THE JOINT EXAMINATION BOARD

PAPER P2

PATENT AGENTS' PRACTICE

18th April, 1994

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. A British company "Broko" has recently gone into receivership. On February 15, 1994 the receiver came across a bundle of papers relating to patents, which had been filed away when the company's in-house Patent Attorney had been made redundant on 1st September 1993. Despite having been warned by the Patent Attorney the company has done nothing in relation to its patent cases, since his departure. Today, the receiver has passed you the papers, asking you to sort them out as he is hoping to sell the intellectual property of the company shortly.

   You find the following:-

   a. A European patent application ("A") was filed on 3 October 1991. The examination fee was paid in April 1993 and the first substantive examination report is awaited. No other action has been taken since.

   b. On a further European patent application ("B") filed in May 1991, there is an Official Communication dated 14 February 1994 indicating that the application has been refused for failing to approve the text following a communication under Rule 51 (4). There appear to be some errors in the text but you do not yet know what corrections are necessary.

   c. A British patent application ("C") was filed on 25 August 1990 claiming priority of 30 August 1989. The first substantive examination report issued on September 30, 1993 setting a six month period for reply. No action has been taken.

   d. A British patent application ("D") was filed on 30 April 1993 without any priority claim. One of the sheets of drawings was supposed to show three figures, illustrating alternative embodiments, but one of the figures is missing.

   e. On a United States patent application ("E") an official action issued on 25 October 1993 setting a three month period for reply. The action was stated to be Final. Significant prior art has been cited, requiring lengthy study.

Advise the receiver on the status of the cases and on what action should be taken.

(15 marks)

2. Your client is a private inventor who has filed his own UK patent applications and has now come to you for advice on how to proceed with them.

His invention relates to a system for regulating temperature zones in refrigerated compartments. On 6 January 1993 he filed a first application entitled "refrigerated lorry". The application consisted of a technical description of a refrigerated lorry using the system, a single claim to "a refrigerated lorry substantially as hereinbefore described", and an abstract. The abstract reads as follows:-

"The essential features of the refrigerated lorry are that it has a temperature regulating system using sensors to monitor various regions of the compartment separately and to record the temperature profiles. These can be printed out so that when a customer is given his batch of produce he can also be given a print out showing the temperature profile in the particular region where they were stored, to show that the produce has been kept at the correct temperature. The system can also be used in cold stores at supermarkets, distribution depots and so forth, or even in small freezer cabinets."

The application documents contain no other reference to the possibility of using the system in anything but a lorry.

The Patent Office search has cited no prior art. The case is proceeding with the abstract as filed.

A few days after the application was filed your client showed a lorry incorporating the system to a few potential customers. One of these mentioned that there would be a market for the system in cold stores for supermarkets and the like. Your client investigated the matter but found that it was much more difficult than he had thought, in view of the large size of the cold stores. After several attempts he developed a suitable system, involving some important changes to the original system, and on March 1 1993 a second application was filed. No claim to priority was made. This included the original technical description and an additional description of the system for use in a cold store. The same abstract was used, and there was a single claim as follows:-

"A fixed or mobile refrigerated compartment has a temperature regulating system using sensors to monitor various regions of the compartment separately and to record the temperature profiles".

The Patent Office search has cited no prior art.

Discuss your client's current position and suggest what steps, if any, might be taken to improve it.

(15 marks)

3. Your client "Batto" is a company set up in 1993 in the new Eastern European state of Newastan, a country which currently has no intellectual property laws. Batto produces replacement batteries for video cameras. In December 1993, Batto arranged for a British design company "Desco" to be commissioned to design a new battery. The deal with Desco was arranged by Zapta, a brother of one of the directors of Batto, who has been living in the UK for ten years.

Desco had one of its employees use a computer aided system in the design of the battery. The problem was to provide a distinctive overall shape which would still fit the video camera. The computer program produced a series of possible shapes that would fit the camera and the employee selected the most appropriate for high volume commercial production. In practice, it is also a distinctive shape and it is hoped that it will attract customers to purchase the batteries in preference to equivalent batteries from competitors. One end of the battery is of a conventional shape to mate with the connectors in the video cameras.

Batto has made sixty trial batteries. In February 1994 ten were sold by Batto to a distributor in the UK and in March 1994 the remainder were sold to a distributor in Newastan. Further sales or production will await responses from the distributors. An advertisement illustrating one of the batteries appeared in a UK trade magazine in February 1994.

Advise Batto on the possibilities for protection of the design of the battery in the United Kingdom.

(15 marks)

4. Your client, a UK engineering company, writes to you as follows:-

"We are about to enter into an agreement with a United States company concerning patent rights in the field of central heating. There are various patents granted in the UK and other European countries, and some pending European Patent Applications. We shall be assigned a number of patent cases relating to radiators, and we shall be granted licences under various other cases relating to boilers. The licences are restricted to boilers below a certain output, for domestic use, but we shall have exclusivity in that field. The deal only covers rights in Europe. The US company will retain all its patent rights in the US and other

countries. However, there is a United States application for a radiator filed in June 1993 and we are being given the right to file an equivalent application in Europe.

We shall be paying the US company £300,000, and then 5% of the sales price of both boilers and radiators. We shall be paying the lump sum in six equal instalments over two years and the US company says that it wants its interest in the radiator patents to be on record until the final instalment has been paid.

Could you please advise us on the documents and procedures necessary for the project to be completed. We have never owned any patents before".

Advise your client.

(15 marks)

5. Your client, "Foodco", is a United States company which owns a European Patent in force in the UK, France and Germany. There are no patents in other European countries. The invention is a process for making a savoury snack biscuit. There are three patent claims. The main claim recites various process steps, including the addition of a flavouring. The invention enables certain difficult flavourings to be used, such as seafood flavourings. Claim 2 is dependent on claim 1 and recites that the flavouring is prawn and cheese. Claim 3 is also dependent on claim 1 and recites that the flavouring is prawn and tomato.

