

17<sup>th</sup> June 2009**PATENTS ACT 1977**

BETWEEN

ED. GEISTLICH SÖHNE AG FÜR  
CHEMISCHE INDUSTRIE

Claimant

and

ND PARTNERS, LLC

Defendant

PROCEEDINGS

Reference under section 37 of the Patents Act 1977 in  
respect of patent application number EP(UK) 1089738

HEARING OFFICER

Stephen Probert

**DECISION ON COSTS**

- 1 This was an entitlement dispute that first came before the Comptroller on 2<sup>nd</sup> May 2008. It did not get very far before the reference was withdrawn by the claimant. Statement and counterstatement had been filed, but proceedings did not continue as far as the evidence rounds.
- 2 Before the proceedings were withdrawn, there was a preliminary dispute between the parties over whether the Comptroller's tribunal was *forum non conveniens*<sup>1</sup> and also whether the reference had been filed within two years of grant of the patent — as required by section 37(5). A preliminary hearing was set for Friday 13<sup>th</sup> February 2009 to determine both of these issues, but on Thursday 12<sup>th</sup> February, the claimant gave notice that the reference was to be withdrawn. The hearing was cancelled.
- 3 The defendant now requests an order for costs against the claimant. Both sides have supplied written submissions on the matter, and have indicated that they are content for me to make a decision based on those submissions in addition to the papers on the official file.

---

<sup>1</sup>An inconvenient, or inappropriate, forum.

## Off Scale Costs

- 4 It is long-established practice for costs awarded in proceedings before the IPO to be guided by a standard published scale. The scale costs are not intended to compensate parties for the expense to which they may have been put, but merely represent a contribution to that expense. This policy reflects the fact that the IPO ought to be a low cost tribunal for litigants, and builds in a degree of predictability as to how much proceedings before the IPO may cost them. The standard scale for proceedings commenced on or after 3 December 2007 is set out in Tribunal Practice Notice (TPN) 4/2007.
- 5 The Tribunal Practice Notice also states that a Hearing Officer may depart from the published scale of costs and even award costs approaching full compensation “to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour”. In this case, the defendant has requested an award of costs significantly higher than the published scale, and has provided copies of invoices etc. to support its request. They suggest that the claimant never intended to continue with these proceedings to a final conclusion before the Office, and that by not withdrawing until the day before the hearing, the defendants were caused to waste considerable expense preparing for a hearing that was never held. Therefore the defendant requests an award of **actual** costs because they consider that the claimant’s conduct was unreasonable.
- 6 I have carefully considered all the arguments put forward by the defendant in support of an award of costs above the standard scale, and I have decided that it would not be appropriate to depart from the standard scale on this occasion.
- 7 It is true that the claimant withdrew these entitlement proceedings on the day before a preliminary hearing. I can understand the defendant’s frustration at this short notice, but it seems to me that if I were to ‘punish’ the claimant for pulling out at short notice, parties in future may feel obliged to go ahead with a hearing partly (or entirely) to avoid the risk of facing an award of actual costs. Such a practice would not be in the best interests of justice.
- 8 If there was evidence that the claimant had deliberately encouraged or allowed the defendant to incur unnecessary expense preparing for a hearing that it knew would never be required, eg. as a tactic in the context of a wider dispute between the parties, then it is much more likely that I would have been prepared to award off-scale costs. There is no such evidence in this case. Rather it appears on the basis of the papers on the official file that the claimant was expecting to press its claim as late as 12 February when it reviewed its position, perhaps in the light of the skeleton arguments provided by the defendant on 11 February, and suddenly (ie. that same day) decided to withdraw the reference. I have not been given the reason(s) why the claimant withdrew. As far as I am aware, the Comptroller does not normally need to know why or how a dispute has settled.
- 9 I have therefore concluded that I should not award costs above the standard scale. Where the published scale indicates a range, the defendant seeks an award at the maximum end of the range. As far as some elements of the scale are concerned, I have some sympathy with the defendant. Eg. while many of the issues involved in this case were not particularly complex, the multi-jurisdictional nature of the dispute undoubtedly led to both parties spending more than they

might otherwise have been expected to spend. On the other hand, I note that no evidence has been filed in these proceedings — the claimant withdrew the reference before the evidence rounds got under way — and no hearing was held.

### **Summary and Order**

- 10 In the circumstances of this case, I have decided not to depart from the published scale, but to award costs near the top end of the scale in respect of the relevant elements — ie. considering the statement & preparing a counter-statement, and preparation of skeleton arguments in anticipation of a hearing. I therefore order the claimant (Ed. Geistlich Söhne AG Für Chemische Industrie) to pay the defendant (ND Partners, LLC) the sum of £1,000 as a contribution to their expenses. This sum should be paid within seven days of the expiry of the appeal period below. Payment may be suspended in the event of an appeal.

### **Appeal**

- 11 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

**S PROBERT**

Deputy Director acting for the Comptroller