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SECTION A

Question 1

Briefly explain:

- a) *Res judicata*; **1 mark**
- b) i) Give one type of decision that can be heard by the Appointed Person. **1 mark**  
iii) What further appeals are available from the Appointed Person. **1 mark**
- c) i) Explain who may make a reference to the Court of Justice of the European Union. **1 mark**  
ii) Explain the circumstances in which, a reference to the Court of Justice of the European Union may be made. **1 mark**  
iii) Explain the effect of a decision made by the Court of Justice in response to such a reference being made. **1 mark**

**Total: 6 marks**

Answer

- a) a matter that has been adjudicated by a competent court and therefore may not be pursued further by the same parties. **1 mark**
- b) i) Examples include appeals from decisions of the UK Trade Mark Registrar either on matters of trade mark examination, or inter partes trade mark decisions. Some leniency given if the UKTMR is not referred to but references to eg “infringement” (ie court proceedings) are incorrect. **1 mark**  
ii) there is no right of further appeal (except by way of judicial review) **1 mark**
- c) i) any national court or tribunal in which the proceedings are taking place, not confined to appellate courts **1 mark**  
ii) for questions on a matter of European Union law (and not fact) only **1 mark**  
iii) the case reverts to national court for determination of the case based on its particular facts. Reference to “non-binding” decision of CJEU is incorrect unless the context of the answer makes clear that this concerns the *factual* issues in the case. **1 mark**

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**Total: 6 marks**

**Question 2**

The *Civil Procedure Rules* impose an overriding objective on the court and court user to deal with cases justly and proportionately. State the four factors that the court must consider when considering proportionality. **2 marks**

**Answer**

- i) the amount of money involved **0.5 marks**
- ii) the importance of the case **0.5 marks**
- iii) the complexity of the issues **0.5 marks**
- iv) the financial position of each party. **0.5 marks**

**Total: 2 marks**

**Question 3**

Describe four characteristics of mediation in the resolution of conflicts.

**4 marks**

**Answer**

Any four reasonable points that could include the following, one mark per point (only the first four answers given will be considered)

- use of a third party go-between (“mediator”)
- without prejudice settlement discussions / confidential (the word “private” is not sufficiently precise)
- decisions are non-binding unless a settlement contract/deed is signed
- commonly parties may include a term on mediation into a commercial contract as a first method of resolving disputes though courts will not force parties to mediate
- shuttling between rooms

**Total: 4 marks**

**Question 4**

Describe four characteristics of a Case Management Conference held at the Intellectual Property Enterprise Court?

**Total: 4 marks**

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**Answer**

Any four reasonable points that could include the following, one mark per point (only the first four answers given will be considered)

- held after the close of pleadings and before rounds of evidence
- decisions made as to the timetable for the action up to trial
- opportunity for any applications concerning further evidence,
- opportunity for any applications concerning disclosure
- appointment of experts
- order permitting cross-examination at trial
- fixing of trial date
- part of the Courts formal role in managing the case
- decisions on papers

**Total: 4 marks**

**Question 5**

State:

- a) The normal maximum length of a trial in the Intellectual Property Enterprise Court  
**1 mark**
- b) The normal total cap on recoverable costs during an action on liability in the Intellectual Property Enterprise Court.

**1 mark**

**Total: 2 marks**

**Answer**

a) 2 days

**1 mark**

b) £50,000

**1 mark**

**Total: 2 marks**

**Question 6**

- i) State what a misrepresentation is in contract law?
- ii) Briefly explain the three different types of misrepresentation.

**2 marks**

**4 marks**

**Total: 6 marks**

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**Answer**

i)

a) Misrepresentation is a false statement of fact or law (half mark available), that  
**1 mark**

b) Induces (“causes” acceptable) the other party to enter into the contract  
**1 mark**

ii)

Innocent – where the statement is made without the maker knowing that the statement is false  
**1 mark**

Negligent - where the statement is made by the maker carelessly or without the maker having reasonable grounds for believing the statement is true  
**1 mark**

Fraudulent - where the statement is made by the maker knowing the statement is false  
**1 mark**  
or is reckless as to the truth of the statement  
**1 mark**

**Total: 6 marks**

**Question 7**

With respect to European Union Directives, explain in what situations Horizontal and Vertical Effect apply.

