

Paper Ref	Sheet	Percentage Mark Awarded
<b>FC2</b>	<b>1 of 17</b>	<b>56%</b>

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SECTION A

Question 1

a) *Mediation*: Is an ADR in which a mediator is involved. It is made to promote settlement. The decisions made are not binding and are confidential. It can be "without prejudice".

*Arbitration*: Is an ADR in which an arbitrator is involved. It is made to promote settlement. The decisions are binding and confidential. The parties can choose the arbitrator and can decide where the meeting should take place. The arbitration can be "without prejudice".

Differences: Arbitration is binding, mediation is not. Different figures are present (Arbitrator vs Mediator). For arbitration the parties can choose in agreement where the meeting should take place and who the arbitrator is.

b) UKIPO opinions are another form of ADR. The decisions are non-binding.

For patents they can be used for

- Infringement opinion/ non-infringement
- Prior art opinion (e.g. whether a disclosure was made before the priority date)
- Patentability (e.g. novelty/ inventive step)

These information can be used by the party to decide to continue to pursue a patent application, or if to file certain claims, or if a third party is infringing their product, or if their product is an infringing product. To obtain an opinion the request must be done in writing, (continued)

2

Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>2 of 17</b>

Examiner's  
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(continued) the fee must be paid, and the request should include all the information that should be considered, including e.g. prior art documents.

✓<sup>1/2</sup>

**MARKS AWARDED: 4/7**

4

2

Page sub-  
total

Paper Ref	Sheet
FC2	3 of 17

Examiner's  
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Question 2

a) i) *obiter dicta*: these are statements made by the court in relation to similar cases. They can be cited when discussing a similar subject matter. They are convincing but not binding.

✓<sub>1</sub>

ii) *stare decisis*: this principle is used when the matter of the case has been previously discussed in a previous case which dealt with the same or very similar matter. The court shall follow the decision made by the previous court. This is based on the principle of equity, for which parties in proceedings should be treated equally, and therefore if the matter was decided in a certain way in a previous case, the same matter shall have the same judgment in a subsequent case.

✓<sub>1</sub>

b) In trade mark cases, for appeal procedures the claimant can appeal to the High Court or to the Appointed Person. The Appointed Person is a senior attorney. Choosing to appeal at the Appointed Person is often quicker and cheaper.

✓<sub>1/2</sub>

✓<sub>1/2</sub>

✓<sub>1/2</sub>

However, the appointed person can not deal with infringement appeals, the high court will deal with such appeals. Moreover, no further appeal is possible following the Appointed Person, while by appealing at the high court it will be possible to further appeal at the Court of Appeal.

✓<sub>1/2</sub>

The decision is binding. Appeals can be for example regarding copying or passing-off.

c) The 3 divisions of the High Court are:

- The family Division ✓<sub>1/2</sub>

- The Queen's Bench ✓<sub>1/2</sub>

- The Chancery Division

5

MARKS AWARDED: 5/7

Page sub-  
total

2

2

1

Paper Ref	Sheet
FC2	4 of 17

Examiner's  
use only

Question 3

- a) 1) If the agreement itself implies assignment: e.g. The nature of the agreement includes factors which would be allowable only under assignment.  $\checkmark \frac{1}{2}$
- 2) If to carry out the terms of the agreement the commissioner needs to exclude the author from the ownership of rights, to work their rights against a third party. If this is not necessary, a licence will be implied instead.  $\checkmark \frac{1}{2}$   $\checkmark \frac{1}{2}$   $\checkmark \frac{1}{2}$
- b) If the assignment is absolutely necessary or if a licence would serve the same purpose (in which case assignment will not be implied).  $\checkmark \frac{1}{2}$

$2\frac{1}{2}$

$\frac{1}{2}$

3

MARKS AWARDED: 3/8

Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>5 of 17</b>

Examiner's  
use only

Question 4

- The court must give permission for survey evidence to be presented/  
run
- A pilot survey can be run without permission of the court but at own  
costs.
- The survey has to include a fair representation of the population ✓½
- The survey must include a portion of the population which is  
statistically relevant. ✓1
- The terms of the survey must be clearly presented to the people taking  
the survey ✓½
- The instruction for taking the survey must be clearly presented to the  
people taking the survey ✓½
- If the survey is online, the instruction must be clearly presented
- The survey must not lead the person taking the survey towards a  
particular position. ✓1

3½

Survey evidence is not as convincing as witness evidence since deciding  
if "passing-off" subsists it is a role of the court.

