

We will provide you with confidential, professional advice on intellectual property and related matters. We will carry out all work for you under these standard terms of business. We may also provide a letter setting out any further terms or variations of these terms agreed between us, in which case that letter will take priority over these terms.

1.0 Basis

1.1 In these terms we refer to “you” as the person, company, body or firm who instructs Capella IP Ltd (“Capella IP”) and buys services from Capella IP. You are the “Client”. If you are a company and a member of a group of companies, these terms shall apply to the holding company of the group and its subsidiaries and associated companies. These terms apply to all matters for which Capella IP accepts instructions from you to carry out Professional Services (“Services”). By sending Capella IP instructions (initial and further instructions) you are requesting Services under these terms. If Capella IP accepts these instructions to perform Services then there shall be a contract between us under these terms.

1.2 These Terms apply to all contracts between Capella IP and you and exclude all other terms or conditions, including any terms in any purchase order or any other document which you may provide, unless the variation in terms is agreed by Capella IP in advance. Any variation to these terms must be agreed in writing between Capella IP and you.

2.0 Our Obligations

2.1 All of our qualified staff are members of appropriate, relevant professional bodies (e.g. The Chartered Institute of Patent Attorneys, the European Patent Institute - which is the Institute of Professional Representatives before the European Patent Office), and are also regulated by the IP Regulation Board IPREG and will comply with their codes of conduct.

2.2 It is our responsibility to: a) practise competently, conscientiously and objectively, putting the interests of our clients foremost while observing the law and our duty to any Court or Tribunal; and b) avoid any conflict of interest.

3.0 Client Identity and Money Laundering

3.1 Unless otherwise agreed, we will assume that the person, company, body or firm who initially contacts us will be our client. Further, unless otherwise agreed in writing, we will assume that any person within your organisation may instruct us on your behalf, unless they clearly do not have the appropriate authority. It is helpful if you can nominate an individual within your organisation to act as a primary point of contact for us and keep us updated if this changes.

3.2 To comply with Money Laundering Regulations, we may ask you to confirm your identity (as an individual or as organisation) and we may carry out investigations on our own part to confirm your identity. We may also have to report suspicious activities to relevant authorities e.g. to the National Crime Agency under the Proceeds of Crime Act if we become aware of, or suspect, suspicious activity in your financial dealings. If we make such a notification, we would be unable to inform you of this and be unable to carry out further work for you until the matter was resolved. Rights may be lost in such circumstances. By instructing us, you agree that you will make no claim and will hold us harmless from any loss or damage that may result of our complying with these regulations.

4.0 Instructions & Time Limits

4.1 We rely on our clients to give us timely, complete and accurate information and instructions. We prefer to have oral

instructions confirmed in writing in order to avoid any possible misunderstandings. If it is unavoidable for you to provide us with oral rather than written instructions, we will confirm in writing the instructions we have received, as we understand them, should we have any doubt as to what you intend.

4.2 Intellectual Property Offices often impose time limits and failure to meet these limits can be fatal to the rights concerned. Whilst it is our responsibility to keep you informed of any relevant time limits, we cannot accept any responsibility if you fail to provide us with instructions that are clear, complete and early enough to allow us to act within such official time limits. We will endeavour to inform you of time limits and of actions or instructions that are required, but we do not undertake to give further reminders, incur costs on your behalf, or take other action in the absence of instructions to do so. In this situation, your rights may be lost irrevocably. You may give us overriding instructions to safeguard your rights in all circumstances if for whatever reason we have to act without recourse to you. Such overriding instructions must be in writing and include a statement that confirms that you are responsible for all costs, fees and expenses that we may incur on your behalf as a result, and must be in our possession at least one week before any time limit requiring action occurs.

5.0 Your Information

5.1 It is important that you inform us promptly of any change in relation to: a) any primary contact; b) your name, address, telephone/fax numbers and email address or; c) any change of ownership of your patent or other relevant rights. Many such changes have to be officially registered.

