

Intellectual Property Litigation Certificate Module 1 Written (IPLC1)
Mark Scheme

Note:

Marks are to be awarded when a candidate makes the same substantive point as the Mark Scheme. Identity of language is not necessary.

Question 1

(a) What is the difference between a witness statement and an affidavit?

1 mark

(b) Should an interim application for a search order be supported by a witness statement or by an affidavit?

1 mark

Answer

(a) Either or both of the following responses scores the mark

- The difference between a witness statement and an affidavit is that the statement is verified by a statement of truth whereas the affidavit is verified on oath.*
- Lying over a statement of truth is contempt of court whereas lying in an affidavit is perjury.*

(1 mark)

b) An interim application for a search order should be supported by affidavit evidence.

(1 mark)

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Question 2

Around 14 weeks ago, your client received the decision of the Comptroller refusing to treat the date of receipt of a PCT application by the IPO as the international filing date. All informal and formal appeal procedures at the Intellectual Property Office have been exhausted. In your opinion, there is a good argument that all the requirements of Art.11 of the PCT had been complied with. Your client went into hospital immediately after this and has only now been able to give you instructions. He wants your advice on whether the Comptroller's decision can be reviewed.

- (a) What advice would you give about the scope for judicial review in the UK? **2 marks**
- (b) What action is required regarding the deadline for requesting judicial review?

2 marks

Answer

- (a) *Each of the following responses scores 1 mark up to a maximum of 2 marks or this sub part:*

- *Judicial review of the Comptroller's decision is possible when the IPO is acting as the Receiving Office under the PCT.*
- *Review will be on the grounds of irrationality and failure to apply the law correctly since in the attorney's opinion requirements of Art.11 have been complied with.*
- *Review rather than rehearing.*

(2 marks)

- (a) *Application should have been made within three months of the decision. Therefore, in this case where 14 weeks have passed, the court will have to be asked to apply its discretion [CPR 3.1(2) (a)]*

(2 marks)

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Question 3

You have recently received an unfavourable final decision from IPEC and permission to appeal was refused by IPEC. Your client still wants to appeal.

- (a) What would you advise your client about any remaining option(s) for appeal?

2 marks

- (b) What is the relevant procedure for pursuing any remaining options(s) for appeal?

2 marks

Answer

- (a) *Since IPEC has refused permission to appeal and the unfavourable decision was a final decision from IPEC, permission to appeal must be sought from the Court of Appeal.*

(1 mark)

Conditions for granting leave are that there is a real prospect of success or some other compelling reason for why the appeal should be heard.

(1 mark)

- (b) *File paper application known as Appellant's Notice and permission to appeal at Court of Appeal within **21 days after the date of IPEC decision.***

(1 mark)

*If permission is refused, applicant can apply for reconsideration at an oral hearing **within 7 days after service** of the notice that permission has been refused.*

(1 mark)

Question 4

You are approached by a client who holds the patent on a new type of impermeable membrane used in road building. He says that a former employee of his, Gary Grant, has set up a company called Waterpel Ltd and appears to be manufacturing an infringing product. He thinks that Waterpel may be a subsidiary of Rhoads plc. which is a large construction company.

Your client wants to take action to protect his rights but is concerned that there may not be any money to meet any judgment obtained.

What steps would you take to ascertain the means of each potential defendant?

4 Marks

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Answer

Identifying potential defendants – Waterpel Ltd, Rhoads plc & Gary Grant.
(1 mark)

Waterpel and Rhoads – latest accounts from Companies House and a credit rating agency report.
(2 marks)

Gary Grant - credit check and/ or an enquiry agent's report.
(1 mark)

Question 5

One of your longstanding clients, Gemma Atter, approaches you with details of infringement by one Anthony Roberts of one of the Gemma Atter's patents. The earliest known infringing act by Anthony Roberts was just over 6 years ago and the last known infringing act was 6 months ago with several infringing acts in the interim.

In view of the limitation period:

(a) How long does Gemma Atter have to issue proceedings against Anthony Roberts for patent infringement?

2 marks

(b) Explain any disadvantage of delaying issuance of proceedings in this case.

