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Claim No: HP-2020-000026

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND & WALES
PATENTS COURT (ChD)
SHORTER TRIALS SCHEME

The Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: Thursday, 22 July 2021

Before:

MS. PAT TREACY
(SITTING AS A JUDGE OF THE CHANCERY DIVISION)

Between:

INSULET CORPORATION
(a company incorporated under the laws of the State of Delaware, USA) **Claimant**

- and -

ROCHE DIABETES CARE LIMITED **Defendant**

ANDREW WAUGH QC and JAANI RIORDAN (instructed by Simmons & Simmons LLP) appeared for the Claimant.
MICHAEL TAPPIN QC and JAMES WHYTE (instructed by WilmerHale) appeared for the Defendant.

APPROVED JUDGMENT

DEPUTY JUDGE TREACY:

Introduction

1. This judgment deals with issues consequential on the main judgment in this action ([2021] EWHC 1933 (Pat)) handed down on 9 July 2021. There is no need to rehearse the background and outcome, which are set out at some length in the main judgment. As far as necessary I refer to the findings on other aspects of the case below.

Issues

2. Two principal issues arise: costs and permission to appeal. There are some additional points relating to time for payment and interest.
3. The disputes on costs are:
 - (a) the proportion of Roche's costs (excluding those in (c) and (d) below) which Insulet should be ordered to pay;
 - (b) summary assessment of those costs;
 - (c) summary assessment of Roche's costs of the stay application (there is already an order awarding Roche those costs); and
 - (d) summary assessment of 50% of Insulet's costs of Roche's application to amend its Defence (there is already an order awarding Insulet those costs).
4. There is no dispute that the costs of (d) need to be set off against those in (b) and (c).
5. The case proceeded under the Shorter Trials Scheme ("STS"). Under that regime, costs are summarily assessed and certain other aspects of the normal requirements relating to costs generally do not apply, including the costs management provisions under CPR 3.12. PD57AB requires the parties to exchange schedules of costs within 21 days of conclusion of the trial and mandates that such schedules should "... contain sufficient detail of the costs incurred in relation to each applicable phase identified by Precedent H to the Costs Budgeting regime to enable the trial judge to be in a position to make a summary assessment thereof following judgment."

Principles

6. The attribution and assessment of costs under the STS are subject to CPR 44.
7. The general rule on attribution is that the unsuccessful party will be ordered to pay the costs of the successful party. The Court will have regard to all the circumstances including whether a party has succeeded on part of its case, even if it has not been wholly successful.
8. When considering quantum, costs should be disallowed where they are: unreasonably incurred or unreasonable in amount; disproportionately incurred or disproportionate in amount. The Court should disallow costs when there are doubts as to reasonableness or proportionality. Again, the Court must have regard to all the circumstances including:

- the sums in issue;
 - the value of any non-monetary relief;
 - the complexity of the litigation;
 - any additional work generated by the conduct of the paying party; and
 - any wider factors such as reputation or public importance.
9. The fact that both parties have incurred significant costs does not in itself mean that the costs were either reasonable or proportionate. The costs of the paying party may, nevertheless, be an indicator of the importance of the matter to the parties and the skill, effort, specialised knowledge and responsibility involved in dealing with it.
10. The Court must allow for the different judgements which those engaged in litigation can sensibly make as to what is required, without being beguiled by having the benefit of hindsight. There are three guiding principles:
- that reasonableness and necessity are objective standards;
 - that the Court must apply a sensible standard, having regard to the inherently imprecise nature of summary assessment, sometimes described as “relatively rough and ready”; and
 - that any reasonable doubt must be decided in favour of the paying party.
11. Insulet suggested that the STS regime imports additional specific considerations.
12. Insulet particularly relied on a recent proposal to introduce a general costs cap for patent cases in the STS. As I understand it, the scheme proposes a cap on total costs recovery of £500,000 after set off and assessment and excluding the costs of interim applications. This proposal states that the suggested £500,000 cap “*is supported by anecdotal evidence from solicitors with experience of using the STS for patent disputes.*”
13. The pilot scheme to cap costs is not in force, nor was there any suggestion before Insulet’s submissions and accompanying evidence on costs that this case should be subject to any cap. While the reduction of the costs of patent litigation may be desirable (whether in the STS or elsewhere), a general costs capping regime has not been introduced and it would be wrong to import one by proxy, particularly once a case has been litigated to trial. There is no evidence before me of the types of case to which the anecdotal evidence supporting the scheme related, or of actual costs awards and the context in which they took place, so any reliance on the statement in the proposal as to what can be considered reasonable and proportionate would be misplaced.
14. Having said that, it would be surprising if having an appropriate case dealt with under the STS were not to result in cost savings to the parties by comparison with general chancery litigation. This was noted by Birss J in *Family Mosaic Home Ownership Ltd v Peer Real Estate Ltd* [2016] EWHC 257 (Ch), to which counsel for Insulet drew my attention. The rules in the STS are intended to streamline aspects of litigation and to provide a speedier route to a shorter trial which, all other things being equal, may reduce

