

THE JOINT EXAMINATION BOARD

PAPER P2

Patent Agent's Practice

12 November 1996

*Time Allowed - four hours*

Please read the following instructions carefully.

1. Candidates should attempt four (4) questions from Part A and two (2) questions from Part B
2. Each question in Part A carries 15 marks and in Part B 20 marks. Questions answered in excess of the maxima in either part will not be marked.
3. Write on ONE SIDE of the paper only in BLACK INK. Start each question (but not necessarily each part or section of a question) on a fresh sheet of paper.
4. Put the paper number (P2) and question number clearly in the two boxes on the left at the head of the paper. You must also write YOUR EXAMINATION NUMBER in the single box provided on the top right hand side of the answer paper.
5. Properly argued conclusions carry substantially more weight than mere assertions.
6. Unless specifically indicated, answers in the form of letters are NOT required.
7. Do NOT give any indication of your name on your answer script.
8. No printed matter or other written material of any kind may be taken into the examination room.
9. Please write clearly, illegible answers cannot be marked.
10. At the end of the examination please double check that you have fully complied with instruction 4 and assemble your answer sheets in question number order to hand in.

THIS PAPER COMPRISES 7 PAGES (INCLUDING THIS FRONT SHEET)

## PART A

1. Yesterday, you were approached by the wife of D, a private inventor who has filed and prosecuted a number of patent applications and receives from licensees who use his inventions sufficient income to fund his hobby of mountaineering. In June 1996 D had left the UK to take part in a climbing expedition in the Himalayas. Bad weather had meant that the expedition had been repeatedly delayed. D had managed to get a message to his wife in which he said that he did not know when he would be home and asked her to make arrangements to ensure that all his patent affairs were kept in order until his return as he would not be contactable for some time. D's wife asks you to look through his records and to make sure that there is nothing that needs to be done. You find the following:
- a. British Patent Application filed on 30 October 1995. The specification consists of a description and informal drawings and the filing receipt indicates that the only other document filed was a request for grant. (4 marks)
  - b. British Patent No. 2 222 222, granted on an application filed on 1 October 1989, with a renewal receipt acknowledging payment of a fee in September 1995. (1 mark)
  - c. European Patent No. 0 333 333, granted in September 1995 on an application filed in March 1990 claiming priority from the application which matured into British Patent No. 2 222 222, and designating, *inter-alia*, the UK. The Patent has been opposed and there is a Communication dated 26 June 1996 from the Opposition Division setting a four-month term for filing observations in reply to the Notice of Opposition; there are also letters confirming payment of renewal fees in March 1996 in the other European countries, and a copy of a letter dated May 1996 from the UK Patent Office indicating that the UK renewal fee due in March 1996 was overdue. (6 marks)
  - d. UK Application No. 92.01234 was filed on 1 June 1992 (without a priority claim), and on which an Official Letter was issued on 5 September 1996 setting a two-month term for reply, but raising only minor formal matters. (2 marks)
  - e. A set of documents prepared by D which he had apparently intended to file as a divisional application directed to the subject matter of certain claims that he had previously had to delete from UK Application 92.01234 (see d. above) in reply to a non-unity objection. (2 marks)

Prepare notes in preparation for a discussion with D's wife on the status of the portfolio, any steps which should be taken, and the likely outcome.

(Total 15 marks)

2. You receive the following letter from your client, a bottling company:

"We have for some time been evaluating a bottling machine manufactured by P. We are very pleased with the way that the bottling machine works but would like to adapt it so that it combines the bottling step with a step in which a label is applied to the bottle, and we would also like the machine to operate at a higher throughput, which means that it would need to be somewhat bigger. The modification to incorporate the labelling step could be made by simply adding on a new part immediately downstream of the bottling region.

We understand that P have no patent protection for their machines and, as P's machines are very expensive (and would still have to be adapted as we describe above), we would like to have a number of custom-made machines built by our usual machine manufacturer. As the bottling part of the machines will be larger than P's machine, and our machines will include the labelling part, they will be quite different from P's machine. Please confirm that it is safe to proceed in that way.

