



Neutral Citation Number: [2024] EWHC 1913 (PAT)

Claim No. HP-2023-000008

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

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

Date: Wednesday, 10th July 2024

Before:

MRS. JUSTICE JOANNA SMITH

Between:

DR. VANESSA HILL

Claimant

- and -

(1) TOUCHLIGHT GENETICS LIMITED
(2) TOUCHLIGHT IP LIMITED
(3) TOUCHLIGHT DNA SERVICES LIMITED

Defendant

MS. ELIZABETH WEAVER (instructed by **Wiggin LLP**) appeared for the **Claimant**.

MS. EMILY MCKECHNIE (with **Thomas Grant KC**, who did not appear at the hearing)
(instructed by **Bristows LLP**) appeared for the **Defendants**

Approved Judgment

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MRS. JUSTICE JOANNA SMITH :

1. This is a consequential hearing following an application by the claimant for permission to amend the Amended Particulars of Claim in a patent entitlement action.
2. The application to amend was made against the background of orders for directions having been made at two CMCs on 10th November 2023 and 8th March 2024 respectively, leading to a trial with a time estimate of 11 days, fixed to commence in a five-day window from 25th November 2024.
3. The consequential hearing has been concerned only with the issue of costs arising in circumstances where the application to amend was withdrawn very shortly after the two-day hearing, but before the judgment was handed down. In the absence of a substantive judgment, I need to begin by saying something about the background to the application.

The Background to the Application to Amend

4. In brief summary only, the existing claim arose against the background of a joint venture between the claimant and the Touchlight Group (“**Touchlight**”) designed to facilitate the exploitation of technical innovations invented by the claimant, a molecular biologist. Pursuant to this joint venture, which dates back to 2007, the first defendant was incorporated and the claimant became a shareholder and executive director of the first defendant. Under a written Executive Director Service Agreement (“**the Service Agreement**”) dated 8th July 2008, the claimant transferred intellectual property rights to the first defendant, including the right to be granted a patent for an invention.
5. Thereafter, Touchlight applied for, and obtained the grant of, various patents in a family for which the priority application was GB Patent Application No 0901593.4 (“**the Priority Application**”) filed on 30th January 2009.
6. Relations between the parties very quickly broke down and on 9th March 2009 the claimant served a notice of termination of her employment on the first defendant. Her employment then formally terminated on 20th August 2009 and her resignation as a director of the first defendant was registered at Companies House on 9th November 2009. An International Patent Application No PCT/GB2010/000165 (“**the PCT Application**”), which the claimant did not approve, was filed on 1st February 2010 (“**the PCT Application**”).
7. The patents or applications in dispute in the patent entitlement action all derive or claim priority from the Priority Application and relate to aspects of a synthetic DNA vector (termed doggybone DNA or dbDNA) and its enzymatic production. The production method is said to allow Touchlight to make synthetic DNA vectors at the speed, scale and purity necessary to support the rapid growth of genetic medicines. The technology can be applied in fields including genome editing and DNA vaccines.
8. It is the claimant's case on her existing pleadings that she conceived of the technology over many years of research, that she disclosed her inventions to Touchlight before her employment by the first defendant, that she only assigned *part of* these inventions to the first defendant under the Service Agreement (namely ‘thermophilic’ or high

temperature aspects), and that she remains entitled to the ownership of the other part of the inventions (namely ‘mesophilic’ or low temperature aspects). Accordingly, she says she is entitled to be a joint proprietor of the relevant patents and patent applications.

