

Examiners' Report - Paper D 2008 - Part II

This was the first EQE after entry into force of EPC 2000. Most Candidates demonstrated to be well familiar with the new provisions and thus they were able to collect most of the marks available for EPC 2000 issues, both in D1 and in D2.

Crucial aspects of this year's D2 paper were the analysis of subject-matter, validity of priority, the new provisions of EPC 2000, interruption of proceedings and the scope of protection of the various patents or patent applications.

The analysis of subject-matter and the question on validity of priorities were very well dealt with. In particular, most candidates knew that at the relevant date India was member of the Paris Convention and that the EPO would therefore accept the priority claim of an Indian patent application. Many also recognized that the priority claims of EP1 and EP2 were invalid in respect of R1 because DK1 and DK2 were not the first applications for this subject matter.

A majority of candidates also demonstrated a sound knowledge of the new provisions of EPC 2000, in particular the legal remedies. Nevertheless, marks were lost if candidates did not suggest the necessary steps, e.g. for filing the missing parts and obtaining re-establishment.

Although most candidates were generally aware of the possibility of interrupting the proceedings in case of bankruptcy, only few could correctly apply the legal provisions of Rule 142 EPC. For example, many candidates were of the opinion that it was not necessary to inform the EPO about the bankruptcy and that the proceedings would be interrupted automatically. Also the fact that the EPO specifies the date of resumption of proceedings and that the (full) period for paying the search and filing fees starts again on that day were often missed.

Frequently, marks were lost on analysing the protection conferred by the various patents or patent applications. Surprisingly, a number of candidates were of the opinion that a claim directed to the sports racket in general would not protect the specific example of a tennis racket and considered it necessary to include a dependent (!) claim on a tennis racket to extend protection on the tennis racket. Even if a dependent claim can be added as fallback position, it does not change the scope of protection.

Some candidates also stated that CT had protection for the damper D1 via EP1 and were therefore allowed to sell the combination of R1+D1 although Euro-PCT-DS by their competitor DS covered tennis racket R1.

Furthermore, it was often overlooked that both CT and DS have been violating provisional rights by selling or offering for sale rackets covered by the claims in their competitor's published applications.

Finally, although most of the candidates recognized that a cross-licensing agreement would be the best way to proceed, they did nevertheless not state which rights would be part of the agreement. It is reminded once again that simply proposing cross-licensing without details about the rights to be exchanged is not enough for earning full marks.

Possible Solution - Paper D 2008 - Part II

Memorandum

1 Current legal situation (22 marks):

Sports racket R and tennis racket R1: IN-DS is the earliest application for sports racket R. Furthermore, India was member of the Paris Convention at the relevant date. Consequently, IN-DS can serve as priority application for PCT-DS even in the European regional phase. The effective date of sports racket R therefore is 10.12.05.

The same applies for tennis racket R1, even though the claims of IN-DS or PCT-DS are directed to the sports racket in general and not to the specific example of tennis racket R1. There is no prior art for PCT-DS.

The first filing by CopenTennis (CT) for tennis racket R1 is DK-U. The priority claims of EP1 and EP2 are invalid with respect to R1, since DK1 and DK2 are not the first filings by CT for R1. Consequently, the effective dates for tennis racket R1 in EP1 and EP2 are the respective filing dates.

The publication of DK-U, DK1, DK2 as well as PCT-DS is novelty destroying for the claims to the tennis racket R1 alone in EP1 and EP2.

As Euro-PCT-DS designates DK it will be an earlier right for DK-U, DK1 and DK2 with respect to tennis racket R1.

In summary, DS can obtain patent protection in all PCT (in particular EP) member states for sports racket R and its specific embodiment R1 and can in almost any country block us from manufacturing and selling R1 once the patents resulting from PCT-DS are granted and, if applicable, validated.

Racket damper D1: DK1 is the first filing for racket damper D1. The priority claim of EP1 is valid with respect to D1; the effective date is the filing date of DK1, i.e. 27.12.06.

If published, EP-BEP will be prior art under Art. 54(3) EPC for damper D1 of EP1 in Europe. Moreover, FR-BEP is a national prior right with respect to EP1, which is not considered for novelty and inventive step in EP proceedings. However, racket damper D1 is clearly different from and operates on a different principle to racket damper D2. Therefore it appears to be new over D2. The French patent resulting from EP1 can be maintained in France in view of FR-BEP.