costs by comparison with the potential costs for the equivalent case heard outside the STS. Given the likely nature of patent cases within the STS, it may also be that they will tend to be cheaper than the generality of patent litigation in the Patents Court. Notwithstanding those considerations, the approach to both apportionment of costs and their assessment remains the same for cases in the STS as for other litigation: each case must be considered in the light of its own particular circumstances.

Attribution of costs

15. As explained by Arnold J in *Hospira UK Ltd v Novartis AG* [2013] EWHC 886 (Pat) at [2], and further elaborated by Birss J in *Unwired Planet International Ltd v Huawei Technologies Co Ltd* [2016] EWHC 410 (Pat) at [8], judges in the Patents Court generally start by asking three questions:

- who has won;
- has the winning party lost on an issue which is ‘suitably circumscribed’ so as to deprive the winning party of the costs of that issue; and
- is it appropriate in all the circumstances also to require the overall winner to pay the other party’s costs of an issue on which it has been deprived of its costs.

16. There is no dispute as to the first question: Roche has won overall. It has achieved its commercial objective. The disputes go to the second and third questions. Insulet contends that Roche lost on various discrete issues and that it is both appropriate to make deductions and also to require Roche to pay Insulet’s costs of those issues.

17. I bear in mind the comments of Birss J in *Unwired Planet* at [9] about the difference between what is, in effect, ‘no order as to costs’ on a particular circumscribed issue and an order which awards the cost of the issue to the overall loser. As Birss J noted, this can have very significant financial consequences:

“Nevertheless, the difference between what is in effect no order as to costs on an issue and an order awarding the costs of the issue to the loser does need to be recognised. It can have significant financial consequences. In my judgment when dealing with a suitably circumscribed issue on which the winner has lost, the court will be more ready to make a “no order as to costs” type of order than it would be if one was at the first stage, having identified the overall winner, asking whether the general order for costs of the proceedings as a whole should be “no order as to costs”. The critical difference is that when considering a circumscribed issue, the court has already decided about the overall incidence of costs in the litigation and is now looking at possible exceptions. That is probably all “exceptional” ever meant. It does not mean the order is confined to exceptional cases.”

18. I also note that when the Court is making deductions or otherwise dealing with claimed costs on a percentage basis by way of summary assessment the exercise is very approximate. This reflects both the summary nature of the process as well as the reality that the costs schedules provided by the parties inevitably lack precision on the attribution of costs to particular issues, even when prepared conscientiously and thoroughly. Given the inter-related nature of many aspects of litigation (perhaps particularly the case in patent litigation), issue-based attribution cannot be precise.

19. The difficulties faced by the parties and the Court were discussed at some length by Birss J at [11]-[20] of *Unwired Planet*. In the STS, summary assessment is the norm, as is reflected in the requirements of PD57AB, and the considerations identified by Birss J will be a routine aspect of costs assessment under that regime.

Issue-based deductions

20. The issues for which deductions are sought are: Common General Knowledge (“CGK”); construction; infringement; obviousness; abandoned prior art; and amendment of the Patent.
21. Roche contends that as the successful party overall, with the Patent having been held both invalid and not infringed, it should be awarded all of its costs subject to summary assessment. In the alternative, Roche accepts that each piece of prior art is a discrete aspect to which costs can be attributed and that a deduction of the costs associated with prior art on which Roche did not succeed would be appropriate.
22. Insulet also seeks its own costs where a deduction is made from Roche’s costs. Its proposed approach is to apply the same percentage uplift to its costs as that by which it proposes that Roche’s costs should be reduced.
23. As noted by Birss J in *Unwired Planet*, a decision to award a losing party a proportion of its costs in addition to depriving the winning party of a proportion of its costs is an exception to the overall principle that the winner of litigation at trial should be free of an adverse costs burden. While such orders may be appropriate in circumstances which need not be ‘exceptional’, a party asking the Court to make such an exception should provide cogent reasons explaining why it is appropriate to move beyond the ‘no order as to costs’ scenario and order costs against the overall winner.
24. It is unlikely to be correct, in most cases, to assume that because it may be appropriate to deprive the successful party of some of its costs on a discrete issue, it will be appropriate to award costs against it. There must be some reason to take that step.

