4c(4) have been met. This would not, however, appear to be the case because the Finnish application has served as a priority claim in Electra's EP application.

This means that if Electra were to try and claim priority from Oedipus-EP the priority claim would be invalid insofar as it relates to the software.

This would prejudice the allowability of any such application since the public conference would be prior art against the application for the purposes of both novelty and inventive step. Since the conference included disclosure of the software as well as its use in a camera, it would seem that any application having an invalid priority claim would lack novelty.

On the other hand, the priority is a right of the applicant, therefore for an earlier application to invalidate the later priority claim based on a later application, the earlier and later applications must originate from the same applicant. Thus any application filed by Oedipus would be entitled to the priority date for the software subject matter as well as the digital camera with the software. This affects the filing strategy which should be used.

- 3) Considering now the other inventions, the "circuit" was first disclosed in Electra-FI. However this is not in Oedipus-EP, therefore no valid priority claim to this subject matter can be made from Oedipus-EP.

Similarly, the "improved software" was in Electra-EP but not in Oedipus-EP. So priority for this subject matter cannot be claimed from Oedipus-EP.

Neither of these subject matter have yet been disclosed and they remain secret, though it seems that the inventers will discuss this matter in the publication planned. In light of this forthcoming journal, which will constitute prior art, applications to this subject matter should be put on file before publication occurs.

The other "invention" is the pocket digital camera. This has not been disclosed in any application filed thus far.

- 4) In light of the above, I would suggest an application claiming priority from Oedipus-EP is filed by Oedipus-EP in respect of the software and the method of using the software in image enhancement. This application needs to be filed by 30/04/04.

An application should also be filed by Electra claiming priority from Oedipus-EP. This application should describe and claim: (i) the digital camera with the basic and improved software and circuit, (ii) the improved software and (iii) the circuit. The priority claim will be valid for the digital camera which will ensure that the disclosure at the conference does not prejudice patentability. The earlier filed Electra applications do not cause any problems, as there is no valid priority claim for the common subject matter.

In order for Oedipus and Electra to both be able to claim priority in the suggested way it may, depending on how the assignment which is already executed is worded, it may be necessary to make a further assignment from Electra to Oedipus, transferring back the right to claim priority from Oedipus-EP insofar as it relates to the software and the method of image enhancement.

An agreement should also be established between the parties such that Oedipus assigns back the application(s) filed in his name after filing.

- 5) Of the countries which Electra are interested in all are members of the PCT, with the exception of Taiwan. Thus in Taiwan, one application should be filed as described above in (4) by Oedipus and one filed by Electra as described in (4). As Taiwan is a member of the Paris Convention it will recognize the priority claims based on Oedipus-EP.

With regard to the PCT applications, USA, EP, JP and South Korea can all be designated. As these international applications will be filed after 01/07/02, when the EPC entered into force in the Czech Republic, it can be obtained by the EP designations. That the EPO can act as designated office in international applications filed on or after the date on which the international application was filed was confirmed by J 30/90.

In respect of the US designations on these applications, Oedipus and Electra cannot be named as applicants as it is required that the applicant is a natural person. In respect of the software/image enhancement application Ms Myopia should be named as applicant (and her rights assigned hereafter). In respect of the camera, software and circuit PCT application, both Miss Myopia and Dr Panopticon should be named as applicants (and their rights assigned hereafter).

- 6) The application to be filed in the name of Oedipus/Miss Myopia cover the software and the method of image enhancement. Whether this subject matter is patentable may vary from state to state – the method of image enhancement is probably acceptable in all states, but whether claims to the software per se will be allowable everywhere is less clear. The US will probably allow such claims. In Europe claims to a programme for a computer are excluded under A 52(2)(c) – though Art 52/3 provides that this exclusion only applies to the extent that the application relates to a programme as such.

Moreover the recent case law of the EPO shows that a computer program will be patentable (assuming it meets the other criteria of novelty, inventive step etc.) if it has technical character. This technical character may be derived from a technical effect which is produced by the program when it is run on the computer. Hence the image enhancement which is provided will constitute such an effect (following T 1173/97).

- 7) With regard to the subject matter in the applications filed by Electra, I would note that it is not unforeseeable that a divorcity objection would arise and that it is considered that the camera, the circuit and the software represent three inventors. If this occurs, this can be overcome by filing one or more divisional applications in the national phases. The PCT does not currently provide for filing of divisional applications.
- 8) With regard to EP-Oedipus which is currently pending, I would suggest that this can be allowed to lapse. Art 47(B) PC provides that an application need not be active in order to claim priority from it, therefore this will not effect the validity of the priority claims.

