

# IP Update

## IP enforcement in UK: cheaper and simpler new procedure

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### October 2010

Litigation in the UK is getting cheaper. Fundamental changes to the procedure for claims in the Patents County Court (“PCC”), which (despite its name) hears claims relating to all types of intellectual property, have been implemented with effect from 1 October 2010. This will create a simplified process for resolving lower value and less complex IP disputes than are traditionally heard in the High Court.

### Costs Cap

An important change is the introduction into the PCC of a cap on the costs that the winning party can recover from the losing party. The cap in a typical case (for example regarding infringement or validity) is £50,000: it is now possible for claimants to commence litigation with a clear idea of their potential downside. This will be of interest to small and medium-sized enterprises, some of whom have been unwilling to enforce their rights in the High Court due to the risk of high costs liability.

### Streamlining of procedure

Other changes will streamline the process and enable litigation to be handled at much lower cost:

- Claims will most likely be determined on the basis only of the parties opening written submissions at the outset of the case, and oral submissions (if any) at trial;
- In particular, document disclosure, witness statements, expert reports and cross-examination may be excluded completely, or permitted but heavily limited by the Court;
- Trials should last no more than 2 days.

The inevitable consequence of this streamlining, and the £50,000 cap, is the reduction of total costs incurred by each side in PCC litigation.

### Recovery of damages

At present there is no financial limit on the claims that can be brought in the PCC. However, it is anticipated that a limit of £500,000 will be introduced in legislation due to come into force in April 2011.

### New Judge and representation

Colin Birss QC, a respected and experienced IP barrister, has been appointed as the new PCC judge. Many solicitors, patent attorneys and/or barristers are entitled to conduct litigation in the Court, but the emphasis will be on full preparation of the parties’ written submissions, and highly efficient claim management. The procedure borrows from some aspects of existing EPO procedure in Munich and High Court procedure in the UK.

**Comment**

The changes are welcomed as they provide for a procedure that has been tailor -made for smaller intellectual property claims and, crucially, will enable parties to have greater control over the litigation costs. It is expected that the new PCC judge will make full use of his powers to keep litigants in check, and so ensure that proceedings are resolved quickly and in a cost-effective manner.

The table below summarises the new PCC procedure, and contrasts it with the existing High Court regime. The High Court regime will still be appropriate for larger, more significant or more complex cases.

|   | <b>Patents County Court</b>   | <b>High Court<br/>(including Patents Court)</b>  |
|---|---|--|
| Types of IPR handled                                    | All   | All  |
| Types of claim  | Generally suited to simpler, lower value claims up to £500,000 in damages value | More complex, higher value claims  |
| Statements of case                                      | Must contain the facts and detailed arguments on which the parties rely         | Relatively brief: must contain the facts on which the parties rely                         |
| Extensions to time limits for filing statements of case | Only if allowed by the court  | May be made by consent or by order of the court  |
| Standard disclosure of relevant documents               | No  | Yes (but scope of disclosure limited in patent cases)                                      |
| Specific disclosure of documents                        | Only if ordered by the court at the case management conference                  | If ordered following an application to the court   |
| Fact evidence   | Only if ordered by the court at the case management conference                  | Yes  |
| Expert evidence   | Only if ordered by the court at the case management conference                  | Generally permitted  |
| Experiments   | Only if ordered by the court at the case management conference                  | Generally permitted in relevant cases  |
| Written submissions (skeleton arguments) prior to trial | Only if ordered by the court at the case management conference                  | Yes  |
| Cross examination at trial                              | Only if ordered by the court at the case management conference                  | Yes  |
| Trial length  | 1-2 days  | Typically 2-15 days: often 4-5 days or more for patent cases                               |
| Costs recovery  | Capped at £50,000 for cases determining liability                               | Generally the loser pays the winner's costs, typically around 70% of amount spent – no cap |

If you would like any further information about the new procedure, contact William Cook ([wcook@marks-clerk.com](mailto:wcook@marks-clerk.com)) or Graham Burnett-Hall ([gburnett-hall@marks-clerk.com](mailto:gburnett-hall@marks-clerk.com)) of Marks & Clerk Solicitors or your usual contact in the Marks & Clerk network.