

PATENTS ACT 1977

IN THE MATTER OF an application for compensation under section 40 by Michael Stuart Bacon in respect of UK patent no. 2311053 in the name of Entertainment (UK) Ltd and certain related foreign patents and utility models

DECISION ON COSTS

- 1 This application under section 40 was filed in September 2000. A statement and counterstatement were filed, and then the case came before me on 6 July 2001 for a decision on two preliminary issues. The first was a request from the defendant that I should give summary judgement dismissing the application on the grounds that it had no real prospect of succeeding. The second was a request from the claimant that I should order disclosure.
- 2 At that hearing, whilst I accepted that the claimant's case as pleaded was pretty thin, it became apparent that the claimant was hoping to rely on matters that had not been clearly pleaded. I therefore decided to give the claimant an opportunity to revise his statement, though making clear that if, once the statement had been amended, the defendant still thought the case was hopeless, they would be at liberty to come back to me again to seek summary judgement. The question of disclosure was left to one side.
- 3 In the event the claimant did not file a revised statement. Instead, he withdrew his application, though in doing so he stated that this should not be construed as an admission that there had not as yet been any "outstanding benefit" within the meaning of section 40. The defendant now seeks costs, and that is the only issue with which this decision is concerned. Both sides have said they are content for me to decide the matter on the basis of their written submissions.
- 4 The defendant seeks a contribution towards costs on the comptroller's usual scale, pointing out that the application had been launched without warning and that despite the inadequacies in the statement of case, they had still had to answer it. The claimant resists an order on the grounds that it would not be just or equitable to make a costs award against him. When it comes down to it, however, the only justification he puts forward for saying this is that his original statement was adequate and that he should not have been required to spell out the ways in which outstanding benefit had been derived until after disclosure had taken place. That is effectively saying I shouldn't award costs against him because my previous decision was wrong. He did not appeal that decision, and I am not therefore prepared to attach any weight to this argument.
- 5 When a party launches and then withdraws a case, unless there are some unusual circumstances - and I can see none here - the defendant is entitled to a costs award in

respect of the work they have had to do up to the stage of withdrawal. As the defendant here acknowledges, in proceedings before the comptroller that award would normally be based on the comptroller's published scale. For proceedings launched, as the present one was, after 22 May 2000 the new, higher, scale announced in Tribunal Practice Notice 2/2000 (see [2000] RPC 598) applies.

- 6 At the end of the preliminary hearing I decided that there would be no costs either way in respect of that hearing. I therefore only need to consider costs in respect of the statement and counterstatement. I take note of, and deplore, the fact that the claimant launched these proceedings without any attempt to negotiate with the defendant first, but do not feel this justifies going above the scale in the present case. Accordingly, I order Michael Stuart Bacon to pay Entertainment (UK) Ltd £500 as a contribution towards their costs.
- 7 As this order does not relate to matters of procedure, under the relevant High Court Practice Direction the period within which any appeal must be lodged is six weeks.

Dated this 9th day of October 2001

P HAYWARD

Divisional Director acting for the Comptroller

THE PATENT OFFICE