CGK

25. While noting that much of the CGK was common ground by the time of trial, Insulet seeks a deduction from Roche’s costs in respect of five aspects of the CGK. Insulet submits that a substantial proportion of the oral evidence, submissions and judgment were directed to those specific issues and that Roche lost on each of them. It contends that the appropriate way of dealing with costs of CGK points is to make a percentage deduction from Roche’s costs (and an equivalent award to Insulet) in relation to obviousness, because the identification of the CGK is an aspect of the *Pozzoli* questions.
26. Roche unsurprisingly disagrees with this approach. It submits that neither the CGK as such nor the particular aspects of the CGK identified by Insulet are discrete ‘issues’ on which Roche lost. Roche also submits that the CGK was an important input to the case as a whole, not just as to obviousness, and is closely intertwined with construction. Roche notes that the discussion of the disputed issues of CGK in the Judgment was brief and a correspondingly small part of the evidence.

27. I do not recall spending substantial time at trial on disputed CGK as such. The portion of the Judgment dealing with it is relatively brief. The points to which Insulet refers as being discrete are relevant to several aspects of the Judgment and are more appropriately dealt with as part of the overall success or failure of the parties on those stand-alone issues. I do not consider it appropriate in the circumstances of this case to make a deduction from Roche's costs (or by extension an award to Insulet) to account for those aspects of disputed CGK where I did not accept Roche's views.

Patent construction

28. Insulet argues that there were three important questions of patent construction which were decided two to one in favour of Insulet, justifying a significant deduction from Roche's costs of: pleadings; expert evidence; trial preparation; and trial. Insulet also seeks the award to Insulet of its equivalent costs.
29. Roche submits that dealing with obviousness and validity inevitably requires consideration of a number of prior questions which are not sufficiently separate for the Court to deal with the costs of each as a circumscribed issue. Counsel for Roche submitted that it is not the practice of the Patents Court to 'salami slice' main issues such as obviousness, novelty and infringement.
30. The questions to which Insulet refers related to particular integers of the patent claims which were relevant to different aspects of the Judgment in different ways. The construction of claims can be to the advantage of a party on one aspect of its case, but cause it difficulties on another. For example, as pointed out by counsel for Roche, in this case Integer 1H, on which Insulet says it succeeded as a matter of construction, had a positive effect on Insulet's infringement case, but did not assist on the arguments as to added matter.
31. In this case, identifying the 'success' or 'failure' of the parties in the construction of individual integers in this case and then seeking to attribute some element of costs accordingly will render a task which is already difficult almost impossible. Dividing clearly circumscribed issues into smaller and smaller units is likely only to increase the time required of the parties and the Court in dealing with costs issues. I will not make a deduction from Roche's costs on the basis of the patent construction arguments.

Non-infringement issues

32. Similar points are made by Insulet in relation to the non-infringement issues, such as in respect of the presence of a 'housing'; the integration of the TPAT with the EPA; and various other subsidiary issues. It submits that four main integers were in dispute and that Roche succeeded on two and Insulet on the others. It accepts that the most important of those (for infringement purposes) was Integer 1G, on which Roche succeeded and that, as a consequence, Roche succeeded overall on the issue of infringement. Nevertheless, Insulet contends that there were separate and identifiable costs involved in running the infringement arguments on which it succeeded and that suitable deductions should be made.
33. Roche submits that, to the extent that Insulet succeeded on any of the infringement issues (and it does not agree that Insulet correctly attributes success and failure), Insulet's approach is wrong in principle. Its arguments on this are mainly that the

consequence of Insulet's approach would be that Roche would be deprived of significant costs relating to infringement while Insulet would receive a substantial award of costs on an issue where Roche was clearly the winner.

34. This debate points up the difficulty of the exercise. Stepping back and looking at the overall position, I consider that Insulet succeeded on some discrete aspects of infringement and that there should be a deduction from Roche's costs to reflect that. I do not consider a deduction of 20% of certain very significant phases of the litigation "in the round" to be appropriate. That figure struck me as likely to be high even had I accepted Insulet's submissions on CGK, construction and all aspects of non-infringement. In circumstances such as this, the Court must be careful not to create perverse incentives, encouraging parties to divide the 'issues' into smaller and smaller micro-sections in costs submissions in relation to which a win or a loss might result in significant financial consequences.
35. The infringement issues as a whole took up a good proportion of the time at trial, but the debates on particular aspects were intertwined with other issues. Looking at infringement alone, the time spent on Integer 1H, for example, was significantly less than that spent on Integer 1G, on which Roche won.
36. Taking everything in the round, I consider that it is appropriate to make a deduction from Roche's costs of 2% of phases 4, 6, 8, 9 and 10.
37. I do not consider it appropriate to award Insulet its costs of this aspect of the case, Roche was the clear winner on infringement overall: its lack of success on a relatively minor aspect of the overall infringement case does not justify an order of costs in favour of Insulet, not least because the infringement issue on this integer was closely related to a number of other issues in the case and was not favourable to Insulet in that context.