You may like to know that the evaluation was carried out under the terms of an agreement which included a clause that requires us not to disclose to any third party or otherwise to use (except in the evaluation) any information which we acquire from the machines we are evaluating, to the extent the information is not in the public domain."

You ascertain that P have made a number of the bottling machines since about December 1990 and those have been sold to drinks manufacturers who are using them in their factories.

Set out the basis for advice to E on his position and on any action he should take.

(15 Marks)

3. An eccentric American millionaire, J, who is President of his own company in the USA, calls into your office because he has remembered that there is a deadline soon for filing some new patent applications based on his own US Application which he filed almost a year ago. He tells you that he is visiting the UK to complete the setting up of a small UK subsidiary of his US company. He would like to obtain patents in Germany, France, Holland, Norway, Finland and the UK. He also has commercial interests in the far east and would like to obtain cover in China, Singapore, Hong Kong, Malaysia, Indonesia and Taiwan. He asks you to advise how he can obtain cover in those countries as he has found out that his US attorney is seriously ill and is unable to help. He gives you a copy of the specification filed in the USA and informs you that he has carried out further work on the product and now knows that one of the features included in the claims of his US specification can be replaced by an alternative feature, and he would like to ensure that the protection obtained extends to the alternative feature.

He has been told by a business associate that a company in the UK is about to start selling a product which appears identical to that described in his US Application and asks what he can do to stop them.

Please set out your advice to the millionaire.

(15 Marks)

4. In each of the following cases, explain briefly what form of protection may be available in the United Kingdom:

- a) A heart "pacemaker" in which the only new element is a program arranged to monitor heart function in a particular way and to cause the device to generate stimulating pulses for correcting an anomalous heart function in a particular manner which is determined in response to the monitored behaviour.
- b) A series of three-dimensional china medallions, the medallions having in common a background consisting of a circular china disc of diameter two inches, but each having an individual designed floral arrangement superimposed on the disc.
- c) A pack having two separate compartments each of which contains a known material, the two materials to be combined by the consumer immediately before use to produce a novel adhesive compound particularly useful for use in the home.
- d) A self-assembly kit, to be sold in DIY outlets, which when assembled produces a garden summer-house.
- e) A new board-game with a board, three dice and a number of pieces which are to be moved in a manner determined in accordance with a specified set of rules, around a playing area marked out on the board.

(15 marks)

5. Your client, who manufactures cooking oil, was granted a UK and a French Patent (but no other) for a process of manufacturing a cooking oil. There is only a single claim, to the process, in which the oil is defined by its chemical structure. The oil itself was already known but the process enables it to be made from the seeds of a crop which was previously thought to be of no commercial use at all. The oil had been considered to be too expensive and its use was limited to specialist dishes in top restaurants, but the new process enables its production much more cheaply. In addition the oil is significantly purer than has been possible previously.

Your client has discovered that a factory in France is producing the oil. It has placed advertisements in several UK magazines, offering to supply small bottles of the oil in presentation cases, primarily as gifts to people who enjoy cooking. The price is only slightly less than previously. Purchasers have to order from a location in France by post or telephone, with a credit card number, and the oil is despatched by post to whatever UK address is specified. One advertisement, from the same source, has appeared in a catering magazine, offering to supply the oil in bulk at a much lower price. Your client has analysed the oil offered by mail order and its purity matches that made by the patented process.

Your client has also encountered bags of potato crisps which are imported from France by a company in Norfolk and distributed to specialist food stores where they are sold at a premium over conventional crisps. The packaging says that they are cooked using only the special oil and the nutritional information shows a fat content of 35%. In the same stores there are also bottles of the French oil and tubs of an allegedly healthy spread, made in France, which claims to have been made from the oil. Analysis has shown that, whilst the oil was probably the starting point, the substance in the tub has a chemical structure outside the definition contained in the patent claim. You are asked to advise on whether anybody has infringed the UK patent.

Explain the basis for your advice to the client indicating the courses of action he should take noting, particularly, whether anyone has infringed the UK patent.

