

GENERAL TERMS AND CONDITIONS

1. IP Asset

We are a firm of patent and trade mark attorneys regulated by the Intellectual Property Regulation Board and The Institute of Professional Representatives before the European Patent Office. This document sets out the general terms and conditions under which we may be engaged to undertake work on your behalf representing you in various matters before the UK/European Patent and Trade Mark Offices, WIPO and instructing attorneys on your behalf in other territories, as requested by you or your representative. We may also be requested to provide legal opinions and more general representation for you in the field of intellectual property matters.

2. No Guarantee of Success

We would like you to understand that, in representing any client in any matter before the Patent and Trade Mark Office or any court of other tribunal, we cannot promise or guarantee the ultimate success of the client's position, due to the complexity of the factors involved, many of which are beyond our control.

Our performance also depends, in large part, upon your co-operation, and particularly upon prompt receipt of information and instructions from you as and when necessary. For our part we will freely and frankly discuss with you the strategy, options, results and progress of any matters you entrust to us, and upon your request, we will seek your permission before taking any action which may significantly affect the outcome or the cost of the proceedings. In disputes, costs may be affected by the actions taken by other parties to the dispute over which we have no control.

3. How we will staff your matters

A named attorney will be appointed to be the attorney primarily responsible for any matters which you instruct us to do.

We will seek to staff all matters in which you instruct us in the most cost effective way. This may from time to time involve delegating matters to other attorneys and assistants in our firm (e.g. if they are in a better position to carry out the particular assigned task due to their experience or for other reasons), but the named attorney will remain responsible for ensuring adequate supervision.

4. We will keep you informed

We shall endeavour to inform you of progress in your matter(s) and we will send you copies of documents and relevant correspondence as the matter(s) progress(es). For your part, you must disclose all relevant information to us, make yourself and any documents, persons or things you control available to us at reasonable times and places as may be necessary and promptly notify us of any change in your e-mail or street address or telephone number or preferred means of communication. Our representation of you in these matters involves mutual co-operation and co-ordination of efforts. Therefore, you will appreciate that any failure to seek our counsel before you take any action which may affect the course or resolution of the matter(s) we are handling could jeopardise the result(s).

Our normal means of communication is by email unless agreed otherwise. Email is not fully secure and so if there are confidential matters which you do not wish to be transmitted to you this

way, please let us know and we will use the post instead. Where appropriate, password protection for documents can be used.

5. Fees, Disbursement and Billings

We would like to ensure that you understand and agree with the financial commitments involved in our representation. The following information concerns our fee arrangements with clients generally. However, any time you should have any questions about our billing procedures or about a specific statement, we would request that you contact directly the name attorney appointed to be responsible for your work so that we can respond to your questions and resolve any issue of concern.

5.1 Periodic billings for legal services

Unless we have made other arrangements, we will normally render invoices on a monthly basis, unless it is more appropriate to invoice upon completion of individual tasks within the matter. For some relatively small tasks that are not completed at the end of any particular period, we may accumulate the current charges for later billing to avoid sending out numerous relatively small invoices.

The firm requests and expects that each of its invoices will be paid **within 30 days** by automatic fund transfer to our account, the details of which will be provided on each invoice.

You agree that if you fail to pay within 30 days, then the amount due shall bear interest, accruing from day to day, at the rate per annum of 2 % above the Base Rate for the time being of the Clydesdale Bank plc, from the due date until the day we receive payment.

If you fail or are unable to pay an invoice within 60 days of receipt, we reserve the right unilaterally to discontinue our representation until such time as the outstanding bill has been paid. Further, if we must file a lawsuit to collect any outstanding balance on your account, you agree to pay our reasonable costs and attorney fees for such action.

5.2 Determining the fee

Generally, our fees are calculated based on hourly rates established for the respective attorney or assistant involved. These rates presently vary depending on the expertise and experience between £200 and £300 per hour for attorneys and £50 and £160 per hour for paralegals or assistants. We adjust our rates from time to time to cover inflation and variable costs of doing business. These rates also increase as particular attorneys or assistants gain experience, qualifications and expertise. Our rates are quoted without VAT.

In relation to the prosecution of patent, trade mark and design applications, there are a number of activities for which there are fixed service charges, in addition to the hourly rates charges for professional time. If at any time you wish to know what these are then please let us know.

We are also willing to undertake certain projects at fixed rates and are willing to discuss these on a project by project basis.

5.3 Retainers

With new clients, or with substantial new matters for existing clients, we may require what is known as a "retainer." This retainer is a payment on account for agreeing to undertake work on your behalf. If such a retainer is received from you, we will still expect you to pay for all services rendered as reflected by any interim billings. At any time at our discretion we may issue you with a

credit for the difference between any retainers received and any outstanding disbursements or charges for work we have undertaken on your behalf. Such a credit will be issued in the event that our client relationship with you is terminated. No interest shall be due from us in respect of any money we receive from you by way of a retainer.