5.2 Please remember that registration of patents, trade marks and design rights can take years and that there may be little activity for long periods followed by a situation which requires immediate action. Capella IP Ltd cannot accept responsibility for any loss of rights as a consequence of your failure to inform us of such changes.

6.0 Electronic Communications

6.1 We will normally communicate with you by email, phone or fax, and occasionally by post. Given that e-mails sent over the Internet may be insecure, risk confidentiality and be open to interception, we cannot accept responsibility for any loss, corruption or interception of the information communicated to you via email or its disclosure to other parties as a result of use of email.. We suggest you add our email addresses to your ‘safe list’ to avoid our emails being overlooked or redirected to junk folders.

6.2 We carry out regular virus checks and take reasonable precautions to ensure our communications are virus free; however, we advise you to carry out your own virus checks on all communications, We cannot accept responsibility (including in negligence) for any viruses that may enter your system or data by these or any other means. Furthermore, although we observe reasonable precautions, we cannot guarantee the security of our IT systems.

7.0 Third Parties

7.1 We may need to instruct third parties (eg - foreign patent attorneys, lawyers) to act on your behalf. We may instruct such third parties directly on your behalf, or alternatively you may need to sign a power of attorney to engage such third party. You agree that you shall be responsible for payment of any costs arising from our instructing third parties on your behalf.

7.2 Such third parties are not part of Capella IP. Whilst we shall endeavour to select third parties we regard as being of good quality, we will not be liable for any losses, liabilities, costs or expenses as a result of default or negligence by such third parties. We shall, of course, monitor such third parties on an ongoing basis to ensure that the required service is provided and that Capella IP's performance standards are maintained.

8.0 Professional Fees

8.1 Our charges are mostly based on the amount of our professional time spent on the matter, although other factors may also be taken into account. Such factors may include the size and complexity of the matter and the degree of urgency involved. We may adjust our time charges if highly specialised knowledge is required, or if the matter is complex and/or urgent. Fixed standard charges may apply in relation to specific tasks (e.g. the actual filing of a patent application).

8.2 Our hourly rates are based on the seniority and experience of the professional staff involved. These rates are reviewed periodically to ensure they remain competitive. Our charges are calculated at the rates which are current when the work is carried out. Please ask us at any time if you would like to be sent details of those rates.

8.3 You will be responsible for all professional fees for time spent, all standard charges and all expenses we incur on your behalf. These expenses may include Patent Office fees, Foreign Attorney fees, translations, travel costs, photocopying costs etc. Capella IP may submit interim invoices; and if work does not get to completion, we will charge for work done and expenses incurred.

8.4 Whilst our standard charges and hourly rates are predictable, the time a task may take is not. Further, you should appreciate that local representatives' charges and official fees are outside our control since they may be changed without notice and (in the case of foreign matters) vary with exchange rate fluctuations. We typically charge a 5% handling fee when making payments to third parties involving a currency conversion but reserve the right to charge up to 10%.

9.0 Foreign Associates

If you are a Foreign Associate instructing us on behalf of your client, you will be responsible for payment of any professional fees, expenses and disbursements incurred by us within the agreed payment terms, regardless of whether your client has made payment to you for such fees.

10.0 Payment on account

We require payment in advance on account for monies that we outlay on your behalf, including but not limited to disbursements such as Patent Office fees or foreign attorney fees. On occasion, particularly if you are a new client to us, we may require payment on account for our fees, particularly in respect of large items. Monies paid to us in advance of our undertaking work will be held separately from the firm's own monies in a Client Deposit Bank Account. When we make such a request, we will usually not carry out any instructed work until the requested payment has cleared into the Client Deposit Bank Account, so good time should be allowed. On delivery of the invoice, we shall transfer funds held on account of fees to the firm's account. We have the right to decline to act if the payments on account requested are not made. We do not pay interest on client accounts, any interest accrued to Client Deposit Bank Account by the bank will be rounded up to the nearest £50 and donated to charity,

typically annually. Our chosen charity is Highland Hospice (this may change in future).

