

Intellectual Property
Newcastle Business &
Property Courts Forum
Virtual Meeting

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THREE NEW SQUARE

INTELLECTUAL PROPERTY

What's this talk all about?

- ▶ Outline of basic IP rights/actions
- ▶ IP in the BPC (and in particular the North East)
- ▶ The Patents Court
- ▶ Intellectual Property Enterprise Court (IPEC)
- ▶ IPEC Small Claims

Outline of basic IP rights/actions

- ▶ What they are designed to protect
- ▶ What is registered and what is not
- ▶ Where you find the rules about bringing the action (CPR 63)
- ▶ Basic structure of each action (claims and counterclaims)
- ▶ Split trials
- ▶ Expert evidence/experiments/models
- ▶ Specialist judges

WHAT DOES IP PROTECT?

- ▶ **The names of your products or brands**
 - ▶ Trade Marks, rights in “Passing Off”
(goodwill/reputation)

- ▶ **Inventions and confidential ideas/information**
 - ▶ Patents (inventions)
 - ▶ Confidential Information

WHAT DOES IP PROTECT?

- ▶ **The design of your products**
 - ▶ Registered and unregistered design rights

- ▶ **Your literary, dramatic, musical and artistic creations (etc.)**
 - ▶ Copyright (plus longer list....including computer code, films broadcasts etc)

- ▶ **Your databases (and their content).**

WHAT DOES IP PROTECT?

▶ **Oddments**

- ▶ Plant varieties
- ▶ Semi-conductor topography rights
- ▶ Employee Compensation (Patents)

Registered IP

- ▶ **Patents**

 - ▶ UK and EP(UK) Patents

- ▶ **UK Trade Marks**

- ▶ **UK Registered Designs**

- ▶ **All are monopoly rights, granted by UKIPO or EPO**

Un-Registered IP

- ▶ **Confidential Information/Trade Secrets**
- ▶ **Rights in Goodwill/Reputation (“Passing-Off”)**
- ▶ **Copyright**
- ▶ **Unregistered Design Rights**
- ▶ **Database Rights**

Sources of Law

- ▶ **UK Statute**

- ▶ e.g. Patents Act 1977; Copyright Designs and Patents Act 1988 etc.

- ▶ **EU Incorporated Law**

- ▶ e.g. Trade Mark Directives, Enforcement Directive, etc.

- ▶ **Treaties (TRIPS etc)**

Sources of Law

▶ Case Law

▶ UK Courts

▶ **CJEU Decisions** (in relation to equivalent/related EU rights – mainly Trade Marks, some Patent and Copyright etc)

▶ **EPO Decisions** (particularly Boards of Appeal and Enlarged Board) – Patents Only

▶ **UKIPO Decisions/Appointed Person/Common Law Jurisdictions.**

Jurisdiction

- ▶ **BPC:** (Patents Court/IPEC)
 - ▶ High Court (Patents Court)
 - ▶ High Court (IPEC) (with additional special rules)
 - ▶ V. limited county court for non-reg rights.

- ▶ CPR 63 covers (effectively) all IP (see CPR 63.1)
 - ▶ Exclusively covers all cases in relation to registered rights (**there are statutory rules**).
 - ▶ Almost exclusively covers unregistered rights

Special Jurisdiction

- ▶ **Registered Rights have special rules**
 - ▶ Court can revoke/amend the rights (patents/tm).
 - ▶ Designated judges
 - ▶ (including specialist judges– e.g. HHJ Hacon, Meade J, Mellor J, Birss LJ, Arnold LJ, Lord Kitchen)
 - ▶ Designated Courts
 - ▶ Special service procedures (i.e. on UKIPO)

Special Jurisdiction

- ▶ **Registered Rights have other fora too:**
 - ▶ UKIPO (patents and trade marks)
 - ▶ EPO (European Patents)
 - ▶ Appointed Person (trade mark appeals from UKIPO)

The “Intellectual Property Enterprise Court”: IPEC

- ▶ Own additional rules – CPR 63 Section V
- ▶ Own “guide” – IPEC Guide (invaluable)

IP Cases - Split Trial

- ▶ **(Almost) all trials as split as follows**
 - ▶ **Liability** (injunctive and ancillary relief)
 - ▶ **Quantum** (either an inquiry as to damages **or** an account of the profits made by reason of the infringement)