**6 marks**

**Answer**

Vertical Effect is the ability of an individual to enforce a provision of EU legislation against the state  
**(1 mark)**

Horizontal effect is the ability of an individual to invoke such a provision against another individual  
**(1 mark)**

A Directive is addressed to a Member State but not individuals, some indication that a Directive is for implementation rather than direct application is required.  
**(1 mark)**

However where its provisions are unconditional and sufficiently clear and precise  
**(1 mark)**

and the deadline for the Member State to transpose its provisions into national law have passed  
**(1 mark)**

then the provision may have vertical effect but will not have horizontal effect  
**(1 mark)**

**Total: 6 Marks**

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**Question 8**

With reference to the *IPREG Code of Conduct*:

- a) State who the client is in the case of foreign originating work. **2 marks**
- b) State how a regulated person may discharge the obligation to provide information to such a client as in a). **1 mark**
- c) Explain the meaning of “professional work”. **2 marks**

**Total: 5 marks**

**Answer**

Whilst the precise recitation of the Code of Conduct is not required, answers at variance to the definition set out in the Code of Conduct will not be awarded marks.

- a) the “client” is the principal for whom the work is ultimately being done, although the instructions may come from an intermediary foreign patent or trade mark attorney, **1 mark**
- to whom the regulated person will also owe a duty of professional care **1 mark**
- b) Where a regulated person is instructed via an intermediary any obligation to provide information to a client under these Rules may be discharged by providing such information to that intermediary. **1 mark**
- c) means **0.5 mark**  
any services provided by a regulated person **0.5 mark**  
in the course of business **0.5 mark**  
providing legal services **0.5 mark**  
and/or providing ancillary services (whether or not legal services) **0.5 mark**

**Total: 5 marks**

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**Question 9**

Philip goes to a firm of patent attorneys Cups LLP to draft and file his patent application. His patent concerns the juice from a flower he was picking a few days earlier which he drank and it had a soporific effect on him.

During their initial chat with Philip the attorneys at Cups say they are great at filing all types of patent applications. They say they will file the application the following week. In fact they only file software patents but think Philip is crazy so they draft and file the application anyway.

The first letter they ever send to Philip is when they file the application two months later. They accidentally send Philip the draft reporting letter in which they have made statements about how they think Philip is crazy.

Philip calls and leaves a message with Cups to ask how to complain about the service he is being given but Cups never contact him. Philip doesn't know where else to turn to with his complaint.

Explain how Cups has breached the *IPREG Code of Conduct*. Candidates should identify the name of the relevant Rule(s) in their answer (the Rule number is not required).

**Total: 5 marks**

**Answer**

Whilst the precise recitation of the Code of Conduct is not required, answers at variance to the definition set out in the Code of Conduct will not be awarded marks. The Rule number is not required

(Rule 4) Competence, Cups is not competent in areas of pharmaceuticals/chemicals

**1 mark**

(Rule 5) Integrity, Cups is showing offense and a lack of courtesy to Philip

**1 mark**

(Rule 6) Client Care, Cups fail to give Philip written terms of business *or* Cups delay in acting on Philip's instructions

**1 mark**

(Rule 12) Complaints Handling,

i) failure to provide the complaints procedure at the start or upon request

**1 mark**

ii) failure to provide details of the Legal Ombudsman either at in terms of business or upon request

**1 mark**

**Total: 5 marks**

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**SECTION B**

Marks awarded flexibly where candidate's discussion indicates knowledge.

**Question 10**

Last month William worked as a freelance consultant, not an employee, for Racing Mania, a Formula 1 team. He works on the design of fuel leads in the team's latest racing cars. He was never given a contract to sign nor discussed any details of his terms with Racing Mania except his pay. During his time at Racing Mania William noticed the pattern on Racing Mania's latest tyre treads being tested in Racing Mania's factory. Racing Mania intend to unveil the new tyre tread pattern during the next race in two days' time during which they hope to win the race because of the new tyre tread pattern and their surprise advantage over other teams' tyre tread patterns.

