

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Note:

Marks are to be awarded when a candidate makes the same substantive point as the Mark Scheme.

Question 1

What is meant by a 'fact in issue' in legal proceedings?

1 mark

Answer

'Facts in issue' are disputed facts (facts which are not agreed between the parties) which must be proven in law in order to win the case.

Or

A 'fact in issue' is a fact which is not only disputed but which is relied upon to support one of the parties' cases. A fact which is merely disputed but not relied upon will be irrelevant, and therefore not be an issue in proceedings (definition provided by the Court of Appeal in *Koiso Finance v John Wedge* (see WB vol.1))

(Mark is to be awarded if the candidate appreciates that not all 'disputed facts' are 'facts in issue' and 'fact in issue' is a fact that is relevant to a party's case)

Question 2

You act for the claimant in a registered design infringement case. You are preparing for a fully contested, expedited interim application in the Intellectual Property Enterprise Court (IPEC). In the application, your client is seeking an interim injunction to prohibit the defendant from marketing products which, according to your client, infringe its registered design.

a) Which party is responsible for preparing the court bundle for the interim application?

1 mark

b) What is the deadline for lodging the trial bundle with the Court for interim applications?

1 mark

Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016

c) Which document is not part of the court bundle but, if used, must also be lodged with the Court and served on the other party?

1 mark

Total: 3 marks

Answers

a) The party making the application (U2T2R3P3);
also, accept the following:
the applicant and /or the claimant
the applicant's lawyer and/or the claimant's lawyer
'me' (as we are told 'you act for the claimant' in the scenario)

1 mark

b) (no later than noon) 2 days before the hearing.

1 mark

c) The skeleton argument (U2T2R3P3);
also, accept a draft of the order(s) the court is invited to make.

1 mark

Question 3

You are representing a client in a patent infringement action in the High Court. Shortly before trial, you discover a Court of Appeal judgment that is extremely relevant to the central issue in your case. The judgment opens up a line of argument which could be fatal to your case. You explain this to your client and she instructs you not to mention the judgment to the Court.

Identify the relevant principles and actions you would take when dealing with this instruction.

4 marks

Answer

Relevant Principle

The answer should identify the attorney's duty to the client (act in the best interests of client or to action the instruction of the client). 1 mark

However, such duty is overridden by the attorney's duty to the court (by bringing to the attention of the Court all relevant decisions and legislative provisions of which he is aware whether the effect is favourable or unfavourable to his client. (Rule 14.3).

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

1 mark

Actions (any 2 out of 3)

The client must be advised of the attorney's duty to inform the Court of the judgements.

1 mark

If the client still persists in her instructions then the attorney must withdraw from the case.

1 mark

Suggest settlement

1 mark

Question 4

Your sister is employed by a small engineering company which, despite its size, is extremely innovative and holds several valuable patents. You are aware that the company is involved in litigation and that your sister is involved in research and development. You or the other attorneys in your firm have not previously acted for the company or your sister in any capacity. Your sister has been asked to swear an affidavit in support of an application for an interim injunction and approaches you in your capacity as a Commissioner for Oaths.

What course of action should you follow and why?

3 marks

Answer

The answer should identify that a Commissioner for Oaths is a public office holder who must be independent of the person making the affidavit.

1 mark

In this case there is no such independence as the deponent is the sister and therefore a close personal relative. So you should decline to act as Commissioner.

1 mark

Another independent patent attorney from your firm could act as Commissioner.

1 mark

Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016

Question 5

The Court of Appeal is bound by decisions of the Supreme Court and should also generally follow its own decisions. Explain the circumstance(s) under which the Court of Appeal can:

a) **diverge from a decision of the Supreme Court.**

1 mark

b) **diverge from its own previous decision.**

4 marks

Total: 5 marks

Answer

a) The Court of Appeal is bound by decisions of the Supreme Court (and House of Lords) unless it **can distinguish it or it was made *per incuriam*** (by carelessness or mistake, for example failing to take into account a relevant precedent).
(mark can also be awarded if candidate refers to the concept of ratio *decidendi* versus *obiter dicta* instead of distinguishing the SC decision)

1 mark

(b) The Court of Appeal should generally follow its own decisions except in the three circumstances articulated in *Young v Bristol Aeroplane Co Ltd* [1944] KB 718:

(i) the **previous decision was reached *per incuriam***;

1 mark

(ii) there **are previous conflicting decisions**; and

1 mark

(iii) its **previous decision has been overruled expressly or implicitly by the House of Lords or Supreme Court.**

1 mark

Additionally in *Actavis UK Ltd v Merck & Co Inc* [2009] 1 All ER 196 the Court of Appeal was not bound by its own decision **where it conflicted with the European Patent Office's settled approach** (no need to say settled).