11.0 Fees: Cost Estimates

11.1 Only some classes of work are suited to a firm advance cost estimate. If requested, we will try to give advanced cost estimates in good faith based on our knowledge at the time. However, costs may be affected by matters beyond our control and the amount of work involved often cannot be accurately forecast. In any case, all cost estimates are subject to the following caveat: *Cost estimates from Capella IP are based on a once through process, in which we have all relevant information to hand from you before we begin work and in which one round of updating any draft proposals is included. We make every effort not to exceed our cost estimate where one is given, however, if we receive relevant information after we begin work or if more than one round of updating is required (other than typographical errors), then we may have to revise the cost estimate.* Cost estimates are valid for three months from the date of issue.

11.2 Therefore, cost estimates will not be binding unless expressly agreed in writing by us before starting work for example by stating "We will not exceed this cost estimate". If during the course of carrying out the work it becomes apparent to us that our actual charges are likely significantly to exceed our cost estimate, we will try to obtain your permission before exceeding our cost estimate.

11.3. Please note that if you instruct us to follow a maximum amount not to be exceeded then you cannot also instruct us to safeguard your rights in all circumstances without recourse to you, since on very rare occasions when we are not able to contact you, we would not be able to comply with both instructions.

12.0 Invoicing

12.1 Our payment terms are 30 days from issuance of an invoice. You agree to pay all invoices by no later than 30 days after they are issued and free from any deductions, withholding, set offs or other abatement. VAT is payable by clients in the UK both on our fees and on most of the expenses which we will incur on your behalf.

12.2 Capella IP can issue invoices to and accept payment from another person nominated by you (for example, another company in the same group). However, please note that ultimate responsibility for making such payment will remain with you and to comply with VAT regulations as we understand them VAT invoices must be addressed to the company receiving services or must be labelled "This is not a VAT Invoice".

12.3 Late Payments. If you pay an invoice late, we reserve the right to charge you interest at up to 8% p.a. above the Bank of England base rate accruing on a daily basis from the date on which the payment is missed. We may seek payment via our solicitors, debt collections agencies and the courts. If a requested payment on account is not made or if an invoice remains unpaid for after the payment period on the invoice, we reserve the right to suspend all work on your behalf. This is without prejudice to our right to invoice for work undertaken before such suspension and to take legal action for the payment of our costs. You will be responsible for the consequences of the suspension of work, which may include the irrevocable loss of, or failure to obtain, rights.

13.0 Files

13.0 Transfer of files to Capella IP. We are fully digitised so hold no paper files. When files and/or data are transferred to

us, we recommend we check the accuracy of the data and files we receive otherwise we shall have no liability for errors within the transferred files. We may charge you a reasonable fee for this service.

13.1 Ownership of files: Our files remain our property at all times. If you would like to transfer your work to other professional advisors, we will copy such of the files relating to your work at your request and (at your expense) and release the copy file(s) when all our outstanding invoices have been paid. This relates only to electronic files, and does not affect the ownership of any intellectual property rights.

13.2 Destruction of files: In accordance with our Document Retention Policy we typically retain our electronic files for 6 years post file closure or 6 years post last contact and we may hold files for 6 years post-IP Right expiry. Unless you tell us otherwise, we will assume that you agree with this arrangement.

13.3 Capella IP retains the copyright and allied rights in documentation prepared by us.

14.0 Confidential Information

14.1 While acting for you, we are likely to receive information which relates to you as our client. We will keep such information confidential, except where disclosure is required by law or regulation, or in certain other circumstances such as in the running of our business, for example we shall share limited information with our professional advisors in the course of running our business, e.g. your contact details and copies of invoices may be shared with our accountants, lawyers, and debt collection agencies. Capella IP will not make use of any information confidential to you to the advantage of any third party.

14.2 In the event of the temporary or permanent incapacity of all our professional staff, we have a formal agreement with a patent attorney firm in the UK also regulated by IPREG to provide consultancy services to Capella IP to ensure business continuity. Should this circumstance arise, confidential information may be shared under an obligation of confidence with that patent attorney firm.

14.2 In general, Capella IP recommends that you restrict the release of, and maintain strict control over, any information not already in the public domain connected with instructions we receive. We would be happy to advise on the desirability of releasing confidential information to the public in specific cases.