William left Racing Mania at the end of last month. He is now planning to set up a tyre manufacturing business next month with some friends of his basing new designs on the new tyre tread pattern he saw. William is not doing any publicity yet about his new venture.

**Prepare notes for a meeting with Racing Mania in which you:**

- a) **discuss the law that Racing Mania can use to prevent William from setting up his new business including identifying any problems for Racing Mania. Ignore any possible discussion of patents, copyright or trade marks;**  
10 marks
- b) **advise on the appropriate court application to be used against William and apply the relevant legal test. You should ignore any undertakings Racing Mania will have to give should the order be granted;**  
7 marks

William's friend Suzanne is a sports journalist. Suzanne found out about the new tyre tread pattern that was going to be used by Racing Mania from William after he left his work with Racing Mania. Suzanne intends to write an article in her newspaper about the new tyre tread pattern to be published tomorrow, the eve of the next race.

**Prepare notes for an urgent advice call with Racing Mania in which you:**

- c) **advise whether the same law allows Racing Mania to take action against Suzanne;**  
3 marks

**Total: 20 marks**

**Answer**

Marks will not be awarded for discussion or application of the EU Trade Secrets Directive which is not implemented in the UK.

- a) A reasonable structure and discussion covering the following:

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The law of trade secrets ( <i>Coco v Clark</i> ) (case name not required)	<b>1 mark</b>
including the information has the necessary quality of confidence	<b>1 mark</b>
the issue is whether the tyre tread can be treated as “confidential information”	<b>1 mark</b>
A discussion that it can be considered so, as it is certain and is not trivial, it has value etc	<b>1 mark</b>
whether there is an obligation of confidence	<b>1 mark</b>
There is no written non-disclosure agreement so it must be an implied obligation	<b>1 mark</b>
William wasn’t working on the tyre treads	<b>1 mark</b>
But William was clearly working in an environment where secrecy was important and was being allowed in on the understanding he would not make the secrets of the racing cars known publicly	<b>1 mark</b>
there has been breach by misuse or disclosure by William working with the tyre tread to create new designs.	<b>1 mark</b>
Racing Mania has given no authorisation to William to use the tyre tread to create new designs. Reference to detriment will also achieve a half mark here if not already awarded.	<b>1 mark</b>
 b)	
marks should only be awarded for application of the facts to the correct test or rule:	
Racing Mania should apply for an interim injunction. Flexibility given on reference to springboard injunction.	<b>1 mark</b>
The court will apply the principles established in the case <i>American Cyanamid</i> is there a serious issue to be tried	<b>0.5 mark</b>
are damages an adequate remedy in the event William’s behaviour continues and that behaviour were to be found at trial to be wrongful	<b>0.5 mark</b>
where does the balance of convenience lie between Racing Mania and William’s new business	<b>0.5 mark</b>
objective is to preserve the status quo ante so and in the case of trade secrets to keep the information secret if it is still secret <i>or</i> review of the merits if all else equal.	<b>0.5 mark</b>

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Reasonable Discussion referring to the questions as follows

is there a serious issue to be tried: Racing Mania appears to have a serious chance of demonstrating that William has taken trade secrets and is planning to misuse them;

**1 mark**

are damages an adequate remedy: Racing Mania could be awarded a licence fee but this will not stop Racing Mania from losing control of their trade secrets which are specific to Formula 1;

**1 mark**

where does the balance of convenience lie: Racing Mania have probably spent a lot of money in this technology does not herself have an ongoing business that is going to be damaged however it might affect the reputation of William's product;

**1 mark**

objective is to preserve the status quo ante: William hasn't launched yet so probably best to stop him to preserve the secrecy of the information. Issue should be answered according to the status quo but flexibility on discussing relevant merits.