1 mark

(1 mark can also be awarded if candidate mentions the concept of ratio *decidendi* versus *obiter dicta*)

Question 6

You act for a French corporate claimant seeking revocation of patent for a cork in a wine bottle that does not contaminate the wine. The proceedings are in IPEC and based on lack of inventive step over two prior art patent applications.

In its defence, the United Kingdom corporate defendant alleges that its product 'What a Corker!' which is an embodiment covered by the claims of the patent, has been an outstanding commercial success and satisfies a long-felt commercial want for non-contaminating corks. The defendant

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

annexes to its defence a number of documents extolling the virtues of the product and showing substantial sales figures of the product. The documents also include a Queen's Award for Enterprise.

Aware of the impact that this evidence may have on a judge, at a Case Management Conference in IPEC you seek disclosure from the defendant of sales figures of comparable cork products, which are not covered by the claims of the patent. You also seek disclosure of adverse publicity for the 'What a Corker!' product since your client has heard a rumour that the product has received mixed reviews.

In the exercise of his discretion under Part 31, the judge refuses your application. In a short ex tempore judgment, he says that he considers the relevance of commercial success to the revocation action to be marginal. The judge also states that the issues in the case can be resolved by reviewing the disclosure of the two prior art patent applications. The judge says that he has allocated the trial to a fellow judge because his diary is too full. Whilst comforted to some extent by this, your French client states that it wishes to appeal the judge's decision. This is because it is concerned about the 'prejudicial' effect of such evidence on an English judge. The French client says that it is prepared to pay whatever it takes to overturn this decision.

Please advise the client as to his options for appealing, including the route of appeal and the prospects of success.

4 marks

Answer

As the IPEC decision is an interim decision, the appeal is to the High Court and not the Court of Appeal. (In view of the change to Practice Direction 52A in October 2016, a mark can be awarded if candidate says appeal is to Court of Appeal and refers to this recent change.)

1 mark

The decision will be difficult to appeal because the decision concerns one of exercise of discretion.

1 mark

Appellate courts will only interfere in such decisions where there is an error of principle or the exercise of discretion is so unreasonable that no reasonable tribunal would come to such a decision. (both of these 'or' grounds must be present to score the mark. If only one is present then no mark to be awarded.)

1 mark

Accordingly, it is difficult to say that there is any error of principle or that the decision was manifestly unreasonable and accordingly the appeal is likely to fail.

1 mark

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Question 7

Your client has been successful after a full trial on liability before the IPEC and has been awarded costs of the action. The client has asked about the principles as to how the costs award will be assessed.

Explain the basis of the cost award assessment in the IPEC.

3 marks

Answer

Any three of the following

- Costs are summarily assessed 1 mark
- Explanation that particular stages of litigation have different costs caps, (specific costs need not be quoted for the mark) 1 mark
- Your client's cost of the proceedings are subject to an overall cap of £50,000 1 mark
- Only costs which are reasonable and proportionate will be awarded. 1 mark

3 marks

Question 8

When interviewing a person who may be an important witness in support of your client's case:

- a) **State three things you should tell the interviewee at the start of the interview meeting.** 3 marks
- b) **What are the three stages used to question the interviewee?** 3 marks
- c) **In drafting a witness statement, how should the substantive content of the evidence of the intended witness be set out?** 1 mark

Total: 7 marks

Answer

- a) Any three of the following (U3T2R1P2-5):

Who you are
Your contact information

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Who your client is

You appreciate the interviewee's attendance at interview

Overview of case

Reason for interview

Explain that witness evidence will usually only be used for the purpose of the proceedings

Witness also has a duty to keep what is discussed in the interview confidential

Potential for interviewee having to give evidence on paper/ in court

Explain that witness statement is given under a statement of truth

(Any other sensible point - 1 mark for each point up to a maximum of 3 marks)

3 marks

- b) Stage 1 – free expression using open questions; Stage 2 – clarification; Stage 3 - testing and challenging.

3 marks

- c) Any one of the following (U3T2R2P3):

The statements should describe events in a logical / chronological order

The statement should be divided into paragraphs, each dealing with specific parts of the evidence.

The statement should set out the events in the witness's own words.

1 mark

Question 9

Set out **four** important differences between litigation procedure in the Patents Court and IPEC.

