

# **UK PATENTS COUNTY COURT – PHOENIX RISEN?**

**MICHAEL BURDON**  
**PARTNER, OLSWANG**

There is no doubt that the Patents County Court has been revitalised under the leadership of Judge Michael Fysh. The Court is very much "back in business" and it is commanding attention and respect from clients and practitioners alike when they consider the appropriate forum in which to litigate in the UK. Somewhat curiously, there is no formal jurisdictional division between the Patents County Court and the Patents Court of the High Court in relation to patent disputes. There is an understanding that the "simpler" cases will find their way to the Patents County Court, but there is no formal threshold of value or complexity. The Patents County Court has been reasonably busy but not as busy as it could be. Having firmly re-established itself as an alternative venue for patent disputes in the UK, part of the challenge for Judge Fysh and the Patents County Court will be to develop its own niche and possibly, to differentiate itself from the more senior alternative patents court. The obvious way to do so is by rigorous application of simplified procedures to ensure simple patent disputes to be heard efficiently, quickly and, as a consequence, more cheaply. The "Streamlined Procedure" recently introduced in the Patents Court Guide might be one way to achieve such differentiation and provide not only a distinctive alternative to the High Court but also to the simpler and cheap procedures of the courts of continental Europe and in particular Germany. This article considers the jurisdiction, history, recent performance and future of the Patents County Court in patent litigation.

## **Jurisdiction and History**

The Patents County Court is essentially the result of the controversial proposal in the 1986 White Paper for all patent disputes to be dealt with by the Patent Office rather than the courts. The "Oulton Report" prepared by the Committee of Interested Parties as a response to the White Paper suggested the creation of a Patents County Court as an alternative forum to the High Court for patent litigation. This suggestion was, in turn, accepted and enacted under the 1988 Copyright Designs and Patent Act. The first, and so far only, Patents County Court was established, in London, on 3 September 1990. The Patents County Court has special jurisdiction to deal with all matters relating to patents and registered designs, together with other claims or matters which are ancillary to or arise out of such proceedings. It does not have jurisdiction to hear appeals from the Patent Office. There is no minimum or maximum limit of damages. There is no formal difference in the scale of costs which can be recovered between the High Court and the County Court. Parties need not be represented. Unlike the High Court, patent agents as well as solicitors have the right to "conduct" litigation (i.e. be on the record as running the proceedings). Also, unlike the High Court, patent agents and solicitors,

as well as barristers, have the right of "audience" (i.e. right to appear as an advocate) before the Patents County Court. The Patents County Court has the power to grant the same remedies as the High Court, including final and interim injunction and search and freezing orders. As with the High Court, appeals are taken to the Court of Appeal.

The first judge appointed to the Patents County Court was Peter Ford, an English-trained barrister who, prior to his appointment, was a member of the tribunal hearing appeals at the European Patent Office. The Court opened for business, amongst considerable enthusiasm and optimism from the UK patent professions, on 3 September 1990. Unfortunately such enthusiasm and optimism was not borne out in practice. Despite introducing numerous alternative procedures specific to the Patents County Court, the Court was not found to offer the efficient, and possibly cheaper, service that had been hoped for. Judge Ford also suffered a rather high reversal rate in the Court of Appeal. He retired in September 2000, having sat on just two cases in his final year in office.

The "experiment" seemed to have failed. Perhaps, it had helped "inspire" the introduction of more efficient procedures and active case management in the Patents Court of the High Court. However, the Patents County Court refused to be ignored. Michael Fysh QC was appointed as the new Patents County Court Judge in the autumn of 2001 sitting for the first time as the Patents County Court judge on 25 October 2001. Since then he has set about raising the profile of the Patents County Court and encouraging solicitors, barristers and patent attorneys to take their cases there. Michael Fysh QC was an eminent (and charismatic) intellectual property barrister, who was formally head of Chambers at 8 New Square, the specialist intellectual property set of chambers which has also provided judges Jacob and Laddie to the Patents Court of the High Court. Michael Fysh QC had previously sat as deputy judge of the High Court, hearing several cases, most notably *Dyson v Hoover*.