9. The claim to patent entitlement arises under section 37(1) of the Patents Act 1977 in respect of the granted patents in issue, which are confined to three UK designations of European patents, and under section 12(1) in respect of two pending foreign patent applications, one in China and one in the United States of America.
10. Touchlight's existing defence to this claim is many-layered, including (i) that the claimant did not devise or disclose the inventions to Touchlight before her employment; (ii) that, even if that is wrong, the Service Agreement operates to transfer all rights to all aspects of her inventions to Touchlight; (iii) that the claimant was involved in the Priority Application to which she raised no objection at the time; (iv) that the claim is time-barred; (v) that the claimant is estopped from making her claim; and (vi) that her claim fails for circuitry of action. Touchlight counterclaims for relief arising from estoppel, unjust enrichment and breach of the claimant's duty as a director.
11. The proposed amendments, which were notified to the defendants by letter only on 25th March 2024, raised three entirely new causes of action for breach of fiduciary duty, breach of confidence and breach of an implied term of the Service Agreement. In addition, the proposed amendments sought to expand the claimant's case to encompass 49 granted overseas patents (“**GOPs**”) relating to 28 different jurisdictions. These GOPs all claim priority from the Priority Application and derive from the PCT Application. The intention of the claimant was effectively to expand the existing claim so that it covered all the patents resulting from her original inventions. The relief claimed was to be amended to introduce, amongst other things, a declaration that the GOPs were held on trust "to the extent that the GOPs extend beyond processes based on the use of thermophilic bacteria". The proposed amendments stretched across 14 pages of new pleading.
12. Three iterations of the proposed Re-Amended Particulars of Claim followed on 24th April, 21st May and 17th June 2024. The second iteration proposed for the first time that three GOPs, selected by the claimant herself, could be “tested” at the first trial “as specimens” and went on to plead particulars of breach of the Service Agreement, breach of fiduciary duty and breach of confidence only in relation to those three GOPs. The third iteration sought to advance a more detailed case in relation to the position of the second defendant.

The Hearing of the Application

13. The application was extremely hard-fought, over two full days, on 25th and 26th June 2024. Each side served lengthy skeleton arguments, albeit that the skeleton argument from the defendants was particularly voluminous, running to 76 pages. I was provided with an authorities bundle for the hearing, running to more than 80 tabs, around 62 of which were authorities on which the defendants relied.
14. The defendants opposed the proposed amendments essentially on two main grounds. First, that the proposed amendments should not be permitted on procedural grounds,

namely that they were "very late", and that the existing trial window could not conceivably be met if permission were to be granted. They served evidence, in the form of the third witness statement of Mr. Brian Cordery, focusing on the steps that would be required to address the new claims if the Re-Amended Particulars of Claim were to be permitted. Mr. Cordery also observed in his evidence that even if the proposal to proceed on a specimen basis only was permitted, that was likely to increase the trial length by several days, and he gave evidence that the court had informed him that it was unable to extend the existing trial window, and that any increase in the estimate would result in vacation of the trial.

15. Second, the defendants launched an attack on the proposed new claims, on the grounds that they had no real prospect of success at trial, that they were inadequately pleaded, and that there were strong limitation defences available. Their arguments were set out in detail in their skeleton argument, which was served in accordance with the Patents Court Guide by 10.30 a.m. on the day before the hearing commenced.
16. The length and content of the defendants' skeleton led Mr. Cuddigan KC (appearing at the hearing of the application on behalf of the claimant) to inform me at the outset of the first day of the hearing that the claimant felt at a significant procedural disadvantage. I asked Mr. Cuddigan what he wished me to do about that, to which he responded that he thought there was "rather more heat than substance" in the defendants' submissions, but that it was possible that he may seek an opportunity at the end of the hearing to put in short written observations on particular points or particular authorities. I observed that Mr. Cuddigan did appear to be at a disadvantage, owing to the timing of the service of the defendants' skeleton and went on to ask whether the claimant was seeking to adjourn the hearing. Mr. Cuddigan confirmed that she was not.
17. Against that background, the hearing proceeded. Mr. Cuddigan addressed the court on both the procedural and legal aspects of the application over the course of much of the first day of the hearing. This included addressing the court on various of the legal authorities on which the defendants relied, together with legal authorities on which the claimant herself relied. After the defendants' submissions on the second day of the hearing, Mr. Cuddigan commenced his reply submissions at 3.45 p.m., observing that he did not think he had a great deal to say in reply. However, I sat until approximately 5.10 p.m. to enable him to have as much time as possible and also to enable Ms. Weaver, his specialist trusts junior, to make submissions on various of the legal arguments including as to breach of fiduciary duty and limitation. There was no request at the end of the hearing that the claimant be permitted to file further written submissions and no complaint during the claimant's oral reply submissions of any unfairness in dealing with the submissions that had been made on behalf of the defendants during the course of the hearing.
18. After two full days of submissions, I reserved my judgment. However, before it could be completed, on 28th June 2024 the claimant's solicitors, Wiggin LLP ("**Wiggin**"), wrote to the court to say, amongst other things, that the claimant intended to withdraw her application to amend "on the express basis that these claims cannot be accommodated in the existing trial timetable, and in light of the defendants' submissions that these claims constitute new causes of action and do not arise out of the same facts as the existing claims". Wiggin indicated that the claimant intended to issue fresh proceedings in relation to the new claims.