If it is maintained, rather than pursuing the EP designation of the PCT applications, then the term of protection is effectively reduced by 1 year. This is because the term is 20 years from the filing date (Art 3? EPC). In the case of EP-Oedipus, the filing date is 30/04/03, whereas in the PCT applications this is moved to April 2004.

- 9) The final outstanding issue is the recordal of the transfer of EP-Oedipus. I do not suggest this is done. The EP register entry for this case is not created till after publication, therefore it would not be able for anyone to see.

Also, so long as appropriate assignments are in place to ensure the priority claims are valid as discussed in point (4) above, the right to claim priority is effective. Copies of these assignments can be provided to any national offices which require them. The International Bureau is unlikely to raise this issue.

ZEUS/LEDA

STATUS OF LEDA-PCT

- (a) This application has a filing date of xx/12/03 and a valid priority to an application dated xx/12/02. This means that the effective date of all of the subject matter in LEDA-PCT is the priority date i.e. xx/12/02.
- (b) The application designates EP, JP and US. The application was filed in December 2002 which means that the EP designation includes all of those states for which the EPC entered into force during 2002 (as well as all the earlier contracting states of course!). Those dates for which the EP entered into force under A 169 EPC during 2002 include: Bulgaria, Czech Republic, Estonia and Slovakia. That the EPO can act as designated office for an international application filed on or after the date on which the EPC came into force is clear from J 30/90.
- (c) Possible prior art against LEDA-PCT.
- (i) The sales to KKK.
These sales occurred in April 2002, which is after the priority date, but before the filing date of LEDA-PCT. The priority claim is, however, valid (see ie char (a)) therefore these sales will not be effective prior art against any of the subject matter in LEDA-PCT.
- (ii) ZEUS-EP
This application published in May 2002, which is after the priority date, but before the filing date of LEDA-PCT. This means that ZEUS-EP cannot be full prior art citable for novelty and inventive step, as the publication did not occur until after the effective date of the claims (ie the priority claim is valid).
However, ZEUS-EP may be citable for novelty only, though the position in this regard is likely to be different in the different states designated in LEDA-PCT.

In the EP designation, ZEUS-EP will be novelty only prior art under A 54(3) EPC in those states which are commonly designated and in respect of which the designation fees have been paid (C 23a EPC). In this case this cannot include Czech Republic, Slovakia, Estonia or Bulgaria (and possibly more). This is because ZEUS-EP was filed in November 2001, which is before any of these states joined the EPC. Hence it would have been impossible for these states to have been designated in ZEUS-EP. That this was the case is confirmed by J 14/90.

Possible CZ-ZEUS

If such an application exists this will not be citable prior art against the EP designation of LEDA-PCT under A 54(3). This is because A 54(3) specifically relates to earlier filed "European applications", and not to earlier national applications.

(d) Effects of Prior Art in EP application

Situation 1 - There is no CZ-ZEUS.

In those states which are not designated in ZEUS-EP (and for which designation fees were not paid) claims to the chip can be maintained. This will at least include those states mentioned above which joined the EPC in 2002 and most significantly it will include Slovakia and Czech Republic.

In other states for which designation fees were paid in ZEUS-EP, an amendment will probably need to be made to the claims to ensure that they are novel over ZEUS-EP. If an amendment can be made, then it is possible to have two different claim sets comprising the application for different states (if such an amendment is necessary and is not possible, then it will not be possible to obtain a patent for the chip in these states).

Situation 2 - A CZ-ZEUS exists.

In this case the situation for Slovakia is the same. Also the situation in any other state, other than the Czech Republic is the same.

However if a ZEUS-CZ exists it may be that it is not possible to secure a patent in the Czech Republic. This is because although earlier national applications are not citeable under A 54(3) EPC, they are earlier prior rights against European Patents (A 139(2) EPC). This means that such an application could be used to revoke a CZ patent deriving from LEDA-PCT. There is a facility provided by R. 87 EPC for bringing such prior national rights to the attention of the EPO during examination, and it will be allowable in this case to file an amended claim set in respect of CZ if such an amendment is available to make.

In the US, I would check with my associates as to whether ZEUS-EP is available as prior art, but I do not think it is. As far as I am aware, only applications which are filed before (but are published after the relevant date) in the US or for the US (i.e. PCT (US) and then only if they publish in English) count as prior art.

Similarly in JP, I would check with my associates as to whether Zeus-EP is prior art, but again I do not think that it is. As far as I am aware, only later published, earlier filed Japanese applications count as prior art.