**1 mark**

c) the issue is whether the obligation of confidence can be enforced against a third party / distinction is that trade secrets law is not a property right

**1 mark**

Racing Mania can get an injunction against Suzanne where Suzanne "knew or should from the circumstances have known of William's duty"

**1 mark**

Suzanne should realise that Racing Mania would want to keep the tyre tread pattern confidential until the race and that William is unlikely to have been given authority to disclose it

**1 mark**

**Total: 20 marks**

**Question 11**

Edward owns a patent covering a roller blind. Sasha has a licence to manufacture and sell products under it.

A term of the contract states that Sasha should pay to Felicity the royalties on sales due to Edward. Sasha fails to pay the royalties due. Edward is not bothering to enforce the contract.

**a) Prepare notes for a meeting with Sasha in which you discuss whether Felicity is entitled to enforce the contract against Sasha including identifying what other information from the contract you require to advise more fully.**

**9 marks**

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Edward and Sasha have a meeting to discuss the poor sales but don't mention developing the patented roller blind. Nothing is concluded. That evening they meet unexpectedly at a dinner party. Edward says to Sasha over dessert and drinks "Well I will pay you and your design team £100,000 to develop an improved roller blind." Sasha says "Great!" Edward makes a rough sketch on a napkin showing how he would improve the roller blind. This is the only conversation they have that evening.

Two months later Sasha starts selling an improved roller blind based on Edward's drawing. She sends Edward a letter saying that she will be paying the royalties due on sales to Felicity as per the licence to manufacture and sell and demanding payment of £100,000 for developing the improved roller blind. Edward refuses to pay.

**b) Prepare notes for your meeting with Sasha to advise Sasha whether a contract exists between her and Edward to develop and sell the roller blind.**

**11 marks**

**Total: 20 marks**

**Answer**

a) only the parties to a contract are usually able to enforce the terms of the contract **1 mark**

This is known as privity of contract **1 mark**

However the Contracts (Rights of Third Parties) Act 1999 (the "Act") states that in certain circumstances a third party can enforce the terms of a contract **1 mark**

Where

i) The contract expressly permits them to **1 mark**

ii) The term purports to confer a benefit on the third party **1 mark**

As Felicity is not a party to the contract she must be able to rely on the Act to enforce the licence fee herself **1 mark**

The contract does purport to confer a benefit on Felicity **1 mark**

i) Other information from the contract includes whether there is a clause excluding operation of the Act **1 mark**

ii) Whether on proper construction, the contract rules out Felicity being able to rely on it **1 mark**

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- b) there must be an intention to create legal relations

**0.5 marks**

A reasonable discussion of the existence of an intention to create legal relations including the following points:

Though Sasha and Edward met socially where the purported agreement was reached  
Also their earlier meeting was only to discuss poor sales / or a way to improve sales was in the minds of Sasha and Edward

They did have an existing commercial relationship

**2.5 marks maximum**

Offer needs to be certain as to its terms

**0.5 marks**

Edward's offer of £100,000 is certain for development of the new roller blind

**1 mark**

But there is no discussion as to any royalty rate for sales (candidates may conclude otherwise but must deal with issue of sales as distinct from development to get this mark)

**1 mark**

Acceptance must be communicated or other characteristic of acceptance relevant to candidate's discussion

**0.5 marks**

Sasha says "Great!" which does seem to be acceptance

**1 mark**

Of the right to develop the roller blind

**1 mark**

But not to sales (mark can be awarded if candidate refers to an implied term, though not strictly correct, if it demonstrates candidates understanding that Sasha needs some authorisation for making sales)

**1 mark**

Consideration must be sufficient but needs not be adequate / or mutual promises sufficient

**1 mark**

Any reasonable answer to what might constitute consideration such as £100,000 or right to forego suing for infringement appears to be consideration

**1 mark**

**Total: 20 marks**

**Question 12**

Nicholas owns a patent in a screw top lid for jam jars. He met Ayesha at a late night party for young people where Ayesha told Nicholas that she was a patent attorney working for Bottles & Co. Nicholas showed Ayesha a copy of his patent and mentioned that it needed renewing. Ayesha said "Sure I can do that" and took the copy of the patent. After this very brief conversation Nicholas and Ayesha didn't speak again.