19. On the subject of costs, the claimant agreed to pay the defendants' costs associated with resisting the application to amend "but only in so far as that resistance was based on the procedural prejudice" (in other words, the likely loss of the trial date). It was made clear that the claimant did not accept liability for the defendants' costs of resisting the application on the legal merits. This was essentially because, owing to the alleged procedural unfairness caused by the timing of the provision of the defendants' skeleton argument together with the defendants' reliance on such a substantial amount of authority, the claimant and her legal team believed that "the court has received unequal presentations as to the merits of the trusts and fiduciary duties claims, and as a result there is a danger that the court decides they are without merit". Wiggin asserted that the conduct of the application by the defendants was "so highly prejudicial as to be not in accordance with the Overriding Objective".
20. In a letter dated 3rd July 2024, Bristows LLP ("Bristows"), solicitors acting on behalf of Touchlight, joined issue with the content of the 28th June letter, rejecting the assertion of prejudice and indicating that Touchlight intended to seek all of their costs of the application on the indemnity basis. Bristows set out in some detail in the letter the arguments that they intended to deploy at this hearing.

The Applicable Legal Principles

21. The legal principles on the payment of costs and the question of whether those costs should be paid on the standard or the indemnity basis are not in dispute between the parties. They were set out in paragraphs 2.1-2.4 of the defendants' skeleton argument, which I gratefully adopt:

"2.1 Costs are in the discretion of the court (section 51 of the Senior Courts Act 1981; CPR r.44.2(1)). The court is bound to pursue the overriding objective as set out in CPR r.1.1. It must make an order that deals justly with the issue of costs as between the parties, making an evaluative judgment as to where justice lies on the facts and circumstances as it has found them to be (*Kupeli & ors v Kibris Turk Hava Yollan Sirketi* [2019] 1 WLR 1235 (CA) at [5(i)]).

2.2 The general rule is that the unsuccessful party will be ordered to pay the costs of the successful party (although the court may make a different order) (CPR r.44.2(2)). As to this:

(1) The general rule represents the *prima facie* or starting position (*Kupeli* at [6]). It is a rebuttable presumption in favour of the successful party (Cook on Costs at [22.16]).

(2) In *Fox v Foundation Piling Ltd* [2011] CP Rep 41 at [62], Jackson LJ noted that there had been a growing tendency amongst first instance courts to depart from the starting point set out in (what is now) CPR r.44.2(2) 'too far and too often', and that this was an unwelcome trend as it led to huge additional cost both to the parties and to other litigants because of the uncertainty which such an approach generates. *Fox* has been cited very frequently since.

(3) In considering whether factors militate against the general rule applying, clear findings are necessary which identify those factors (*Straker v Tudor Rose (a firm)* [2007] EWCA Civ 368 at [13]).

2.3 In deciding what order to make about costs, the court will have regard to all the circumstances, including the conduct of the parties (CPR r.44.2(4)). The conduct of the parties includes whether it was reasonable for a party to raise, pursue or contest a particular allegation or issue (CPR r.44.2(5)(b)). The abandonment of a point is a relevant consideration, because it is a point which, by virtue of being raised, involves the other side incurring costs in having to prepare to meet it (*R (on the application of Srinivasans Solicitors) v Croydon County Court* [2013] EWCA Civ 249 at [13]; and see *Eurochem Volga-Kaliy LLC v IMR Management Services Ltd* [2015] EWHC 3347 (QB) at [54]-[55]).

2.4 In relation to indemnity costs:

(1) An order for indemnity costs may be made where there is something in the conduct of the action, or the circumstances of the case in question, which takes it out of the norm (*Euroption Strategic Fund Ltd v Skandinaviska Euskilda Banken AB* [2012] EWHC 749 (Comm) at [12]). The test is intended to reflect something outside the ordinary and reasonable conduct of proceedings (*Whaleys (Bradford) Ltd v Bennett and Cubitt* [2017] 6 Costs LR 1241 at [22], [28]).

(2) It is not necessary to show that the paying party's conduct lacked moral probity or deserved moral condemnation (*Euroption Strategic Fund Ltd v Skandinaviska Euskilda Banken AB* at [13]).