**MARKS AWARDED: 3.5/7**

3½

Page sub-  
total

Paper Ref	Sheet
FC2	6 of 17

Examiner's  
use only

Question 5

The IPREG code of conduct states that when a client announces they will refer to another registered person, the current register person has duty to make the necessary arrangements for the transfer to happen and for the client to find appropriate alternative. Further the registered person has to co-operate with the new appointed registered person, including sending any documents necessary for the transfer to happen fully. Jill should have communicated with the new attorney and send them any document necessary. The registered person shall do so timely.

✓<sup>1/2</sup>

✓<sup>1</sup>

However, Jill has advised the client that the transfer could not happen in time for the deadline to be met. There is no indication that the client asked Jill to take care of the deadline instead, before sending the documents to the new representative.

✓<sup>1</sup>

On the other side, by delaying sending the documents and not speaking with the new attorney, Jill does breach the code of conduct mentioned above.

✓<sup>1/2</sup>

Further, withholding documents is also not allowed by the Code of Conduct unless stated in the contract with the client. Therefore, if Jill was withholding documents received by the register this would be a further breach.

3

MARKS AWARDED: 3/7

3

Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>7 of 17</b>

Examiner's use only

Question 6

- a) - The nature of the issue to be tried <sup>✓ $\frac{1}{2}$</sup>
- The nature of the practice area of the client
  - The seniority and expertise of the registered person
- b) Registered persons are not qualified to act on behalf of the client in criminal matters/litigation. The regulated person shall assist the client in finding appropriate representation for such matter. <sup>✓ $\frac{1}{2}$</sup>

$\frac{1}{2}$

1

**MARKS AWARDED: 1.5/4**

1 $\frac{1}{2}$

Page sub-total

Paper Ref	Sheet
<b>FC2</b>	<b>8 of 17</b>

Examiner's  
use only

SECTION B

Question 7

a) *Intention to create legal relations:*

Anthony and Elizabeth are at a social gathering and there is drinking  
involved. These circumstances are usually not a sign of wanting to create  
legal relations as the reason why Anthony and Elizabeth met was not to  
discuss business but rather a wedding.

The conversation includes details of the amount of product and the prices.  
Presence of details is indicative of wanting to create legal relations.

*Offer/ Acceptance:*

The first offer is made by Anthony to Elizabeth asking if she wants to sell her  
product. Elizabeth says yes. Elizabeth proceeds in discussing further details  
stating that she would get 3000 units at 7 GBP each and selling them for 10  
GBP. Anthony does not accept this offer and makes a counter offer instead  
stating he will send 5000 units for 5 GBP each instead. Elizabeth seems to  
accept such offer by saying "Fantastic".

Later there is another discussion in which Elizabeth says she will get  
organised to receive 5000 pieces in the next 6 months. Anthony seems to  
agree by saying "Brilliant"

However, the conversation ends with Anthony saying "send me over an order  
and we'll get that arranged", which indicates that the deal was not fully made  
and that further arrangements needed to be made. This suggests that  
Anthony wanted to include more details in the arrangement. (continued)

Page sub-  
total



Paper Ref	Sheet
<b>FC2</b>	<b>9 of 17</b>

Examiner's  
use only

(continued)

The terms discussed related solely to providing Elizabeth with the product and for her to sell it. There has been no mention of allowing Elizabeth to manufacture the product. (discussed further below)

*Consideration:*

For a contract to exist, consideration need to exist. Consideration has to be sufficient, not adequate. In this instance consideration is Elizabeth receiving a product in exchange of payment of 5 GBP a piece.

Overall, it seems like a contract exists between the two. However, the contract is related to Elizabeth **selling** Anthony's product and **not manufacturing**. No contract exists allowing Elizabeth to manufacture Anthony's <sup>✓½</sup> product and therefore the contract mentioned by Elizabeth in response to the infringement claim does not exist.

