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Question 1

a)

Mediation and arbitration are both alternative means for dispute resolution (ADR), intended to promote finding settlement between parties in conflict and avoiding litigation.

Both means can be incorporated into the contract; however, both parties have to agree to ADR, they can not be forced into it by court.

Both means offer confidentiality of the proceedings ("without prejudice" discussions), i.e. facts admitted during the ADR can not be used in court without other party permission.

Mediation is less formal compared to arbitration. Usually mediation is handled by a professional mediator; however, such person my not need to be a legal practitioner or a solicitor. Mediations are usually quicker and cheaper compared to arbitration (or even more litigation).

During mediation, mediator offers an opinion about the parties' standing; however, anything agreed on during mediation is not biding, unless parties sign formal and finalized contract. Therefore, parties do not have means to enforce any judgments of mediation. Arbitration on the other hand, is regulated by national and international treaties and can be enforced.

b)

UKIPO can issue an opinion under section 74A/B. These opinions can relate to:

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Validity of a patent;

Validity of an SPC; ✓½

Whether defendant's act is infringing or likely to infringe a patent; or
✓½

Whether a defendant's act is infringing or likely to infringe an SPC.

Opinions of the UKIPO are not binding; however, they can be used by a party to
✓½
decide whether or not invoke invalidity/infringement proceedings.
✓½

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Question 2

a)

(i) orbiter dicta is part of the judgment that does not form a binding precedent on the inferior court. Usually, such statements made by the judges are made in passing, and often constitute his/her opinion on the part of the case.

(ii) stare decisis is a doctrine of binding precedent, where inferior courts are bound to follow decisions of higher courts if material facts of the case are the same.

b)

Appointed person is one of the two ways how an appellant can appeal in trade mark related matters in TM Tribunal. Appointed person takes a role of the judge and decides the case before it. Decision of the Appointed person are binding and can not be appealed to further (unless via judicial review).

c)

Chancery division; Queen's bench.

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Question 3

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Question 4

Surveys are conducted by organisations for generally marketing purposes; however recently, often for use in legal proceedings. Survey evidence can be admissible by the court with court's permission. However, it is often found that facts to be decided in passing off proceedings are to be decided by the judge, not by members of the public. It is therefore up to the judge how much weight is put to surveys. However, surveys may be a good way for finding expert witnesses. It is possible for parties to conduct "pilot" surveys on their own expense, which can be put forward to a judge before right to conduct a survey is granted.

Given the above, there are strict requirements how a survey should be conducted. The requirements include:

Respondents should be selected from a relevant section of the public; ✓1

Size of the group selected should be statistically significant; ✓1

Lead questions should relate to one aspect only; should be clear and understandable; ✓1

Lead questions should not lock respondents into any answer nor should questions suggest any answer to them;

If answers or identities of respondents are coded, details thereof should be served (disclosed, made available); ✓1

Similar to above, instructions given to persons conducting the survey, including how to ask questions be saved. ✓1

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Question 5

Jill without a doubt breached the Patent Attorney Code of Conduct

In particular:

Rule 4 – competence –Registered patent attorney (PA) should always put client's interest first. In this case, it appears that Jill, for whatever reason, was not following client's instructions.

Rule 6 – client care – Registered PA should act courtesy, diligently, honestly, promptly and with expected care due, putting client's interest foremost, subject to any overriding legal duties. In this case, Jill was not honest when stating is "too late" to send documents to another firm. Here, misrepresentation could also have taken place (outside of the scope of the question). Also, Jill has not been acting promptly. In fact, he delayed sending the papers to the attorney and refused to speak to them. Also, PA should enable client to freely instruct another PA and should take reasonable steps to transfer the case to another PA.

Moreover, Jill was hindering transferring of the case to another firm by delaying sending the papers.

Rule 5 – Integrity – patent attorney should act to promote trust into patent and trade mark profession. In this case, by putting own interest first, Jill was not promoting trust into the profession and was effectively making false statements.

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Question 6

a)

When considering acting for a client, regulated person should consider:

Experience, skill due, seniority

Client relationship

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b)

Regulated person should not engage in litigation proceeding relating to criminal matters.

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Question 7

a)

Four items are necessary for a valid contract.

Intention to create legal relations.

The circumstances purport that the meeting between Anthony and Elizabeth was informal and casual. It was their common friends' wedding day and both were having good time. Moreover, Anthony was drinking alcohol, at least before the ceremony (reception?). ✓₁

However, both Anthony and Elizabeth have some stake in industry. ✓₁ Anthony holds patent rights to mobile phone stands and has manufacturing and supply chain in place. It is not really clear whether he is already selling in the UK; however, considering the large volumes of manufactured products discussed, it does not appear that Anthony's statements are mere boasting. After he learned Elizabeth works for a mobile phone company, he approached her and asked whether they could do a mutual business and she agreed. Elizabeth was sober and before the ceremony, where the couple had time to discuss in peace (at least not against a loud music), Elizabeth offered concrete terms in respect of their mutual business. ✓₁ In this scenario, it is likely that the requirement for Intention to create legal relations was satisfied.