(3) Unreasonableness in the conduct of the proceedings and the raising of particular allegations, or in the manner of raising them, may suffice. So may the pursuit of a speculative claim involving a high risk of failure (*Euroption Strategic Fund Ltd v Skandinaviska Euskilda Banken AB* at [13], citing *Balmoral Group Ltd v Borealis (UK) Ltd* [2006] EWHC 2531 (Comm) at [1]; *De Sena v Notaro* [2020] Costs LR 737 at [13]-[14], [21]-[22], [34], [49]).

(4) Abandoning a claim without explanation in the absence of any change in the forensic landscape may take a case out of the norm (*Hosking v Apax Partners LLP* [2019] 1 WLR 3347 at [49], [100(1)], [100(4)], [101]).

(5) An award of indemnity costs is not dependent upon whether the conduct has increased the costs payable (*Phoenix*

Finance Ltd v Federation International D'automobile [2003]
CP Rep 1 at 3)."

22. Ms. Weaver, acting for the claimant at this hearing, pointed out in addition that caution is necessary in respect of indemnity costs. In particular, she observed that costs decisions are all fact-specific and that there is a danger in treating the decisions in individual cases, made on their own facts, as laying down rigid principles. I accept that she is right on this front, and I did not understand Ms. McKechnie, acting on behalf of the defendants, to suggest otherwise.
23. Ms. Weaver also drew my attention to the decision in *Arcadia Group Brands Ltd v Visa Inc* [2015] EWCA Civ 883 at [83] for the proposition that the mere fact that a claim has proved weak or optimistic is not a sufficient ground for ordering indemnity costs. I also bear in mind, in relation to the proposal for an award of indemnity costs, that I must beware of making a determination on indemnity costs which applies the benefit of hindsight.
24. Finally, and although it was not cited to me by the parties, it is worth referring also to the very recent decision of the Court of Appeal in *Thakkar v Mican* [2024] EWCA Civ 552. In that case, amongst other things, the Court of Appeal set out at [19] a summary of the general principles applicable to the award of indemnity costs. To those already set out above, I add that, to the extent that the application is based on the paying party's conduct, it is necessary to show that such conduct was "unreasonable to a high degree" in order to recover indemnity costs ([19(c)]. I also set out the following observation of Coulson LJ at [17]:

"I incline to the view that an order for indemnity costs will usually represent a significant victory for any receiving party. That is because r.44.3(3) provides that, if indemnity costs have been ordered, doubts as to whether the item of cost in question was reasonably incurred or reasonable in amount are resolved in favour of the receiving party. Its potential value is, of course, the reason why the courts must ensure that an order for indemnity costs is only made in an appropriate case".

The Principle of Costs

25. The defendants say that they should have their costs of the application as the successful party, and this is not disputed by the claimant. However, the claimant submits that those costs should be subject to a reduction of 25% to take account of the defendants' conduct in relation to the service of their skeleton argument and authorities, which it is said (as is set out in the 28 June 2024 letter from Wiggin) was not conducted in accordance with the overriding objective.
26. In my judgment, and notwithstanding Ms. Weaver's valiant attempts to suggest otherwise, the defendants are entitled to their costs of the amendment application in full. My reasons are as follows:
27. The claimant issued an application to amend her Amended Particulars of Claim. She pursued that application to a two-day hearing, and only withdrew her application two days after the hearing, thereby accepting that she would achieve nothing on the

application. The defendants were put to the expense of responding to the application, filing evidence in opposition to the application, preparing for, and attending, a hearing which has ultimately proved to be a waste of their time and the court's time. The claim will now proceed to trial on the pleadings as they originally stood. It is very difficult to see, in such circumstances, why the defendants should not recover their costs in full, and why the general rule under CPR 44.2 should not apply. In many ways, that is the beginning and end of the point. However, I should deal with the additional submissions made on each side, a number of which are also relevant to the claim for indemnity costs, to which I shall return in a moment.