Part 1 – Liability Trial

- ▶ Claim for infringement
- ▶ Challenge to validity/subsistence of the IP right (generally a counterclaim if infringement is claimed)
- ▶ Challenge to ownership

Liability Trial

- ▶ Other Claims include:-
 - ▶ Declarations (e.g. non-infringement/ invalidity/“Arrow declarations etc).
 - ▶ Unlawful threats (in Patent, TM, and Design cases)

Relief After Liability Trial

- ▶ **Infringement** (and see Enforcement Directive)
 - ▶ Declaration
 - ▶ Injunction – may be stayed pending appeal
 - ▶ Delivery up
 - ▶ Damages OR Account of Profits (**Second Trial**)
 - ▶ Copyright/Design Right – additional damages.
 - ▶ Interest and Costs

Relief after liability trial

- ▶ **(In) Validity**

- ▶ Declaration of invalidity
- ▶ Revocation (see Registered Rights) – stayed pending appeal
- ▶ Interest/Costs

- ▶ **Non IPEC (i.e. non-capped costs)**

- ▶ Issue-by-issue assessment

Part 2 - Quantum Trial

- ▶ **Early “Disclosure”** (Island Records v Tring)
- ▶ **At Claimant’s Election** - chose account **or** inquiry
- ▶ **Fresh Trial** with new
 - ▶ Pleadings
 - ▶ Disclosure
 - ▶ Evidence
 - ▶ Etc...

Other Matters of Practice (very) non-exhaustive

- ▶ **See CPR 63/IPEC Guide**

- ▶ **Patents**

- ▶ "Short form" pleading (e.g. don't plead WHY claim infringed **except in IPEC**)
- ▶ (Generally) negligible disclosure
 - ▶ Product and Process Descriptions (in lieu of infringement disclosure)
 - ▶ Two-year window (in relation to validity)
- ▶ Experts/Experiments/Models etc

Other Matters of Practice (very) non-exhaustive

- ▶ **Design Rights**

- ▶ “Action Storage” Schedule

- ▶ **Trade Marks**

- ▶ Special Rules about surveys.

IP in the North East

- ▶ **Considerable IP generated in North East**
 - ▶ High Tech. industries
 - ▶ Creative industries
 - ▶ Oil and gas companies
 - ▶ Engineering Companies/Automotive (e.g. Nissan etc)
 - ▶ Computer software companies etc. (e.g. Sage Group Plc)
 - ▶ Financial Services (e.g. Virgin etc)
 - ▶ Plus brand names generally.

IP in the North East

▶ BPC

- ▶ Patents Court can sit in NE (as can IPEC and IPEC small claims)
 - ▶ Resident IPEC small claims judge
- ▶ Advantageous to doing so (costs etc.)
- ▶ Remote Hearings for CMCs/Injunctions etc. (poss. trials)??

---- *Hand over.*

The High Court

- ▶ All IP cases assigned to the Intellectual Property List
- ▶ Patents and Registered Designs assigned to the “Patents Court”, part of the BPC,
- ▶ Patents Court cases heard by Patents Judges – but not all are IP specialists
- ▶ All other IP cases (eg trade marks) are heard by BPC Judges – again, not all are IP specialists

What sort of IP cases fight in the High Court?

- ▶ Pre-1988, the answer was “all of them”
- ▶ From 1989 onwards, the Patents County Court and its successor the IPEC was established for the smaller cases
- ▶ From 2016 onwards, the Shorter Trial Scheme provided a third route for medium-sized cases
- ▶ ... hence the High Court/Patents Court now tends to feature only the heaviest cases: eg telecoms, pharmaceuticals, life sciences, Glee
- ▶ Work split varies but perhaps 50% patents, 30% trade mark/passing off, remainder split between designs, breach of confidence, etc
- ▶ Interim injunctions rarer than they were, and only common in pharmaceutical patent cases (generic launches)

What happens in a typical High Court action?

- Pleadings – Particulars of Claim, Particulars of infringement, Defence and Counterclaim, Grounds of Invalidity
- In patent cases each side typically has 1 or more experts, little fact evidence; potentially experiments
- In trade mark cases, rare to have experts, usually some fact evidence (eg public); potentially market surveys
- Disclosure limited, even before PD 51U came in
- 5+ day trial followed by reserved judgment within 3 months

Why litigate in the High Court?

