

THE JOINT EXAMINATION BOARD

PAPER P2

PATENT AGENTS' PRACTICE

19th April, 1993

10.00 a.m. - 2.00 p.m.

Please read the following instructions carefully. This is a FOUR HOUR Paper.

1. You should attempt no more than 4 questions from Part A and no more than 2 questions from Part B.
2. The number of marks allotted to each question is placed in brackets at the end of the question.
3. Where a question permits of reasons being given for the conclusions reached, such reasons should be given.
4. Start each question (but not necessarily each part of each question) on a fresh sheet of paper. In the appropriate boxes at the top of each sheet please enter the designation of the paper, the question number and your Examination number. Write on one side of the paper only using BLACK ink. You must NOT staple pages together. You must NOT state your name anywhere in the answers.
5. Unless specifically requested answers are NOT required in letter form.
6. NO printed matter or other written material may be taken into the examination room.
7. Answers MUST be legible. If the examiners cannot read a candidate's answer no marks will be awarded.

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Part A

1. Mr Stripes, a U.S. citizen and Mr. Jack, a U.K. citizen are co-inventors of three different inventions; a first is directed to a petrol tanker, a second is for transfer means to unload the petrol from such a tanker to a storage tank of a petrol filling station, and a third is for a railway truck.

The first two inventions are solely appropriate to the territories of the United Kingdom, Germany, France, Italy, Spain, Mexico, the United States of America and Canada. The inventors wish a third inventor, a Mr. Sombrero of Mexican nationality to be the sole applicant in Mexico, the United States of America and Canada in view of a contribution he is making to the costs of exploiting the invention. The third invention is solely appropriate to the territories of what were the Eastern bloc countries and what were the Union of Soviet Socialist Republics.

No disclosure has been made of these inventions, and no design or patent has so far been applied for to protect them.

These inventors come to you for advice as to how the widest patent protection can be obtained for these inventions, both territorially and as regards scope of claims, whilst delaying costs as much as possible but enabling them to exploit their inventions as soon as possible. What advice would you give?

Suppose that they follow that advice, and two years later an unauthorised user of their second invention is discovered in the United Kingdom. The inventors now ask you how this unauthorised user might be stopped as soon as possible whilst otherwise keeping open the possibility of the widest patent protection for all three of these inventions and continuing to keep costs delayed as much as possible. What advice would you give then?

(15 marks)

2. Your client Vacobag PLC ("V") writes to you as follows:

"For two years we have been developing a new type of vacuum cleaner bag which we intend to sell in the United Kingdom and Germany. It involves a material which has to be made in-house on new machinery which we installed eighteen months ago. Although the design of the bag was finalised a year ago, we have had considerable difficulties with the new machinery which we have only just overcome by developing improvements in the way that it is operated. We are now ready to go into production next month. We have kept all details about the project confidential, and want you to file a patent application for us.

In the final stages we had an engineer from the machinery manufacturer visit us, to inspect our improvements in operating the machinery. Over lunch one day he said that one of our competitors Bagolux ("B") had been working on an identical project for some time although he did not think that they would be ready to launch the product for another three months as they had not yet worked out how to overcome the difficulties with the machinery. Apparently they have decided against patent protection but intend to keep everything confidential until their launch. We asked him to say no more.

Will we be able to get any patents in the United Kingdom and Germany, and will we be able to stop B?"

Advise your client, indicating any steps which they should take.

(15 marks)

3. Discuss whether patent protection is available in principle in the following situations, indicating the categories of claims that you might include in any applications.

- a) Your client has developed a new system for detecting a dangerous form of skin cancer at a much earlier stage than previously. A rat has been genetically engineered which develops a painless and harmless skin condition if injected with blood from a person who has developed the cancer. The condition passes in a few days. The rats breed successfully, and the reaction is passed on to some offspring. All offspring are tested to determine whether they demonstrate the reaction.

(5 marks)

- b. Your client has designed a new system for compressing and expanding digitised video signals. It relies upon a sophisticated algorithm. He intends to use it in a video phone system where the speed of compression and expansion makes it possible to transmit live pictures down telephone lines without loss of quality. He also intends to supply a computer program which by using the same algorithm will permit images to be stored and displayed more quickly on personal computers.

(4 marks)

- c. Your client has created a picture of a person by superimposing two holograms, which results in spectacular visual effects. He considers that it could open up a completely new field of art. He believes that the system will also be useful as a security picture on credit cards for example, where it will be far more difficult to imitate the effects than with conventional security holograms.

