



29 March 2011

PATENTS ACT 1977

BETWEEN

Paul Raven, Kevin Raven & Carol Raven

Claimants

and

Robert Williamson

Defendant

PROCEEDINGS

Reference under sections 10, 12(1) & S12(4) of the Patents Act 1977
In respect of EP02747592

HEARING OFFICER

Phil Thorpe

DECISION

Introduction

- 1 In a decision dated 22 July 2010 I determined various issues relating to the entitlement to European Patent Application EP 02747592 (the application). In particular I determined that two of the claimants in this case, Paul Raven and Kevin Raven were not as they had claimed solely entitled to this application. Instead I found that the originally named applicants, Paul and Kevin Raven and the defendant in this case, Robert Williamson were jointly entitled. I did however order that the sequence in which the applicants are named on this application be altered so that Robert Williamson is the last named applicant. This gives Kevin and Paul Raven greater control over any future prosecution of the application.
- 2 That decision, which was reached without a hearing and was based on the written submissions and evidence filed by the parties, also specifically noted that as “Neither side has sought an award of costs, therefore I make no such order”.
- 3 Shortly after the decision was issued and before the appeal period had expired Mr Williamson contacted the Office to discuss a number of issues. One of these related to the decision to make no award for costs. In response the Office asked Mr Williamson to put his concerns in writing and in an effort to keep costs down

advised him that if he did believe that an award of costs should have been made in his favour then to provide an assessment of what that award should have been taken into account the comptroller's general approach of awarding costs in accordance with a published scale.

- 4 This he duly did in a letter in which he detailed the expenses he had incurred.
- 5 The claimants were invited to make their own submissions on the points raised in relation to costs by Mr Williamson which they did in a letter dated 28 September 2010.
- 6 Having carefully considered these submissions together with other material filed in these proceedings I have now concluded that I was wrong to make the statement that I did about costs in the original decision. I will explain why.
- 7 The original decision was a decision based on the papers. There was no hearing beforehand though there were a number of case management conferences leading up to the decision. In reaching the substantive decision on entitlement I clearly took into account all the submissions received by the parties. When it came to considering the matter of costs in the decision I was guided by the absence of any specific request in the initial pleadings from either side for an award of costs. Both sides were, at least for a large part of the proceedings including at the initial pleadings stage, represented. Typically with represented parties claims for costs are made in the pleadings though as the IPO's Hearings Manual¹ makes clear this is not a formal requirement and claims for costs can be made at some other part of the proceedings.
- 8 After having reviewed all the material submitted I am now of the view that the issue of costs had in fact been raised by both parties in the proceedings. For example the claimants in a letter from their representative dated 11 January 2010 reaffirmed its desire for a determination of the substantive issues since these would go "to the issue of costs". The defendant also raised the issue of costs in the course of the proceedings. At the Case Management Conference on 29 March 2010 where it was agreed that I would decide the substantive matter on the basis of the papers I also set out how costs are typically awarded in disputes before the comptroller. I indicated that I would allow the parties to make submissions on the question of costs though in the note I issued subsequent to the CMC I did not make it clear that I was inviting submissions on costs as well as on the substantive issues.
- 9 In light of the above it is clear that I should have not have concluded the substantive decision by making no order for costs but should instead have invited both sides to file further submissions on costs.

Can I correct this error?

- 10 As the claimants have accepted and as made clear in the Hearings Manual, the

¹ See paragraph 2.26 of the IPO's Hearings Manual <http://www.ipo.gov.uk/p-manual/p-manual-hearing-content/chapter-2.htm#statements>

Comptroller does have discretion to alter orders and to re-open issues after the issuance of a decision though particularly in the interests of finality in litigation this discretion should be exercised sparingly.

- 11 In regard to the powers of magistrates the Court of Appeal in *R (Mathialagan) v London Borough of Southwark*² held that there was no general power at common law for magistrates to re-open and re-hear a civil case, but thought it might be open to them to correct a clear mistake by them, going to the basis of the jurisdiction or the fairness of the proceedings, such that the decision would clearly be quashed on judicial review.
- 12 In this instance there has been a mistake that goes to the fairness of the proceedings in respect of the issue of costs. The claimants have asked that in the interests of fairness I should, if I am minded to reopen the issue of costs, also reopen the substantive part of the decision. They support this assertion by arguing that my substantive decision on entitlement is in error as a matter of established law.
- 13 I have carefully considered the submissions from the claimants. I believe however that the procedural error related only to the matter of costs and that it would be wholly disproportionate to reopen any more of the decision than is necessary to correct this error. I would note that if the claimants were not satisfied with the substance of the decision then they were at liberty to appeal the decision.
- 14 I turn now to considering the nature of any cost award.
- 15 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 is published on the IPOs website and set out in the relevant Tribunal Practice Notice³.
- 16 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.
- 17 Mr Williamson has provided a detailed assessment of the costs he claims to have incurred in dealing with this case. At the heart of his submission on costs is a claim for some £22,612.97 for fees he paid to his representative. Were such an award to be made then this would clearly represent an award off the comptroller's published scale. Mr Williamson argues that the behavior of the claimants justifies such an award.