Since there is no prior art disclosing racket damper D1, the claim to D1 is new.

Because of the missing pages EP1 does not have an enabling disclosure of racket damper D1 (Art. 83 EPC).

Racket damper D2: FR-BEP is the first application for racket damper D2. The priority period of FR-BEP ended on Sunday, 03.09.06, extended to 04.09.06. The priority of FR-BEP in EP-BEP was therefore claimed in time. The effective date for EP-BEP is the filing date of FR-BEP.

With respect to EP-BEP the time limit for paying the filing and search fees ended one month after the filing date, i.e. on 04.10.06. Since the filing and search fees were not paid EP-BEP is deemed to be withdrawn.

As there is no prior art disclosing D2, the claim to racket damper D2 appears to be new and inventive.

Grip G: DK2 is CT's first filing for grip G. The priority claim of EP2 is valid with respect to G; the effective date is the filing date of DK2, i.e. 29.12.06.

Since there is no prior art disclosing grip G, the claim to G appears to be new and inventive.

However, EP2 is deemed to be withdrawn as the filing and search fees have not been paid for this application.

The mentioned combinations of R or R1 with any of D1, D2 and G:

Since the claims to racket damper D1 and grip G as such are new and inventive, also the claims directed to the combinations of tennis racket R1 with racket damper D1 and/or grip G are new and inventive.

No application specifically discloses the combinations of R1+D1+G, R1+D2 or sports racket R with any of D1, D2 and G.

Further applications directed to R1+D2 or R with any of D1, D2 and G would not be new in view of the DS press release.

An application directed to R1+D1+G would not be new in view of CT's sales.

Consequently, filing further applications directed to the above subject-matter does not make sense.

All combinations offered for sale by CT and DS include R or R1 and therefore fall under the scope of protection of PCT-DS; since they additionally contain D1, D2 and/or G they also fall under the scope of protection of the patent applications based on DK1, FR-BEP and/or DK2.

2 Recommended actions within the next three months (26.5 marks):

With respect to racket damper **D1** the EPC allows to introduce missing pages (R. 56(2) and (3) EPC, see also Guidelines A-II, 5.2 and 5.4) if

- the applicant files the missing pages,
- the applicant requests that the late-filed parts be based on the claimed priority to avoid a change in the date of filing,
- the late filed parts are completely contained in the claimed priority application, i.e. DK1,
- the applicant files a copy of the priority application,
- the applicant files a translation of the priority application into an official EPO language,
- the applicant indicates where in the priority application and its translation the late filed missing parts are completely contained.

The above should have been done within 2 months from filing date, i.e. until 15.02.08. This time limit has expired.

An omission of a communication under R. 56 EPC from the EPO may not be invoked, it would be too risky to wait for it.

The expired time limit of R. 56(2) EPC is open to re-establishment, which can be requested within 2 months after 28.02.08, i.e. until 28.04.08.

Within that time limit

- request re-establishment,
- state the grounds and facts why the "all due care" requirement is met, which is likely in view of the facts (fire, backup, review meetings),
- pay the prescribed fee and
- complete the omitted act by fulfilling all of the above requirements of R. 56(2) and (3) EPC.

Consequently, CT can obtain patent protection in Europe for racket damper **D1** and can stop any competitor from manufacturing and selling **D1**, including **R+D1** and **R1+D1**, once **EP1** is granted and validated.

In view of the plans of **DS** to start selling rackets **R** or **R1** including damper **D2** in Europe **CT** should buy the patent rights of **BEP**.

This will give protection in France for racket damper **D2** resulting from **FR-BEP**. **DS** is offering **R+D2** and **R1+D2** for sale, which fall under the scope of **FR-BEP**.

EP-BEP would give equivalent protection Europe wide, if revived.

Since the applicant of **EP-BEP** was bankrupt as from 06.09.2006 the EPO will interrupt the proceedings on that day as soon as it is informed and provided with evidence.

Conclude the agreement with **BEP** and inform the EPO that

- **CT** is the new owner of **BEP's** patent rights,
- **BEP** was bankrupt as from 06.09.2006.

Evidence supporting the bankruptcy and the transfer of the patent rights has to be filed. Moreover, a fee for registering the transfer has to be paid.

The EPO will then communicate a date on which the proceedings of EP-BEP are re-opened. The one month time limit for paying the filing and search fees for EP-BEP will begin again on that day. Make sure that these fees are paid in time.