This means that in the US and JP, claims to the chip should be patentable without amendment (assuming no further prior art is found).

(e) Freedom to use LEDA's chip.

As ZEUS does not have either a JP or a US patent, LEDA (and KKK) are free to make and use chips in these countries.

Similarly in Slovakia, Estonia, and Bulgaria, LEDA (and KKK) are free to make and use the chips. This is because ZEUS-EP cannot designate these countries and you have found no national equivalent applications in respect to these countries.

The situation in the Czech Republic depends on whether CZ-ZEUS is in force or not. If not, then LEDA (and KKK) are free to use and make the chips there. If it is in force, making and selling and using the chips there would constitute an infringement of ZEUS-CZ patent.

In other EP states - This depends on whether EP-ZEUS has been validated and brought into force. In most countries this will have required a translation to be filed as well as paying various fees. I can check with local associates to find out if any applications are in force yet. The deadline for completing these acts is in most countries 3-months from grant and so will fall in April 2004. Validation can therefore be monitored.

(f) Chips Already Sold

As the only sale of chips which has occurred was in the US and ZEUS do not have a patent there, ZEUS cannot do anything about this sale.

Moreover ZEUS are based in Slovakia, thus I would presume that the chips were made there. As explained above ZEUS also cannot have a patent there, hence there is nothing ZEUS can do about the manufacture of the chips.

Presumably the chips have been incorporated into cameras by KKK. However, KKK have only to date sold cameras incorporating the chips in the US, where ZEUS do not have a patent. Thus the sale of these cameras does not constitute an infringement and ZEUS cannot do anything.

On the other hand, KKK should not for the time being sell any cameras incorporating the chips in any of those EP states where ZEUS-EP could be validated. Such a sale could constitute a direct infringement by KKK and an indirect infringement by LEDA, since they have supplied the essential means for putting the invention into effect.

(g) Improving the situation

A new application should be filed by LEDA directed to the chip modified to include the image enhancement circuit. This application should be patentable since a major improvement in performance is achieved. There does not appear to be any prior art describing use of such a circuit in a chip.

This application should be filed on the same day or after the application of Electra directed to the circuit. This will then ensure that the chip incorporating the circuit is sufficient. In fact a copy of the PCT application describing the circuit should be filed along with this new application.

Once this application is filed, LEDA will be in a strong position to negotiate X-licence with ZEUS. LEDA has the rights to the original chip in the US, JP and Slovakia (and possibly others) as well as an application to the improved chip. On the other hand, ZEUS have the earliest application in some EP contracting states and possibly CZ (this should be established before the negotiations are begun).

Thus I would suggest that LEDA seek a deal wherein LEDA and their licencees (LEDA can grant a licence to KKK) are permitted to make, use and sell the original chip in Europe (all CS) in return for granting ZEUS a licence to use the new chip in for as few EPC CS as they will accept. Ideally, this would not extend to the US and JP - then LEDA and KKK would have exclusivity in these jurisdictions.

(h) What to tell KKK

(i) If KKK buy chips from ZEUS rather than LEDA, then they will be able to sell their cameras incorporating the chips freely in those EP states where EP-ZEUS has been validated and in force. This does not include Slovakia, Bulgaria or Estonia.

They may also be protected in Czech Republic - depending on whether CZ has been maintained and is in force.

On the other hand, they will not be free to sell the cameras incorporating the chip in the US, JP or Slovakia, since LEDA have patent applications of the earliest date in these countries. Although it is not often possible to be sued under an application, these will eventually become patents and KKK would be an infringer. The damages would be payable back to the date of publication of the application. This follows from the fact that ZEUS application is identical to LEDA's and presumably covers their commercial product.

As KKK have already started selling and have established a market there, I would have assumed that their US market is the most important to them. I would point this out.

To summarize, KKK have the choice of the EP market (by buying from ZEUS) or the US and JP markets (from buying with LEDA). I would imagine (and hope) the latter is more attractive to KKK.

Additionally, I would inform KKK of my plans to seek a cross-licence with ZEUS. I would indicate that LEDA had a new application to file (without disclosing any details) and that we were hopeful that this could result in a cross-licence with ZEUS wherein LEDA and KKK could buy and sell chips and cameras incorporating chips in EP, in return for allowing ZEUS some freedom to use the subject matter of the new application. I would make it clear that I would hope to not have to use the US and JP patent applications (in the PCT) as part of this deal in order that LEDA and KKK keep these markets to themselves.