

Intellectual Property Litigation Certificate- Module Mark Scheme November 2017

Question 1

- a) What is the *ratio decidendi* of a case and how can it be discerned? **2 marks**
- b) Discerning the *ratio decidendi* of a case is not always straightforward. Comment on the reasoning of judges that would form the ratio of a case in the following scenarios:
- i) Three judges in the Court of Appeal come to the same conclusion, but two of them reach that conclusion for reason A and the other for reason B.
 - ii) Three judges in the Court of Appeal come to the same conclusion, each for a different reason.
 - iii) One of three judges in the Court of Appeal gives a single judgment of the whole court, the other two confirming their agreement.

3 marks

Total: 5 marks

Answer 1

- a) The ratio decidendi comprises the legal principle(s) as applied to the material (key relevant) facts of the case i.e. the legal reasoning behind the decision.

To discern it: (1) try to identify which facts were material to the decision and (2) try to state the legal principle(s) upon which the decision was based.

(One mark for material or key or relevant facts; one mark for legal principles/rules/legal reasoning applied)

- b) i) If two or more judges reach the same conclusion but for different reasons then only the reasoning of the majority comprises the *ratio* of the case. The *ratio* is based on reason A.
- ii) If each judge has a different reason then there is no binding *ratio*.
- iii) Only a single *ratio* (and this is as good as three or five separate judgements each giving the same reason.)

(One mark for each of the above and section in brackets not necessary)

U1T1R1, page 12

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Question 2

The High Court now requires that alongside the Case Management Conference there is also a Costs Management Conference (CostsMC).

- a) Which costs and estimates are the parties required to set out? **3 marks**
- b) How must the parties present their costs information at the CostsMC?? **1 mark**
- c) What does the court decide at the CostsMC? **1 mark**

Total: 5 marks

Answer 2

- a) The parties are required to set out **costs already incurred** together with **estimates of costs going forward to beyond trial**, including **contingencies for events not in the ordinary course of the action**.
- b) The parties must present the information in a prescribed form, called **Precedent H**.
- c) At the CostsMC the **court decides what level of costs is reasonable**.

U1T1R 2, page 4

(One mark for each of the highlighted points above)

Question 3

You are representing a client in a patent infringement action in the Intellectual Property Enterprise Court and are in the middle of cross-examination of the other side's expert witness during trial. Your client feels that the judge is being influenced by the expert's view, to your client's detriment, and that confining cross-examination only to issues in the case may not be enough to counter this expert.

Your client tells you that the expert was embroiled in a controversy over a decade ago where one of the researchers working in the expert's lab had falsified data to support a publication and was also accused of financial irregularities.

While the expert was not personally implicated in this controversy and has since gone on to achieve great things, the reputation of his lab suffered over the short term as a result of this controversy. Hence, even a mention of this controversy irks the expert considerably. The

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client instructs you to use this information during cross-examination to undermine the credibility of the expert.

a) Identify the relevant principles on which you should act.

3 marks

b) Explain what action you would take when dealing with this instruction and why.

2 marks

Total: 5 marks

Answer 3

Relevant Principle (1 mark for each of the following points up to a maximum of 3)

The answer should identify the attorney's **duty to act in the interests of justice**. Guidance 14.3 sets out that an **attorney must not make statements or ask questions which are merely scandalous or intended or calculated only to vilify, insult or annoy either a witness or some other person; and that an attorney must not suggest that a witness or other person is guilty of crime, fraud or misconduct or make any defamatory aspersion on the conduct of any other person** or attribute to another person the conduct of which his lay client is accused **unless such allegations go to a matter in issue (including the credibility of the witness) which is material to the case and appear to him to be supported by reasonable grounds.**'

Action (2 marks)

The attorney should take a view and advise the client as to whether the client's information and comments regarding the other side's expert go to the credibility of the expert in this matter and whether there would be reasonable grounds for this allegation. One mark can also be awarded if the candidate identifies the possibility of a costs sanction in case of inappropriate questioning.

Question 4

You act for a corporate client seeking revocation of a patent owned by an individual academic for adjustable focus spectacles. The academic is representing himself in the revocation proceedings. It becomes clear from the academic's submissions during trial that he has misunderstood a fundamental point of law to his detriment. Your client is pleased and does not see why you should be under any duty to correct the academic's understanding of the law.