Foodco has formed a UK manufacturing subsidiary "Britco" and has granted a licence to an independent German manufacturing company "Germco", to manufacture the biscuits. Foodco has decided to concentrate on the prawn and cheese flavour in the UK, and Britco will only manufacture that flavour. Germco will manufacture only the prawn and tomato flavour and will supply France, Germany and Italy. The flavourings are made by a secret but unpatented process by a Foodco subsidiary "Franko" in France, which supplies both Britco and Germco.

Foodco wishes to ensure that Britco and Germco do not compete in the same market, to ensure that only one of the flavours is available in each country, and to ensure that Franko is the exclusive supplier of the flavourings.

Advise Foodco on whether these aims can be achieved.

(15 marks)

Part B

6. Your client writes to you as follows:-

"In the late 1980's I was unemployed and I took the opportunity to design a new type of three pin plug ("type A") with a novel internal construction which improved safety and the ease of connecting the mains lead. In 1989 I was desperate for employment and applied for a job in the stores department of a manufacturer ("Kettomatic") of electric kettles. It was not a demanding job and in the many periods that I had free, I designed a modification of my plug ("type B") suitable for manufacturers to supply already attached to appliances such as kettles. I approached the management and they said that the type B invention had been made in their time and that whilst they would pay me a £500 bonus, it was their property. However, they also said that if I gave them the rights in the type A plug, then they would promote me into the research department.

Accordingly I assigned the type A invention for £1 and was duly promoted. I then designed an improved version ("type C") which was easier to manufacture. I was made redundant shortly afterwards, in 1990.

Since 1991 Kettomatic has used the type C plug on all of its kettles, saving itself £5 million per year as a result of reduced manufacturing costs, which improved its competitiveness. It has licensed types A and B to many other manufacturers and has earned £5 million per year in royalties. This has contributed to a move from a £15 million loss in 1990 to a £10 million profit in 1993.

In June 1992 Kettomatic was granted three UK patents, one for each of the three types. The only other protection sought was in Germany where a patent application was refused for type C, on the basis of close prior art, but a Gebrauchsmuster was granted. One quarter of Kettomatic's production goes to Germany.

I would like a share in the profits from my inventions".

Advise your client on his position and on any action he should take.

(20 marks)

7. Your client "J" is a Japanese company which owns UK Patent 3111111 relating to animal feeding machinery, especially poultry feeding machinery, granted in 1992. Machinery covered by the Patent is made and sold in the UK by a British company "B" which is a wholly owned subsidiary of "J". It has been discovered that a poultry farm is using machinery which appears to infringe the Patent. The machinery was seen by a sales representative of "B" when

visiting the farm although a full inspection was not possible. The machinery carried the name of a German manufacturer and it was apparently imported directly by the farm. "J" has instructed you to take action in the Patents County Court.

In reviewing the papers you note that an item of prior art, UK Patent 888,888, discloses something very close to the subject matter of claim 1. The prior art had been cited in the UK search but was not mentioned in the substantive examination report. The UK Patent was granted with the claims as filed. The only other country in which the prior art was cited was the United States, where the same claims had been lodged originally. J argued there that the prior art related to a cattle feeding system and introduced features into claim 1 which limited it to poultry feeding machinery. The US Patent was granted with that claim in 1993.

Discuss the steps that you might take to protect your client's interests giving details of all procedures to be followed in the Patents County Court.

(20 Marks)

8. Your client is a pharmaceutical company which manufactures its products in the UK. For some years it has marketed an antibiotic "A" used solely for treating intestinal problems. For some years it has also marketed a drug "Z" for treating ulcers. Both are supplied to pharmacists, and dispensed to patients, in liquid form for oral consumption.

As a result of long term monitoring your client discovered in 1989 that the effects of Z in treating ulcers are enhanced in many patients who are also receiving A. It was found that A and Z could be mixed together to provide an improved treatment for ulcers. A European Patent designating the UK was granted in January 1994, with a priority date of June 1989, with a single claim reading:-

"The use of A for the preparation of a therapeutic composition incorporating Z for the treatment of ulcers".

Your client has just commenced marketing a mixture of A and Z in liquid form under the name "Antibo", which has naturally been very successful and is sold at a premium of 50% over the normal wholesale price of the constituents alone. Your client has stopped supplying Z alone.

Patent protection for A and Z alone expired in 1990. In 1993 a competitor "Generose" based in Russia started selling into the UK both products separately. They were supplied in liquid form and in effervescent tablet form. This was the first time that A or Z had been available anywhere in tablet form.

Your client believes that doctors will try to avoid using Antibo by prescribing A and Z separately, and also that Generose will try to take advantage of the situation. Your client has come to an arrangement with the National Health Service but is concerned by what doctors in private clinics might do.

Advise your client on the position regarding patent infringement in the following circumstances:-

a. Generose supplies instructions to doctors and pharmacists on how its A and Z liquid products may be mixed in the pharmacy to produce an improved ulcer treating composition. The doctors issue corresponding prescriptions which the pharmacist makes up. The patient is given a single bottle.

b. Generose supplies instructions to doctors and pharmacists on how its effervescent A and Z tables may be prescribed in the correct doses to improve ulcer treatment. The doctors issue corresponding prescriptions which the pharmacist makes up. The patient is given two packets of tablet each with its own instructions, but may take them dissolved in the same glass of water. On some occasions the doctor or pharmacist recommends this.

c. Generose supplies combination packs which include both types of effervescent tablet and instructions for their use together. These include instructions on how they should be taken dissolved in the same glass of water.

(20 marks)