Offer / acceptance

Offer needs to be unconditional willingness to enter into commercial relations. It should be concrete to its terms, with respect to number of units, time line and/or ✓₁

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price. Elizabeth presented her offer to Anthony (3,000 units for 7 GBP to sell for 10 GBP).

Acceptance of the offer by Anthony can be expressed, direct (in writing, verbal) or indirect by conduct. Original offer will become terminated if a counter offer is presented, which was the case here. Anthony proposed providing Elizabeth with 5,000 units for the price of 5 GBP each. Conditions for how much Elizabeth would then sell them to her clients were not discussed. Elizabeth expressed her approval to Anthony by saying "Fantastic".

Later during the dance, Elizabeth confirmed agreed terms in terms of number of units she will buy (5,000) and added another term to the agreement, that she expects to sell them over six months. Again, Anthony expressly confirms that he agrees with these terms. As parties exchanged points of their agreement multiple times during the evening and seemed to agree on its terms every time, it is very likely that offer and acceptance are met as well.

However, parties never discussed permission for Elizabeth to manufacture/import phone stands units and therefore, these terms were not forming part of the offer.

Consideration

For a contract, valid consideration has to be shown. Consideration does not need to be adequate, but need to sufficient. In the present scenario, it could be a mixture of exchange of promises and forbearance between parties: Anthony would give a permission to Elizabeth to sell the items he provided her with and his forbearance not to instigate proceedings for selling the items where his patent

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is in force. Elizabeth also has a valid consideration by the virtue of money lost on this investment - she can then recover her losses by selling the items for a higher price. Accordingly, there is a valid consideration in this case.

✓½

In conclusion, I believe there was a valid contract between parties; however, that contract does not cover manufacturing/importing units from China and selling them. Therefore, Elizabeth defence appears weak in this regard.

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b)

Damages in this IP infringement case can be awarded by calculating:

Direct pecuniary damage to Anthony for lost opportunities – Elizabeth accounts can show that she sold 2,000 infringing units. The court could rule that these units would otherwise be sold by Anthony, for his 20 GBP price/each (provided that the quality of the unit was the same or substantially similar). As both Anthony's and Elisabeth's stands were classed similarly and placed in the same shops, it is likely that had Anthony placed his 2,000 units in the shop where Elisabeth's products were displayed, he would have sold them.

✓1

✓1

✓1

Accounts for profits – alternatively, the court could calculate the profit Elizabeth made on selling her stands. In the present scenario, Elizabeth was earning 2 GBP per each unit sold, and she sold total of 2,000 units.

One can not claim both of the above. Either damages or accounts for profits.

In addition, the court could judge that the contract was formed between parties and put the parties in the position had the contract was fulfilled. In this case, the court could order that the contract was to sell Elisabeth 5,000 units for 5 GBP each.

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✓1

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Question 9

a)

Search and seizure orders are in generally inappropriate and granted in exceptional circumstances only, as both parties should have right to be heard before the judge. For a court to grant an interim search and seizure order, the following grounds need to be satisfied:

Strong prima facie case against the defendant. This case a bit convoluted but in my view, evidence that Sylvia can put together speak to her favour. In particular, infringing object was obtained during car boot sale and the salesman confirmed where the object come from. As car parts warehouses are located in the same estate as Timothy's Fish warehouse, it is very likely that the salesmen obtained the item from him specifically. Also, the car part salesman confirmed the possible name of the defendant.

Damage to the claimant may not be an adequate remedy if the order is not granted, the case goes to trail and is later found that the defendant was liable;

In this case, the case is less about the monetary damage to Sylvia but rather her reputation. As infringing lids are faulty and dangerous and already present on the market, future purchasers may be reluctant to buy Sylvia's product due to fear that the accident can also happen to their children.

Clear evidence that the defendant is in a possession of the infringing goods and real possibility that the defendant will attempt to hide/dispose the goods to avoid liability if the notice in served. Statements from the car salesmen could be convincing evidence with respect to the origin of the goods and the fact the Mr

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Fish is a convicted felon there is high possibility he will try to avoid liability by moving the goods. ✓1

To strengthen her case, Sylvia could put forward evidence in a form of press statements which report that infringing lids cause harm to babies. As these products are intended for infants/babies and are dangerous, there is further argument that sales of them should be stopped. ✓½ Considering the urgency, request for the order should be made without delay.

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b)

To be liable for malicious falsehood, three requirements are needed:

1. Statement made was untrue
2. Statement was made with malice
3. Statement resulted in calculated damage to the claimant ✓½

In respect of point 1. Malicious statements needs to be published and relate to facts, not opinions. ✓1 In this case, although it has been posted on social media so it is permanently published, it is an expression of Sylvia's opinion about the quality of the product. ✓1

Secondly, the person making the statement should either knew that the statements were untrue, or be negligent as to proving whether the fact was untrue or not. ✓½ In this case, Sylvia's statements are likely true, as there even exist press publication reporting faulty lids. As to the second statement (that the goods are imported), this statement also turns out to be true.

