Candidate's Answer DII

Memo to Client

1. Foamed Core technology

[1.1] The process to make the wing and the wing itself are claimed in EP1. This was filed without priority claim (deduced from publicn date = 18 months from filing date) on 29/4/02, in Danish which is OK (Art 14(2) EPC). The translation was filed in time (<3 month from filing date, Art 14(2)) so appears to be validly filed.
Lack of drawings = irrelevant provided disclosure = sufficient without.
No prior art found in search report and any disclosure after the filing date is irrelevant for patentability, so no reason to believe EP1 is invalid for these claims.
No amendments made during exam, so no added matter.
Invention has an inventive step (lighter and cheaper).
Therefore claims to the foamed core technology are valid in EP1 and Mr Vinge will get a valid patent provided he fulfills the requirements under R51(4) EPC for grant in April 2005.

[1.2] Use of recycled plastics material
The wing and process of EP1, but using recycled plastic core is claimed in PCT1, filed without priority claim on 15/7/02 (publicn = Jan 04). PCT1 represents a selection invention over EP1 effectively, with an inventive step based on the use of recycled plastics, described by the client as obvious.

[1.3] EP1 is prior art under Art 54(3) and (4) EPC against the European application derived from PCT1 so far the designated states overlap (R23a). It was not published before PCT1 was filed so is not prior art under Art 54(2) EPC, therefore is not citeable for inventive step against PCT1.

[1.4] The disclosure of the content of EP1 between Mr V and MOWE on 15/5/02 took place under a secrecy agreement, therefore this is not prior art against PCT1.

[1.5] The presence of the wing incorporating all of the claimed invention of PCT1 at the wedding did not disclose the invention in an enabling manner, because the foam core is

not visible (unless the wing is broken) (G1/92, T206/83, T26/85). Therefore this exhibition is not prior art against PCT1.
[1.6] Mr Vinge apparently probably disclosed the details of the foam technology and the recycled plastics (Mr Vinge knew the details of the wing on display at the wedding, ie having recycled plastics in it) to Mr Cervantes at the wedding.
It is arguable that a discussion at a private gathering, albeit of a substantial number of people, including competitors, should be taken to be under conditions of confidentiality. However, as it seems unlikely that Mr V could, or would, be able to testify as to the exact content of the disclosure, it would be difficult to use this as prior art against PCT1, as proof of oral disclosure is required in detail.

Therefore it seems that there is no prior art which could be raised to help challenge the novelty and/or inventive step of PCT1 and it appears PCT1 is therefore valid unless client has any evidence to back up opinion that it is obvious (could file as 3rd party observations, Art 115 EPC).

[1.7] However two factors need to be considered:
1) with EP1 and PCT1 both valid, it would seem likely that Mr Cervantes would need a licence under EP1 in order to commercialise PCT1. He apparently is already selling widely so need to check the exact words of the two claims to see if he owes a licence fee under EP1. In this situation, EP1 might be well worth buying from Mr Vinge as might be able to get a cross-licence to sell the recycled plastics version as claimed in PCT1.

[1.8] 2) It is quite likely that Mr Cervantes did in fact steal the information told to him by Mr Vinge at the party and therefore MOWE is actually entitled to PCT1 and derived applications. Therefore wouldn't want to challenge validity. Should instead consider arguments in favour of inventive step of PCT1.
In order to improve situation, I would suggest starting entitlement proceedings (in Denmark) and request that the EPO suspends examination proceedings for the Euro-PCT1 application (R13 EPC) (it is too late to file own patent application under Art 55 EPC as PCT1 published >12 months ago and the Art 55 time limit = 6 months).

[1.9] In summary – strategy:

Before meeting:

- check whether PCT1 needs licence in Europe under EP1 to sell and buy EP1
- start entitlement proceedings and request suspension in EPO for Euro-PCT1
- will need separate entitlement proceedings in the USA for US equivalent but need to consult a US attorney as to the best way to proceed in this valuable market (first to invent, not first to file). Need to be very careful here – if successfully get Californian tender and supply wings using the recycled foam technology, will be wilfully infringing a granted US patent which leaves possibility of triple damages if client is not successful with entitlement proceedings.

If client has bought EP1 and commercialisation under PCT1 needs a licence and have shown willing to dispute entitlement to PCT1, client will be in a good bargaining position in discussions with Mr Cervantes, for example to a cross-licence to save time, effort and expense of entitlement proceedings, or a cheap assignment of PCT1 to client (preferred).

2.

[2.1] The adjustable flap technology was claimed in EP2, filing date (without priority claim re-dated to 25/5/02.
Granted 2/8/04, therefore opposition period (Art 99 EPC) expires 2/5/05 (Monday).
However the text of EP2 was actually present in EP1 as filed in Danish although were erroneously omitted on translation.
According to Art 70(2), the authentic text of EP1 = the Danish text, not English translation.
Therefore EP1 is Art 54(3) and (4) EPC prior art against EP2 and is novelty destroying (identical disclosure) because it was filed earlier (29/4/02). All states designated (R23a), all fees paid, so prior art for all states.

[2.2] However the English text can be brought into conformity with the Danish text at any point during proceedings before the EPO (Art 14(2) EPC).Therefore, possible to reinstate the missing seven pages into EP1. As EP1 has not yet granted, it would then

be possible to file a divisional application to the subject matter of EP2 (R25(1) EP
retain EP1's filing date (Art 76(1) EPC). Although EP1 does not have any drawings, it seems that the flap technology can be sufficiently described without the drawings, so their absence will not be detrimental to validity.
Any subsequent disclosure (eg of the wing at the wedding) cannot effect validity of the application. As no prior art was found in the search report, and EP2 (with a filing date later than EP1) cannot be prior art against EP1, the resulting patent should be valid (after all, EP2 granted).

