



Neutral Citation Number: [2021] EWHC 2259 (IPEC)

CLAIM NO: IP -2020-000085

IN THE HIGH COURT OF JUSTICE
BUSINESS & PROPERTY COURTS OF ENGLAND & WALES
INTELLECTUAL PROPERTY LIST (ChD)
INTELLECTUAL PROPERTY ENTERPRISE COURT

Royal Courts of Justice
Rolls Building, Fetter Lane, London EC4A 1NL

Date: 13 August 2021

Before:

DAVID STONE
(sitting as a Deputy High Court Judge)

Between :

(1) LUTEC (UK) LIMITED

(2) NINGBO UTEC ELECTRIC CO., LTD
(a company incorporated under the laws of the
People's Republic of China)

(3) LAMPEKONSULENTEN A/S
(a company incorporated under the laws of Norway)

Claimants

- and -

(1) CASCADE HOLDINGS LIMITED

(2) FORUM LIGHTING SOLUTIONS LIMITED

Defendants

Mr David Ivison (instructed by **Briffa**) for the **Claimants**
Mr Nick Zweck (instructed by **BBS Law Limited**) for the **Defendants**

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

Covid-19 Protocol: This judgment is to be handed down by the deputy judge remotely by circulation to the parties' representatives by email and release to Bailii. The date for hand-down is deemed to be 09 July 2021.

David Stone (sitting as a Deputy High Court Judge) :

1. At the liability trial of this matter on 25 June 2021, I held that all four pleaded registered designs were infringed by two of the Defendants’ outdoor light fittings. My reasons can be found at [2021] EWHC 1936 (IPEC) (the **Main Judgment**). I awarded the Third Claimant (the owner of the registered designs) its costs, to be agreed or assessed. The parties have been unable to agree those costs. This is therefore my judgment on costs. Both sides provided written submissions and I dispensed with a hearing.

The Costs Sought

2. The Third Claimant seeks costs as follows (I also indicate the IPEC costs cap):

Stage of Claim	Total (actual)	Stage Cap
First Interim application	£1,833.50	£3,000.00
Second Interim application	£6,885.00	£3,000.00
Preparing for and attending trial and judgment	£14,080.00	£16,000.00
TOTAL	£22,798.50	£28,000.00
TOTAL CLAIMED	£18,913.50	£28,000.00

3. The Third Claimant does not ask that I lift the IPEC caps, but has provided written submissions outlining what its counsel says are ten “illustrative” points of “deeply unhelpful” conduct which the Third Claimant says the Defendants engaged in. I did not find this submission helpful and have not taken it into account in reaching my decision.

The Law

4. There was no disagreement between the parties on the law to be applied – the approach to costs in the IPEC was set out by HHJ Birss QC (as he then was) in *Westwood v Knight* [2011] EWPC 11. That judgment, particularly at paragraphs 21 to 26, is well known and I do not repeat it here.

The Defendants’ Position

5. The Defendants objected to the Third Claimant’s costs on three grounds, which I will take in turn.

Is the Third Claimant liable for the costs that it has claimed?

6. The Defendants submitted that it remains a live issue in the proceedings whether the Third Claimant is in fact liable to its solicitors for the costs claimed. This submission arises by virtue of the facts set out at paragraphs 6 and 9 of the Main Judgment. The Defendants submitted that:

- i) The Third Claimant was joined to the proceedings after the CMC;
 - ii) The Third Claimant is alleged not to have played an active role in the proceedings; and
 - iii) The Third Claimant has not been paying for the Claimants' solicitors' services.
7. On this basis, the Defendants submitted that the burden must lie with the Third Claimant to prove that it is liable for the costs claimed, and that the court ought not to make an award in the absence of witness evidence (for example from the Third Claimant's solicitors) explaining the terms of engagement and establishing that the Third Claimant is in fact liable for its solicitors' costs.
8. I do not accept this submission. I have before me a document signed by the Third Claimant's solicitor Mr Ralph Wehrle which states:
- “The costs stated above do not exceed the costs which the Third Claimant is liable to pay in respect of the work which this statement covers. Counsel's fees and other expenses have been incurred in the amounts stated above and will be paid to the persons stated.”
9. Whilst that statement does not amount to a Statement of Truth, it seems to me sufficient for present purposes to justify the claim for costs made by the Third Claimant.