What action would you take and why?

3 marks

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Answer 4

Relevant Principle (1 mark for each of the following points up to a maximum of 2)

- The litigator is not under a duty to correct his professional opponent's understanding of the law.
- When dealing with an unrepresented opponent the duty is more akin to your duty to the court. You should **not** take 'unfair advantage of an opposing party's lack of legal knowledge where they have not instructed a lawyer'.
- The litigator is under a duty to bring to attention of court when other person is LIP all relevant authorities and law.

Action/ Advice (1 mark)

- Based on these principles, the candidate should appreciate that there is a strong argument that the attorney has a duty to correct the academic's understanding of the law.

Question 5

Explain the difference between swearing affidavits and affirming affidavits.

2 marks

Answer 5

The distinction is whether the oath is made on a religious text, to a higher being to bind the person's conscience (swear) or whether the person's conscience will be bound without reference to a higher being (affirmation).

Question 6

You are asked to be Commissioner for Oaths in connection with a statutory declaration being executed by your neighbour, Mr Harish Naidu, who is a devout Hindu.

**Does Mr Naidu's religion have any bearing on the form of the statutory declaration?
Give a reason for your answer.**

1 mark

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Answer 6

No, swearing or affirming is relevant to affidavits but not to statutory declarations.

Question 7

You are asked to be Commissioner for Oaths in connection with an affidavit which contains several hastily handwritten alterations and blank spaces.

What steps would you take with regard to these alterations and blanks before the affidavit is sworn or affirmed?

5 marks

Answer 7

Alterations (maximum 4 marks)

If the affidavit contains any alteration the Commissioner should **have the deponent initial the alteration in the immediately adjacent margin** or, **if there is already an initial, have the deponent confirm that the initialing is his or hers**. Once the document has been sworn, affirmed or declared as the case may be **the Commissioner should also initial the alterations**.

Because this is written evidence where it may not be possible to check with the witness what any particular part of it means, **any part of the document which is illegible should be corrected and the correction initialled before the document is declared**.

If correction is not possible or cannot be verified the Commissioner should reject the document.

Blank spaces (1 mark)

Any such spaces should be completed or crossed through so that it is not possible to amend.

Question 8

Which two of the following do **not** form an obligatory part of the trial bundle?

- Evidence
- Skeleton arguments
- Statements of case
- Disclosures
- Primers

2 marks

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Answer 8

Primers and skeleton arguments. (One mark each)

Question 9

In judicial review proceedings, what are the two grounds for alleging that a decision of the Comptroller was irrational?

2 marks

Answer 9

1 mark (up to a maximum of 2 marks) for each of the following:

It would have to be proven that the Comptroller (decision-maker) either:

- failed to have regard to those things to which s/he should have had regard, or
- had regard to those matters to which s/he should not have had regard

U1T1R3, page 3

Question 10

Your client is Heavenly Hair Plc, an international market leader in the manufacture of luxury hair products. Its bestselling product, 'Hirsute Homme', is a patented shampoo treatment for male-pattern baldness. It retails at approximately £25 per 250 ml bottle in the UK. Three years ago, Heavenly Hair filed a patent infringement claim against Lovely Laundry Ltd over Lovely Laundry's use of the active ingredient of Hirsute Homme in its latest range of fabric conditioners. Heavenly Hair claimed it would be inevitable that the fabric conditioner, retailing at just £3.50 per litre, would eventually make its way into hair treatment too. However, last week, the Court of Appeal dismissed your client's patent infringement claims against Lovely Laundry Ltd. Your client now plans to appeal the ruling on the basis that the Court of Appeal failed to follow its decision in an earlier case, *Roberts v Chung Fang Co*.

a) **How long does Heavenly Hair have to make an application to the Supreme Court for leave to appeal?**

1 mark

b) **What is the test for granting permission to appeal to the Supreme Court?**

1 mark

c) **State three circumstances in which the Court of Appeal's decision in the earlier case of *Roberts v Chung Fang Co* would not bind it.**

3 marks

Total: 5 marks

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Answer 10

- a) 28 days from the date of the decision under appeal (1 mark)

(students may also note that the Supreme Court may allow extra time but there is no extra mark for stating this)

U1T1R3, page 8

- b) Raises an arguable point of law of general public importance (1 mark) U1T1R3P8

- c) Generally, the Court of Appeal is bound to follow its own decisions in earlier cases (ratio decidendi element). Award one mark for each of the following exceptions up to a maximum of three marks.