[2.3] Therefore, in summary, to improve the situation (in Europe)
whoever owned EP1 would have to correct the English text of EP1 and rapidly file a divisional to the subject matter of EP2.
- EP2 is not valid so no point wasting money on it.
- Client should instead buy EP1 (much cheaper) and get access to both foamed core ad flap technology in one go; need to hurry because grant of EP1 = due in April and divisional must be filed by then; also need to register transfer (Art 71).
If Mr Vinge sold EP2 to Mr Cervantes, an opposition against EP2 could be filed using EP1 as a ground under Art 100(a) EPC. As Mr Cervantes has signed a binding agreement to buy all rights that MOWE does not, then he is bound to do this.

[2.4] In the USA – flap technology
There is no US patent application equivalent to EP2 (or EP1) which could protect the flap technology in the USA, which is desirable in view of the tender for supply in California.
EP1 and EP2 both published more than a year ago so no protection can be derived using the US grace period.
If entitlement of MOWE to the recycled foam technology of US equivalent of PCT1 is established, or a licence gained, it would be possible to use this technology in supplying the Californian market, and protect it via this granted US patent (previously discussed in paragraph 1.9) - would give partial protection to the wings that want to sell to Californian company. As it has granted, it is too late to file a continuation-in-part to include the flaps embodiment, even if MOWE owned the PCT and EP2.
Client should see what outcome of discussions with Mr Cervantes on 16/4/05 are and then decide on a strategy for Californian tender due by 30/4/05.

3. Dimples and knobs

[3.1] Dimples – EP3

Client filed patent application on the day of the wedding, when the prototype was displayed. This appears to be the first public disclosure of the dimples. Whether or not the disclosure was enabling for the invention (that it is surprisingly noise reducing) is irrelevant as the state of the art under Art 54(2) EPC only comprises disclosures made before the date of filing. So showing the wing at the wedding does not constitute prior art. (NB fax filing is sufficient to accord a filing date under Art 80 EPC; the EPO does not have to be open to receive the fax – the filing date is accorded provided all of the application is received before midnight).

So EP3 has a filing date of 4/7/02.

No prior art was found in the search so EP3 is novel.

The surprising effect gives inventive step. Therefore EP3 is valid.

[3.2] Dimples – EP4

Provided all of application was faxed through to the EPO before midnight on 4/7/02, EP4 will share the same filing date as EP3. In this situation EP3 and EP4 are not prior art against each other and both would go to grant (Denmark and Germany are in the same time zone). There is no precedent for taking into consideration the actual time that the EPO received the application when two applications are received on the same day, so time difference of faxes = irrelevant.

However Mr Cervantes stole the dimples invention after the discussion at the wedding. The discussion took place after EP3 was filed and so cannot affect the validity of that application. MOWE is entitled to this invention and could start entitlement proceedings (in Denmark) for ownership of EP4, simultaneously requesting suspension of proceedings. Once ownership was obtained, either EP3 or EP4 could be allowed to lapse in order to prevent double patenting; alternatively MOWE could request refusal of EP4 directly (Art 61(1)(c) EPC) (for at least the dimples technology).

This should be raised in discussion with Mr Cervantes on 16/4/05.

[3.3] Knobs – EP4

MOWE did not disclose knobs to Mr Cervantes and this aspect is not present in EP3. However the knobs are merely a commonly known equivalent of the dimples. The inventive concept of EP4 resides in the distribution and this is claimed in EP3.
So once entitlement to the dimples aspects of EP4 by MOWE is established, the remaining knobs subject matter of EP4 will lack any inventive step (Art 56 EPC) and are therefore not patentable on their own.

[3.4] Summary

Through entitlement proceedings MOWE should get exclusive ownership of a valid patent to the dimples. DQWE will probably not get a patent to the knobs alone but will be free to sell them because they will not be within the scope of EP3. However MOWE will be equally at liberty to sell them.
To improve situation, client should initiate entitlement proceedings for EP4 dimples invention prior to discussion with Mr Cervantes.

4. The actions recommended are:
1) buy EP1 and file divisional to EP2 subject matter after text correction. This doesn't involve DQWE. Need to hurry – delay grant?
2) If PCT-1 falls within the scope of EP1 consider infringement action against DQWE for past sales in Europe of recycled foam. This could not be anonymous.
3) If DQWE buy EP2, file an opposition against EP2 by 2/5/05 using EP1 as grounds under Art 100(a) EPC. The opposition could be filed in the name of a 3rd party ("straw man", G3/97 and G4/97) and this would not be an abuse of process. So could keep involvement in this aspect a secret, although citation of EP1 might make it obvious.
4) File 3rd party observations against Euro-PCT1 (Art 115 EPC) showing it is obvious – however need evidence and wouldn't do if follow 5) below (would be anonymous though)
5) start entitlement proceedings for Euro-PCT1 and US equivalent action. This can't be anonymous as whole point is to prove entitlement as the true inventor. This does give the best chance of protecting commercialisation of the (now not secret) recycled plastics foam.
6) start entitlement proceedings for EP4 – similarly can't be anonymous.