Paper DII

This paper comprises:

- Letter from client — mock/D2/EN/1-4
- Four questions — mock/D2/EN/4

Legal advice

[001] You are a professional representative. On 2 March 2021 you receive the following letter from your client, Dr J.C. Skou, who is a famous Danish biochemist:

[002] For some years, I have cooperated with Mr H.C. Oersted who is an independent researcher and runs a small research laboratory in Glostrup (DK) specialising in the development and testing of pharmaceuticals. For each project, a contract is made specifying the purpose of his research and the basic remuneration. The total remuneration for Mr Oersted is determined by negotiations between me and him and depends on the potential value of any inventions made.

[003] Each contract contains the stipulation that Mr Oersted assigns to me the world-wide rights for inventions made in execution of the project, the world-wide right to file patent applications on these inventions, and the priority rights to these applications. Further Mr Oersted is required to cooperate fully and assist with all measures necessary for the obtaining by me of valid protection for these inventions. Each contract also contains a secrecy agreement which clearly requires Mr Oersted to keep non-public information confidential and not to disclose it to third parties. Unfortunately, we forgot to insert in the contracts a more far-reaching clause to the effect that Mr Oersted was not allowed to use information available to him from the project for his own purposes. Finally, the Maritime and Commercial Court in Copenhagen (DK) is specified as the proper venue for disputes arising from the contracts.

[004] I have prepared the following survey of the various patent applications involved. Furthermore I have summarised at the end of the survey the problems on which I need your urgent advice.

Danish Application DK1

[005] This application was filed on 2 June 2020 naming myself as applicant and myself and Mr Oersted as joint inventors. All filing formalities have been completed. The application is based on the invention of product X having an antihypertensive effect, i.e. lowering blood-pressure (beta blocker). The only production process disclosed (process A) is a rather cumbersome four-step process for producing product X.

[006] Since product X is believed to be novel, I incorporated the following independent claims in the application:

Product X;
Product X for use as a medicament;
Pharmaceutical composition comprising product X;
Product X for use as an antihypertensive agent;
Process A.

[007] It was solely my suggestion that product X might have an antihypertensive effect and Mr Oersted developed process A. Immediately after filing DK1, I signed a new standard contract with Mr Oersted under which he was to set up a line of experiments in order to find out whether it was possible to design an improved process comprising only two process steps. I suggested to Mr Oersted that by using certain process parameters, steps 1 and 2 of the four-step process could be combined, as could steps 3 and 4.

[008] In December 2020, Mr Oersted had obtained the desired two-step process (process B) and his process parameters confirmed my suggestions.

International Application PCT2

[009] In addition, I plan to file an international application PCT2 with the Danish Patent Office when expedient. PCT2 would contain the whole contents of DK1 and also a description and claims directed to process B. My main markets are Europe and the USA.

[010] By chance, I observed that product X also appeared to have an antiviral effect against the herpes virus. The tests I have made confirm this and, moreover, have shown that product X also has an antiviral effect on the measles and chicken pox viruses. I believe that it is the first time an antihypertensive agent has also proved to be antiviral, and that this use has a great potential. I was also thinking about incorporating this new feature into PCT2.

European Application EP3

[011] To my great surprise, when I met Mr Oersted yesterday, he told me that he did not intend to cooperate with me anymore, in particular in securing patent protection, unless he was adequately remunerated for his time and efforts, which he felt had not been the case up to now. In addition, he astonished me by disclosing that at the same time as he was working on process B, he had also secretly designed a one step process, process C, by which a 50%

higher yield of product X could be obtained than is possible with either of the processes A and B. Process C does not start from the same materials that are used for processes A and B for the production of X and is an entirely different process. However, by process C, product X was formed together with product Z as part of a mixture Y.

[012] He had also separated product Z from the mixture and tested its possible antihypertensive effect on a few rats. It appeared to have an antihypertensive effect not significantly different from the results obtained with product X.

[013] Mr Oersted further told me that he had asked another European patent attorney Mrs Susanne Carlsberg to file a European patent application (EP3). Before filing, Mrs Carlsberg had made an on-line search and found only one reference to product Z, this being in a Danish journal of 2019 describing the use of Z as a catalyst in a rubber vulcanisation process.

[014] Mr Oersted gave me a copy of EP3 which was filed with the Danish Patent Office on 14 January 2021 designating all EPC contracting states. The application was filed in Danish naming Mr Oersted as the sole applicant and the sole inventor. He had claimed the priority of 2 June 2020 from DK1.

[015] Mr Oersted admitted that since he had not been able to pay Mrs Carlsberg her full charges, no official fees have yet been paid. In the meantime, I have verified that EP3, besides the content of DK1, also contains a description of the process B, the process C for the production of mixture Y, the process D for the separation of X and Z from the mixture Y, and finally the data about the antihypertensive effect of product Z.

[016] Mr Oersted also told me that in February 2021 he had contacted a US company Elrond Pharmaceuticals and offered them a licence under EP3. When I asked him for details, he revealed that as a basis for the negotiations he had given a copy of EP3 to Elrond Pharmaceuticals.

Indian national patent application IN-DG

[017] Last week, I attended a conference in Davos (CH) where I met a famous Indian pharmacologist Dr Datt Gulati (DG). He told me that on 15 April 2020 he had filed an Indian national patent application IN-DG disclosing and claiming product X and a process P. Confidentially, he gave me a copy of the patent application. After returning at home, I studied

the application and found that in the description the medical use of product X is mentioned, in particular to lower 'bad' cholesterol and raise 'good' cholesterol in blood. In addition, I noticed that process P is entirely different from processes A, B and C.

Please give me your advice on the following problems. I need a reasoned memorandum.

For this memorandum, please assume that under Danish law, the right to the patent belongs to the inventor but that this right can be assigned by contract.

A. What is the current situation as regards:
   (i) DK1
   (ii) EP3
   (iii) IN-DG?

B. What should I do if Mr Oersted agrees to cooperate fully to secure the optimal patent protection?
   (i) If we want to keep EP3 in force, what steps must be taken and within what time limits?
   (ii) Would it be useful to keep EP3 in force? Give reasons.
   (iii) Should a PCT application be filed? If so, how should we proceed?

C. What should I do if Mr Oersted refuses to cooperate in securing patent protection for me?
   (i) What legal steps should be taken regarding application EP3?
   (ii) Would it be useful to keep EP3 in force? Give reasons.
   (iii) What further steps could be undertaken to secure protection for the inventions?
   (iv) Please advise me, in particular in relation to protection in Europe, what arguments speak for the filing of an international application as planned and what arguments – if any – for directly filing instead a European patent application (EP2), in view of the problems with Mr Oersted?

D. Do we have to worry about the Indian patent application IN-DG and what effect could it have on our business in Europe?