- Decision in Roberts v Chung Fang Co made per incuriam (literally "through lack of care" e.g. fails to follow legislative provision(s) statute or binding precedent)
- there are other previous Court of Appeal decisions which conflict with Roberts v Chung Fang Co
- Decision in Roberts v Chung Fang Co has been overruled by the Supreme Court
- Obiter dicta in Roberts v Chung Fang Co do not bind the Court
- The present case of Heavenly Hair v Lovely Laundry can be distinguished on its facts
- Where there is settled case law from the EPO Boards of Appeal diverging from the previous decision

U1T1R1, pages 10-11

Question 11

You are about to have an initial consultation with Fastfix Ltd, which is concerned that a large multinational company is infringing three of its adhesive technology patents.

State three pieces of information you should include in your 'client care letter' in relation to legal costs.

3 marks

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Answer 11

Award 1 mark for each of the following up to a maximum of 3 marks:

- explain the basis of your charges / explain how your costs are calculated e.g. hourly rate (inc VAT) and likely disbursements
- explain the basis upon which costs can be recovered in litigation (costs usually follow the cause)
- explain irrecoverable costs (i.e. the difference between your charges and recoverable costs)
- explain when your client might have to pay costs to the opposing party
- explain how your client can protect h/self against an adverse costs order (e.g. insurance)
- provide an estimate of costs at this stage
- They may be liable to provide security for costs
- Different cost recovery in IPEC vs Patents Court

U1T1R2, page 1

Question 12

The well-known postal company, Clinkermail Ltd, and one of its most reliable, longstanding licensees, Parceloto Ltd, are in dispute about a term contained within their licence agreement.

Identify three benefits to Clinkermail of resolving the dispute by mediation as opposed to litigation in this particular case.

3 marks

Answer 12

Award 1 mark for each of the following up to a maximum of 3 marks:

- Confidential (protects Clinkermail's reputation vis a vis the public and other licensees)
- More likely to protect longstanding business relationship with Parceloto
- Speedy resolution can help parties continue with business as usual
- Potential cost saving
- Wider range of favourable outcomes/ Can reach a settlement that the court cannot impose (e.g. amendment to licence)
- Puts far more control into the hands of the parties

U2T1R2, page 2

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Question 13

Identify three objectives of Pre-Action Protocols.

3 marks

Answer

Award 1 mark for each of the following objectives up to a maximum of 3 marks:

- Correspond to understand each other's position
- Better manage proceedings
- Try to settle out of court / use other dispute resolution methods such as negotiation (which may help maintain longstanding business relationship)
- Resolve dispute at proportionate cost
- Expedite dispute resolution

U2T1R1, page 7

Question 14

a) What is a cross-undertaking in damages?

1 mark

b) Explain the purpose of a cross-undertaking in damages.

1 mark

Total: 2 marks

Answer 14

Award 1 mark for each of the following up to a maximum of 2 marks:

- Cross undertakings are provided to the court by applicants seeking interim orders such as search orders.
- Typically, the cross undertaking will require the applicant to compensate the respondent and third parties for loss if it is subsequently found that the order was wrongly granted.
- The purpose is to ensure that respondents to orders which are subsequently found to have been incorrectly given at trial (because the applicant fails to prove the alleged causes of action) are compensated for the damage caused to it by the order

U3T3R1, page 5

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Question 15

Your client, Horticultural Horizons Ltd, is initiating proceedings against Domestic Automaton Ltd for infringement of its 'Ghostgardener' patent. Domestic Automaton Ltd is marketing a self-propelling garden robot using very similar technology to your client's patented robotics. However, you still need to find out more detailed information about Domestic Automaton's alleged infringing activities.

Your colleague has accurately set out the heading of the Particulars of Claim including the Claim number, court and party names. She has also included the following content in the main body of the Particulars of Claim: patent number, name of claimant as proprietor of the patent and reference to relevant claims of the patent.