3 marks

Answer

(a) *The normal limitation period for tort and contract claims is 6 years. However, when a patent is infringed the infringement is recurrent and the right of action is renewed with every repetition of the infringement.*

(2 marks)

In this case since the last known infringing act was 6 months ago and because the right of action is renewed with every repetition of the infringement, Gemma Atter has another 5½ years (until the day before 6 years from last known infringing act) to initiate proceedings for patent infringement against Anthony Roberts.

(1 mark)

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- (b) *Expiry of limitation period is a bar on the recovery of damages suffered more than 6 years before the proceedings are issued. Therefore, Gemma Atter should act quickly to maximise the chances of recovery of damages for Anthony's infringing acts which are still within the 6 year limitation period. If the client delays action then she would not be able to recover damages for infringements by Anthony Roberts that occurred more than 6 years before proceedings are issued. [See Section 2 of the Limitation Act 1980 for legal basis] (Candidates mentioning the risk of Anthony Roberts raising defences such as acquiescence and laches as a disadvantage without mentioning bar on recovery of damages also gain 1 mark)*

(2 marks)

Note that the limitation period has expired for the earliest known infringing act by Anthony Roberts which was over 6 years ago and any other infringing acts committed more than 6 years before proceedings are issued. We know that the earliest infringing act was over 6 years ago so Gemma Atter cannot recover damages for that act even if she is successful.

(1 mark)

Question 6

The Practice Direction – Pre-action Conduct (Pre action PD) requires the claimant to send a Letter before Claim.

- (a) Explain why a Letter before Claim may not be appropriate in patent infringement actions.

1 mark

- (b) If a Letter before Claim is sent in a patent infringement case, what considerations need to be kept in mind?

2 mark

- (c) Can writing "Without Prejudice" on such a letter in a patent infringement case be sufficient to alleviate the risk that may arise from sending it? Provide a reason for your answer.

1 mark

- (d) Suggest an alternative to a Letter before Claim in patent infringement actions which still complies with Pre-action PD.

1 mark

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Answer

(a) A Letter before Claim may not be appropriate in patent infringement actions because of Section 70 of the Patents Act relating to threats action. Hence, there is a risk that recipient of such a letter will take action against the writer of the letter alleging a threat.

(1 mark)

(b) Any two of the following:

- If a letter is sent, it should be drafted as a letter of enquiry merely providing factual information and making enquiries about whom it is that may be infringing;*
- Do not say anything that will be interpreted as a threat;*
- Threat in respect of manufacture or import of product or doing of a process not actionable*

(2 marks)

(c) The mere fact that a letter is marked "without prejudice" does not render it privileged. A judge may well open a "without prejudice" letter which contains a threat.

(1 mark)

(d) Alternative could be to issue proceedings and then write a letter before service of the action.

(1 mark)

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Question 7

You are instructed by a new client which is a company registered in the Dutch Antilles. The client instructs you to write a Letter before Claim to another Dutch Antilles registered company which they accuse of infringement. The Letter before Claim receives a prompt reply and an offer of a very large settlement. The client accepts and the monies are received into your firms client account.

(a) What question does this raise?

1 mark

(b) What action should you and your firm take?

2 marks

Answer

(a) This should raise a suspicion of possible money laundering.

(1 mark)

(b) You should report immediately to the appropriate person (such as the firm's Nominated Person / Money Laundering Reporting Officer) within your firm.

(1 mark)

The firm should make a Report to the National Crime Agency

(1 mark)

Question 8

Benedict is a Chartered Patent Attorney working for the firm of Bailey & Scott. He is asked to act as the Commissioner for Oaths for a Declaration in support of a restoration request for a patent application. The restoration request relates to a patent application which lapsed due to a deadline being missed by Bailey & Scott. The deponent is one of his work colleagues and the Declaration is part of the evidence to support the restoration request.

State two reasons why Benedict should decline to Act as the Commissioner for Oaths in this situation.

2 marks

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Answer

The role of Commissioner for Oaths is that of an independent minor public office holder. In this situation Benedict should decline because he would not be independent for at least the following two reasons:

(1) The deponent is his work colleague;

(1 mark)

(2) The evidence relates to his firm or employer.

(1 mark)

Question 9

Lucy is a Chartered Patent Attorney who is asked by her friend Helen to act as the Commissioner for Oaths in respect of a Declaration being executed by Helen's boyfriend. Helen's Argentinean boyfriend is present to make the Declaration, which is drafted in English, but he does not appear to speak any English. Moreover, the Declaration refers to several Exhibits and Helen says she forgot to bring the Exhibits along but assures Lucy that she has seen them.