The appointment was popular and well received. Michael Fysh QC was highly regarded as a barrister and he was considered to have been very effective when sitting as a deputy judge of the High Court. His approach to the complex, high-profile, *Dyson v Hoover* litigation, which was upheld by the Court of Appeal, stood him in good stead and helped to engender respect for the restart of the Patents County Court.

His judgments have generally been considered solid and sensible. But he is not a conservative traditionalist unreceptive to new ideas and legal developments (provided they have sound basis). He went on, in *Dyson v Hoover*, to grant the first UK "post expiry injunction"; i.e. an injunction with effect after expiry of the patent to compensate the patentee for the unlawful acts of the infringer and the "illegal head start" it had gained prior to patent expiry.

Also, in *Wesley Jessen v Coopervision* (a reported judgment of 2 October 2002), Judge Fysh, while applying the third of the Protocol questions on non-literal infringement (whether the patentee intended that strict compliance with the primary meaning of the language of the claim was an essential requirement of the invention), made reference to statements made on behalf of the patentee in the

EPO prosecution file for the patent in suit. There is no doctrine of "file wrapper estoppel" in the UK, or more generally in Europe, but the Judge observed that "the EPO file is of course open to public inspection by interested third parties" and considered that the patentee's surrounding statements to be relevant to the application of the strict meaning of the claim language. Although this comment was not central to the decision of non-infringement, it is another illustration of the Judge's receptiveness to creative legal arguments.

### **Allocation and Transfer of Proceedings**

The Patents County Court is unusual in that, unlike the ordinary county courts, it may entertain proceedings within its special jurisdiction (patents and designs), notwithstanding that no financial remedy is sought and there is no upper limit to damages awards. Since the introduction of the new Civil Procedure Rules in late 1999, there has been no difference in procedure between the two specialist patent courts. However, as stated in the introduction, it has always been the position the Patents County Court (as established by the former Lord Chancellor, Lord Mackay of Clashfern) would be a forum for cheaper, speedier and more informal adjudication of patents and allied claims. This would ensure that small or medium-scale enterprises, and indeed individual inventors as well, would not be deterred from safeguarding their rights by the costs and complexity of High Court patent litigation. To this end, the Patents County Court allows proceedings to be conducted (run) by patent agents, as well as solicitors, and for patent agents and solicitors to have the right of appearance (advocacy) in the court. Generally, patentees with cases involving substantial evidence and complex issues will continue to go to the High Court. Cases which are relatively simple or involve small amounts will go to the Patents County Court. The cases involving litigants in person also tend to be heard by Judge Fysh in the Patents County Court (although not necessarily by his choice!).

The choice of forum is not, however, absolute. One party, or the court of its own volition, can transfer proceedings from its court to the other. The High Court can also transfer a case to its list from the Patents County Court (but not vice versa). The relevant empowering legislation (s. 289 (2) of the Copyright Designs and Patents Act 1988 ) provides that the court shall "have regard to the financial position of the parties and may order the transfer of proceedings ..., notwithstanding that the proceedings are likely to raise an important question of fact or law".

The Civil Procedure Rules (CPR. 30.3(2)) state that the Court must have regard to:

1. the financial value of the claim and the amount in dispute;
2. whether it would be more convenient or fair for the hearings (including the trial) to be held in some other court;
3. the availability of the judge specialising in the type of claim in question;
4. whether the facts, legal issues, remedies or procedures involved are simple or complex;

5. the importance of the outcome of the claim to the public in general; and
6. the facilities available to the Court where the claim is being dealt with and whether they may be inadequate because of any disabilities for a party or potential witness.

Given the similarity of the procedures, and the experience of Judge Fysh, it is probably unlikely that a case would be transferred from the Patents County Court to the High Court, unless (although this is not the situation at present) the state of the courts' diaries was such that the trial could be heard quicker in the High Court. Judge Fysh has not been deterred from hearing reasonably complex and significant cases. Although *Dyson v Hoover* was a case in which he was deputy High Court Judge, Judge Fysh presided over a 7 day trial in December 2002, handing down a 46 page judgement in early February 2003 (*NMI Safety Systems Limited v C. N. Unwin Limited*).

