



BL O/212/05

1<sup>st</sup> August 2005

**PATENTS ACT 1977**

BETWEEN

Yeda Research and Development Co. Ltd.

Claimant

and

Rhone-Poulenc Rorer International (Holdings) Inc. and  
ImClone Systems Inc.

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Defendants

PROCEEDINGS

Reference under section 37 of the Patents Act 1977 in  
respect of patent number EP(UK) 0667165 B1

HEARING OFFICER

R C Kennell

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**SUPPLEMENTARY DECISION ON COSTS**

**Introduction**

- 1 In my preliminary decision of 17 June 2005 I refused to grant the stay of proceedings requested by the defendants. The matter of costs not having been raised, I said that I was minded to make an award for the preliminary point in accordance with the principle of associating costs with their cause set out in Tribunal Practice Notice 2/2000 [2000] RPC 598 and invited the parties' submissions.
- 2 The defendants and the claimant filed their submissions on 7 and 11 July 2005 respectively, and the defendant ImClone made further comments in a letter dated 13 July 2005. I base this decision on these submissions and comments. The correspondence on costs has to some extent been caught up with a substantial correspondence about the amendment of the statement and the filing of the counter-statement, but that forms no part of this decision.
- 3 Paragraphs 12 and 13 of the Practice Notice state:

*"12. .... It is too easy when costs are, as now, generally rolled over into the*

*final decision, for the reason they were awarded to be lost sight of, for example when an award is made to penalize the taking of a purely technical point to a preliminary hearing.*

*13. The Office therefore intends, far more frequently than in the past, to make costs orders as the cause of them arises. Examples of situations in which such an award might be made are:*

*(a) where “blame” can be attached to one or the other party, e.g. a missed deadline;*

*(b) where amendment to the statements of case is being sought (particularly where evidence has already been filed by the other side), although that could be tempered if the statements are being amended to remove a ground and make them more focused.”*

## **Submissions**

- 4 On the basis of the above the defendants argue that immediate costs should only be considered where some blame or penalty is appropriate, and so that the reasons for the award are not lost sight of as the action progresses. They believe that this is not such a case, since it was not a clear cut action which ought not to have been brought and was not on a purely technical point, but was more akin to a case management point, with complex issues to be addressed. They also thought that the claimant’s silence on costs in the statement and at the hearing militated against an award.
- 5 The defendant therefore believed that costs should be rolled over to the final decision, but that if I were minded to make an immediate award then it should be in accordance with the comptroller’s usual scale, since the application for a stay was made *bona fides* and there were no breaches of rules or unreasonable delay or complication as mentioned in paragraphs 7-8 of the Practice Notice.
- 6 The claimant on the other hand thought this was a case where the defendants’ arguments had raised extensive and detailed arguments which were shown to be without merit, which it had been put to considerable expense in rebutting. (It appended an outline schedule of costs of £40,800 for the period May 2004 to March 2005 in respect of dealing with correspondence and preparation for and attendance at the hearing.) The claimant thought the application for stay was purely a delaying tactic, aimed at postponing the UK proceedings for as long as possible to allow the parallel US proceedings to go ahead first.
- 7 Accordingly the claimant believed it was entitled to an award in excess of the usual scale to enable it to recover a substantial proportion of the costs it had incurred. However, if I were not minded to exceed the usual scale, the claimant requested the maximum award allowed by the scale of costs, namely £2000.
- 8 The defendants denied (see further letter of 13 July 2005) that that the application was

wholly without merit or that it was a delaying tactic, quite rightly pointing out that I had acknowledged that the matter was not clear cut and that my decision was without prejudice to a subsequent request for a stay if the circumstances changed.

### **Conclusion and award**

- 9 Whilst the Practice Notice highlights situations in which there is some element of blame as ones which might justify an immediate award of costs, these are put forward merely as examples. I do not read the Notice as excluding other situations. In particular I do not think an immediate award of costs is precluded in a situation such as the present where, whatever the findings on the specific arguments, the preliminary proceedings relate to a distinct point with a clear overall decision one way or the other – in this case for the claimant. Indeed I note that in the preliminary decision in *Rexam CFP Limited v Thibierge & Comar SA* BL O/345/01, referred to in the paragraphs of the Patent Hearings Manual to which my attention was drawn at the hearing, the hearing officer made an immediate award to Rexam in respect of its successful opposition to Thibierge’s application for a stay, even though there had been no suggestion, as I read the decision, that Thibierge’s application was in any way unreasonable or blameworthy.
- 10 In my earlier decision I said that I had some sympathy with the claimant in view of the large volume of correspondence filed by the defendants, particularly ImClone. Also the claimant in its submissions has commented (footnote to paragraph 3) that the defendants pursued the application in the UK after the German court had found an application for stay in the parallel German proceedings to be without merit. In view of the matters noted at paragraph 8 above I do not think I would go so far on the submissions before me to say that the application before the comptroller was so clearly without merit or so clearly a delaying tactic as to warrant departure from the normal scale of costs.
- 11 Nevertheless I think the claimant is entitled to a contribution to its costs in accordance with the usual scale since there has been a substantial case for them to answer and a hearing on complex legal issues. I do not however think an award at the maximum level is justified in respect of preparation for and attendance at the hearing, given that there was no evidence (apart from a short statement of actual and projected sales figures which played little part in the deliberations) and no need for witnesses to be called.
- 12 I therefore consider that an immediate award of costs is justified in respect of the proceedings concerning the application for stay. I award the claimant the sum of £1000 to be paid by the defendants within 7 days after the date of expiry of the appeal period below. Payment will be suspended in the event of an appeal.

### **Appeal**

- 13 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

**R C KENNELL**

Deputy Director acting for the Comptroller.