With respect to point 2. Malicious statement either requires that the person who made them had deliberate intention to injure a party, or there was a dominant ✓½

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improper motive behind person's conduct, including recklessness. I this case, ^{✓½}
 Sylvia's opinion is not published in malice, as she does not seem to have a
 deliberate motive to harm Mr Fish. She is probably more concern of the ^{✓½}
 reputation of her own business and children who may become injured due to the ^{✓½}
 faulty product.

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Question 8

A)

Negligent misstatement (NM) is a tortious remedy. To make a successful claim for NM, the four conditions need to be satisfied.

1. There is a duty of care that the Defendant owes to the Claimant

Whether or not duty of care exists to the claimant is an objective test that depends on the proximity of the parties involved. In the classical NM case, to ^{✓1} establish duty of care, foreseeability (whether it was reasonably foreseeable that defendant conduct will cause damage to the claimant), proximity of the parties (nature of relationship between them); and whether it is just, fair and reasonable that the Defendant owed duty of care to the claimant.

In some circumstances, duty of care can be assumed. These circumstances often arise in professional services such as the case here. To assume duty of care, there needs to be a special relationship between the parties. This special relationship is typically defined that

- a) a person has or professes to have a special skill of knowledge and makes representation in the virtue thereof to another person (in this case, Tracy is Percy's attorney and makes such representations);
- b) advice is not given in a casual way
- c) there has been no disclaimer of liability.

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In addition, Tracy knew and offered professional advice to Percy that was intended for a specific purpose (filing a patent application) and Tracy knew that

Percy is likely to act on this advice.

✓1

In addition, as Percy was Tracy's client, there probably is a contractual obligation towards Percy which may make Tracy liable for negligent misrepresentation, not only negligent misstatement.

2. There is breach of this duty (std)

Reasonable man test is applied to assess whether duty was breached. In this case, reasonable man (or reasonably qualified patent attorney) would review all

✓1 documentation provided, including the attachment that was missed, and draft application properly. Although Percy could have realised that the claim was drafted to broadly, Percy is not skilled in patent matters and could easily miss this. ✓1

3. Causation in fact and causation in law (remoteness)

Whether or not defendant is liable for claimants' losses relates to whether losses were reasonably foreseeable. As this case could be considered as negligent misrepresentation, it is possible that Tracy could be liable for all losses flowing directly from the breach of duty of care, not only those foreseeable.

As to (i); this loss would be most likely considered reasonably foreseeably, it is flows directly from the fact that Percy lost his market monopoly due to patent

✓1 invalidation. In effect, replacement products flowed into the market and his share decreased. Causation in fact and law established.

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As to (ii), this loss could be considered as not directly linked to the patent loss as novel spouts and bottles are different products. In addition, it appears that Percy
 ✓1 stopped marketing this product so there could be an argument that his actions contributed to this loss (contributory infringement). However, it appears that Percy stopped marketing following unfavourable decision of the court so that loss
 ✓1 was also flowing directly from negligent act. Most likely some damages costs could be awarded to Percy.

As to (iii), selling the business would probably be considered to spontaneous, dramatic and not well planned decision of Percy. Although he lost the patent, it is still possible that he could remain in business, and possibly invent new spouts, also for larger wine bottles. Reducing business value by 75% also seems as a
 ✓1 bad commercial decision and could indicate that there were other intervening
 ✓1 acts that prompted Percy to this action. These could be, for example, that he changed his mind as to having the business, or quickly needed some cash. He could also seen his circumstances as opportunistic, if he was successful in his claim (that would be considered as unfair practice). Therefore, I think Tracy would not be liable for the costs (iii).

b)

Expert evidence are generally admissible if the court permits. Question of
 ✓1 validity could be brought up during the proceedings for misstatement; however, expert witnesses are not permitted to give opinions on patent
 ✓1 validity/infringement questions. Both statements (as to validity of the patent and decision made) are Fred's opinions. As expert in teapot manufacturing he could

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advice on such issues instead. In this case, it is not likely that this evidence
^{✓1}
would be admissible.

3

c)

“Without prejudice” relates to any correspondence/meetings between parties
which are genuinely intended to promote settlement. Any communication
^{✓1}
labelled as such, including any admissions therein, cannot be viewed by court to
^{✓1}
decide on any merit. Purpose is to enable open discussions which should end
up in settlements so the case does not proceed into trial. “without prejudice”
evidence can be relied upon in court if both parties agree.

As this is not a rule, and that the parties did reach a settlement during the
meeting, it is very likely that Tracy could put forward her notes as evidence.
^{✓½}

2½

14½

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