15.0 Data Protection

15.1 To comply with the General Data Protection Regulation and relevant UK Data Protection Acts as outlined in our Privacy Notice and Data Protection Policy, when we obtain personal data from you (names, addresses and personal details), we will use such data to provide Services to you and conduct Client Due Diligence in line with Anti-money Laundering regulations. Typically, our services include supplying applicant and inventor details such as name and address to patent office(s) and foreign attorneys, including transfers of such data outside the European Economic Area, for example in the course of our instructing foreign attorneys to pursue applications and take other actions on your behalf. We may also provide your data to our professional advisors in the course of running our business, for example, your contact details and copies of our invoices may be shared with our accountants, lawyers, and debt collection agencies.

15.2 With your consent, we may send you information about our services, our newsletters or seminar invitations from time to time. Consent will be requested and can be withdrawn at any time.

15.3 We will not sell your information to any third party under any circumstances except as a transfer of the business of Capella IP.

16.0 Searches

16.1 Any searches you request may be carried out by ourselves, by Patent Offices, Patent Libraries or by an independent specialist search firm. Due to the limitations and occasional errors in classifications, indices, computer databases and official records, no search can be guaranteed for comprehensiveness or accuracy. We will endeavour to point out any particular limitations when reporting search results and may recommend extending the search.

17.0 Indemnity for Threat of Infringement Proceedings

17.1 Before we send any warning on your behalf to a third party, we may ask you to indemnify us against the risks of our being sued for making an unjustified threat of infringement proceedings. The aim of this request is to maintain our objectivity in contentious matters, which would diminish if we were to become a party to any proceedings. We may refuse to act for you if you are not able to provide the requested indemnity.

18.0 Privilege

18.1 In general, communications between a UK Patent Attorney and his client are privileged under Section 280 of the Copyright, Designs and Patents Act 1988. This means that others, including the courts, are not entitled to discover the content of such communications where they concern professional advice. However, you should note that there are circumstances in which the privileged status of a letter or other document can be lost. In particular you should note that privilege of a document may be lost if it is disseminated to someone other than the addressee of the document or outside the jurisdiction. In any such loss or absence of privilege, Capella IP accepts no liability in respect of any direct or indirect loss or consequence caused as a result.

19.0 Conflicts of Interest

19.1 We cannot act simultaneously for two clients whose interests in the matter on which we are advising conflict, unless (exceptionally) both clients consent to such an arrangement. When potentially taking on a new client, we try to identify conflicts of interest that may preclude us from acting. It is helpful if potential new clients identify to us any firms or companies for whom they believe we will be unable to act without a conflict of interest arising.

19.2 Sometimes conflicts arise later because, for example, our clients acquire new companies or diversify into new areas of business. In such circumstances, we reserve the right to decline to act further, at least in relation to the area of conflict, for one of the clients in question, generally the client with the shorter relationship with us. Because of obligations of confidentiality it is often not possible for us to identify the other client or the subject matter involved when we advise a client that we can no longer act for them.

20.0 Client Care and Complaints

20.1 We value our good relationships with our clients. However, we accept that from time to time, difficulties and misunderstandings may arise. If you have any problems, you should feel free to discuss your concerns with the member of

our professional staff dealing with your work. If after such discussions, you feel that the matter has not been adequately dealt with please ask for a copy of our Complaints policy and procedure. If, at any time, but preferably after following our Complaints policy and procedure you wish to pursue the complaint, you may refer the matter to the IP Regulation Board http://www.ipreg.org.uk/.

21.0 Termination of Relationship

21.1 You may terminate our relationship at any time by writing to us. If there is a good reason which prevents us from continuing to act for you, we may terminate the relationship ourselves by giving you reasonable notice. In either case, if the relationship is terminated we will require you to pay our charges and expenses up to and including the date of such termination.