Obviousness

38. The overall conclusion on obviousness was that, absent a specific finding on disclosure, the Patent would not have been invalid for lack of inventive step because the integers at the core of the inventive concept were not obvious. Other integers were held to be obvious over both cited pieces of prior art.
39. Looking at obviousness as a whole, I conclude that Roche's reliance on MiniMed was unsuccessful and that it is appropriate to make a deduction from Roche's costs to reflect that. Roche's reliance on PhiScience for obviousness was also largely unsuccessful.
40. I conclude that it is appropriate to deduct a proportion of Roche's costs of the phases where these citations would have affected costs (PPD, expert report, trial preparation and attendance at trial). Recognising the inevitable lack of precision in this approach, I conclude that the appropriate level is less than contended for by Insulet (20%) to reflect the fact that Roche did succeed on some aspects of obviousness. I find that an appropriate deduction would be 15% of the phases I have mentioned above.
41. Insulet makes specific submissions about the rationale for awarding its costs of obviousness, namely that:
 - very significant costs were incurred;

- the Court's overall findings on the separate and distinct issue of obviousness were clearly in Insulet's favour;
 - it is not necessary for the Court to find that Roche acted unreasonably in order to decide that some award of costs in Insulet's favour is appropriate; and
 - the appropriate outcome is for the defendant to pay the patentee's costs of a distinct and separate challenge to validity that failed.
42. In this instance, it is appropriate to award Insulet costs attributable to the failed obviousness attack. This is a distinct issue. Insulet, its experts and the Court had to consider the prior art relied on. While it is far from perfect, I adopt the approach for this particular issue of reflecting the same percentage in the costs award to Insulet as the deduction from Roche's costs, namely 15% of Insulet's costs of the PPD, expert reports, trial preparation and appearance at trial.

Abandoned prior art

43. Insulet seeks a reduction in Roche's costs award to reflect the abandonment of two pieces of prior art:
- (i) Becton Dickinson shortly after the CMC; and
 - (ii) Meonic just before the exchange of expert reports.

The circumstances in which these pieces of prior art were dropped were different and are dealt with separately below.

44. Meonic was originally cited for both novelty and obviousness. The novelty case was dropped in November 2020 and the obviousness case in March 2021. Insulet contends that significant costs were incurred on this piece of prior art, including in the preparation of the pleadings, claim charts and expert reports, justifying a significant reduction. Roche contends that it was reasonable to pursue a range of prior art in the earlier stages of the case and that it should therefore not be deprived of its costs.
45. For the reasons noted by Birss J at [18] of *Unwired Planet*, the Court needs to tread carefully to avoid creating perverse incentives by routinely reducing the costs awarded to, or awarding costs against, winning parties who have appropriately cited prior art and then decide to drop it before trial. This could result in parties deciding to run the issues up to trial, increasing costs and the demands on the Court's time and resources.
46. Roche did not drop Meonic as an obviousness citation until around two months before trial. Contrary to its counsel's submissions and the evidence, I do not regard this as being an early stage of the case even in the compressed timetable of an STS action.
47. It is incumbent on all parties to approach litigation reasonably and proportionately. That includes maintaining careful oversight over the issues and evidence and ensuring that the case is streamlined in a timely fashion. Costs awards reflecting this principle are appropriate, particularly in a streamlined procedure. A deduction from Roche's costs of the relevant phases and an equivalent award to Insulet of its costs are appropriate.

48. Becton Dickinson was a citation for novelty only. Roche says that it was a strong citation against the Patent as granted and forced Insulet to apply to amend the Patent. Insulet submits that this is irrelevant and that raising and then dropping a piece of prior art should always result in a deduction from costs, noting also that the impact of Becton Dickinson on the Patent as granted was not resolved at trial.
49. I do not regard a blanket deduction of costs from every party who abandons prior art as appropriate. The specific circumstances are relevant. Roche was entitled to plead Becton Dickinson. While its effect on the Patent as granted was not dealt with at trial, it seems clear that it led to the amendment application. There was no delay in dropping it. This appears to have happened at around the same time as the amendment application, and well before trial. In the circumstances, it is not appropriate to deduct anything from Roche's costs.
50. Insulet contended that a deduction of 25% of Roche's costs of pleadings and expert reports would be the appropriate adjustment to deal with the abandonment of both Meonic and Becton Dickinson. I have concluded that no deduction was appropriate for Becton Dickinson. As far as Meonic is concerned, Roche submitted that 2.5 % of its total costs would be an appropriate deduction. I disagree. As Insulet noted, most of the expense arising from Meonic would have been incurred during the pleadings and expert report phases (it was abandoned shortly before an extended deadline for expert reports and would have formed a considerable part of Insulet's discussions with its expert). I regard it as fairer and more proportionate to deduct 10% from Roche's costs of pleadings and expert reports, and to award Insulet 10% of its equivalent costs.