Set out two other inclusions which should be inserted into the main body of the Particulars of Claim above.

2 marks

Answer 15

Award a maximum of 2 marks for any two of the following:

- Relevant facts
- An assertion that the patent has been infringed by an act falling within s60, Patents Act and particulars of infringement known to the client (giving an example of each type of alleged infringing activity)
- A statement confirming compliance with the requirements of the Practice Direction Pre-Action Conduct and Protocols
- A prayer for damages and a statement of truth (to be signed by a person with knowledge of the alleged facts).
- Assertion that patent is valid and in force
- Prayer for Interest
- 'Catch all' paragraph as you still need to find out more detail re the defendant's alleged infringing activities e.g. ' Full particulars of every act of infringement of the Patent cannot be given until there has been full disclosure by the Defendant but the Claimant will seek to rely on every such act and will seek a remedy in respect thereof.' NB The student need not draft the catch all paragraph to receive the mark.

U2T1R2, pages 8/9

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Question 16

Elemental Lab synthesises tiny faceted diamond grains for use in the manufacture of cutting and polishing tools. Elemental Lab has been served by Khemko Ltd with a Claim Form and Particulars of Claim alleging patent infringement in relation to its diamond grain production method. Elemental Lab has already filed an acknowledgement of service.

a) How long does Elemental Lab have to file its defence if the action is in the IPEC?
4 marks

b) How long does Elemental Lab have to file its defence if the action is in the Patents Court?
1 mark

Total: 5 marks

Answer 16

- a) In the IPEC, if an Acknowledgement of Service has been filed, then the time limit for filing the Defence depends on whether the Particulars of Claim confirms that the Pre-Action Conduct Practice Direction has been complied with (r63.22(2) and (3)) (1 mark for identifying it must be in the Particular of Claim and 1 mark for identifying that the time limit depends on compliance with Pre-Action Conduct Practice Direction). The time limit is 42 days if it does (1 mark) and 70 days if it does not (1 mark).
- b) In the Patents Court, where the defendant serves an acknowledgement of service, the Defence must be served within 42 days of the Particulars of Claim (CPR63.7) (1 mark).

U2T1R2, page 14

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Question 17

You have just been instructed by Jeff Banks. Jeff is the Managing Director of Topple Tots Ltd, which is a company which designs and manufactures activity toys for young children. Eighteen months ago one of Topple Tots' key designers, Jack Holmes, resigned and started working for rival company, Squirrel Enterprises. Jeff always suspected that Jack copied Topple Tots' detailed plans for a new folding toddler gymnasium before leaving Topple Tots, but he did not have any proof. However, last week Jeff noticed that Squirrel Enterprises was displaying a very similar prototype gymnasium at a trade fair in Dusseldorf. Jeff is aware that Squirrel Enterprises has a reputation for stealing ideas and inventions, and even burying evidence when litigation is pending.

- a) **State what application could be made to the court by Topple Tots in order to preserve evidence in this case, and how additional protection may be achieved when making it.**

2 marks

- b) **What information should be included in the application's supporting affidavit?**

3 marks

Total: 5 marks

Answer 17

- a) 1 mark for specifying that the application is for a 'search order' or 'Anton Piller order' or order for 'delivery up'

1 mark is awarded for stating that the application is an "interim application" or that the application should be made 'without notice' or notification to Squirrel Enterprises or 'ex parte'.

- b) Award 1 mark up to a maximum of 3 marks for any of the following:
- details of the proposed supervising solicitor (name, address etc.)
 - all facts/matters relied upon to demonstrate that there is a serious issue to be tried
 - your client's reasons for suspecting that the defendant will destroy evidence
 - that the balance of convenience favours the granting of the order

U3T3R1, page 6

Question 18

Give two examples of a situation where a statutory declaration can be used.

2 marks

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Answer 18

Two of the following or another suitable example:

- as a means of asserting the originality of an item during a patent application;
- as a means of evidencing a change of name without executing a deed poll;
- as a means of asserting the use and occupation of land over a given period during a conveyancing transaction;
- In some situations, where an official document of record has been lost.

Total Marks [60]