



1 October 2009

PATENTS ACT 1977

BETWEEN

Power Stow A/S

Claimant

and

RASN A/S

Defendant

PROCEEDINGS

Reference under section 71 of the Patents Act 1977 in
respect of patent number EP 1248726

HEARING OFFICER

Phil Thorpe

DECISION ON COSTS

Introduction

- 1 This is a decision on costs which follows on a decision dated 7 July 2009¹ where I struck out for want of prosecution a reference made under section 71 by Power Stow A/S. In that earlier decision I deferred the question of costs pending further submissions from the parties. These have now been provided.
- 2 The claimant in its submission has argued that since the proceedings have been terminated without any evidence being filed, any cost award should be restricted to the preparation of the counterstatement and should be in line with the comptroller's published scale.
- 3 It further submits that it was

“apparent from the fact that no evidence was filed by the deadline of 16 January 2009 and from the subsequent correspondence between the parties and the UKIPO at the beginning of February 2009, that there was a strong possibility that the claimant may not proceed with the case at that stage”

¹ BL/O/189/09

- 4 The defendant however has sought an award of costs off the published scale and of the order of the actual costs that it has incurred in dealing with this matter which is claimed to amount to some £14,000. As basis for this it argues that the claimant unreasonably delayed the proceedings following the agreement by the parties of a timetable. The defendant further states that

“over the 18 months or so since the application were filed, they have been left in considerable doubt as to the bona fides in relation to the application, given the lack of information provided in the original statement of case and the failure on the part of the claimant to offer evidence in respect of this matter”

and that the filing of the reference was

“nothing more than an attempt to escalate a dispute that already existed ... without any real consideration being given to the cost of doing so other than when it became necessary to prepare evidence suitable for presentation before the comptroller”.

Costs before the comptroller

- 5 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 set out in Tribunal Practice Notice (TPN) 4/2007.
- 6 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.
- 7 So has the behavior of the claimant in this case been such as to merit an award off the scale? To answer this I need to look back at the history of the dispute. This is set out in some detail in my earlier decision and it is not necessary for me to repeat it all here. It is sufficient to say that, with the odd extension of time, I consider the procedure up to the evidence rounds to be unremarkable. Consequently I see no reason to depart from the published scale for the period up to 16 January 2009 and consequently an award of £400 as a contribution to the defendant’s expenses up to that point seems appropriate.

- 8 Subsequent to 16 January 2009 however events took an unfortunate turn. Firstly the claimant did not file its evidence in chief by that date which it had agreed to do so. 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. As the claimant the onus was clearly on it to move the case forward expeditiously. Whether as the claimant suggests, it was apparent that there was a “strong possibility that it might not proceed” is frankly irrelevant. If it didn’t want to proceed then it should have clearly withdrawn the reference. To not do this in a case which it had brought and in which it had put the validity of the defendant’s patent in issue is simply not acceptable.
- 9 Unsurprisingly the defendant asked for the case to be struck out which I duly did. 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.
- 10 To assist me in determining the quantum of such an off the scale award I asked the defendant for a breakdown of the costs that it had incurred from 16 January 2009 onwards. In a letter dated 5 August 2009 the defendant provided a breakdown which detailed its costs for this period as £1778. I do not think this sum is unreasonable given the need for it to respond to correspondence as the IPO sought to move the case forward and particularly the need for it to submit a motion for striking out. Because of the behavior of the claimant I have decided to award full compensatory costs for this period.

Order

- 11 I order the claimant (Power Stow A/S) to pay the defendant (RASN A/S) the sum of £2178, this being made up of £400 as a contribution to its expenses up to 16 January and £1778 full compensatory costs thereafter. 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

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

Phil Thorpe

Deputy Director acting for the Comptroller