Has the Third Claimant provided the Court with what it needs properly to assess costs?

10. The Defendants submitted that the Third Claimant has not complied with paragraphs 9.5(1) and (2) of PD 44 in that it has failed to provide a written statement of costs on Form N260 setting out details of the number of hours claimed, the hourly rates claimed, the grade of relevant fee earners, etc. Rather, the Third Claimant has provided a summary schedule, which sets out the total claimed for each stage for solicitors' fees, counsel's fees, and disbursements. The Defendants therefore urge me to make no award of costs, or, alternatively, a much reduced award.
11. I do not accept this submission. As the Defendants conceded, the Third Claimant has provided the summary schedule referred to by HHJ Birss in *Westwood v Knight* at paragraph 23, where His Honour remarked that the “summary schedule was a useful document and I commend the idea to other litigants in future”. The document provided in this case (signed by the Third Defendant's solicitor) shows solicitors' fees, counsel's fees and disbursements. The amounts are, even within the scheme of IPEC litigation, small, with two of the three claimed stages falling within the IPEC stage cap. Whilst it would have been preferable for the full details to have been provided, in the circumstances of this case and on the basis of all the facts available to me from having heard the trial, I do not consider it appropriate to deny the Third Claimant its costs, or to reduce the award of those costs, on the basis of

its failure to provide a more detailed schedule. In this case, I do not consider that this disadvantages the Defendants in any way: their counsel has been able to provide detailed written submissions on each stage claimed, to which I turn next.

The Defendants' submissions by stage

12. **Interim Application 1:** The Third Claimant seeks its costs in the sum of £1,833.50 for an application for it to be added to the proceedings, and for consequential amendments to be made to the Particulars of Claim. The Defendants submitted that the usual rule is that the amending party must pay the other side's costs of and occasioned by the amendment. I accept that that is the usual rule, and the rule that ought to have applied had the Defendants consented to the application rather than resisting it. However, throughout the proceedings, the Defendants sought to avoid liability on the basis that the registered design owner was not a party to the proceedings. They then resisted an application to join the registered design owner. The Defendants were offered the opportunity to consent: they did not. No further submissions were made by the Defendants in relation to the amount claimed. The Third Claimant should therefore have its costs of this application in the amount claimed.
13. **Interim Application 2:** The Third Claimant seeks its costs of defending the Defendants' application to strike out the claim and application for summary judgment. The Defendants' application failed: usually that would mean that the Claimants are entitled to their costs. The Defendants submitted, though, that their application did force the Claimants to provide disclosure and evidence on the licensing issues, and that therefore a fair outcome on that aspect of the application is that each party bear its own costs. I disagree. The Claimants were completely successful in resisting the application for strike out and summary judgment, and went on to win the infringement proceedings. The Third Claimant should have its costs.
14. The Third Claimant claims £6,885. Even if I were to discount this by 50% (which I am not minded to do), then it would still exceed the IPEC stage cap of £3000. The Third Claimant should have its costs to the cap of £3000.
15. **Trial and judgment:** The Third Claimant claims £14,080 in relation to this stage. In his written submissions, counsel for the Defendants responded to the allegations of unhelpful conduct to which I have referred above. However, as I have also set out above, I have not taken these into account in my assessment.
16. No other criticisms were made of the costs claimed by the Third Claimant for this stage, and so I award them in full.

Summary

17. I award the Third Claimant costs in the sum of £1,833.50 for Interim Application 1, £3000 for Interim Application 2 and £14,080 in relation to Trial and Judgment.

18. It is important in IPEC proceedings that costs assessment not become unnecessary satellite litigation the costs of which are at risk of exceeding the amounts in dispute.