21.2 We will continue to work for you until any of the following events occur: (a) we finish the work you have instructed us to do; (b) your invoice(s) remains unpaid for a protracted period; (c) we consider that it is not in our mutual best interests for us to continue to work for you; (d) you notify us that you have decided not to use us any longer; (e) you (if an individual or a partnership) offer to make any arrangements with or for the benefit of your creditors, or a petition of bankruptcy is presented in relation to you or any of your partners; or (f) you (if a limited company) are deemed to be unable to pay your debts (within the meaning of Section 123 of the Insolvency Act 1986) or you call a meeting to pass a resolution to wind up the company, or such a resolution is passed, or an administrator or receiver is appointed to all or any part of your business or property. (g) you become involved in similar processes to those in (e) and (f) under non-UK legislation.

21.3 Irrespective of any termination or suspension of the Services in accordance with these Terms, you shall pay us at the contract rate for all Services provided up to and including the date of suspension or termination and the termination of the contract or any contract for whatever reason shall not affect the rights or remedies of either party in respect of any antecedent breach or in respect of any sum owing or to become owing to the other.

21.4 You will accept responsibility for making alternative arrangements for compliance with all due dates of action, payment of official fees and the taking of any official steps necessary to preserve your rights in relation to the matters which we have handled for you prior to termination and for which we will no longer have any responsibility following termination.

22.0 Force Majeure and Liability

22.1 Your relationship is with Capella IP Ltd. Capella IP Ltd will have exclusive liability for the carrying out the Services and for any negligent act or omission by us in the course of providing those Services. You agree that no employee of Capella IP Ltd will have any personal liability for those Services. You also agree that an employee of Capella IP Ltd signing in his own name any letter, email or other document in the course of providing Services does not imply he is assuming any personal liability separate to that of Capella IP Ltd.

22.2 You agree that we shall have no liability nor shall we be deemed to be in breach of any duties or obligations owed to you if at any time we are prevented, delayed or hindered in

complying with such duties and/or obligations by reason of any circumstances beyond our reasonable control.

22.3 We shall not be liable to you for any indirect or consequential loss or damage, costs, expenses or other claims for consequential compensation whatsoever (howsoever caused) or loss or damage (contractual, tortious, breach of statutory duty or otherwise) which arises out of or in connection with the contract, (including loss of profit or other economic loss) or for any liability incurred by us to any other person for any economic loss, claim for damages or awards howsoever arising from the Services or otherwise.

22.4 We maintain professional indemnity insurance with PAMIA.

23.0 General

23.1 Nothing in the contract shall create, or be deemed to create a partnership or joint venture or relationship of employer and employee or principal and agent between the parties.

23.2 If at any time anyone or more of the conditions of the contract (or any sub-condition or paragraph or any part of one or more of these Terms) is held to be or becomes void or otherwise unenforceable for any reason under any applicable law, the same shall be deemed omitted from the contract and the validity and/or enforceability of the remaining provisions of the contract shall not in any way be affected or impaired as a result of that omission.

23.3 It is not intended that any terms of our relationship shall be enforceable by a third party, whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

24.0 Governing Law and Jurisdiction

24.1 Clients with Main Office in Scotland: Scottish Law shall apply to the construction and interpretation of the contract between Capella IP with you as embodied by these Terms and any agreed variation to these terms, and the Scottish courts shall have non-exclusive jurisdiction to resolve any disputes arising in relation to it.

24.2 Clients with Main Office outside Scotland: English Law shall apply to the construction and interpretation of the contract between Capella IP with you as embodied by these Terms and any agreed variation to these terms, and the English courts shall have exclusive jurisdiction to resolve any disputes arising in relation to it.

24.3 These Terms replace our previous terms and will apply until varied or replaced with alternative terms.

25.0 Acceptance of Terms

If you are a new client, please sign these terms and return to us (we do not require originals). We shall return a fully signed copy to you. If you do not do this but continue to instruct us, or you are an existing client and continue to instruct us and we continue to act for you, we shall deem such continued instruction of us as acceptance of these terms and you shall be bound by them.

Signed by.....
(Print name)
On behalf of.....
(INSET COMPANY NAME, if applicable)
Position..... Date.....

Signed by.....
(Print name) On behalf of Capella IP Ltd
Position..... Date.....