

United Kingdom



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Q: What options are open to a patent owner seeking to enforce its rights in your jurisdiction?

The United Kingdom has three distinct jurisdictions: England and Wales, Scotland and Northern Ireland. Substantive patent law is the same throughout the United Kingdom, but each jurisdiction has its own procedural laws. As nearly all patent cases are heard in the courts of England and Wales, this chapter focuses on that jurisdiction.

There are two courts in England and Wales in which a patent owner may enforce its rights: the Patents Court and the Intellectual Property and Enterprise Court (IPEC), both in London. The IPEC is suitable for lower-value cases, as the damages recoverable are capped at £500,000 (unless otherwise agreed).

If the parties agree, they may refer a patent infringement dispute to the UK Intellectual Property Office (UKIPO) for determination in accordance with its less formal procedures. However, this is uncommon as the UKIPO can award only damages as a remedy – injunctions are not available.

Q: Are parties obliged to undertake mediation/arbitration before bringing a case before the courts? Is this a realistic alternative to litigation?

The courts encourage parties to engage in alternative dispute resolution (ADR) and may impose costs sanctions on a party that has unreasonably refused to consider it. However, if no realistic alternative to litigation exists, courts will not necessarily penalise a party for not having considered ADR.

Q: Are there specialist patent or IP courts in your jurisdiction? If not, what level of expertise can litigants expect from the courts?

Both the Patents Court and the IPEC are specialist IP courts. In the Patents Court, two of the 10 designated judges have a science background and are normally allocated the more technically complex cases. Further, the High Court recently appointed a judge with extensive patent experience. The Court of Appeal includes two specialist IP judges who usually take the lead in writing the judgments in patent appeals.

Q: Are validity and infringement dealt with together, or does your country have a bifurcated system?

If both validity and infringement are disputed, they are almost always addressed together. The

court has discretion in case management, including the option to bifurcate or hear and decide potentially determinative matters as preliminary issues in the proceedings.

Q: Who may represent parties engaged in a dispute?

In the Patents Court and the IPEC, parties may be represented by solicitors and barristers. Solicitors may perform advocacy in the IPEC and in the European Court of Justice (ECJ), but not in the Patents Court or appeal courts, unless they are qualified as a solicitor-advocate. Patent agents may represent clients in the IPEC and may present cases before the higher courts if suitably qualified.

Q: To what extent is pre-trial discovery permitted?

The courts may order pre-action disclosure in relation to specified documents or classes of document. Third parties based in the United Kingdom may be ordered to give disclosure and disclosure may be sought overseas, with overseas courts conducting the procedure.

Disclosure is usually ordered once litigation has commenced. Standard disclosure requires the parties to disclose any relevant documents (ie, those on which the party relies and documents that affect either party's case). Parties should also consider limiting disclosure to specific issues or dispensing with disclosure altogether. Parties must carry out a reasonable search for documents that are, or have been, in their control. The alleged infringer may prepare a full description of the relevant features of its product and/or process instead of giving disclosure in relation to infringement. Disclosure in patent cases in relation to validity is limited to a window from two years before the earliest priority date until two years afterwards.

The disclosing party has the right to withhold documents on grounds of privilege. By agreement of the parties or order of the court, documents containing confidential information may be disclosed only to members of a 'confidentiality club'.

Q: Is cross-examination of witnesses allowed during court proceedings? If so, what form does this take?

Witnesses of fact and expert witnesses must be available for cross-examination at trial and may be cross-examined on any document or issue in the case. Cross-examination comprises a succession of oral questions put to the witness or expert by the other party's counsel.

In the IPEC, cross-examination is strictly controlled to keep costs down. The IPEC may also determine the claim without a trial, with all parties' consent.

Q: What use of expert witnesses is permitted?

Expert evidence is admissible regarding:

- preparation of a technical primer;
- the scope of common general knowledge;
- the ability of a skilled addressee to work the invention;
- disclosures in the prior art; and
- comments on any experiments conducted for the purposes of the litigation.

Each party may usually rely on evidence given by an expert witness engaged on its behalf. If a patent is directed to a team with expertise in more than one discipline, the court may allow the parties to call several expert witnesses.

Expert witnesses have an overriding duty to assist the court. Their opinions must be given independently; they are not advocates for either party.