28. As the defendants submit and I accept, the claimant appeared, at best, lukewarm about two out of the three new causes of action which she was proposing to add by way of amendment. Indeed, Ms. McKechnie goes so far as to say that they were effectively abandoned before the hearing. Thus, she submits, first that the claimant accepted in her own skeleton argument that the new allegation of breach of confidence added “nothing of substance”, and then conceded in her submissions that no separate relief was required in relation to the proposed new claim of breach of confidence. This submission was not seriously contested by Ms. Weaver, and I accept it.
29. Second, Ms. McKechnie submits that the allegation of breach of implied term under the Service Agreement was addressed with only the very lightest of touches in the claimant's skeleton argument, by reference to out-of-date authority, that it was barely advanced in oral submissions, and that it was not even mentioned in reply. She points out that this was against the background of confirmation from Wiggin, in a letter of 20th June 2024, that if the new claims were to be advanced by way of new proceedings (as an alternative to being advanced by way of amendment), the allegation of breach of an implied term would not be pursued.
30. I agree with Ms. McKechnie that it does at least seem that the claimant was not placing any substantial weight on this allegation. Indeed, Ms. Weaver accepted in submissions today that the real focus of the claimant's amendments, by the time of the hearing certainly, was on the new claim of breach of fiduciary duty.
31. I pause to observe that in circumstances where allegations raising new causes of action are included in proposed amendments and not expressly withdrawn in advance of the hearing of the application, it is unsurprising that they will be taken seriously by the other side and that they will be addressed in the other side's skeleton argument, as occurred here. However, it is difficult to see that the claimant could really have been disadvantaged at the hearing by anything that the defendants said about these allegations in their skeleton argument in circumstances where, ultimately, she did not appear to be pursuing them with any real vigour, if at all.
32. Despite being aware from correspondence, and from the defendants' evidence, that limitation was very much in issue in respect of the proposed amendments, and despite accepting in her skeleton for the hearing that the proposed amendments gave rise to “new claims [asserting] new facts”, the claimant did not choose to engage at all with the provisions of CPR 17.4 in either her submissions or in her skeleton argument. In particular, she did not engage with the need to demonstrate that the proposed new claims arose out of “the same facts or substantially the same facts” as were already in issue in the pleaded case. This was perhaps because she had decided to go down the

route of seeking to persuade the court to rely upon only three sample GOPs, which she said were plainly not time-barred.

33. However, this was, in my judgment, misguided, given that what she was really asking the court to do, in focusing on the sample GOPs, was order a split trial or preliminary issue, without affording the defendants any of the opportunities a party would usually have to address such a proposal. However, setting that to one side for the moment, the claimant cannot have been disadvantaged by the defendants deciding to address the issue of limitation at some length in their skeleton in circumstances where she had apparently determined to try to side-step the issue.
34. Relatedly, the attempt to shoehorn 49 GOPs into the proceedings by way of amendment, but then to kick off the determination of 46 of those GOPs to a later hearing, was, in my judgment, always likely to be regarded as a strategy to avoid the inevitable fact that, if those 49 GOPs had to be dealt with at the trial, it would need to be adjourned. Mr. Cuddigan effectively accepted in submissions at the hearing that the use of samples was advanced with a view to getting over the procedural obstacle created by the fast-approaching trial. However, until the hearing of the application this was not acknowledged or conceded by the claimant. Indeed, somewhat remarkably, she made no proposals in her application or evidence as to any revised timetable to trial and had apparently made no enquiries of the listing office as to whether any extension to the trial time estimate might be accommodated by the court.
35. It was only at the hearing that Mr. Cuddigan made numerous, in my judgment inevitable, concessions, which left the claimant's case on the procedural aspects of the amendment application in tatters, including, ultimately, an acknowledgment that even dealing with only the specimen GOPs at the trial would add two days of legal argument, and that the only available evidence showed that the court could not accommodate such an extension to the trial estimate.
36. Although it is true that the defendants served a lengthy and detailed skeleton the day before the hearing, upon close analysis I reject the suggestion that in the circumstances of this case their conduct caused an uneven playing field and prejudiced the claimant in her conduct of the application, just as I reject the submission that the defendants' conduct should result in their being deprived of costs to which they would otherwise have been entitled. I have already made various points about matters which the defendants reasonably believed to be still in issue at the hearing, but which the claimant had apparently decided, before sight of the defendants' skeleton argument, to abandon or significantly downplay.
37. As for the central allegations of breach of fiduciary duty, dealt with by the defendants in 25 pages of their skeleton, I reject the submission that there was, in fact, any procedural unfairness over the course of the hearing, notwithstanding the concerns that I expressed at the outset of the hearing.
38. This was the claimant's application to amend. As such, the burden was at all times on her to satisfy the court that (i) the proposed new claims were more than merely arguable, carrying some degree of conviction; (ii) the pleading was coherent and properly particularised; and (iii) that it was supported by evidence which established a factual basis which met the merits test. See *Kawasaki Kisen Kaisha v James Kimball Ltd* [2021] EWCA Civ 33 at [18].