7½

b) When assessing damages the court will consider:

- Stolen sales: It looks like the product is quite successful as both <sup>✓½</sup> parties are selling it. There is no indication of how many sales Anthony makes compared to Elizabeth (who sold 2000 pieces); however, the price of Elizabeth's is much more competitive. <sup>✓½</sup> The question is if Elizabeth's product was not in the market, would all the sales "transfer" to Anthony? The answer is unsure since the price difference is <sup>✓1</sup> relevant. Further Anthony is trying to make a much larger profit on the product (10 GBP) compared to Elizabeth who only profits 2 GBP per piece. The clients might not be put off by Anthony's price (continued)

Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>10 of 17</b>

Examiner's  
use only

(continued) since they are shopping in “exclusive” retail brands and therefore the price is expected to be higher.

- ✓1 Further because the two sell in the same area (20 miles apart) and in the same type of shops the competition of the product (and clients) is high.
- Loss sales: Anthony might be losing sales based on the price difference between the two products, however he is also to blame as he is trying to make a larger profit and therefore even if selling less he might be making the same amount of money.
- Possible royalties: the court might consider the royalties of any
- ✓1 relevant licence agreement.

11½

**MARKS AWARDED: 11.5/20**

4

Page sub-  
total

Paper Ref	Sheet
FC2	11 of 17

Examiner's  
use only

Question 8:

- a) Tracy could be liable for negligence. The following has to be considered when determining whether if she is liable and for which damages:

1) DUTY OF CARE

It needs to be determined if a duty of care was expected from Tracy to Percy. To do so there are 3 factors to consider:

✓1

- i. *Foreseeability*: was it foreseeable that the action of Tracy will cause damage to Percy. In this case Tracy made a mistake in drafting the patent and therefore some consequences were foreseeable.
- ii. *Proximity*: this looks at determining the relation between the two parties. Tracy is Percy's patent attorney and she was carrying out patent work for them.
- iii. *Reasonableness*: would it be reasonable to expect duty of care from Tracy towards Percy. In this case yes, as she is the patent attorney

✓1

2) BREACH OF DUTY

The reasonable man test can be applied to determine if Tracy breached said duty of care:

- i.) Consider the *likelihood* of the damage happening
- ii.) Consider the steps that could have been taken to *prevent* the damage
- iii.) Consider the seriousness of the *damage*
- iv.) Consider the *seriousness* of the matter in issue (continued)

✓1

Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>12 of 17</b>

Examiner's  
use only

(continued)

In this case an objective standard is considered when applying such test.

Tracy is a specialist and therefore the standard is high.

✓1

The damage was likely to happen as disclaimers are highly important in patent applications.

Tracy failed at carrying out her duties as she did not open the attachment with the disclaimer. However Percy, knowing the importance of such disclaimer, could have made it more clear in the email that a disclaimer was included and that it was highly important. The damage could therefore have been prevented.

The damage is serious since it lead to loss of profits and ultimately to loss of business. However the damages which Tracy is liable for are discussed below.

### 3) CAUSATION IN LAW/ CAUSATION IN FACT (REMOTENESS):

To determine causation in law the “but for” test shall be applied. While to determine causation in fact we can look at the remoteness, if there has been a break in the chain of events and if there has been any contributory negligence.

i. Decrease in licensing revenue by 20%: this can be considered a

✓1 direct result of the negligence of Tracy. Not including the disclaimer led to another product found to not infringe and

✓1 therefore the licencing venue has decreased. We probably can conclude that Tracy will be liable for such damage. (continued)

Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>13 of 17</b>

Examiner's  
use only

(Continued)

- ii. 50% loss of market in wine bottles. This cannot be considered a direct cause as Percy decided to make bottles which would be suitable for both spouts. However, if the competitor's of the product was found to be infringing, this loss would have not happened. Tracy argues that Percy abandoned this business after losing the court case and that there is no connection between the markets as the cost of alternative wine bottles are the same. This would mean that there is a break in the chain of cause since Percy decided the market, and the reason why the bottles were not selling is because the price was too high compared to alternative bottles in the market. Tracy can probably argue that she is not liable for the damage as it is too remote.
- iii. Similar to the above, with regard to the selling of the teapot business at a 75% reduction in value is probably too remote for Tracy to be considered liable. The invalidated claim was the claim relating to the use of the spout on wine bottles and therefore has no connection to the teapot business. This damage would be too remote and Tracy will likely not be found liable for it.
- b) Witness opinions are not allowed in court. However, expert opinions are, with the approval of the court. Therefore, if Fred was to be recognised by the court as an expert and called to aid the court in the (continued)

