



PATENTS ACT 1977

BETWEEN

Caterpillar Inc.	Claimant
and	
Joseph Vögele AG	Defendant

PROCEEDINGS

Application under section 72 of the Patents Act 1977 to revoke
Patent no EP (UK) 2514873 B1

HEARING OFFICER

Julyan Elbro

Murgitroyd and Company for the claimants
Hogarth Chambers for the defendants
Hearing date: 03 November 2015

DECISION ON COSTS

Introduction

- 1 In a Decision dated 1 March 2016¹ I concluded that the claimant's attacks on novelty, inventive step and added matter failed and the patent was maintained following an unconditional offer to amend by the defendant. I noted that the defendant had won and were in principle entitled to a contribution towards their costs and indicated that I would give both parties an opportunity to make submissions on this point. The claimant made submissions in a letter dated 31 March 2016, and the defendant made submissions in a letter dated 1 April 2016.
- 2 The Comptroller's standard scale of costs is set out in Tribunal Practice Notice 4/2007². 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. This policy reflects the intention that the IPO be a low cost tribunal for litigants, and builds a degree of predictability as to how much proceedings before the IPO may cost them. The hearing officer retains discretion, however, to depart from the scale in exceptional circumstances.

¹ BL O/104/16 https://www.ipo.gov.uk/p-challenge-decision-results/p-challenge-decision-results-bl?BL_Number=O/104/16

² See <http://www.ipo.gov.uk/p-tpn-42007.htm>

Who should pay whom?

- 3 The hearing was primarily concerned with a relatively straightforward revocation action based on a number of documents, which the claimant submitted along with its statement of case. The defendant submitted unconditional amendments (along with conditional amendments for consideration in the event that the claims as unconditionally offered to be amended were held invalid) at the same time as filing a counterstatement. No further evidence was submitted by either side. Following a one day hearing, I found the patent as unconditionally offered to be amended to be valid.
- 4 The claimant, pointing to a passage in the Hearings Manual, argues that as it had successfully secured amendment of the patent, it had won and should receive a costs award. The defendant argues that it is the successful party, the revocation action having failed.
- 5 The situation seems to me to be between the two positions. Up to the filing of the counterstatement, and the associated unconditional amendments, the claimant can fairly be said to have succeeded by the defendant implicitly conceding the situation regarding the original claims. However, the claimant secured nothing beyond what it had obtained by that point by continuing on.
- 6 Therefore, I will make an award to the claimant for the actions up to the filing of the defendant's counterstatement, and an award to the defendant for the subsequent proceedings.

Request for off-scale costs

- 7 The defendant particularly requests costs off-scale on a compensatory basis as regards consideration of the claimant's conduct, which it deems to be unreasonable in three respects:
 - The defendant argues there was inadequate pre-action correspondence, stating that he claimant demanded a response to six pieces of prior art at a very tight deadline and then failed to respond to the request for time to be given to consider and respond to the original letter before the application for revocation was issued. It argues that had the proposed amendments been filed prior to the making of the application it would never have commenced and all of the costs of these proceedings were therefore incurred as a consequence of the claimant's lack of pre-action correspondence.
 - The defendant argues that in citing three additional pieces of prior art which were ultimately not relied on in the skeleton arguments or in preparation for the hearing, the claimant unreasonably increased the defendant's costs as they needed to review these documents at every stage
 - The defendant also argues that the late arrival of most of the claimant's arguments (in the skeleton argument just before the hearing) also unreasonably increased costs. In particular, the new arguments had to be dealt with at short notice, required them to make submissions as to the admissibility of the new case, could not be dealt with separately from the main hearing and the subsequent uncertainty as to the nature of the hearing meant that it was

necessary for a partner from the defendant's UK attorneys needed to attend in order that important strategic decisions could be made in the course of the hearing.

- 8 Regarding the adequacy of pre-action correspondence, and taking the defendant's allegations as true for this purpose, it seems to me that had the claimant waited longer and the defendant amended before proceedings were launched, this would have been as expensive to both parties as the pursuit of the action up to the filing of the counterstatement. I do not see that the defendant was put to additional expense by matters being put on a more formal footing – just the same amount of consideration was needed to determine the necessary amendments. (Post the filing of those amendments is another matter, as I note above).
- 9 On the other two points, this essentially goes to the claimant not properly giving notice of its arguments. As the defendant notes, I found in my previous decision that this was wrong. Had the late-arriving arguments led to a further hearing, I believe there would be considerable force in an argument that additional costs involved would justify an offscale award.
- 10 As it was, however, I do not think it apparent that the defendants were put to actual additional cost. I accept their point that they perhaps required a more high powered team at the hearing than they might otherwise, but equally, time was not spent prior to that considering the arguments (because they did not have them). Overall, I believe that there is not clearly an additional cost created by the unreasonably late arrival of the arguments. (The arguments themselves clearly created additional costs, but were not in themselves unreasonable). Further, all the documents cited by the claimant, including those not eventually relied on, needed to be fully considered by the defendant to tailor its unconditional amendments, so the fact that they were not relied on by the claimant against the amended claims does not indicate unnecessary costs.
- 11 I therefore decline to make an offscale award in this case.

Calculation of Scale Costs

- 12 Above, I decided to award costs to the claimant in respect of proceedings up to the filing of the counterstatement. This consisted of preparing the statement and the evidence submitted with it (which in this case I deem to have been necessary to causing the defendant to submit amended claims at that early stage). Although not entirely technically simple, this was a relatively straightforward case and I award £300 for preparing a statement and £700 for the evidence, along with £50 filing fee for initiating the action.
- 13 I decided to award the defendant costs for proceedings beyond this point. There was no further evidence, but there was a one day hearing. I award the defendant £1500 for this.
- 14 This makes a net payment from the claimant to the defendant of £1500-£1050=£450.

Conclusion

- 15 I award the defendant the sum of £450 as a contribution towards its expenses. This sum is to be paid by the claimant within 7 days of the expiry of the appeal period set out below.

Appeal

- 16 Any appeal must be lodged within 28 days after the date of this decision.

JULYAN ELBRO