39. The claimant knew, from a letter from Bristows of 3rd May 2024, and from the content of Mr. Cordery's third statement, that the defendants were objecting to the amendments on the grounds that (amongst other things) they had no real prospect of success. While I accept that the claimant could not necessarily discern from this exactly what the detailed legal arguments might ultimately be, the burden lay *with her* to satisfy the court that the new claims carried some degree of conviction. She ought to have been ready to do this in her submissions and, in reality, her primary focus was of course on the breach of fiduciary duty claims.
40. Whilst I consider that a skeleton of the length and complexity of the defendants' skeleton should reasonably have been served earlier (notwithstanding the provisions of the Patents Court Guide), a point to which I shall return in due course, nevertheless the potential unfairness that resulted from its service the day before the hearing, together with the defendants' reliance on a substantial number of authorities, ultimately, to my mind, did not render the hearing unfair and was not inconsistent with the overriding objective.
41. Specifically, this is because (i) the claimant confirmed that she did not wish to seek an adjournment; (ii) the claimant was given additional time over and above that given to the defendants (five and a half hours to the defendants' five hours and five minutes) to make submissions, achieved by the court sitting outside normal hours; (iii) the claimant did, in fact, make detailed submissions on the law, and took the court to a number of the authorities including those on which the defendants relied; and (iv) the claimant's suggestion that she might need to make further written submissions after the hearing was not pursued.
42. Furthermore, the claimant had specialist junior trust counsel available at the hearing in the form of Ms. Weaver who made submissions in reply on the legal merits. Far from suggesting in his reply submissions that he was not in a position to deal with the defendants' written or oral submissions, Mr. Cuddigan confirmed that he did not have a great deal to say. Of course, what ultimately happened, as Wiggin appears to accept in a letter of 3rd July 2024, is that it became clear that the merits of the claimant's application to amend on procedural grounds alone were so parlous that there was little point in her making further submissions on the law.
43. In the circumstances, there is no basis, in my judgment, to make what I accept would be an entirely arbitrary discount to the order for costs. The defendants are entitled to their costs of the amendment application in full.

The application for Indemnity Costs

44. The defendants say, essentially for the reasons I have already outlined, that this is a case which justifies an award of indemnity costs. They submit that, from the outset of the application, the claimant's conduct has been unreasonable to a high degree. In addition to the points I have already made, the defendants say (i) that the claimant effectively abandoned much of her case on the amendments in advance of the hearing, or by way of concessions at the hearing; (ii) that the withdrawal of the application recognised the hopelessness of the new claims, which they say should never have been advanced by way of amendment; (iii) that the claimant has pursued her application without regard to proper procedure, including issuing the application without a supporting witness statement, which was only served later, and providing

three iterations of the Re-Amended Particulars of Claim, the third iteration being provided only very shortly before the hearing; (iv) that the claimant's failure to engage with the procedural timetable to trial was highly unreasonable, particularly where it is clear from her evidence that she appreciated the procedural challenges but chose to try to deflect argument away from the timetable and on to an asserted failure on the part of the defendants to engage with whether there was really any dispute over the factual issues raised by the amendments; and (v) that the content of the letter to the court of 28th June 2024 from Wiggin misrepresents the position in relation to non-compliance with the Chancery Guide in the context of the service of the defendants' skeleton argument.