4 marks

Answer

Costs are capped in IPEC according to a tariff whereas such is not the case in Patents Court.

The procedure used in IPEC focusses on written than oral submissions.

Statements of case in IPEC are much more detailed than in the Patents Court.

Save in exceptional cases, trials will not last more than 2 days in IPEC.

Disclosure is generally not ordered in IPEC.

Cross examination in IPEC will tend to be limited to specific issues

There is a cap on damages

Representation rights for all CPA's in IPEC

(Any other sensible point)

4 marks

(1 mark per difference identified up to a maximum of 4 marks)

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Question 10

As a patent attorney, you are a Commissioner of Oaths. A former colleague of yours (now working for another firm of patent attorneys) has a client who wants to swear a lengthy factually complex affidavit in the English language with 15 exhibits for a Search and Seize Order. The colleague and client attend your offices. During introductory pleasantries with your colleague, the client, who is a jovial Italian man, interrupts when you ask your colleague which holy book the client wishes to swear on and says in very broken, halting, hesitant and ungrammatical English that he is happy to swear on the Bible as he was raised a Catholic but, really, he considers himself an agnostic and not sure if he believes in what the Bible says.

In relation to the above scenario, name four of the steps that you as Commissioner of Oaths should take before administering the oath and signing the jurat.

4 marks

Answer

The Commissioner must be satisfied that:

- the person named in the document is the person present;
- the deponent appears to be competent to give evidence under oath or affirmation; and
- that any documents produced as exhibits are in fact the documents referred to in the affidavit or declaration.
- The deponent understands the consequence of giving false evidence under oath

(1 mark for each point up to a maximum of 2 marks)

2 marks

In the particular scenario, the Commissioner must be satisfied that the deponent understands English sufficiently to understand the contents of the affidavit.

1 mark

As there is doubt about the deponent's religious belief, he should be asked to affirm.

1 mark

Question 11

A client comes to you concerned about his newly granted patent for an innovative lever arch file being infringed by a competitor manufacturer who is supplying lever arch files in substantial volumes to two well-known supermarket chains. The competitor's products appear to fall within the claims of the patent although you can see possible arguments against infringement. Having the benefit of patent litigation insurance, the client wishes to act aggressively and speedily against both the manufacturer and supermarket chains. He asks you to draft and send a letter to the manufacturer

IPLC1-3-2016

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

and supermarket chains requiring them to undertake to cease selling and stocking their lever arch files within 14 days or proceedings will be issued in IPEC. Prior to the meeting, you have done some research and found an obscure patent application that is close prior art and, in your view, will raise strong arguments that the patent is invalid if the intended defendants ever found out about it.

When drafting the three letters to the manufacturer and supermarket chains:

a) **What concerns should you have about their content or whether they should be sent at all?**

2 marks

b) **How would you address those concerns in the drafting of the letters?**

3 marks

Total: 5 marks

Answer

a) The recipient of such a letter who are secondary infringers could bring an action for unjustified threats of patent infringement under s.70 Patents Act 1977.

1 mark

There are real doubts about whether the patent is valid and if the retailers agreed to stop selling the lever arch files, there could be a substantial claim for damages for lost sales.

1 mark

b) The letter before action against the manufacturer threatening patent infringement would not be actionable as s.70 (4) Patents Act 1977 excludes the primary infringer from the ambit of entitlement to issue a threats action.

1 mark

1 mark for any of the following points up to a maximum of 2 marks:

- The patent attorney in such circumstances would be advised not to send the letters to the retailers.
- The patent attorney should just bring the patent to the attention of the retailers.
- The patent attorney should consider the issue of proceedings without writing a letter before claim but instead the letter could be a letter before service of the action. A threat action lies when a threat to issue proceedings is made. If the threat is a threat to serve proceedings already issued the risk is removed.

2 marks

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Question 12

A client comes to you concerned about a competitor marketing a garden hose coupling device LOKRITE that he considers not only infringes his patent but also his registered trade mark, LOKBITE. Your client is the leading manufacturer of garden hose coupling devices. You are an experienced patent attorney but in these days of specialisation, you have not kept up with the law of trade marks, although you did ten years ago study trade mark law as part of your training. You review the papers and come to the conclusion that the case for infringement of the registered trade mark is open, but ultimately believe the patent infringement action will fail.