² *R (Mathialagan) v London Borough of Southwark* [2004] EWCA Civ 1689

³ <http://www.ipo.gov.uk/p-tpn-22000.htm>

- 18 In particular Mr Williamson argues that he was from the outset faced by an aggressive and professional litigator who was threatening him with damages, costs and reparations running into many tens of thousands if not hundreds of thousands of pounds. In addition he was also concerned about the possible damage to both his and his brother's reputations that might have ensued if he had not defended this action as he did. This meant he had no option other than to secure adequate representation.
- 19 It is however far from clear to me how the issue of entitlement to this application was something which might give rise to significant damages or reparations. I have not at any point in these proceedings for example been presented with any evidence to suggest that the patent application at issue is likely to of any real commercial value. Indeed there is a real probability that any rights to the invention in the application have already been lost. I would add that even if the patent application was of significant commercial value than that would have no bearing on whether an off scale cost award was justified.
- 20 I noted in the substantive decision that the entitlement to this particular application appears to be just one of a range of issues over which the parties are in dispute. Other issues in dispute include entitlement to another patent as well as differences on whether money was owed by one side or another. Mr Williamson suggests that it is in these other strands that the real interests of the claimants lie. This may indeed be the case. It might also be the case that there is considerable money at stake between the two parties stemming from these other issues.
- 21 However like any defendant, Mr Williamson made a conscious decision to contest the claim in this case. This was presumably based on him weighing up the likely cost of defending his position against the value of the application to him. That valuation may well have taken account of broader considerations relating to for example the overall nature of the dispute between the parties. He presumably did all of this with guidance from his representative who are very familiar with proceedings before the comptroller. None of this is unusual or in itself would suggest that an award off scale is appropriate.
- 22 What matters in that respect is whether the claimants in prosecuting this entitlement action have caused the defendant to incur expense that is unreasonable. Mr Williamson has raised some issues about how the application itself was prosecuted before the European Patent Office. He has for example suggested that the claimants appeared to attach little value to the application whilst it was before the EPO and that this bears out his claim that this entitlement action was launched not with any genuine belief that there was an issue to be decided.
- 23 As I have noted, I have some doubt about the value of the application and there were occasions, especially later in the proceedings where I questioned the claimants about whether there really was a "bone" worth fighting over. I was satisfied in the light of their observations that there was. At the start of the proceedings the issue was if anything more real as evidenced by the defendant's

desire to contest the claim. I therefore do not believe that there was anything unreasonable in the claimants launching the action. Incidentally it was at the start of the proceedings that the bulk of the defendant's costs were incurred.

- 24 In his submission on costs, Mr Williamson has made much of the way that the patent application was or was not prosecuted before the EPO. That is however a separate issue. To the extent it resulted in extra expense for Mr Williamson then that is not something that can be reflected in a cost award stemming from these entitlement proceedings. This is the case even if, as claimed by Mr Williamson, that extra expense resulted from unreasonable behavior from the claimant.
- 25 What matters so far as any cost award is concerned is the conduct of these proceedings. Looking at the early stages which is when the bulk of the costs were incurred by Mr Williamson I can see nothing unreasonable in the behavior of the claimants in respect of filing their statement of case or anything that might have led to the defendant incurring unreasonable expense in the filing of its evidence. Mr Williamson has highlighted the need to obtain evidence from a handwriting expert. I will return to that shortly. In terms of the defendant's evidence in chief then this, not unreasonably, was limited to just two witness statements; one from the defendant and one from his brother. There is nothing to suggest that any of this evidence was unnecessarily required due to any unreasonable grounds pursued by the claimants. Rather as is evident from the substantive decision, both these witness statements went to the heart of the defendant's case.
- 26 The handwriting evidence was submitted by the defendant shortly after it had filed its counterstatement and before the claimants had filed their evidence in chief. It was related to a signature purportedly of the defendant on a power of attorney for the priority PCT application. It seems that the principle reason why it was produced then was to support a claim that the case be dismissed. That claim was however withdrawn at a case management conference shortly afterwards. In addition I would note that little weight was ultimately placed on this evidence by the defendant. That it played little part in the final decision was however not because of anything that the claimants might have done. Again there is nothing to suggest it was necessary in response to grounds that the claimants unreasonably decided not to pursue. Hence I can see nothing in this respect that would warrant an award off the scale.
- 27 The case overall was unfortunately a rather messy and drawn out case plagued particularly later on by inactivity resulting from concerns about the state of the patent application as well as a lack of strong case management from the Office. The latter in particular is to be regretted. However most if not all of this occurred after Mr Williamson had dispensed with his representative and therefore after he had incurred the bulk of the cost that he is now claiming. Up until that point the case had proceeded in a fairly typical manner with both sides raising issues such as possible summary dismissal or extensions of time that required comment and action from the other side. None of this appears to me to be such as to warrant a departure from the published scale for costs. I should note here that the schedule of costs provided by Mr Williamson also included costs incurred prior to the filing of this reference. Any such costs would generally be outside the scope of any cost award be it on or off the published scale.

- 28 Mr Williamson has also asked me to take into account that the claimants representative was working on a contingency fee basis possibly backed up by an insurance scheme. The position of the comptroller with regard to such contingency or conditional fee arrangements is that there will be no uplift in any award to cover such fees were that party to be successful⁴. In this instance the suggestion from Mr Williamson is that the nature of the fee arrangement for the claimants' representative meant the claimants were able to pursue a more aggressive litigation strategy. I do not know what the precise fee arrangement was for the claimants' representative. But in any event what matters is not how the claimants chose to pay their representative but how the claimants and their representative subsequently decided to prosecute the case. In this instance as I have said I have found nothing to suggest that any of costs claimed by the defendant were incurred unreasonably because of the behavior of the claimants or their representative.
- 29 Having carefully weighed up all the arguments before me I have decided to make an award of costs in line with the published scale.
- 30 Taking into account the relative straightforward nature of the case, the relative lightness of the evidence produced by both sides, the need at various times, including after Mr Williamson had dispensed with his representative to respond to submissions from the other side I have decided that an award of £1500 is appropriate in this case.

Order

- 31 I order the claimants (Paul, Kevin and Carol Raven) to pay the defendant (Robert Williamson) the sum of £1500. 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

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

P Thorpe
Deputy Director acting for the Comptroller

⁴ Paragraph 5.51 of the Hearings Manual