(a) Can Lucy administer the Declaration at this time? Explain your answer.

1 mark

(b) What else stands out from the above facts that Lucy would need to check if she were to administer the Declaration?

1 mark

Answer

(a) Lucy cannot administer the oath at this time as she needs to check the exhibits which Helen and her boyfriend have not brought with them.

(1 mark)

(b) Even if she could administer the Declaration, she needs to ensure that Helen's boyfriend understand the truth of what is written in the Declaration, particularly as he does not speak any English and the Declaration is drafted in English.

(1 mark)

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Question 10

Your client Jeff is a sole trader who sells and repairs mountain bikes from his shop, Jeff's Bikes. The shop is well known and attracts custom from all over the UK. Jeff is especially valued for his creative approach to solving mechanical problems encountered by customers with their bicycles.

Jeff was recently horrified to receive a letter from Speed Bikes Limited, threatening proceedings for infringement of a patent. The patent concerned a removable mechanical device which ensures the smooth changing of gears on mud-encrusted mounting bikes. Jeff has been selling a Snap-On plastic cover to prevent the clogging of gear wheels by mud, but it has no mechanical capability of its own, and has a totally different function to the device protected by the patent. This point has been made to Speed Bikes, but proceedings now appear imminent. Jeff depends on the goodwill of at least 15 suppliers of merchandise, some of whom have raised concerns about the risk to them of being dragged into proceedings by various patent holders if they continue to supply goods to Jeff.

You have advised Jeff to issue proceedings for the groundless threat of infringement and are now drafting the Particulars of Claim.

- (a) Name **three** elements which you will take care to include in the Particulars of Claim in order to make out the cause of action.

3 marks

Answer

3 out of the following five, up to a max of 3 marks:

- Description of the parties (1 mark)*
- The threat and particulars of it (1 mark)*
- The person aggrieved by the threat (1 mark)*
- The damage posed by the threat (1 mark)*
- The remedy and interest (1 mark)*

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- (b) While drafting the particulars you receive an anxious telephone call from Jeff. He directs you to the Cycle Nut website, where Speed Bikes have posted comments about Jeff and his business under the heading “Pedalling through the gutter”. It says “Anyone who cares about the great sport of cycling should stay clear of shyster Jeff and his shop. He’s been ripping off our ideas for months.” Jeff fears his business will be greatly damaged as a result.

What effect, if any, will this development have on your choice of causes of action when drafting of the Particulars of Claim? Give reasons for your answer.

3 marks

Answer:

It will make no difference to the existing cause of action for the groundless threat.
(1 mark)

It appears that Jeff has a further cause of action for Malicious Falsehood or defamation, and this can be added to the particulars.
(1 mark)

Malicious Falsehood is made out because Jeff can allege that the words published were known to be false and calculated to produce damage.
(1 mark)

- (c) Jeff is concerned that there will now be a race between the filing of his claim and the filing of the Speed Bikes claim. He asks whether the filing of his claim before that of Speed Bikes will bring the matter to a conclusion.

What advice will you give to him?

2 marks

Answer

Filing Jeff’s claim first will not necessarily bring the matter to a conclusion because Speed Bikes may file a defence.

(1 mark)

Given that Speed Bikes complaint was that Jeff was “ripping them off”, their defence may be accompanied by a counterclaim which Jeff, in turn, will need to defend.

(1 mark)

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Question 11

Angpharm Limited has developed a vaccine to combat a strain of the influenza virus. Infringement proceedings have been brought by GloMed Limited, which claims that rights in the vaccine are already protected by its own patent. Experts are now being sought by Angpharm Limited in order to defend GloMed's claim.

Explain **three points of procedure** which will operate in the selection of any experts upon whom Angpharm eventually relies.