5.4 *Client disbursements*

Most matters require, from time to time, certain advances (“client disbursements”) to be made by us on behalf of our clients. These include out of pocket charges we advance, as well as Patent and Trade Mark Office and court fees, travel expenses, foreign attorney fees and a variety of other costs. We include an administrative fee for certain of these disbursements such as payment of foreign attorney fees to reflect the fact that liability for these disbursements is incurred prior to their being passed on to you and so that we may fully recover our actual cost of providing these services to you, including exposure to variation in exchange rates. You understand and agree that while acting as your attorneys we have the authority to use our best judgment in making such expenditures on your behalf.

Unless we have made prior arrangements with you, or unless billing from our supplier is delayed, we will normally include disbursements incurred with our usual billings. If the nature of the matter is such that we anticipate substantial disbursements being incurred on your behalf, we may require a separate advance deposit from you for such purpose. Such an advance deposit will be treated in the same way as a general retainer as set out in section 5.3 above. When the work in question has been completed the advance deposit will be set off against the actual charges and fees incurred. If the deposit is in excess of the actual costs we will issue you with an appropriate credit. Alternatively, individual items may by prior agreement be billed directly to you by the vendor of such services.

6. Conflicts Policy

We represent a number of other companies and individuals. We check for conflicts between the work we do for you and our work for other clients. However, these checks are not perfect and may result in our unknowing acceptance of work that conflicts with yours. You agree that, as long as our checks meet the standard of care in our jurisdiction, you will not hold us liable for a conflict unknown to us.

If we discover a conflict after work has begun, you agree to use reasonable efforts to help us resolve the conflict to the mutual satisfaction of both clients. Reasonable efforts include allowing us to create an ethical or virtual wall between groups of attorneys in our firm to protect confidential information of both clients, whenever we determine an ethical or virtual wall will safeguard the confidential information of each client. In such circumstances you agree that we may obtain confidential information from another client that may be of interest to you but that we cannot share said information with you.

We cannot act for both you and a conflicting party in contentious proceedings such as litigation and oppositions. If a conflict arises between you and another client of ours in contentious proceedings, we shall cease to act for one or both parties. If we are unable to continue to act for you in a matter we shall help you to refer that matter to another firm.

You waive objection to us handling an opinion or counselling for other clients that may be adverse to you, provided such opinion or counselling is not substantially related to matters we have done, or are doing, for you, and provided that, in rendering such opinion or counselling, we do not use any information provided to the firm within the client-attorney relationship by you or on your behalf.

You also recognise that we represent a number of clients in patent and trade mark prosecution before the UK and European patent and trade mark offices, WIPO and other foreign patent and trade mark offices and, as a result, may file and prosecute for other clients' patent and trade mark applications that are in the same general fields of endeavour as those for which we may file and prosecute for you. However, we will not knowingly prosecute for another client any patent or application that is for the same or substantially the same invention as a patent application prosecuted for you and, in the event we discover after the fact, through declaration of patent interference or otherwise, that we are handling for another client an application that is for the same or substantially the same invention as that of an application we handled or are handling for you, we will take steps to remove yourselves from being the attorneys responsible for prosecution of both the applications.

7. Document retention policy and liens

It is our policy to maintain a physical file for each matter we prosecute on your behalf and to include all significant correspondence and documents in the file. When a matter comes to an end the physical file may then be destroyed provided that it has been imaged and all original documents have been preserved.

Until all our charges are paid in full, including payment of any interest incurred due to late payment, we are entitled to a contractual lien over all documents, papers and any other materials in our files. Whilst such a lien is in force you agree that we are under no obligation to release the files to any third party.

8. If there are problems

If any problems arise or you have any questions, concerns or criticisms about our performance please raise them initially with the named attorney primarily responsible for handling matters on your behalf or, if you prefer, with any of the partners of the firm and we will seek to resolve your concerns. If this does not resolve matters to your satisfaction you can ask us to investigate further and have the issue reviewed by one of the other partners of the firm. Full written details of our complaints resolution procedures are available on request.

9. Professional indemnity insurance and limitation of liability

We maintain professional indemnity insurance for the work we undertake on your behalf. This insurance is currently maintained at a level of £1 million for each and every claim brought. It is considered that this insurance exceeds the reasonably anticipated maximum liability which might arise due to any failures or errors on our part. By agreeing to our undertaking work on your behalf, you agree that should you make any claims against us, our liability will not exceed the amount of our professional indemnity insurance. In the event that you instruct us in relation to a particular matter where you consider the potential liability may be greater than £1 million, please let us know.

IP Asset LLP
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