

Keeping a lid on patent litigation costs

- ▶ Defendant seeks permission to amend its Defence and Counterclaim
- ▶ Defendant claims that the Claimant had disclosed patent information prior to the priority date
- ▶ Permission refused by both IPEC (the Intellectual Property Enterprise Court) and the High Court

What's it about?

This concerns a patent infringement action brought by Pacific Rim (the **Claimant**) against the PKF Group (the **Defendant**), in relation to a patent for a type of door.

In the present action, the Defendant sought to amend its Defence and Counterclaim to assert that the Claimant had disclosed details of the relevant patent to third parties prior to the priority date of the patent. It also sought disclosure to support that assertion.

Why does it matter?

On appeal from the IPEC, the High Court upheld the IPEC's decision not to allow the amendment and dismissed the application. In reaching its decision, the High Court cited several factors. In particular, the Defendant had had the opportunity to raise the relevant issues earlier but had chosen not to do so, and had acted slowly in making the present application.

Crucially, the High Court considered it unlikely that the Defendant would be successful in showing that the Claimant had indeed disclosed the patent to third parties. Although the Claimant had sent the patented products for testing by third parties, this had been done in confidence.

The High Court looked to earlier Patent County Court decisions (in particular the decision in *Temple Island Collection Ltd v New English Teas Ltd* [2012] EWPC 1), the importance of the IPEC costs cap and the need to undertake a cost benefit analysis. The judge noted that the costs benefit test "plays a role in cutting back on costly and complex steps in litigation in order to save costs." On that basis, he could not justify granting the application to amend sought by the Defendant.

Now what?

This is a reminder of the reasons why procedure in the IPEC differs from that of the High Court. In this case the application to amend had been made very late with no evidence to explain the reasons for the delay. Parties wishing to amend their pleadings in the IPEC must ensure that any applications are made as soon as possible and pass the cost benefit test.

Pacific Rim v Pkf Group [2015] EWHC 3735 (CH), 13 November 2015.

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