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Eight months later Nicholas is trying to licence his patent when his potential licensee points out that the patent is no longer in force because it wasn't renewed on time.

**a) Prepare notes for a meeting with Nicholas in which you discuss whether Ayesha is liable in negligence for damage suffered by him for failing to renew the patent.**

**9 marks**

Now Nicholas claims that he

- i) won't be able to make the £50,000 profit promised on a licence for his patent
- ii) has had to pay interest on a bank loan for his business that Nicholas says he has had to take out due to not getting the licencing deal
- iii) has failed to get a £150,000 investment because he no longer has a patent and as a result his business has failed
- iv) has lost his house because his business failed

**b) Prepare notes for a meeting with Nicholas in which you discuss whether Ayesha is liable in negligence for the different types of damage set out above.**

**6 marks**

It turns out Ayesha was in fact a receptionist at Bottles & Co. Ayesha has disappeared but Nicholas knows that she worked for the firm called Bottles & Co.

**c) Discuss whether Bottles & Co are liable for Ayesha's actions instead?**

**5 marks**

**Total: 20 marks**

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**Answer**

- a) Ayesha must owe a duty of care to Nicholas for her to be liable *or* reference to Ayesha assumption of responsibility **1 mark**
- It is an objective standard, depending on a relationship of sufficient proximity **1 mark**
- They are at a late night party for young people suggesting no duty **1 mark**
- But Ayesha holds herself out as a patent attorney and she accepts Nicholas' copy of his patent **1 mark**
- Ayesha must have breached this duty to be liable. Mark can also be awarded for discussion of reasonable man test. **1 mark**
- Ayesha has failed to renew the patent or **1 mark**
- Communicate further with Nicholas to confirm instructions **1 mark**
- Causation in fact required, using the "but for" test **1 mark**
- Causation in law required, depending on the foreseeability/remoteness of the type of loss **1 mark**

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- b) Damage type (marks will be awarded for a reasonably argued discussion on causation of each type of damage, marks will be awarded for application of the legal tests to the facts. Flexibility applied depending on how candidate structures their answer. (Key to award of marks is the candidate discussing reasonable factors indicating causation.)
- i) discuss application of the 'but for' test and that there appears to be a direct factual link between the failure to renew and obtaining a licence similarly the damage is reasonably foreseeable as it flows directly from the failure to renew  
**1.5 marks**
- ii) candidates should discuss whether there is causation for Nicholas taking out the bank loan and thus be charged interest, as Nicholas might have taken out a bank loan anyway / used cash in the business or personal cash alternatively, consideration of whether there is a direct relationship between a failure to renew and the charging of interest on a bank loan (candidate can base their discussion on either causation in fact (but for) or causation in law (remoteness) )  
**1.5 marks**
- iii) candidates should contrast factual and legal causation, as though there may be a factual link between not having a valid patent and the failure of the business, the business failure itself maybe too remote as investment and business success depends on many factors  
**1.5 marks**
- iv) candidates should discuss that there is no causation in fact as there is a break in the chain of causation where the loss of his home was caused by factors other than the failure to renew the patent similarly there is no causation in law as the damage is too remote and not directly connected to the failure to renew  
**1.5 marks**
- c) an employer can be made responsible for the actions of its employees (vicarious liability)  
**1 mark**
- Where the act Ayesha should have done (ie renewing the patent) fell within the ambit of Bottles & Co's duties (candidate may get this mark for a reasonable discussion of actions in close connection with the employment)  
**1 mark**
- Ayesha is not at the party on the business of Bottles & Co  
**1 mark**
- But has held herself out as working for them *or* she has lied to Nicholas  
**1 mark**
- Could have handed the copy of the patent on to one of the patent attorneys *or* mark can be awarded for alternative reasonable discussion  
**1 mark**

**Total: 20 marks**

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**Question 13**

Alexander has applied to register a new company to be named NewsShelvers Ltd. Alexander has overseen the use of substantial start-up costs in preparation for trading under the name NewsShelvers. He has just been notified of an objection at the Company Names Tribunal from a sole trader Robert who has been putting up shelves in office reception rooms to display newspapers for the past 10 years, using the name NewsStackers & Shelvers. Robert has no intention of registering his business as a company and Alexander has never been in contact with Robert.

