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27 July 2009

Ms Abigail Pilkington
Clerk to the Civil Litigation Costs Review
Royal Courts of Justice
Strand
London
WC2A 2HL

By email: costs.review@judiciary.gsi.gov.uk

Dear Madam

Reform of the Patents County Court

We refer to the plans for reform of the Patents County Court being considered as part of the Costs Review and as put forward by the Working Group set up by the IP Court Users Committee.

This response was prepared by the Intellectual Property Committee of the City of London Law Society (the "CLLS"). The CLLS acts as the local law society of the City of London. It represents the professional interests of City solicitors, who make up about 15 per cent. of the profession in England and Wales, by commenting on matters of law and practice and by making representations on the issues and challenges facing the profession and their clients. It organises itself into committees, around legal topics. The Intellectual Property Committee is made up of representatives of members' firms who practise solely or mainly in the intellectual property field and who have extensive experience in litigating IP rights and in transactions involving the exploitation of IP rights.

We entirely agree that reform is required, both to ensure that SMEs have access to a cost-effective way of resolving patent disputes, and so that smaller patent disputes can also be resolved at a reasonable cost, no matter how big the parties. We support the general thrust of the reforms proposed, and have some specific suggestions for further improvement.

- Specific rules and procedures should be adopted as necessary without fear of differentiation from the rules of the High Court and wider county court structure. Patent and design disputes have long been recognized as requiring a specialised court, and we see no reason why they and other IP disputes should not have different rules from other disputes, as long as any disadvantages are out-weighed by the advantage of cheaper and quicker access to justice. Indeed, if the rules prove successful, leading to more cost effective dispute resolution, they could be adapted for other types of case.
- The PCC, however reformed, needs to be properly resourced both with Judges and administrators in order to manage a hopefully increasing case load. Reforms to attract more work to the PCC will be self-defeating if the PCC cannot cope with its workload and

cases are delayed as a result. This has long been recognized as a key issue, and specific provisions, including sufficient further funding, will be essential. At the moment, we do not consider that the PCC is adequately resourced.

- Rigorous case management needs to be imposed on both litigants and judges for effective operation. This means having strict procedural rules and ready access to a judge, and appeal tribunal, to enforce them.
- We suggest that the choice of forum (i.e. the PCC or Patents Court) should be principally linked to the turnover of the parties rather than to the "value of the claim" which is nebulous and not capable of easy definition in many cases (especially when an injunction or patent revocation is concerned as the value of these is very difficult to quantify). We suggest there should be a presumption of allocation to the PCC if either litigant is an SME (as defined in the relevant EU regulations). This presumption may be overturned as an exercise of judicial discretion by factors such as: the level of damages are likely to exceed a certain level (say £500,000); the complexity of the case makes it suitable for the High Court; the value of a patent in dispute to its proprietor is high; the 'product in suit' is critical to a party's continued existence or there is demonstrable overwhelming prejudice to one party by the allocation to the PCC (the 'Transfer Criteria').
- Larger enterprises should continue to be able to use the PCC for smaller disputes if they wish to do so, but subject to the Transfer Criteria, as what may be small to a large enterprise may be of critical importance to a smaller one.
- The level of recoverable costs should be £50,000 for all sorts of IP - there is no objective reason for a differential according to the type of IP involved in the dispute.
- The court's jurisdiction over designs and copyrights should be more widely promoted and the name of the court should not have the word 'County' in it as this suggests a court dealing only with minor issues which would not be the case.
- Consideration should be given to making the Patents Court of the High Court the first court of appeal for PCC cases rather than the Court of Appeal in most, if not all, cases. The Patents Court has considerable experience of IP disputes, is well respected, and is probably more able to resolve appeals quickly and efficiently.
- The jurisdiction of the Patents Court and of the PCC should be made very clear as should the Transfer Criteria, to ensure that in the vast majority of cases, no application to transfer is necessary, and that where transfer is sought, the decision whether or not to transfer can be readily made, preferably by agreement between the parties.

Yours faithfully

Ian Starr
Chairman
IP Committee of the City of London Law Society

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