(3 marks)

- d. Your client has the idea of advertising on parking meters, and has designed a support to which advertisements can be attached. The support is a sheet of metal having four legs to attach it to a standard parking meter, and these legs are bent in a very special way to allow them to fit over the top of the meter. They have to be bent in slightly different ways for different styles of meter.

(3 marks)

4. Swathe & Co. Ltd. (S), a British lawnmower manufacturer was finding business difficult in 1990 and that year entered into an agreement with a finance company called Fastbucks (F) whereby the latter injected a large amount of capital into S in exchange for a substantial share holding in S, and a lien, duly recorded at the Patent Office, on all of its United Kingdom patent property. Nonetheless the business of S failed in 1992 and that year it went into receivership.

Your client, Garden Gizmos Ltd. (G) has just now completed the purchase of a United Kingdom patent from the receivers of S, together with a corresponding United States patent and a United Kingdom patent application.

In every case the named inventor was a Mr. Trimmer (T). He had been a director of S and is still a director of another company called Neatertrim Ltd. (N) which in April 1989 assigned to S all the rights relating to the invention which is the subject of the U.K. and U.S. patents, S not being formally in existence until May 1989. He further claims that the assignment to S was on condition that he be given a shareholding in S, but that this shareholding was never properly in place.

Your client informs you that T is claiming he has rights in the intellectual property G has bought from S and is seeking payment for them.

Set out in detail the action that T could take and the grounds of such action. Also set out in detail the action G could take in response, and the grounds of that action. What could G do in the meantime?

(15 marks)

5. Your client successfully applied for registration of a design of his for a food blender in 1990. The base of the blender is provided with attachment means which are connected

to rotate a cutter of the blender. The attachment means are adapted to engage the drive means of a large food-mixer. The base of the blender is also so formed and dimensioned to fit into corresponding formations on the food-mixer. That base also has a shape which conforms generally to that of the food-mixer, and has on its outer surface a pattern which matches that on the food-mixer. A food-receiving bowl of the blender has an unusual tulip shape which your client claims enhances the performance of the device. The three blades of its cutter are also unusual in shape, each extending rearwardly from its leading sharp edge by an amount which subtends an angle of 60 degs. at the rotational axis of the cutter and tapering towards its trailing edge. The base and the bowl of the blender are separable components, with interengageable formations and with an ornamental pattern on both the contacting faces of the base and the bowl. This pattern does not structurally assist in the connection between the two parts, but it gives a hint as to how the connection is effected.

In 1992 a competitor started to market a blender which is an exact copy of your client's blender. You drew the competitor's attention to your client's device as instructed, but the competitor simply argued that the only protectable features of your client's design are present in a design which the competitor created as long ago as 1977.

Your client now asks how he stands in relation to the competitor, and whether he can stop the latter's sales of competing blenders.

Write full notes on the legal issues which are relevant to the advice you would give.

(15 marks)

Part B

6. Dan Kobber (D) was an Australian inventor who died on 6th August, 1992. In his Will, he left all his assets to his two young children, Bruce (B) and Sheila (S). D's only United Kingdom property at the time of his death was a patent for a readily-openable drink-can. You applied for the patent on 30th September, 1988 on D's behalf on the instructions of his Australian Patent Agent (P). The patent was granted in 1991.

Notwithstanding timely reminders which you sent to P regarding the renewal fee due on the patent in 1992, it was not until 26th March this year when P finally gave you instructions to renew the patent, in view of an interest shown by a large canning company, Click-and-Tear Pty. (C). You acknowledged receipt of those instructions, and left a copy of your acknowledgement with a member of your renewals department, with the intention that it should effect the payment. Regrettably, your renewals department interpreted your action as an indication that you yourself would deal with the renewal in view of the very unusual circumstances of the case.

Today you receive an urgent enquiry from P asking for official evidence as to the status of the patent as requested by C, because C is not prepared to purchase the patent unless it receives such evidence confirming that the patent is properly in force. Upon checking your records, and also the Patent Office records, you find that no payment of the renewal fee due in 1992 had been made.

Write details of the information and documents you will need to obtain, the further documents you will need to prepare, and the steps that you will need to take, in order for C to be recorded officially as the proprietor of the patent.

What difference would it make if the patent had been granted in September, 1992?

(20 marks)

7. A new client Avino PLC ("A") has asked you to give a second opinion on a difficult patent problem being handled by its usual representative. According to an inspection of the official records and the client's files, the position is as follows:-

In January 1989 A devised a new corkscrew. It gave a prototype to a potential backer "B" who had agreed to look at it in confidence. B stated that it would be a commercial success and agreed to arrange funding to patent, develop and market the corkscrew.