**a) Prepare notes for a meeting with Alexander discussing the likely nature of Robert's case at the Company Names Tribunal.**

**7 marks**

Alexander owns a registered trademark BOOKSHELVERS covering "shelving". Another manufacturer of shelving James has just started in business using the name BOOKS&SHELVES. Alexander wants to conduct a survey to use in court as evidence of confusion between the marks. The people he wants to survey are not people who regularly purchase shelving. The survey will be expensive.

**b) Prepare notes as to the basic rule for permission to carry out a survey as evidence in court of confusion between the marks including the likelihood of Alexander getting such permission.**

**6 marks**

In settlement discussions Alexander proposes selling the trade mark registration for BOOKSHELVERS to James. Alexander has loans from the bank that includes a fixed charge over his IP assets. During the settlement discussions Alexander stands up and says to James "OK well that's settled then, you give me £1,000 and I'll give you the trade mark registration." James replied, "Great, that's a deal." and they shake hands and part ways. Later, Alexander continues to sue for trade mark infringement saying their discussions didn't lead to a conclusion.

**Advise Alexander:**

**c) Whether James can use evidence of what happened in the discussions to tell the court that a settlement had been reached.**

**3 marks**

**d) Since there is a fixed charge over the IP assets explain what Alexander should have done before offering to transfer the trade mark registration and why?**

**4 marks**

**Total: 20 marks**

**Answer**

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- a) The Company Names Tribunal provides a remedy for a person aggrieved by opportunistic registration of company name for a similar name. **1 mark**
- In which the complainant must have goodwill or a reputation, which Robert does **1 mark**
- The name must be the same as or **0.5 marks**
- Sufficiently similar to such a name that its use in the UK is likely to mislead by suggesting a connection between the named company and the complainant **0.5 marks**
- On the face of it the names appear to be sufficiently similar to mislead **1 mark**
- But Alexander has a defence as he has incurred substantial start-up costs *or* discussion of Alexander applying in 'good faith' **1 mark**
- Robert can only overcome Alexander's defence if he can show that Alexander's main purpose in registering the name was to obtain money (or other consideration) from the applicant or prevent Robert from registering the name **1 mark**
- On the face of it Robert will not succeed with his claim **1 mark**
- b) the judge should not let in survey evidence unless
- satisfied it would be of "real value" *or* discussion of Whitford guidelines **1 mark**
- including whether it was likely to be held valid at trial which is a high threshold on the issue of confusion and **1 mark**
- that the likely utility of the evidence justifies the costs involved. **1 mark**
- Alexander's evidence is unlikely to be of real value because these people don't buy these goods and so are not relevant **1 mark**
- The judge is usually the arbiter of confusion and so there is less likelihood that it will be held valid at trial **1 mark**
- The high costs are likely to defeat any possible utility of the evidence **1 mark**
- c) discussions during a mediation will be on a "without prejudice" basis, meaning that the court will not consider the contents of such correspondence or discussions including any admissions made when considering the merits of the case at trial; **1 mark**

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it is a public policy based on encouraging parties in a dispute to attempt settlement discussions so evidence to show that a settlement has been reached is admissible

**1 mark**

so yes James can bring evidence of the agreement to the court to demonstrate that an agreement exists

**1 mark**

d) a fixed charge is a type of security granted by a borrower

**1 mark**

over an ascertainable type of asset in this case particular IP rights including Alexander's trade mark registration

**1 mark**

permission from the lender is needed for the borrower to deal with those assets

**1 mark**

so Alexander should have checked with the bank first that they would consent to the transfer of the trade mark

**1 mark**

**Total: 20 marks**