Application to Amend the Patent

51. Roche challenged Insulet's Application to amend the Patent. The Application succeeded, but its success did not save the Patent. Insulet says that Roche's costs of that application should be deducted and Insulet should have all of its costs. Roche submits that the Application to amend the Patent was necessitated by Roche's citation of Becton Dickinson and was ultimately fruitless. It notes that the Application was resisted on two grounds: that the proposed amendments would not cure the invalidity, on which it says it was correct; and that the amendments were invalid by reason of added matter, on which it accepts it did not succeed.
52. Roche should not have its costs of the former aspect of the amendment: the appropriate result is no order as to costs for that aspect of the Application.
53. Roche failed entirely on the latter aspect, which did involve costs. The just award is 25% of Insulet's costs relating to the Amendment Application.

Summary on attribution of costs of Claim and Counterclaim

54. In summary, I conclude that there should be the following deductions from Roche's costs: Pleadings and Statements of Case – 10%; PPD – 17%; Amendment of Patent – 100%; Expert Reports – 27%; PTR – 2%; Preparation for Trial – 17%; and Trial – 17%.
55. In addition, Insulet should recover the following costs: Pleadings and Statements of Case – 10%; PPD – 15%; Amendment of Patent – 25%; Expert Reports – 25%; Preparation for Trial – 15%; and Trial – 15%.

Roche's Stay Application

56. As directed following trial, Insulet is to bear Roche's costs of the pre-emptive Stay Application. Insulet submits that aspects of Roche's approach to that application require a deduction from Roche's costs at this stage (and a further reduction in quantum on summary assessment). Roche submits that this is wrong in principle and that the summary assessment process is the correct route to any appropriate reductions in Roche's costs. I agree with Roche that the correct approach is to deal with any concerns about the reasonableness or proportionality of Roche's costs of the Stay Application in the context of summary assessment.

Roche's Application to amend its pleadings

57. Roche made an application to amend its pleadings at the PTR. The costs of that application were dealt with by the judge dealing with the PTR and Roche was ordered to pay 50% of Insulet's costs, to be summarily assessed after trial.

Summary assessment of costs

Claim and Counterclaim

58. I have set out above the principles and approach that govern any summary assessment and do not understand there to be any dispute as to the correct approach.
59. I turn first to Roche's claimed costs of the Claim and Counterclaim (including the incurred costs of post-trial matters (£58,751); the pre-emptive Stay Application (£83,404); and preparation of a schedule of costs (£79,079)). Overall those amount to around £1.67 million, comprising around £1.2 million of solicitors fees and around £420,000 of disbursements (including counsel and experts). In line with the guidance given by the Court of Appeal (Woolf CJ) in *Home Office v Lownds* [2002] EWCA Civ 365 at [31], I consider first the overall reasonableness and proportionality of Roche's claimed costs before dealing with particular issues on individual phases of the action and reaching a view on the proportion of Roche's costs to be awarded.

General points

60. Insulet mounted a vigorous attack on the overall proportionality of Roche's costs, referring to the short trial length; the limited technical complexity of the litigation; the fact that non-monetary relief would be limited; and the absence of special factors as reasons why the costs were disproportionate. Insulet also submitted that the number and seniority of the lawyers involved in the proceedings was excessive and that excessive time was devoted by Roche's solicitors to various phases of the litigation, while noting that it was difficult to work out from the costs schedule supplied by Roche who had done what at each phase. Insulet referred to its own costs (capped at £1 million, but actually in the region of between £1.1 million and £1.2 million) as a more appropriate indicator of what might be expected in the STS. Insulet suggested that an appropriate assessment on a summary basis would be 50% of claimed costs.
61. Roche defended its claimed costs on the basis that the proceedings were important because of the risks to it and to others of an injunction. It contended that, even if any injunction would have been short (no more than 6-8 weeks, given the date of the trial

(mid-May) and the expiry of the patent on 30 August 2021), the effect of any injunction would last much longer and would have resulted in reputational damage to Roche's relationship with the NHS as a supplier of insulin pumps.