45. I have wavered on this point, not least because this is a case in which an application has been made to the court over two full days, which has since been wholly abandoned. However, in the end, and notwithstanding Ms. McKechnie's forceful and attractive submissions, I do not consider the conduct of the claimant to have been so far out of the norm for complex commercial proceedings of this sort that it justifies an award of indemnity costs.
46. It is true that new claims were made by way of proposed amendment and subsequently abandoned or soft-pedalled at the hearing and that this no doubt caused the defendants to incur additional costs. However, I am not in a position to, and Ms. McKechnie expressly does not invite me to, make any findings as to the merits of those new claims. This is not an application that is made after a judgment has been given, identifying clearly that various claims have no merit. In the circumstances, I am not prepared to find that these proposed claims were thin or had no merit, or that they were hopeless. I am also not prepared to infer that, because they have been withdrawn, they were necessarily without merit. The claimant says that she wishes to pursue them by way of new proceedings in due course, which is a matter for her, but in circumstances where I have not handed down any judgment dealing with the new claims it is particularly important that I express no views as to their merits.
47. Although the claimant made numerous concessions as to the procedural aspects of her application at the hearing, which ultimately meant that her procedural arguments would not succeed, these were obviously properly made by Mr Cuddigan. I bear firmly in mind that matters may look very different with the benefit of hindsight after the scrutiny of a hearing.
48. Ms. McKechnie argues, with some justification, that no new developments prompted these concessions and that the claimant ought to have appreciated the difficulties with her application before the hearing. It is, of course, easy, with the benefit of hindsight, to make that submission. However, as Ms. Weaver says, and as is apparent from her evidence, the claimant had focused (misguidedly as it turns out) on the potential for the procedural obstacles to be resolved by limiting the GOPs in issue at the trial to the three sample GOPs. She was wrong to do so. The difficulties that flow from a "very late" application to amend a pleading which will inevitably lead to the vacation of the trial date cannot be overcome simply by making a proposal that the amendments be dealt with by samples chosen unilaterally by the amending party – thereby in reality proposing to split the trial. Similarly, the claimant was wrong, as a matter of law, to think it appropriate to focus attention on the defendants' refusal to provide information as to how it might meet the factual allegations in the proposed amendments. The defendants had no obligation to divert themselves from their trial

preparation to prepare to meet a case which was the subject of a contested application for permission to amend (see *Steenbok Newco 10 Sarl v Formal Holdings Ltd* [2024] EWHC 1160 (Comm) at [22]).

49. Notwithstanding that the claimant's approach was misguided, I cannot say that her conduct was therefore highly unreasonable.
50. Ms. Weaver submits that the claimant misjudged the extent and scope of the opposition to the application. Given the way in which the application proceeded at the hearing, I have little doubt that this submission is well made. I accept that such conduct is not so unreasonable as to justify an award of indemnity costs.
51. I remind myself that the mere fact that a claim has proved weak or optimistic, or that the paying party has been found to be wrong, is not sufficient grounds for awarding indemnity costs. It may often be the case that a claim is found to be weak, or an argument wrong, because the party advancing the claim or argument has failed to engage properly with the issues or the law. Here, there is little doubt that the claimant failed to engage (at least in advance of the hearing) with the procedural issues that beset her amendment application. This failure led directly to the concessions that were made by counsel at the hearing together with the subsequent decision to withdraw the application. But I am not convinced that this is enough to take the case out of the norm.
52. Given the observations I have already made, I also accept Ms. Weaver's submissions that none of the features that commonly attract indemnity costs are present. There is nothing in the conduct of the claimant which takes this case out of the norm in the sense that it is "highly unreasonable". There is no suggestion that the claimant made the application to amend for any ulterior motive or to put improper pressure on the defendants to settle. There were some procedural irregularities in the issuing of the application (without evidence) and it is true that three different iterations of the amendments were provided to the defendants, but this conduct is not, in my judgment, so unreasonable as to take this case out of the norm, and the defendants did not suggest that they suffered any real prejudice in responding to the application by reason of these procedural irregularities. Although I accept that Wiggin's letter of 28th June 2024 did appear to suggest (wrongly) that the defendants were in breach of the Chancery Guide in serving their skeleton argument, this was corrected in their later letter of 3rd July 2024, when it was also made clear that they were not suggesting that Mr. Grant KC had misled the court about the rules for the timing of service of that skeleton.
53. Finally, I bear in mind that there are good reasons not to discourage litigants from abandoning claims or applications where it is appropriate that they should do so. This application was plainly misguided and insufficient focus was directed at the significant procedural hurdles facing the claimant given the fast approaching trial and the inability of the court to afford the parties any more time at trial. However this was eventually recognised by the claimant and the application was then withdrawn. Every case will turn on its own facts but it appears to me to be important that the court is not too ready in such circumstances to accede to applications for indemnity costs, an approach which might discourage swift withdrawal or abandonment in similar circumstances and would itself risk being inconsistent with the aims of the overriding objective.

54. In the circumstances, I shall award the defendants their full costs of the application on the standard basis. It is common ground that these costs will need to be assessed at detailed assessment if they cannot be agreed.