(15 Marks)

**PART B**

6. Your client, a UK watch manufacturing company with research and development facilities, writes to you as follows:

"For some years we have been trying to perfect a new type of watch mechanism. We have various proposals in the pipeline but have not made any firm decisions yet.

We have just received a letter from a private inventor who claims to have invented a mechanism which would meet our needs. He has given only a very brief outline but it looks as if he has been making similar developments to ours but could be slightly more advanced. He says that he will give us full details of the mechanism if we agree to treat it confidentially. We have been asked to sign a document which says that we will not use his ideas or make any watch using his principles for five years after the disclosure.

The inventor says that if we decide to evaluate the mechanism then we shall have to do so within one month and pay him a sum of money for the privilege. If we then decide to go ahead he has proposed a deal. Patents will be filed in our joint names, but at our expense. Apparently, lack of funds means that he has filed nothing so far. We shall have exclusive rights to manufacture and sell watches in the UK. We shall have to pay him a 10% royalty on each article sold and he wants us to pay £20,000 in advance. The inventor insists that we have to sell 10,000 watches a year, which may be feasible initially but the market for the watch may die down. He will be looking for licences in other countries and we will receive 5% of any income he gets from them.

We are interested in what he might have designed and would like to talk to him. We have not been involved in licensing before and would appreciate your advice."

Draw up a memorandum to form the basis of the advice to your client.

(20 marks).

7. In June 1996 your client A, a United States corporation, had discussions with a British company B concerning the purchase of a patent portfolio from B in a particular area of technology. Eventually, at a meeting in the United States, agreement was reached and directors of A and B signed an agreement on 30 June in which B agreed to transfer rights in patents and patent applications to A in return for a payment of £10 million due within one month. Only one copy was signed and was retained by A. In the middle of July 1996 A transferred £10 million to the account of B in the United Kingdom, and on 31 July 1996 B sent to A by facsimile a letter stating that the money had been received and the patent portfolio was theirs.

A has done nothing since then. You have just been asked by A to look into the situation as they believe that there may be some trouble with B in Europe. A has sent you a copy of the Agreement and of the letter from B. You see that there are ten UK patents and five European patent applications listed, as well as a large number of patents and patent applications in the United States which A says that you do not have to consider. A also sends you a copy of a letter from B dated 1 November 1996, which accompanied the files on the various cases. In this letter B states that two of the files contain references to divisional applications on two of the European cases. One was filed on 3 July 1996 and one on 1 August 1996. In the letter of 1 November, B explains that the divisional applications have been assigned to a company C, to whom the files have been transferred. B stated that the divisional filed on 1 August 1996 was as a result of a non-unity objection in an earlier official action. B did not give the reason for the July divisional.

A states that it had assumed it was to receive all of the files, and asks you to record its interest in all of the United Kingdom and European Patent Office cases including the divisionals.

What issues would you consider in drawing up the advice that you would give to A, noting particularly the steps you would take.

(20 marks)

8. Your client A is a UK manufacturer of bottle closures. It has just received a letter from a company B, A's major competitor, threatening infringement proceedings under two patents. There is a United Kingdom Patent granted in 1994 on an application filed in November 1992 and a corresponding European Patent granted on 28 February 1996 which designates the UK, France and Germany and which was filed in November 1993 claiming priority from the British application. The claims are identical and are clearly infringed by a closure which your client is selling in large numbers in the UK and throughout Europe.

A advises you that it got the idea for its closure from a design which it was shown in February 1992 by an outside designer C. A paid £5,000 for the right to use the design and then made prototypes which looked different but used the same principles. A displayed his closure at a trade fair at the end of October 1992, and samples were distributed to interested people. A contacted the designer C to confirm what happened, but C says that at the time he was also employed as a designer by B. C has received a letter from B threatening him with legal action for breach of his contract of employment by showing the design to your client. C does not care as he has retired after winning the National Lottery.

A is becoming increasingly concerned about the situation, particularly as some major customers have reported that they have received threatening letters from B. Your client says that it may try to negotiate with B, but first it would like to know what legal steps could be taken against B. Searches have revealed no other relevant prior art.

Draw up an internal memorandum to form the basis of your advise to your client A on the options available to him.

(20 Marks).