62. Roche also contended that costs of this level are normal for a patent action of this type and cautioned the Court against having regard to Insulet's costs as an indication of proportionate costs because: Roche had more at stake; Insulet's solicitors had agreed a costs cap for each defined phase and overall; and Roche had to incur significant additional costs not borne by Insulet, such as preparing the PPD and identifying prior art. Roche contended that the appropriate level at which to assess its costs would be 80% of claimed costs after deductions (if any).
63. I accept many of the general points made by Insulet on Roche's overall costs.
64. It is of course for Roche to take its own view as to how it wishes to conduct litigation and the summary assessment process should not overlook the different judgements which those engaged in litigation can reasonably make. However, the overriding objective requires the Court to restrict recoverable costs to proportionate amounts. I do not agree that there are any particular circumstances of this case which render costs of this magnitude proportionate:
- While an injunction may have been a possibility, it is also an immediate long lasting probability in the majority of patent cases. Even accepting that the effects of the injunction would last for longer than the potential 6-8 week lifetime of the Patent, I do not accept that it renders the costs claimed proportionate.
 - Roche refers to various 'wider factors' such as burden on the NHS, reputational damage and health of patients. The evidence on these matters is not clear. There is a significant difference between the witnesses as to the likely impact of any potential injunction. In any event, similar factors will be in play in many patent (and other) cases in which injunctive relief is a possibility.
 - The streamlined procedure and reduced time to trial in the STS, plus case management of the evidence and issues would be expected to achieve some costs savings. While I accept that shorter does not necessarily mean cheaper, I would have expected the STS procedure to have resulted in lower costs in this action than those claimed by Roche, for the reasons mentioned above.
 - The costs incurred by Insulet do not directly affect the costs which it may be proportionate for Roche to claim. However, they are relevant as an indicator of the importance and complexity of the matter. It appears that Insulet regarded the matter as important, and it instructed specialist advisers to assist it. Nevertheless, it cannot be assumed that those costs are themselves proportionate, perhaps reflected in the fact that Insulet has taken steps to control its costs (and thus the costs which Roche would have had to pay had it lost).
 - I accept that technical complexity is not the only source of significant costs in a patent trial, and that the overall number of issues dealt with in this case were perhaps at the limit of what was feasible for a three day trial. However, I agree with counsel for Insulet that the level of costs incurred would be regarded as

substantial for a longer trial with greater technical complexity, significantly more expert evidence, a more complex PPD and additional issues.

65. While it is for litigants to instruct the advisers of their choice and to reach whatever arrangements they wish with those advisers, the Court must consider the proportionality of costs on an objective basis. It cannot be assumed that merely because work has been done at a standard hourly rate and paid for by a litigant that it will be appropriate for the other party to be ordered to pay the full amount claimed by way of adverse costs.
66. In this instance, the lowest hourly rate claimed for any of the legal advisers instructed by Roche was £255 for one paralegal, while the only UK associate involved in the matter had an hourly rate of £548. The rates of the two UK partners involved were in excess of £800, with that of one of the US partners who worked on the matter exceeding £1,000. The UK partner rates were not significantly out of line with those charged by Insulet's solicitors. However, it does not follow that this makes them proportionate in the specific context of a particular case or, at the very least, for all work on a matter, even having regard to the specialist nature of some aspects of the work and the technical knowledge that may have been required.
67. Roche's costs schedule does not adopt the approach set out in Form N260. Nothing turns on this specifically, given the wording of paragraph 2.58 of PD51AB. Roche has confirmed that the overwhelming majority of the work was done by one partner, one associate and one paralegal based in this jurisdiction. Together with the information that has been provided about the time spent by each category of fee earner, that confirmation suffices for this rough and ready exercise. However, more detail as to what the time was spent on would have been helpful as the limited information provided makes it more difficult to be clear on precisely what was done by whom. As noted above, cases of doubt should be resolved in favour of the payor.
68. The hourly rates of the solicitors involved in doing the overwhelming majority of the work have demonstrably affected the overall level of costs claimed, given that Roche's solicitor costs alone comfortably exceeded £1 million.
69. I do not agree that it is proportionate to claim costs of around £1.7 million for a three day trial of this nature, whether in the Patents Court, the STS or elsewhere: the action took less than 10 months from the date on which Particulars of Claim were served until the end of trial; and the substantive action involved no fact evidence other than a short PPD (less than 20 pages of text, with many of those being largely occupied by diagrams, many of which were reproduced from the product manual).
70. Insulet also criticises a number of specific aspects of Roche's claimed costs.