The High Court may well transfer simpler cases of its own volition if it considers the Patents County Court to be the more appropriate forum and to ensure that it is kept busy. The High Court's current attitude to a contested transfer application is unknown. Prior to the new Civil Procedure Rules, although arguably the position should be no different, the High Court has taken into account the representation of the applicant for transfer (usually the Defendant). If the intention of the applicant is to dispense with solicitors and/or a barrister, and use only its patent agent may justify an order for transfer. This was the case in *Memminger v Trip-lite* ([1992] RPC 210). On the other hand, in *GEC-Marconi v Xylyx Viewdata Terminals* ([1991] FSR 319), the High Court refused a transfer because the applicant refused to undertake to limit its representation and the High Court was not convinced that there would be any cost savings.

In another case decided before the introduction of the Civil Procedure Rules the Court of Appeal had said that, in considering transfer, the Court should bear in mind that the Patents County Court had been established as a means of making patent litigation cheaper, simpler and more accessible so that smaller enterprises and private individuals should not be deterred from innovation by the potential cost of litigation to safeguard their rights (*Chaplin Patents Holdings v Group Lotus*, noted, the Times 12 January 1994).

### **Costs**

Under the Civil Procedure Rules, there is no separate scale of lawyers' costs which can be awarded to the successful party. The overriding principle of proportionality will apply. However, in a recent decision, the Court of Appeal expressed their view that the costs incurred in proceedings before the Patents County Court and on the appeal were excessive. The court suggested that the basis for determining the detailed assessment of costs should be the level of costs recoverable on a detailed assessment for other complex cases that start in the County Court (*Warheit v Olympia Tools Limited* [2003] FSR 95).

In this case the patentee initiated proceedings in the Patents County Court which culminated in a two day trial. The costs claimed by the successful Patentee were nearly £250,000 for the two day trial in the County Court and about £112,000 in the Court of Appeal. Aldous LJ gave the leading judgement in the Court of Appeal and expressed surprise at the parties' costs. He commented that when the Patents County Court was set up, "it was envisaged by the Lord Chancellor that it would apply procedures which were cheaper to enable medium-sized enterprises and individuals to litigate without being deterred by costs" and stated that the amount of costs claimed "do not reflect that which was envisaged by the Lord Chancellor when he set the court up". He added, "hopefully the costs judge who deals with that assessment will think his decision should be put in writing, so that it can be reported to inform practitioners of the level of costs that are payable, taking into account the interests of the parties and the public". The costs incurred by the unsuccessful defendants are not known. Both parties used a barrister, although the claimant patentee was represented by solicitors and the defendant by patent agents. At the time of writing, the case has not reached a detailed assessment and therefore has not resulted in a reported judgment of a costs judge.

### **Present and Future**

The recent experience of the Patents County Court under Judge Fysh has been brief but they are generally well-endorsed by the patent professions. Judge Fysh's approach is exemplary and he commands much respect. His only known significant reversal by the Court Appeal was in an unregistered design right case involving jewellery design. The Court of Appeal held that he had applied the wrong test of infringement (the copyright test of "substantial part" rather than the design test of producing an article "exactly or substantially to that design") and remitted the case back for him for re-examination of the issue of design right infringement. (*L Woolley Jewellers Limited v A&A Jewellery* [2002] EWCA Civ 1119).

The current location of the Court in Regents Park is not ideal as most specialist patent lawyers are located closer to the High Court. This is about to change with a move to Chancery Lane scheduled for late June/early July 2003. The Judge will also be allocated his own clerk to help facilitate the running of the Court. It is hoped that these practical changes, whilst appearing petty to those without experience of the previous arrangements, will lead to an appreciable improvement in the practical functioning (and attraction) of the Patents County Court. There are also plans in place to make greater use of the Patents Court website and provide better public access to the state of the court diary (see [www.courtservice.gov.uk](http://www.courtservice.gov.uk)). It is hoped also that judgments will be more easily available through this website. At present the court diary is kept (literally!) by Judge Fysh. The current practical arrangements for the handling of papers and other practical matters have also been quite unsatisfactory, despite the best efforts of the Judge himself. Unfortunately, these practical obstacles, may have even had an impact on the attraction of business to this court.