- The “shock and awe” of a High Court action
- The case is too big for either IPEC or Shorter Trial Scheme
- Availability of specialist judges is generally not a factor, since IPEC and STS also have specialist judges
- Nor is availability of injunction or declaratory relief (often the main relief sought in IP actions) since all courts can grant that relief
- Nor is appeal, since all appeals go to the Court of Appeal
- But higher profile internationally

What is the IPEC?

- Pre 1989
 - County Courts could in theory hear trade mark/passing off, but rarely did – and couldn't hear patents or registered designs
- Patents County Court introduced by Copyright Designs and Patents Act 1988 (from August 1989)
 - Rights of audience for patent agents
 - Small changes to procedure – eg “preliminary consideration” but limited case management powers
 - No real advantage over High Court, save for patent agents

PCC relaunched as the IPEC

- Relaunched in 2011
 - Complete new set of rules and procedures, Section V of Pt 63
 - New judge (HHJ Birss QC, now Birss LJ)
 - Moved into Rolls Building (only County Court)
- Reorganised into High Court in 2016
 - Changes mainly technical – eg jurisdiction to deal with breach of confidence cases
- Cases in IPEC can be just as complex as any other IP case – lower value doesn't imply simplicity

Key points of IPEC

- Providing access to justice for SMEs, via:
 - £500k cap on damages, and £50k overall cap on costs (plus caps on individual stages of litigation), see 63.17A and Pt 45 Section IV
 - Pleadings to set out facts, matters and arguments (63.20) and to be signed by persons with first hand knowledge – ideally avoiding witness statements entirely (see 63.21)
 - Applications – IPEC can grant interim injunctions (Nike), but nb costs generally reserved until trial and generally capped at £3k per application, 63.25
 - Active case management at the CMC, 63.23(1) + Part 63 PD paragraph 29
 - Trial limited to 2 days, or exceptionally 3 days

The case management conference

- List of issues – settled by Court
- Cost-benefit test applied to evidence, XX, disclosure, etc
- Disclosure – tends to be limited to specific issues, eg actual confusion, reason for D's choice of name in trade mark/passing off cases
- Limits on number of witnesses and the issues to which they can give evidence
- Last chance – so leeway for amendments, but needs to show “exceptional circumstances” in order to bring in new material later (even for XX), see 63.23(2)

What about costs and appeal?

- Always done by summary assessment, and generally after trial (save for unreasonable applications), 63.26
- Stage caps as per PD 45 Table A (liability) and B (quantum)
- Typically recovery often 35-40k; possible to go above 50k eg where abuse of process, but rare
- Appeal to CA, and appeal costs can also be capped pursuant to Part 52.19

The Shorter Trial Scheme

- ▶ Introduced as pilot scheme for 2 years in 1 October 2016, now PD57AB
- ▶ High Court scheme, but blends elements of Patents Court and IPEC rules
 - ▶ Core bundle to be supplied with pleadings
 - ▶ No cap on recoverable damages/profits, and no costs caps/budgeting either
 - ▶ Disclosure similar to PD 51U but predates it (see 2.39)
 - ▶ Summary assessment of costs following trial (see 2.56)
 - ▶ 3 days in Court plus 1 day pre-reading
 - ▶ 8 months from cmc to trial
- ▶ Intention is for case to be managed by docketed judge at all stages

High Court, Shorter Trials Scheme, IPEC compared

- ▶ High Court/Patents Court - PD63
 - ▶ The biggest actions (worth > £10m) – no costs budgeting, eg 5-10 days; costs often in millions
 - ▶ Smaller actions (less than £10m) – costs budgeting; eg 5 days; costs potentially £1m
 - ▶ “Full” recovery of costs, normally detailed assessment
- ▶ Shorter Trial Scheme in High Court
 - ▶ 3 + 1 days in Court; no cap on recovery, no costs budgeting, no costs caps; often £300k-£500k costs per side, summary assessment
- ▶ IPEC
 - ▶ 2 (perhaps 3 days); 500k limit; 50k cap on costs; for SMEs

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