Pleadings

71. Roche claims over £280,000 for this phase, covering the preparation of the pleadings, prior art searches and dealing with various RFIs. Even accepting that it was necessary for Roche to carry out prior art searches and analysis, this is a very substantial sum and it is not rendered proportionate by reference to Insulet's costs for this phase, which were also substantial (although the amount paid by Insulet to its advisers was capped).

72. I understand that all of the prior art cited had been referred to during prosecution and was referred to in the Patent itself. While Roche doubtless undertook additional prior art searches, and may have wished to leave no stone unturned, this does not make the costs of turning over those stones proportionate so that they are recoverable by way of an adverse costs award.
73. Roche has claimed a further £78,000 costs for preparing the PPD. I have already mentioned its brevity and that a large proportion of the material supplied was in the form of the Solo User Manual. This sum reflects around 125 hours of solicitor time, plus limited (20 hours) of paralegal time and some minor input from counsel. I do not consider Roche's costs of this phase to be proportionate.

Expert reports

74. Roche claims over £500,000 for expert evidence. Counsel's fees were modest, and the fee paid to the expert also appeared proportionate.
75. Roche explains that, in its view, there were a large number of matters for the experts to address and that its costs were not unreasonable. The total length of all expert reports (two from each expert) was less than 170 pages. The written evidence of Roche's expert was under 100 pages in total, and the exhibits were not voluminous. The time spent by Roche's solicitors on this phase was over 600 hours of qualified solicitor time (of which over 260 hours was partner time), plus a further 48 hours of paralegal time. While I recognise that there is no direct correlation between the time involved preparing a document and its length, nor between the difficulty and complexity of the issues involved and the length of an expert report, I do not regard that amount of time, and concomitant claimed costs of in excess of £400,000, to be proportionate in preparing the expert evidence in this case.

Trial preparation and trial

76. Roche claims costs of more than £275,000 for trial preparation and a further £120,000 for trial, amounting to roughly £400,000 for the overall trial phase.
77. Roche submits that these costs are only around 30% higher than those of Insulet, and refutes the specific suggestion made by Insulet that the trial was attended by anyone other than Roche's UK legal team.
78. As would be expected, counsel's fees accounted for a much higher proportion of the claimed costs around trial, at just under half of Roche's total claimed costs (around £195,000 by comparison with equivalent costs for Insulet of just over £100,000). However, solicitor costs also remained high, particularly for the trial phase itself. It is difficult to see that it is proportionate for Roche to have incurred costs at a level so much greater than Insulet for the trial phase, or that in any event costs of this magnitude are proportionate in this case.

Costs schedule

79. Roche claims just over £79,000 for the preparation of its costs schedule. This is not proportionate. The schedule is short, lacks detail and is in support of a summary assessment. It appears to have required almost 15 hours of partner time and almost 90

hours of associate time to prepare, as well as almost 50 hours of paralegal time. I accept that preparing a costs schedule requires time and attention. It is not unreasonable in principle for a senior fee-earner to be involved at a supervisory level, but it is not proportionate to spend this amount of time on preparing a costs schedule for summary assessment, even leaving aside the seniority of those involved.

Post-trial costs

80. Roche claims costs of around £60,000 for post-trial issues other than the preparation of its costs schedule (dealt with above) and the preparation of its Application to stay any injunctive relief (dealt with below). These costs are accounted for by around 60 hours of solicitor time and £20,000 of counsel fees. I agree with Insulet that it is difficult to see from Roche's schedule how such costs have been incurred in the absence of a hearing, and with a relatively small number of issues in dispute on the form of order. The preparation of the written submissions (which are short) and the limited evidence relating to costs cannot justify claimed costs of this amount.
81. Taking all of this in the round, in the light of the general comments about proportionality made above, I do not accept Roche's submission that it would be appropriate to assess its costs at 80% of costs claimed (after deductions). I have concluded that many aspects of Roche's claimed costs are not proportionate and that Insulet should pay Roche 55% of its claimed costs for the main trial of the Claim and Counterclaim plus consequential issues, after deductions.

