

## **REPORT TO CANDIDATES**

### **PATENT SYSTEM**

#### **2000 EXAMINATION**

The papers presented this year were of a generally pleasing standard. Candidates must remember that this paper is directed to Australian law and practice, as well as foreign patent law and practice. It is insufficient to be able to handle only the aspects relating to Australian law and practice. The Examiner's are heavily focused on practical, succinct and clear advice to clients that makes clear not only the most preferred course of action where alternatives are available but also any disadvantages associated with a given step. Candidates should feel at liberty to question any aspect of the information presented to them or to ask for further information from their "client".

#### Question 1

(a) File Wrapper Estoppel is another aspect of US law relevant to infringement proceedings. It prevents argument being put in support of claim scope which is contrary to comments, admissions or argument put in prosecution in relation to the same term/s. In other words, it is not possible to reclaim territory ceded during examination in order to make something an infringement which would not otherwise be if the interpretation argued during examination were to be maintained.

(b) A terminal disclaimer is part of US patent practice relating particularly to Continuation in Part applications and involves disclaiming that part of the term of a patent that extends beyond the term of the parent case from which it is derived. A terminal disclaimer is required to avoid extending protection beyond the extent of the term provided by the parent case for subject matter claimed in the CIP which overlaps in scope with subject matter claimed in the parent. It mitigates against the "double patenting" which is possible under the aforesaid conditions in US law.

(c) Presumption of validity is not a statutory term, but is used internationally to refer to the likelihood of a patent being held valid in Court proceedings in which the issue is raised. Presumption of validity is in part based on the rigour of patent office examination procedures. Thus, for example, a patent granted in the United States or in Europe will have a high presumption of validity. A patent granted in South Africa will have a low presumption of validity. This question was not well handled.

(d) The Budapest Treaty was established to enable the "written description" and "sufficiency" requirements of international laws to be met. Instead of requiring a full taxonomic, biochemical and morphological description of living matter (including micro organisms) an applicant may instead deposit their subject matter at an International Depositary Authority. The quid pro quo aspect of patent law is met by allowing qualified persons access to these deposits.

(e) This question required candidates to distinguish between "exclusive" licences wherein even the Licensor is prevented from exploiting the technology, and "sole" licences wherein the Licensor, but only one Licensee is able to exploit the technology. The terms are applicable internationally.

### Question 2

Candidates had some difficulty discussing this very practical aspect of US patent practice. A final rejection, when issued by the USPTO indicates that only a limited number of options exist to progress a patent application to allowance. An extendable period of three months is allowed for response. Positive action must be taken in response. Argument alone is considered not fully responsive. Candidates needed to discuss the alternatives including amending to completely overcome the Examiner's objections, filing a continued prosecution application or a continuation in part application, appealing the rejection or petitioning the Commissioner. Discussion of the advantages and disadvantages should have included time, cost and issues of priority date and scope of protection.

### Question 3

The answers to this question were disappointing given that under the CER Treaty, persons qualifying as Australian Attorneys are also entitled to practice in New Zealand. The major differences with Australian opposition law and practice are as follows. The Statement of Grounds and Particulars is required upon lodgement of the opposition together with an indication of locus. An extension of time is available for this step. A belated opposition process is available up until a date 12 months post grant. In reply to the Statement of the Opponent, the Applicant must file a Counter Statement within two months. The process is then similar to that in Australia requiring Evidence-in-Support, in-Answer and in-Reply. Each of these stages is due two months from the service of the last.

### Question 4

This question was relatively well handled. The Examiners were seeking practical advice to the client. As such it was expected that a comment on the ramifications of steps proposed be made to assist the client in determining the most recommended route. The client could request that his specification be laid open to public inspection as soon as possible; if not already conducted a validity search could be commenced; expedited exam could be requested; a letter could be sent to the competitor to warn of the client's rights although the pros (availability of damages) and the cons (possibly alerting the competitor to the option of lodging opposition) needed to be discussed; or a petty patent could be filed to bring on grant as quickly as possible. Ideally candidates needed to warn of the pitfalls of the petty patent system if they recommended taking this route to stopping the competitor.

### Question 5

In general, candidates did not handle this question particularly well.

(a) Even if candidates could not recite the relevant sections of the EPC, they needed to clearly indicate that pursuant upon an Article 51(4) notice, the applicant has 3 months to approve the text of the claims and to provide a translation into the other two official languages of the Convention. Then, subsequent to an Article 51(6) notice the applicant has 3 months to pay the grant and publication fees. This starts the opposition and validation processes.

(b) In South Africa, a patent application undergoes no examination other than formalities and proceeds to grant directly without an opposition process.

(c) In Europe post grant amendment procedures are available on a country by country basis via the National Patent Office or in Court. It is also possible to achieve Union wide amendment via the post grant opposition process available under the Convention. In South Africa it is possible to make post grant amendments before the Patent Office provided that they narrow the scope of the claims and find basis in the description.

### Question 6

In this question it was considered that mere recitation of the relevant crown use provisions of the Patents Act was insufficient. Candidates needed to consider whether it was possible that the competitor could supply devices to meet the tender but which would fall outside the scope of the patent and whether the tender constituted written authority from the Government (several cases exist on this point, *Pyrene Co. Ltd v Webb Lamco* (37 RPC 57) and *Aktiengesellschaft Fur Autogene Aluminium v London Aluminium Co* (40 RPC 107) as well as the more recent *Brisbane City Council* case). That is, it was necessary to review the tender documents. Candidates should have been aware that the client was entitled to compensation and that the Commonwealth have the right to acquire the invention if they see fit.

### Question 7

Comments were required on each clause in turn.

(i) The term of the licence was questionably long and the aspect of irrevocability probably should have been attached to performance clauses to protect your client's interests. Good papers questioned whether the patent covered heating units per se.

(ii) Whilst the percentage rate is probably not unreasonable, it was considered that it may have been to the clients advantage to direct it to the wholesale or retail cost of the blade or the heating unit.

(iii) Whilst there is nothing wrong with this clause from the point of view of the licensor, candidates should have pointed out to their client that their potential licensee may have found this clause objectionable and too biased. Other alternatives might have included a royalty free licence, a grant back arrangement or a sole licensee arrangement. Most candidates appreciated that this clause fell foul of both the Patents Act and the Trade Practices Act because it amounts to

a tying clause. Most candidates did not appreciate that it may have been possible to impose this condition under the auspices of the quality control provisions of a Trade Mark licence.

Question 8

The declarations provided in this answer needed to be logically ordered, preferably chronological, constitute a full disclosure of the facts presented and contain all the necessary elements to enable allowance of the extension of time application. That is, they needed to establish that an error or omission had occurred, that the Applicant had an intention to renew the patent before the commencement of the grace period, and that there was no undue delay. They also needed to establish the authority of the person executing the declaration to do so (because they were in a relevant position to know and substantiate the facts) and how the knowledge of the circumstances had come about. In general, although not essentially, it was considered that the best person to make the declaration was an Attorney or partner of your firm. It was also possible that a supporting declaration from a representative of the client company be provided. The best declarations set out your firm's normal procedures for paying annuities and tracked what may have occurred against that standard so as to make absolutely clear where one or more errors or omissions had occurred.

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