To obtain protection for grip **G** in Europe in addition to Denmark, EP2, claiming priority of DK2, has to be saved. EP2 was filed on 14.11.07 under EPC 1973, the time limit for paying the filing and search fees ended on 14.12.07 when the EPC 2000 was already in force. Following the transitional provisions the legal remedy for the loss of rights is according to EPC 2000.

Consequently, further processing can be requested for the time limit for paying the filing and search fees. The time limit for requesting further processing is two months from receipt of the notification of loss of rights and ended on 27.02.08.

The time limit of further processing is open to re-establishment, which has to be requested within 2 months from 28.02.08, i.e. by 28.04.08.

Within that time limit request re-establishment with respect to the time limit for further processing, take the necessary steps including paying the fee for further processing.

Consequently, CT can obtain patent protection in Europe for G and can block DS from selling any rackets equipped with grip G, including R+G and R1+G, in Europe once EP2 is granted and validated.

3 Suggestions for a strategy for the negotiations with DS (11.5 marks):

In preparation of the meeting with DS the status of PCT-DS should be checked via file inspection. Furthermore, it is advisable to watch out for the publication of further patent applications.

Moreover, you should file the requests for re-establishment as soon as possible. Try to reach an agreement with BEP and carry out the necessary steps to have the transfer done before the meeting with DS.

You have to be aware that CT has been incurring a potential liability to pay compensation in respect of PCT-DS as from its publication by selling R1+D1+G.

Also DS could be in a difficult situation since they may have been infringing DK1 and DK2 by offering for sale of R1 or R in combination with D1 and/or G.

You should consider early publication of EP1 and EP2 as well as filing a translation of the claims where appropriate for provisional protection. Please be aware that provisional protection resulting from a pending patent application depends on national law. Furthermore, you could consider requesting accelerated prosecution of your EP applications under PACE .

Even if you are active in Europe only you can take advantage of the grace periods in the US and other countries by filing respective patent applications to improve your negotiating position with DS.

Since CT cannot manufacture or sell tennis racket R1 in almost any country in the world they need a license for R1 from DS.

Also DS cannot sell any of their rackets having G, D1 or D2, in particular R or R1 with G, D1 or D2, in Europe without a license from CT.

DS have a strong negotiating position also because CT can only stop them in Europe, which is only a potential market, while DS can stop CT in their entire market and only place of business.

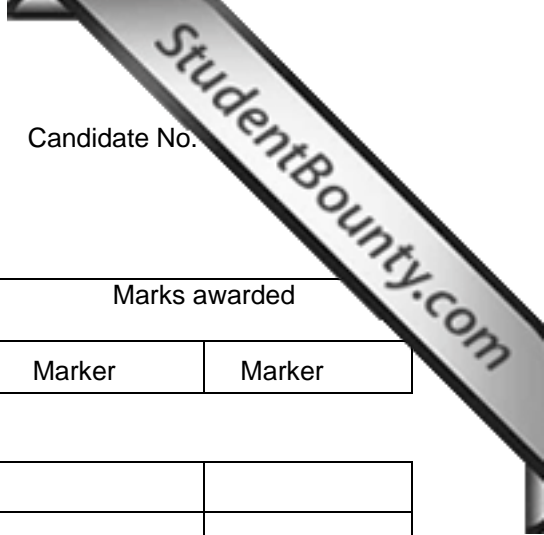
Cross-licensing seems unavoidable. One of the possible cross-licensing agreements includes a license for tennis racket R1 for CT in exchange for licenses for other rackets (squash, badminton) equipped with D1, D2 and/or G for DS.

(Candidates are not required to give legal basis in their answers to paper D part II, see Instructions to candidates for preparing their answers, item V, point 23. Any references here are for information only.)

EXAMINATION COMMITTEE III

Candidate No. _____

Paper D 2008 Schedule of marks



Question	Maximum possible	Marks awarded	
		Marker	Marker

PART I

1	7		
2	5		
3	4		
4	5		
5	4		
6	5		
7	5		
8	5		
TOTAL PART I	40		

PART II

1	22		
2	26,5		
3	11,5		
TOTAL PART II	60		

Total Parts I + II	100		
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Examination Committee III agrees on marks and recommends the following grade to the Examination Board:

PASS
(50-100)

FAIL
(0-49)
COMPENSABLE FAIL
(45-49, in the case the candidate sits the examination for the first time)

1 July 2008

Chairman Examination Committee III