3 marks

Answer

Any of the following or another relevant point from the Reading Material - Unit 3 Topic 3 Reading 1 section "How do you select and expert"

- *To rely upon an expert the court's permission must be obtained, usually at a case management conference. (1 mark)*
- *The expert is likely to be granted if it the court can be satisfied that they are a person "skilled in the art". (1 mark)*
- *It is likely that both parties will be permitted to instruct their own expert, contrary to the general practice of being limited to sharing a single expert. (1 mark).*

Question 12

You are preparing for a trial next week. There is an important point of law which could be decisive of the case although such will depend to some extent, on the findings of fact by the court. In your research, you have identified the Court of Appeal authority of *Smith v Matthews* which was decided on similar facts to your case. You file your Skeleton Argument referring to this decision. After you have filed your Skeleton Argument, your assistant Gurminder informs you of another relevant Court of Appeal authority, *Moody v Davis*, which was handed down a few days earlier than the *Smith v Matthews* decision.

Moody v Davis is contrary to *Smith v Matthews* but was not cited in *Smith v Matthews*. It is distinctly unhelpful to your client's case. You read *Smith v Matthews* and you form the view that *Moody v Davis* goes into the legal issue much more thoroughly than *Smith v Matthews*.

You receive your opponent's skeleton argument in which he too cites only *Smith v Matthews*. You explain to your client that you have found the authority of *Moody v Davis* which is distinctly unhelpful to your client's case. He asks you why you had not found it before and says to you that if the other side did not find it, then as they are represented, it is not your job to make their case for them. He expressly instructs you not to inform the judge of it and says that if you cite it to the judge and as a result lose, he will sue you for

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professional negligence in not having advised him at the outset of the proceedings about *Moody v Davis*. You consider your position.

- (a) What duties override the patent attorney's duty to act in the best interests of the client?

2 marks

Answer

The patent attorney's duty to court and his duty of integrity are of a higher order to the patent attorney's duty to act in accordance with the client's instructions.

(2 Marks)

- (b) What duties, if any, does a patent attorney have to inform the opposing side?

1 mark

Answer

A patent attorney has no duty to inform the other side that he has failed to cite a relevant authority. However, the patent attorney does have a duty to inform the court of relevant law.

(1 mark)

- (c) What action would you take regarding:

- (i) Informing the court of *Moody v Davis*?
- (ii) Addressing the points made by your client?

4 marks

Answer

*Answers should include the following with one mark for each, up to a maximum of 4: (i) inform court of *Moody v Davis* (ii) notify other side that you will be doing so (iii) inform your client that if he instructs you not to inform the court of the authority of *Moody v Davies* that you must retire from the case (iv) consider whether you have been professionally negligent in failing to pick up the authority of *Moody v Davies* and if you consider that there is a real risk that you have been, inform your client and that he may wish to obtain independent advice.*

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Question 13

At what stage(s) of a trial is an advocate:

- (a) Permitted to make a submission that the other side's witness has committed fraud or been otherwise dishonest.

1 mark

- (b) Forbidden from communicating with a witness.

1 mark

Answer

- (a) *When the witness has been challenged in cross examination by the advocate as to the alleged acts of fraud or dishonesty.*

(1 mark)

- (b) *From the point when the witness has been sworn in to give testimony until the point when that witness is released*

(1 mark)

Question 14

What categories of documents should **not** be put before the court even if they relate to an issue in the proceedings?

2 marks

Answer

Legally privileged documents and "without prejudice" documents

(2 marks)

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Question 15

Explain the difference between costs assessed on the standard basis and costs assessed on the indemnity basis

3 marks

Answer

The standard basis will allow costs that are reasonably incurred, reasonable in amount and proportionate to the claim. All questionable claims are resolved in favour of the paying party.

(1 mark)

The indemnity basis will also allow all costs reasonably incurred, reasonable in amount and proportionate to the claim but in this case any doubts are resolved in favour of the receiving party.

(1 mark)

The amount allowed by way of indemnity costs cannot exceed the amount charged by the representative to the client.

(1 mark)

Question 16

Explain why you must not reveal details of your evidence, strategy or tactics to a witness while interviewing them.

3 marks

Answer

The fact that you have interviewed a witness does not prevent your opponent doing the same, hence the maxim "there is no property in a witness".

(1 mark)

If the other side do subsequently interview the same witness there is a risk that the witness will divulge sensitive information that you have already given them.

(1 mark)

The information you give to a witness should be general only, such as explaining their role in the context of the dispute or matters of trial procedure. Giving details of strategy or tactics to a witness might lead the witness.

(1 mark)

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Total Marks [60]