Q: Is the doctrine of equivalents applied by courts in your jurisdiction? If so, what form does this take?

There is no doctrine of equivalents in the United Kingdom. UK courts apply Article 69 of the European Patent Convention and the Protocol on Interpretation. Patents are construed purposively (ie, what the skilled person would understand the inventor to have meant). The scope of protection conferred by a patent is determined by its claims, as interpreted in light of the description and drawings. This strikes a balance between providing third parties with a reasonable degree of legal certainty and giving the patentee fair protection of its monopoly.

Q: Are there problems in enforcing certain types of patent relating to, for example, biotechnology, business methods or software?

Some types of invention are unpatentable in Europe, including discoveries, theories, mathematical or business methods, artistic works, computer programs, methods of performing a mental act or playing a game and the presentation of information.

Certain biotechnological inventions are unpatentable, including:

- discovery of a gene sequence without industrial application;

- processes for cloning human beings or modifying genetic material in the germ line of human beings;
- industrial use of human embryos;
- processes for modifying the genetic identity of animals that are likely to cause them suffering without substantial medical benefit; and
- animal or plant varieties or any essentially biological process for their production.

Methods of treatment and diagnosis by surgery or therapy and inventions which would be contrary to public policy or morality are also unpatentable.

Q: To what extent are courts obliged to consider previous cases that have covered issues similar to those pertaining to a dispute?

The courts observe the doctrine of binding precedents. Statements made by a court on points of law are binding on courts at the same level or lower. Statements of the rationale for the court's decision are binding; statements made in passing are only persuasive. A decision may be distinguished if its factual background was sufficiently different from the facts of the present case that the point which was decided does not arise.

The highest UK court, the Supreme Court, is not bound by its own decisions or those of its predecessor (the House of Lords).

All courts are bound by decisions of the ECJ in relation to the interpretation of EU law.

UK courts have confirmed that they will follow the settled approaches of the European Patent Office's Technical Board of Appeal.

Q: To what extent are courts willing to consider the way in which the same or similar cases have been dealt with in other jurisdictions? Are decisions from some jurisdictions more persuasive than those from others?

Courts consider decisions of overseas courts on similar issues and may specifically address them in their judgments. Decisions in other European jurisdictions (particularly Germany and the Netherlands) tend to be most relevant because the courts are applying harmonised law based on the European Patent Convention. The courts may also consider decisions of courts in other Commonwealth countries, particularly Australia, Canada and South Africa. US court decisions may be reviewed if a new issue arises.

Q: What realistic options are available to defendants seeking to delay a case? How might a plaintiff counter these?

Following the 2013 Jackson Reforms, courts are more likely to make tough case management decisions and take a strict approach to non-compliance with court timetables, striking out late-filed pleadings and refusing to grant extensions of time for compliance with rules or orders. It is more difficult than ever for defendants to delay litigation.

Q: Under what circumstances, if any, will a court consider granting a preliminary injunction? How often does this happen?

The courts can order interim injunctions against defendants where it is just and convenient and the claimant has not delayed in making its application. The claimant must establish that there is a serious question to be tried (a low threshold) and that damages would not be an adequate remedy. If these requirements are met, then – provided that damages would adequately compensate the defendant if it were enjoined until trial, but found not to infringe – the court should order an interim injunction. Otherwise, the court will reach a decision by evaluating the factors favouring the grant or refusal of the injunction, including the status quo.

Interim injunctions are common in generic pharmaceutical cases, because the innovator can usually establish that disturbance to its monopoly will result in an irreversible decrease in price. In other sectors, interim injunctions are uncommon.

Recent case law suggests that the courts can grant injunctions having effect in other European countries.

Q: How much should a litigant budget for in order to take a case through to a decision at first instance?

Taking a case to trial in the Patents Court is likely to cost between £500,000 and £2 million, depending on the number and complexity of disputed issues and the strategies employed by the litigants. Costs in the IPEC range between £50,000 and £300,000.

Q: How long should parties expect to wait for a decision to be handed down at first instance?

Cases in the Patents Court typically take 12 to 15 months to reach trial, with judgment issued

two to three months later. Actions in the IPEC often take six to nine months to reach trial, with judgment issued one to three months later.

