



## PATENTS ACT 1977

BETWEEN

McLaughlin & Harvey Limited

Claimant

and

OpenHydro Group Limited

Defendant

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PROCEEDINGS

Reference under section 37 of the Patents Act 1977 in respect of patent number  
EP (UK) 1980746

HEARING OFFICER

Julyan Elbro

Ansons LLP for the claimant  
Field Fisher Waterhouse LLP for the defendant

Hearing date: *Decision on the papers*

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## DECISION ON COSTS

### Introduction

- 1 In a Decision dated 11 February 2014<sup>1</sup> I concluded that the claimant's claim for entitlement to EP (UK) 1980746 ("the patent") was not made out. I noted that the defendant had therefore won and was in principle entitled to a contribution to its costs in accordance with the Comptroller's standard scale, and indicated that I would give both parties an opportunity to make submissions on this point. The defendant made submissions in a letter dated 10 March 2014, the claimant made submissions in a letter of 20 March 2014, and the defendant made submissions in reply in letters of 25 March 2014 and 28 March 2014.
- 2 The Comptroller's standard scale of costs is set out in Tribunal Practice Notice 4/2007<sup>2</sup>. The scale costs are not intended to compensate parties fully for the expense to which they have been put, but to represent a contribution to that expense. This policy reflects the intention that the IPO be a low cost tribunal for litigants, and builds a degree of predictability as to how much proceedings before the

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<sup>1</sup> BL O/073/14 [http://www.ipo.gov.uk/pro-types/pro-patent/pro-p-os/p-challenge-decision-results-bl?BL\\_Number=O/073/14](http://www.ipo.gov.uk/pro-types/pro-patent/pro-p-os/p-challenge-decision-results-bl?BL_Number=O/073/14)

<sup>2</sup> See <http://www.ipo.gov.uk/p-tpn-42007.htm>

IPO may cost them. The hearing officer retains discretion, however, to depart from the scale in exceptional circumstances.

### **Request for off-scale costs**

- 3 The defendant particularly requests costs off-scale as regards consideration of evidence, and I return to this below. However, they also made a general request for a sum closer to that actually incurred by the defendant. In support of this they argued, firstly that costs were increased by a lack of clarity in the claimant's case, and the duplicative nature of the claimant's evidence, and dissatisfaction with the claimant's "wanton failure" to comply with an earlier disclosure order I made.
- 4 On clarity, the defendant points to my comments (paragraph 41) in my previous Decision as to the lack of clarity of the claimant's case, and the filing of an amended statement of case on 17 September 2013 which required additional consideration. The claimant argues that any lack of clarity was due to the amendment of the patent (during EPO opposition proceedings) which occurred between the filing of the original statement of claim and the hearing. In my view, the defendant is correct that the original statement of claim and subsequent communication from the claimant was not always as clear as would have been desirable. Although the claimant is correct that the amendment of the patent contributed to this, it was not the sole cause.
- 5 Regarding duplication, the claimant points to the similarities in a number of the witness statements (alluded to in my original Decision paragraph 21) and argued this required additional time to be spent analyzing them. In my view, although there were indeed significant defects in the claimant's evidence as I noted in my Decision, I do not believe that they rise to a level justifying off-scale costs.
- 6 Finally, on the disclosure point I noted in my original Decision (paragraph 27) that the claimant's witness statement did not clearly indicate that a search for lab notebooks (to comply with an earlier order that I made previously) had been sufficiently conducted. In response to the defendant's characterisation of this as a "wanton failure" the claimant asserts in its submission that a thorough search was in fact carried out. I do not consider, as I stated, the claimant to have established this by evidence, but nor is it clearly established that it was not. Nor is it clear that the failure to find the notebooks resulted in additional cost to the defendant. I do not therefore find this point to justify and offscale award.
- 7 Taking all these points together, I do not consider an award beyond that provided for by the scale to be justified overall.

### **Scale costs**

- 8 The published scale contains a number of categories for which scale costs may be awarded. I consider each in turn.

#### *Preparing a statement and considering the other side's statement*

- 9 The defendant argues that the statement of case from the claimant was lengthy with numerous attachments, and referred to events seven years previously. It further

points to the clarity issues with the original statement, and its subsequent amendment discussed above.

- 10 In my view, this was not a case of great complexity, being at heart a straight dispute between two groups of alleged inventors. The defendant is correct about clarity issues with the claimants case, but it is true that some (not all) was due to the amendment of the patent. The scale in this category is £200-600. I consider an award in the middle of this span, £400, to be appropriate under this heading.

*Preparing evidence and considering and commenting on the other side's evidence*

- 11 The defendant argues that a substantial sum, at least to the extent of the scale maximum of £2000 and beyond that exceeding the scale and awarding £10000 would be appropriate. It points to there being four witnesses, seven witness statement and a "mass of material to go through". It also refers to the disclosure and duplication issues mentioned above.
- 12 In my view, the quantity of evidence in this case not unusual for cases before the comptroller. The technology involved was not complicated to grasp. The nature of the claimant's witness statements did require some careful analysis but overall this was not a greatly complex case. As I noted above, I do not consider the disclosure issue to have significantly impacted costs.
- 13 The scale in this category is £500-£2000. I consider an award of £1000 to be appropriate in this case.

*Preparing for and attending the hearing*

- 14 The hearing lasted two days. The scale is £1500 per day of the hearing (with a maximum of £3000). The defendant argues that there "is no good reason" for the full amount of £3000 to be awarded and I agree. The witnesses' evidence and credibility were key to this case and the two day hearing including cross-examination fully justified.

*Witness expenses*

- 15 The scale allows for reasonable "travel and accommodation" expenses for a successful party's witnesses. The defendants had two witnesses, both travelling from Ireland. It submits expenses of £1481.91 comprising £713.31 for travel, £516.00 for accommodation, and £252.60 for "Other (food and drink)". The claimant does not challenge these figures in its submissions.
- 16 If find the values for travel and accommodation reasonable and award these sums; however the food and drink expenses are not recoverable under the scale and I do not award these.

**Conclusion and Order**

- 17 I conclude that the claimant should pay the defendant a total of £5629.31 as a contribution to its costs in this matter. This sum is to be paid within 7 days of the expiry of the appeal period set out below.

## **Appeal**

18 Any appeal must be lodged within 28 days

**JULYAN ELBRO**

Divisional Director acting for the Comptroller