



PATENTS ACT 1977

PATENTEE	Ability International Limited
OPPONENT	Monkey Tower Limited
PROCEEDINGS	Opposition to a proposed amendment of UK Patent GB2432573B under section 75 and a subsequent application for strike-out

PRELIMINARY DECISION ON COSTS

Introduction

- 1 In my preliminary decision on whether to strike out parts of the opponent's statement of case in amendment proceedings under section 75 of the Act with respect to UK Patent GB2432573 (BL O/484/14), I gave parties a period of four weeks to make written submissions on the issue of costs. The patentee, Ability International Limited (AIL), filed submissions within this four week period arguing for off-scale costs to be awarded in their favour. After some leniency on my part in allowing the opponent further time to do so, a submission on costs was eventually filed by Monkey Tower Limited (MTL) on 10 April 2015. In their submission, MTL say that there is no reason why the award of costs should deviate from the standard published scale. They also say that if costs approaching the off-scale figures requested by AIL are granted then they would request an extension of time to appeal my preliminary decision on strike-out. The period of 28 days for appealing my preliminary decision on strike-out elapsed on 10 December 2014.
- 2 In their letter dated 16 April 2015, AIL note that MTL's submission on costs has been filed more than four months out of time and after the previous deadline of 7 April 2015 set by me. They also note that a request to extend the period of time to appeal my preliminary decision must be made to the Court and not to the IPO.
- 3 The Comptroller's standard scale of costs is set out in Tribunal Practice Notice 4/2007¹. The scale costs are not intended to compensate parties fully for the expense to which they have been put, but to represent a contribution to that expense. The hearing officer retains discretion, however, to depart from the scale in exceptional circumstances.

¹ <http://webarchive.nationalarchives.gov.uk/tna/20140603093547/http://www.ipo.gov.uk/pro-types/pro-tm/t-law/t-tpn/t-tpn-2007/t-tpn-42007.htm>

Arguments and analysis

- 4 AIL argue that if scale costs were ordered then these costs should be set at the maximum end of the ranges on the basis that the statement of case was 34 pages long and the hearing raised novel points of law requiring detailed research and preparation (as evidenced by the instruction of a Queen's Counsel on the side of MTL). They argue also that off-scale costs would be appropriate because of the fact that certain aspects of MTL's grounds for opposition were found to be an abuse of process, and say that the Comptroller has the ability to depart from scale costs and consider full compensation in cases where there have been breaches of rules, delaying tactics or other unreasonable behaviour (para. 5 of the TPN). They note that Counsel for MTL themselves requested off-scale costs in their skeleton arguments dated 23 September 2014. In the circumstances, AIL seek a recovery of the total costs incurred in the application to strike out, namely £9,606.
- 5 MTL submit that there have been no wider breaches of rules, delaying tactics or other unreasonable behaviour on their part. They say that they did not abuse the process of striking out by "commencing or maintaining a case without a genuine belief that there was an issue to be tried", and therefore there are no grounds for costs to be beyond the standard scale. They argue that the quantum of costs should also reflect the fact that AIL's case for strike-out was only partially successful on the basis that my decision was for only the additional new prior art to be struck out: MTL suggest a percentage adjustment of 70% to reflect a partial victory. AIL have responded to this by saying that they did not apply to strike out the whole of MTL's statement of case but merely to strike out the raft of new prior art.
- 6 The first point to make is that the reason I struck out parts of MTL's grounds for opposition as an abuse of process was not a reflection of any unreasonable behaviour on the part of MTL, i.e. the abuse of process did not constitute an abuse in the sense described in the TPN on costs. As AIL say, the hearing raised new points of law concerning the scope of opposition to amendments under section 75, and the question of whether new prior art could or could not be introduced in opposition had not been considered in any great detail before this case. It follows then that I do not agree with AIL's argument that MTL's behaviour justifies an off-scale order of costs, but I do accept that the effort involved in preparing for the hearing justifies an award of costs towards the top end of the scale.
- 7 The second point to make is that AIL did not apply to strike out the entirety of MTL's grounds for opposition and so there is no justification in adjusting the quantum of award as suggested by MTL. AIL were successful in their application to strike out those parts of MTL's opposition not limited to the questions of whether the amendments overcome the defects identified in the original revocation proceedings and meet the requirements of section 76.
- 8 As to the quantum of costs, when I take into account the published scale and the categories for which costs may be awarded, and taking into account the arguments from both sides, I consider that an award of £2000 to AIL as a contribution to their expenses is justified (made up of £500 for preparing a statement and considering the other side's statement, £1000 for preparing and attending the hearing (held by teleconference) and £500 for preparation and consideration of submissions after the hearing). Although it is regrettable that MTL failed to respond to certain deadlines for

filing their submissions on costs, I do not consider that their behaviour justifies any additional award of costs to AIL.

Conclusion and Order

- 9 I conclude that MTL should pay AIL the sum of £2000 as a contribution to their costs in the application to strike out. This sum is to be paid within 7 days of the expiry of the appeal period set out below.

Appeal

- 10 Any appeal must be lodged within 28 days.

H JONES

Deputy Director, acting for the Comptroller