Stay Application

82. Roche claims around £83,000 in costs of the Stay Application. Solicitors costs are just over £45,000 and disbursements around £37,500, of which counsel fees account for a significant majority.
83. Insulet contends that the Stay Application involves a re-run of arguments run at the PTR and that Roche is claiming for expert evidence which it did not have permission to adduce. Insulet also argues that the general points made above about Roche's costs apply with equal force to the Stay Application.
84. Counsel for Roche submitted that the evidence in support of the Stay Application was prepared specifically in support of that application and did not form part of the costs of any previous part of the action. Mr Tappin QC also submitted that there was no basis for Insulet's objections to the expert evidence as it was clear that evidence would be required to support the Application and the evidence of Professor Oliver would have been important to enable the Court to deal with that application, had it been necessary.
85. The costs claimed for this application are considerably greater than those for other interim applications. While that cannot be a determining factor, it does suggest that these costs are higher than is proportionate.
86. Many of the issues will have been considered before the Application to Amend was made at the PTR, only shortly before trial. The thorough judgment of Douglas Campbell QC, sitting as Judge of this court ([2021] EWHC 1036) makes clear that the Application took up considerable time at the hearing and was supported by evidence from Mr Shade of WilmerHale. As to the expert evidence, even if the evidence of Professor Oliver is

included, his fee for preparing it was less than £2,500 and it amounted to less than 20 pages. I consider that costs in excess of £83,000 and almost 75 hours of solicitor time spent on such an application, in respect of which there has been no hearing, is not proportionate. On balance, Insulet should pay Roche 55% of its costs.

Application to Amend (PTR)

87. Roche applied to introduce a defence based on a potential public interest carve out against any injunctive relief. This occupied a significant proportion of the PTR. The application failed and Roche was ordered to pay Insulet 50% of its costs, to be summarily assessed after trial. Insulet's claimed costs are £67,720. Insulet submits that these costs are reasonable and proportionate.
88. Insulet's advisers agreed to cap the costs to Insulet at £52,389. The costs schedule states that 50% of those costs are recoverable. Insulet has not explained why it seeks to recover more than that amount. Insulet's costs schedule provides the base figure for assessment as that is the sum which Insulet had to pay its advisers.
89. This sum is not open to all the same criticisms as some of the costs claimed by Roche, not least because the recoverable costs have already been reduced by the agreement between Insulet and its legal advisers. Nevertheless, it is still a very significant amount for an interim application which was dealt with at the PTR. The number of hours spent on the matter was considerable and a large proportion of that time was spent by senior fee-earners. In the circumstances, I conclude that Insulet's costs should be summarily assessed as 90% of £52,389 and Roche should pay 50% of that sum.

Insulet's other assessable costs

90. Insulet submits that where it has been awarded a proportion of its costs, those should be summarily assessed in the full amount claimed. It says that its costs are reasonable and proportionate, largely by reference to the comparative costs claimed by Roche and the significance of the issues. As I have mentioned above, the fact that two parties in an action have incurred broadly comparable costs does not make those costs proportionate. Even in circumstances where one party's costs have been significantly reduced on assessment to reflect requirements of proportionality, this does not mean that the lower costs of the other party are proportionate on an objective basis.
91. Having considered the information in Insulet's costs schedule, I do not consider it appropriate in the circumstances to assess Insulet's costs at 100% of what is claimed. As Insulet's written submissions remark, it would be wrong simply to rubber stamp a costs schedule and it is generally rare to receive more than 60-70% on summary assessment. In all the circumstances, I conclude that Insulet's costs should be assessed at 65% of the recoverable amount.

Payment and interest

92. Insulet seeks an extension of time to pay the costs for which it is liable. Roche resists, on the basis that it is not clear that Insulet will have any real difficulty in paying the full sum by 2 August 2021. The evidence provided in support of that request does not justify a pre-emptive departure from the normal rules. Roche says that it will be reasonable. If it is not, Insulet can seek an extension of time. If Insulet believes that it has good

grounds to seek an extension and one has been refused by Roche, I will consider a request for an extension on the papers.

93. Insulet also contends that only post-judgment interest should be awarded because it would be disproportionate to require the parties to calculate the interest in the pre-judgment period. Insulet also refers to practice under the STS. On this issue, I agree with Insulet and will not order pre-judgment interest.
94. Insulet also suggests that post-judgment interest should run only from 2 August 2021, rather than from the date of the order. I see no reason to depart from standard practice and interest is to be paid from the date of the order.

Permission to appeal

95. Insulet seeks permission to appeal. Almost every aspect of the Judgment is said to contain an error of principle, law and/or construction. Multiplying the grounds on which leave to appeal is sought is unhelpful when trying to establish which grounds may be relevant to the prospects of overturning the Judgment.
96. To have real prospects of success at the Court of Appeal, the Claimant would need to succeed in respect of both infringement and validity.
97. I do not consider that Insulet has a real prospect of success in overturning the non-infringement finding, either on a normal approach or under the doctrine of equivalents.
98. The Claimant's draft grounds do not persuade me that it has realistic prospects of succeeding at the Court of Appeal on the issues of validity either.
99. I therefore do not grant permission to appeal. If Insulet wishes to appeal on the grounds set out in its draft grounds, or any other grounds, it must approach the Court of Appeal for permission to do so.