In April 1989 A filed a patent application without claims in the UK Patent Office, and the product was launched in May 1989. In April 1990 A completed the UK application and also filed a European application with an identical specification and claims, claiming priority and designating all possible states.

In the UK, the Patent Office issued a search report in July, 1990 citing a single UK Patent which anticipated claim 1. An amendment was submitted in August, 1990, adding to claim 1 a feature from the description which had not previously appeared in any claim. During substantive examination the Examiner accepted that the new claim was novel and inventive but there were many arguments about whether the broad language used to introduce the additional feature amounted to adding matter. The Examiner has just contacted A's representative, advising him that he is happy with their latest proposals and that if they lodge retyped pages he will accept the case.

The European Patent Office cited no documents in its search report in February 1991 and the case proceeded to grant in August 1992 in exactly the same form as filed, with no objections, for all designated states. The UK part is in force.

In 1991 A had already noticed that several off-licences in England were selling infringing corkscrews made by a manufacturer "M" in Birmingham. A wrote to all the off-licences bringing their attention to the European Patent in September 1992, and to M threatening proceedings for infringement of the European Patent. The off-licences have ceased stocking the corkscrews but M has alleged that the patent is invalid and has filed an opposition in the European Patent Office.

In fact the wording used in the amended UK claims was adjusted carefully during examination to ensure that M's corkscrews would still infringe, although the examiner was not told of this.

In the European opposition M relies only upon an article in a wine trade magazine, in which B describes the corkscrew. The article was published in March 1989 and whilst not including a complete description discloses all of the features claimed in the European Patent and indeed the UK application in its amended form. A found out about the article just before the UK application was filed and told their representative.

A has decided not to commence infringement proceedings but to improve its position if possible and attempt to negotiate with M.

Discuss A's position and the steps which might be taken to improve it.

(20 Marks)

8. Your client Drillers Limited ("D"), a British Company, writes to you as follows:-

"We mine an ore by means of drilling operations at a site in Cornwall. The drilling is extremely difficult and the only way we can carry on a commercial operation at present is to use special drill bits available only from a Canadian company, Superbits ("S"). Despite efforts, nobody has been able to design an alternative.

The drill bits are covered by two United Kingdom patents whose validity has been upheld by the Patents Court in 1987 in successful infringement proceedings against a supplier Newdrill ("N") who had to cease production. N had also been sued for copyright infringement but it was held that they had not copied. The first Patent ("123") is dated February 1, 1974 and covers the basic drill bit. The second ("456") is dated February 1, 1984 and is in respect of a minor improvement which increases the speed of drilling by about 10%. The patents only contain claims to a drill bit, and you have previously advised that all of the bits with which we are currently supplied are covered by both patents.

We purchased our first drill bits in 1980 when we signed a contract in which S agreed to supply the drill bits and to let us use them, and we agreed to obtain all of our supplies of drill lubricating and cooling fluid from S. It is a conventional fluid available in the UK from numerous suppliers at half the price. In January 1991 we signed a letter of agreement with S confirming that the 1980 contract applied to bits in accordance with the '456 patent, and since then we have used the improved bits. In the letter, S gave us the option of obtaining the fluid from elsewhere if in addition to the purchase price of the bits we paid a royalty based on the quantity of ore mined using them. We considered that to be unreasonable, as the ore is of extremely variable quality, and declined to take up the option.

From June 1988 to June 1989, and from June 1991 to June 1992 drilling conditions were difficult and we used double the quantity of lubricating and cooling fluid. Due to an oversight we did not obtain the extra fluid from S but from a UK supplier. S has now found out and is threatening to sue us for breach of contract and patent infringement and to cease all supplies of the drill bits unless we pay full compensation.

In any event we now regret being bound by the terms of the contract, which are causing serious difficulties with our profitability. We also wish to expand our activities, to exploit a new site in Wales. This could triple our output and create many jobs in an old mining community. We would also introduce a new extraction system that we have just patented, to increase production. However, we cannot afford to do any of this and keep to our contract with S, who refuses to renegotiate on the terms of the contract or the prices charged for the drill bits and the fluid. We have spoken to N, who could supply bits at an economical price.

Could you please advise us on our position and whether there is anything we can do to improve it."

- a. Discuss D's position under United Kingdom national law and suggest courses of action that D might take.
(15 Marks)
- b. Discuss briefly any provisions of European Community law which might affect D's position.
(5 marks)