Q: To what extent are the winning party's costs recoverable from the losing party?

Generally, the successful party recovers a proportion of its costs from the losing party – usually 60% to 70%. However, courts have discretion to vary the amount – for example, if the winning party lost on any of the issues and the conduct of the parties during the litigation. In the IPEC, costs recovery is capped at £50,000.

Litigants in cases worth less than £10 million must file costs budgets at an early stage in the litigation, to which they may be held when costs are assessed after trial.

Q: What remedies are available to a successful plaintiff?

Successful claimants are generally granted a broad final injunction to restrain the defendant from infringing the patent until it expires and an order for delivery up or destruction of any infringing products still in the defendant's control. The claimant may claim damages in respect of past infringement (except where infringement was innocent) or an account of unfair profits. The court will also make a declaration that the defendant infringed the patent and, if validity was disputed, issue a certificate of contested validity.

Q: How are damages awards calculated? Is it possible to obtain punitive damages?

Following trial, the quantum of damages is assessed in separate proceedings. Damages should restore the claimant to the position it would have been in if the infringement had not occurred. The claimant may recover only reasonably foreseeable losses caused by the infringing acts.

The courts do not award punitive damages for patent infringement.

Q: Under what circumstances might a court grant a permanent injunction? How often does this happen?

Injunctions are discretionary. However, a successful claimant is normally granted a final injunction to restrain the defendant from



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infringing its patent. Where enforcing a final injunction would have a grossly disproportionate effect on the defendant's business, additional damages may be awarded instead. A final injunction may be stayed pending appeal to the Court of Appeal.

Q: Does the losing party at first instance have an automatic right of appeal? If not, under what circumstances might leave to appeal be granted?

The losing party must obtain permission to appeal from the first-instance court or, if that court refuses permission, from the court which would hear the appeal.

Permission to appeal may be granted where



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the court considers that it has a real prospect of success or there is some other compelling reason why it should be heard. Appeal should be based on errors of law or application of the law. New evidence or material is normally not allowed on appeal; consequently, the Court of Appeal is usually reluctant to interfere with any first-instance findings of fact.

Q: How long does it typically take for the appellate decision to be handed down?

Court of Appeal hearings usually take place nine to 12 months after the first-instance ruling, with judgment issued one to two months later. Appeals on urgent issues have been determined within two weeks of permission to appeal being granted.

Q: Is it possible to take cases beyond the second instance?

Court of Appeal judgments may be appealed to the Supreme Court, but permission to appeal is granted only for cases that raise an arguable point of law of general public importance.

Q: To what extent do the courts in your jurisdiction have a reputation for being pro-patentee?

The courts are characterised by an intellectually rigorous approach and a fair process for all parties. They are not considered to favour either patentees or infringers.

Where both validity and infringement are contested, the defendant is held to infringe a valid claim about 30% of the time. The patent is found invalid in about 50% of such cases.

Q: Is your jurisdiction a signatory to the London Agreement on Translations?

Yes.

Q: Has your jurisdiction signed the Agreement on the Unified Patent Court? If so, when do you expect it to be ratified?

The United Kingdom has signed the Unified Patent Court (UPC) Agreement and enacted the legislation necessary to ratify it. Ratification is expected to take place in Spring 2016. The United Kingdom might delay ratification until all practical preparations for the UPC have been completed. The UK government has secured premises in central London as the seat of the London section of the central division and UK local division of the UPC.

Q: Are there any other issues relating to the enforcement system in your country that you would like to raise?

A patentee that threatens a third party with an action for patent infringement is liable to a person aggrieved by the threats unless the patentee establishes that the patent is valid and infringed. Patentees must therefore take care when corresponding with potential infringers. *iam*



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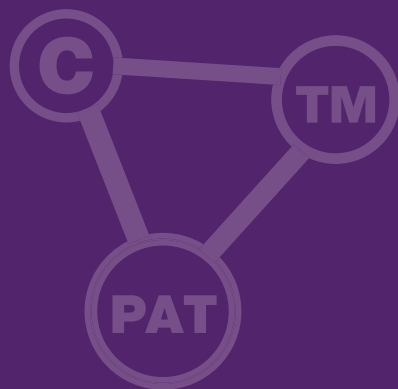
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