However, you form the view that the competitor probably intentionally adopted LOKRITE to trade unfairly off the reputation of LOKBITE or, at the very least, took an informed decision to 'sail close to the wind'. The client also says that the competitor has been wrongly telling the market that the LOKBITE hose coupling device has defects, causing water to pour out of the device, and that the competitor has also said that the client's advertisements extolling the watertight virtues of LOKBITE have been investigated by the Trading Standards Office. You discuss the case with your supervising partner, who also knows little about trade marks. He says that it looks like a big case with potentially large billings and says to you there is no reason why you should not do the case. He says, after all, there is no topic under the sun which cannot be learnt if one has books and advice could be sought from the Bar of England and Wales.

a) What principles should you have in mind in deciding whether to accept the instructions?

2 marks

b) With those principles in mind, what action would you take, and state your reasons for taking that action?

3 marks

Total: 5 marks

Answer

IPReg Rule 4 (attorneys must carry out their professional work competently and decline work which is beyond their competence). Guidance Note 4.1 says that a regulated person must always consider whether the interests of the client would be served by the regulated person or some other person. Guidance Note 4.3 says a regulated person should only undertake litigation work where the primary issue at stage is intellectual property rights but goes on to say that where a case raises a mix of issues of which some fall outside their competence (e.g. complex issues of employment law in an IP entitlement case), the regulated person should supplement his team with other legal advisors who have relevant specialist knowledge of such matters.

2 Marks

Here, the primary issues involve intellectual property rights (although there is also a cause of action for malicious falsehood) but the patent attorney's competence is only (realistically) in patents and not trade marks.

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Accordingly, he can do the case but must ensure that he supplements his team with other legal advisors (e.g. persons with good knowledge of trade mark laws). This could be another person in his firm or a barrister who is specialist in trade mark law.

Ideally, the patent attorney should raise with the client his lack of knowledge about trade mark laws and say that such can be compensated for by use of other persons (applying IPReg 5 – integrity).

3 marks

Question 13

You are instructed by Christine Jenkins, who is being sued for infringement of a UK patent by Martyn Howlett. Your firm has recently merged with another firm and some years ago Howlett was a client of this firm. In conversation with a colleague who previously worked for your merger partner it becomes clear that Howlett has previously failed on more than one occasion to enforce this patent and it is clear that he will back down when faced with a determined opponent.

What ethical considerations does this scenario raise and what action should you take?

4 marks

Answer

Action: The answer should clearly identify that the firm cannot continue to act for Christine Jenkins.

1 mark

Ethical Considerations include:

a) There is a clear conflict of interest in that Howlett has been a previous client of the predecessor to this firm in relation to enforcement of the Patent.

1 mark

b) You are in possession of confidential information of a former client which you are bound to keep confidential.

1 mark

c) If you continue to act for Christine Jenkins, you would be bound to disclose what you know about Howlett's tactics to her thereby resulting in you having conflicting duties to Howlett and to Christine Jenkins.

1 mark

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Question 14

- a) Under what circumstances is a decision of the Comptroller General of Patents capable of being the subject of judicial review?
2 marks
- b) Can an adverse decision of the Comptroller General which you consider perverse be subject to judicial review proceedings if you are advised that you have the opportunity for a review of the decision before a Hearing Officer? Give a reason for your answer.
1 mark
- c) In judicial review proceedings, what will be the main focus of enquiry by the court when it comes to deciding whether such should be granted?
1 mark
- d) If the judicial review proceedings are successful, what will the court commonly order should happen to the application which is the subject matter of the judicial review proceedings?
1 mark

Total: 5 marks

Answer

- a) A judicial review of the decision of the Comptroller will generally only be permissible in relation to the Intellectual Property Office's capacity as a receiving office under the PCT and then only if the court grants permission because there are grounds for review.
2 marks
- b) No. The applicant for judicial review must first have exhausted all other avenues of challenge such as any informal or formal appeals before resorting to judicial review.
1 mark
- c) Judicial review is not a rehearing. The Court reviews the process of the decision rather than the content of it.
1 mark
- d) If the application is successful, it is common for the Court to refer the matter back to the original decision maker for reconsideration.
1 mark

**Intellectual Property Litigation Certificate- Module 1 Written Paper
Mark Scheme November 2016**

Question 15

a) Why would the court order a 'without prejudice' meeting of experts? **1 mark**

b) What are the experts required to produce as a result of such a meeting? **2 marks**

Total: 3 marks

Answer

a) The Court may order a 'without prejudice' meeting of experts in order to identify what facts and matters are agreed and which are in issue. **1 mark**

b) The experts will meet and then they must produce a joint report or statement in which they identify the level of agreement that they have reached. They must specifically identify the remaining areas of disagreement. **2 marks**

Total Marks [60]