11

Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>14 of 17</b>

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(continued) proceedings his opinion would be admitted. Experts have to be objective and unbiased, irrespective of the party from which they were engaged or that is paying them. Fred might be found to be biased as he is Tracy's neighbour. ✓1

2

c) The term "Without prejudice" means that the matter shall not be disclosed to the court during proceedings. The only exception is "without prejudice saving to costs" which indicates that the matter can be considered by the court when determining costs to award. However, this is not the case between Tracy and Percy and therefore Tracy can not include the meeting noted as part of the defence. ✓1

1

**MARKS AWARDED: 14/20**

14

Page sub-total

Paper Ref	Sheet
FC2	15 of 17

Examiner's  
use only

Question 9

a) To grant without notice injunctions such as a search order or a seizure order, the court must be satisfied that:

- There is a strong *prima facie* case
- Damages are not sufficient remedy
- The defendant is in possession of evidence/ documents which would be highly relevant to the case <sup>✓½</sup>
- The defendant is likely to destroy or get rid of such evidence if notice of injunction was made.

Sylvia has a strong *prima facie* case as she has proof that there are imitation bottles being sold and that they are highly likely to derive from the defendant (Timothy Fish from Fairview). Further she has indication that the business of Fairview is known to deal with clandestine products (from the magazine) and that Mr Fish is known to destroy documents (was imprisoned for this). <sup>✓1</sup>

Damages would not be sufficient as Sylvia wants to prevent further selling of such products both to not lose sales over the imitating products but also to protect the image and reputation of the product since she does not want her product to be associated with another which is faulty. These could be considered serious damages by the court. <sup>✓1</sup>

The court might allow a search order to find such imitation products in the warehouse in North London, and the court might be satisfied that if notice was given, Timothy or others for him, but get rid of any product. <sup>✓1</sup>

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Page sub-  
total

Paper Ref	Sheet
<b>FC2</b>	<b>16 of 17</b>

Examiner's  
use only

(continued) Similarly, the court might allow a seizure order to find any accounts or evidence of trading, which could be eliminated by Timothy if notice was given. For example by transferring money of the business abroad. ✓<sub>1</sub>

However, court might not allow without notice interim injunctions in this case as Sylvia has no undiscussable evidence that the imitation cups come from Timothy Fish in Fairview as there are two "Tim" working in that area. Further the Mr Fish that was recently released from jail could be another person with last name Fish. Further to get such injunctions, full disclosure of information is required and the fact that Sylvia did not inform the lawyers of this could create an issue if the court finds out. ✓<sub>1</sub>

For these reasons, the court might find that Timothy Fish has the right to be heard and present his case and therefore an interim injunction is not appropriate.

b) To establish malicious falsehood these have to be satisfied:

1. The statement was untrue
2. The statement was made with malice
3. The statement must be shown to have caused damage.

In Timothy's words the statement is untrue since he claims that the lid does not fall off because of the double threaded screw. ✓<sub>1/2</sub>

If Sylvia believed that the bottles provided by Timothy were faulty then her statement is negligent and cannot be considered to be made with malice. ✓<sub>1/2</sub>

(continued)

6½

Page sub-  
total



Paper Ref	Sheet
<b>FC2</b>	<b>17 of 17</b>

Examiner's  
use only

(continued) The statement was published (which is a requirement to establish malicious falsehood). However, Sylvia did have interest in hurting Timothy's business as, if the bottles are working, he would be her competitor.

With regard to damages, the text does not provide information of any monetary damage caused to Timothy. However, part 3 of the test can also be satisfied with an exception, which includes if the wars were "calculated" to cause damage to the business/ trade of the other party, which is true in this case. Further, Timothy could seek extra damages because his feelings were hurt.

MARKS AWARDED: 10.5/20

10½

4

Page sub-  
total