Now however the list is filling up. The court's reputation, largely due to the work of Judge Fysh, is growing. Surprisingly, very few patent agents have felt sufficiently confident and experienced to

conduct cases themselves. The growing reputation, combined with the changes which will bring significant practical improvements to the efficient running of the court, are expected to produce a busy and vibrant court.

It is also expected that the Patents County Court will hear most, if not all, registered design infringement cases. It has been designated as one of the courts to hear cases under the new Community Design legislation. It is also anticipated that the legislation peculiarities, which mean that it cannot grant all usual remedies under trade mark infringement matters, will also be amended, possibly during the course of 2003.

A new "Streamlined Procedure", has been available to litigants in English patent proceeding since 1 April 2003. The normal procedures for UK patent litigation provide for an extremely thorough examination of the issues with requirements for disclosure (discovery) of documents, reliance on experiments provided they are repeated and witnessed by all sides, meticulously prepared experts, and a strong oral tradition, including sometimes lengthy cross-examination. These procedures are often considered a hallmark and strength of patent disputes in the English courts, attracting considerable respect for the reasoned decisions which result from these procedures, and often with effect or influence in other countries. The new Streamlined Procedure will dispense with disclosure of documents and experiments and restrict cross-examination with a trial taking no longer than one day, usually within 6 months.

The new Streamlined Procedure can be varied in accordance with circumstances of the case in question. Both the High Court and the Patents County Court can make use of the procedure. Lawyers are obliged to inform clients of its availability. If agreed by the parties, it will apply. If not agreed, one party can apply for a Streamlined Procedure order. In this situation, the court will consider the value of the disputed subject matter, the financial position of the party, the degree of technical and legal complexity and the general importance of the case, collectively referred to as "proportionality". The Court can also order the application of the Streamlined Procedure of its own volition, although this is considered unlikely for most patent cases without an application by one of the parties. To date, we have no experience of the new procedure, but it provides an interesting alternative, not only to the rigorous procedures previously used, but also to the procedures available in the courts of countries in continental Europe. It is expected to be a realistic, practical and cost-effective alternative. It will be interesting to see its use and application in practice. There has even been some suggestion, that it should, or even will be, the default procedure for the Patents County Court.

## **Conclusion**

The Patents County Court, "re-launched" under Judge Fysh, is very much "back in business", following its descent into disuse. It is probably too early to say that the phoenix has well and truly risen, but it is certainly showing excellent recovery and promise for the future. The Judge is very

highly regarded. The experience of my own firm (in *Dyson v Hoover*, *NMI v C.N. Unwin*, and a further case going to trial later this year) has been a positive one. The forthcoming practical changes to the operation of the court will also help generate business and raise its profile further. The option of the new Streamlined Procedure is an extremely interesting development and its practical application will be keenly observed.

When Judge Fysh spoke at his welcoming he referred to the "disturbing warning" given to him by a senior counsel of considerable learning and ability at the Four Courts in Dublin: "Don't be like the old clock in the Court Rotunda". This, typically, engendered an enquiry which, also typically, was successful, resulting in the location of a short anonymous 19<sup>th</sup> century poem:

*"The Four Courts Hall a clock displays  
Of a portentous size,  
That Justice and its devious ways  
Most fitly typifies.*

*Of wheels in wheels it has a lot  
And weights that hang below.  
It always strikes when it should not,  
And stops when it should go.*

*Its face conveys a pleasing doubt  
To lawyers ever dear,  
Its hands, like judges, go about  
Two circuits in a year.*

*And finally, to make it show  
Analogy most strong  
It's very often very slow  
And almost always wrong".*

Our experience thus far has shown Judge Fysh not at all to be like the old clock!\*

***This article was published in Patent World, July/August 2003***

**© M Burdon 2003**

---

\* *The author would like to acknowledge with thanks the assistance of his colleagues, Stephen Cottrill and Jayne Williams, in the preparation of this article.*