## Award of costs in proceedings before the comptroller: a case study

### 1. General principles: costs as contribution not compensation

1.1 As discussed in a previous article, the award of costs in proceedings before the comptroller (the UK Intellectual Property Office (IPO)) is guided by a standard published scale[1]. 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.

1.2 The rationale behind this is that the IPO is intended to provide a relatively low-cost forum for litigants into which is built a degree of predictability as to the costs which a party may have to bear.

1.3 As noted in our previous article, in exceptional circumstances the IPO may award costs above the standard scale. In general, though, such awards are rare.

### 2. Case study: an award of full compensatory costs

2.1 However, in a recent decision[2], the hearing officer made an off-the-scale award of costs in favour of the defendant, because of the behaviour of the claimant during a period of the proceedings. The award amounted to full compensatory costs for the period in question.

2.2 This decision on costs followed a dispute, in which the claimant sought a declaration of non-infringement under section 71 of the Patents Act 1977 in respect of the defendant's patent EP 1248726.

2.3 In a previous decision[3] dated 7 July 2009, the hearing officer struck out the claimant's reference for want of any evidence having been filed to substantiate it.

2.4 The agreed deadline for the claimant to submit its evidence-in-chief was 16 January 2009. In view of the claimant not meeting this deadline and the claimant's subsequent conduct, the defendant sought an award of costs of the published scale. The claimant argued that such an award should not be made, since *inter alia* the fact that no evidence was filed by the deadline suggested that there was a strong possibility that the claimant may not proceed with the case at that stage.

2.5 In deciding the issue of costs, the hearing officer had to assess whether the behaviour of the claimant had been such as to merit an award off the scale. The hearing officer considered that the conduct of the case up to the agreed deadline for the claimant to submit its evidence-in-chief had been unremarkable. Therefore, for the period prior to 16 January 2009 he could see no reason to depart from the published scale and he deemed appropriate an award of £400 as a contribution to the defendant's expenses.

2.6 However, the hearing officer took a very dim view of the claimant's behaviour for the period subsequent to 16 January 2009.

2.7 First, it was noted that claimant did not file its evidence in chief by the deadline, by which it agreed to. Further, in the words of the hearing officer: "despite numerous attempts by the Office to establish the status of the case, the claimant failed to give any credible reason as to why no evidence had been filed. Nor did it give any indication of how it intended to move the case forward."[4]

2.8 The onus is on the claimant to move on the case expeditiously. Accordingly, it was considered to be "frankly irrelevant"[5] that there was a strong possibility that it might not proceed, as the claimant had argued. The hearing officer held that the right and proper conduct would have been for the claimant to withdraw clearly the reference; that it had not done so in a case which it had brought and in which it had put the validity of the defendant's

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[1] The standard scale is set out in Tribunal Practice Notice (TPN) 4/2007

[2] BL O/305/09

[3] BL O/189/09

[4] Paragraph 8 of BL O/305/09

[5] 4 ibid

patent in issue was held to be "simply not acceptable"[6].

2.9 Against this background it was unsurprising that the defendant asked for the case to be struck out and that the hearing officer duly did so. As the hearing officer remarked in paragraph 9 of the decision on costs: *"All of this could have been avoided if as I have said the claimant had either prosecuted the case as it should have or simply withdrawn the reference. It chose not to do either of these and as such should expect to suffer the consequences in costs. This means an award off the scale."*

2.10 The defendant was asked to provide a breakdown of its costs for the period subsequent to 16 January 2009. The hearing officer considered the sum (£1778) to be reasonable given the need for the defendant to respond to correspondence as the IPO sought to move the case forward and the need for it to submit a motion for striking out.

2.11 Accordingly, the final award of costs comprised an award in accordance with the published scale in respect of the period before 16 January 2009 and an award of full compensatory costs for the period thereafter.

## 3. Conclusion

3.1 The hearing officer's decision to award full compensatory costs against the claimant in this case serves as a warning for litigants before the IPO to be mindful of the way they conduct proceedings. For instance, it suggests a certain intolerance of delaying tactics or other unreasonable behaviour. Further, it provides conclusive proof of the fact that the IPO may sometimes consider a full compensatory award of costs to be appropriate.

3.2 Moreover, the decision would seem to chime with the general mood pervading UK courts and the like to more forcefully exercise their case management powers to minimise unnecessary costs in IP litigation[7].

[6] 4 ibid

[7] See our previous article for more general comment on this issue

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