Payment on Account

55. The defendants seek a payment on account of their costs under CPR 44.2(8) and this is not opposed in principle by the claimant. The defendants set out the principles to which the court should have regard at paragraph 2.5 of their skeleton argument, which I did not understand to be controversial and which I gratefully adopt:

" Where the court orders a party to pay costs subject to detailed assessment, it will order that party to pay a reasonable sum on account of costs, unless there is good reason not to do so (CPR r.44.2(8)). As to this:

(1) There is a presumption that a payment will be made (*Excalibur Ventures LLC v Texas Keystone Inc* [2015] EWHC 566 at [14]).

(2) Identification of a reasonable sum does not mean the 'irreducible minimum' that would be awarded on assessment. A reasonable sum will often be one that is an estimate of the likely level of recovery, subject to an appropriate margin to allow for error in the estimation (*Excalibur Ventures* at [23]). The exercise is necessarily somewhat 'rough and ready' (*Credico Marketing Ltd v Lambert* [2021] EWHC 1887 (QB) at [43]).

(3) Factors relevant to the amount of any payment include the likelihood of the costs being awarded; the difficulty, if any, that may be faced in recovering those costs; the likelihood of a successful appeal; the means of the parties; the imminence of any assessment; any relevant delay; and whether the paying party will have any difficulty in recovering in the case of any overpayment (*Excalibur Ventures* at [24])."

56. The defendants suggest a payment of 80% of their total costs of the application, including today's hearing, of £316,463.62, their total costs being £395,579.52. This is opposed by the claimant who points to various aspects of the defendants' schedules of costs which she says are likely to be reduced on a detailed assessment.
57. The exercise that I must undertake is somewhat rough and ready and I bear in mind that I must seek to identify a reasonable sum which represents the likely level of recovery but which may be subject to an appropriate margin to allow for error of estimation. I also bear in mind that the suggested payment of 80% advanced by the defendants was on the basis that I would make an award of indemnity costs. Absent such an award, there will obviously now be scope for the claimant to challenge the

defendants' costs on a detailed assessment on grounds of both reasonableness and proportionality.

58. Standing back, and without trying to descend into any detail on the schedules, I am inclined to the view that there is plainly scope here for argument as to whether the costs schedules produced by the defendants are reasonable and proportionate. I am not in a position to assess that now, and it would not be appropriate for me to do so. However, given that there appears to me to be scope for reduction on a detailed assessment, and given that I have ordered that costs should be assessed on the standard basis, I am prepared to make an order for a payment on account of costs of 65%.

Postscript: the provision of skeleton arguments in accordance with the Patents Court Guide

59. By way of postscript, I return to the timing of service of the skeleton argument prepared by the defendants for the hearing of the amendment application. It was served, as everyone now accepts, in accordance with the Patents Court Guide, paragraph 14.7(a), i.e. "by 10.30am the previous working day".
60. However, I understand that applications of this sort in the Patents Court are ordinarily the subject of directions made at a case management conference which would likely make provision for a longer time between service of skeleton arguments and the hearing. Owing to the timing of the application in this case, which was only made *after* the second case management conference, no directions were given by the court as to the procedure for the application or the timetable for exchange of skeleton arguments. Accordingly the terms of paragraph 14.7(a) of the Patents Court Guide effectively applied by default and, it is common ground, trumped the provisions of paragraph 14.57 of the Chancery Guide which provide that skeleton arguments in a heavy application (which this plainly was) should be served by midday two clear days before the hearing.
61. I consider that the provisions of 14.7(a) of the Patents Court Guide need to be revisited in light of the experience in this case. Paragraph 14.57 of the Chancery Guide provides for skeletons to be served further in advance of the date of the hearing with good reason: so as to ensure that arguments of the sort that have been raised at today's hearing can be avoided. There is at present, as it seems to me, a disjunct between the provisions of the Patents Court Guide and the Chancery Guide which should be addressed.
62. In future, notwithstanding the provisions of paragraph 14.7(a) of the Patents Court Guide, parties to heavy applications in the Patents Court, where there have been no directions for exchange of skeletons in advance, would be well-advised to liaise over the exchange of skeleton arguments with a view to ensuring that reasonable time to read and digest those skeleton arguments is provided in advance of the hearing date. This is simply the natural corollary of the requirement that the parties co-operate with each other and help the court to further the overriding objective.
