



PATENTS ACT 1977

BETWEEN

Elsworth Ethanol Company Limited

Claimant

and

Ensus Limited

Defendant

PROCEEDINGS

Reference under sections 12 and 37 of the Patents Act 1977 in respect of
EP2007897 B1 and PCT/GB2007/001060

HEARING OFFICER

A C Howard

COSTS DECISION

- 1 These proceedings relate to a reference under section 37(1) of the Patents Act 1977 and an application made under section 12(1), filed on 28 August 2013 by Elsworth Ethanol Company Limited (“the claimant”) in respect of EP2007897 B1 and PCT/GB2007/001060 respectively.
- 2 The current proprietor of European patent EP2007897 B1, international patent application PCT/GB2007/001060 and all corresponding applications derived therefrom is Ensus Limited (“the defendants”) by virtue of a deed of assignment from BCTL.
- 3 In addition to these proceedings, a closely related claim (“CC12PO1450”), filed by the claimants in April 2012, regarding the ownership of two corresponding UK patent applications GB0605889.5 and GB0605890.3 is currently proceeding through the Intellectual Property Enterprise Court (“IPEC”).
- 4 The claimants in their statement of grounds requested that the comptroller decline to deal with their claim on the basis that there is significant overlap between the issues in these entitlement proceedings and those currently before the IPEC. The defendants opposed the claimants request on the grounds that it would be more cost effective and desirable for the reference to be dealt with by the UKIPO rather than the court. The matter therefore came before me at a hearing on 9 December 2013. An

oral decision, declining to deal with the reference was given shortly after the hearing. The reasons for that decision are set out in *BL 0/522/13* dated 30 December 2013.

- 5 At the hearing, I gave the parties two weeks to file written submissions in relation to costs which they have now done.

Costs before the comptroller

- 6 It is long-established practice for costs awarded in proceedings before the Intellectual Property Office (IPO) to be guided by a standard published scale. The scale costs are not intended to compensate parties for the expense to which they may have been put, but merely represent a contribution to that expense. This policy reflects the fact that the IPO ought to be a low cost tribunal for litigants, and builds in a degree of predictability as to how much, proceedings before the IPO may cost them. Tribunal Practice Notice 4/2007¹ sets out the standard scale and explains how costs are to be determined. The Tribunal Practice Notice also states that a Hearing Officer may depart from the published scale of costs and even award costs approaching full compensation to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour.
- 7 The claimants argue that the circumstances of this case are such as to warrant an off-the-scale award in their favour. Their submissions on costs are clearly laid out in their letter of 23 December 2013 which includes therein a breakdown of costs incurred during these proceedings. They have requested a payment of circa £6545 on the basis that the defendant's actions in opposing the claimant's decline to deal request and insisting on a hearing was both obstructive and intended to cause uncertainty and delay in the run up to the IPEC trial.
- 8 The defendants argue that it was entirely reasonable for them to have offered the IPO an alternative approach to dealing with these proceedings and that therefore no order as to costs should be made. However, they have indicated that should I decide that an award of costs is appropriate then it should be in line with the standard scale.

Conclusion and Order

- 9 The claimants have been successful in their application for the comptroller to decline to deal with these proceedings, and the starting point is that they should be entitled to a contribution to their costs. However I can find nothing to persuade me that anything other than an award on the comptroller's scale is justified. As I have set out above, if I am to award costs which are off the scale, I must be of the view that the defendants' behaviour has been unreasonable. In this regard, I believe that they were acting in good faith when they offered an alternative approach to handling this case. I do not think that their behaviour can be described as obstructive, or that it was intended to create uncertainty and deliberately delay proceedings. On the other hand, they did lose, and simply acting in good faith is not enough to warrant letting them off any obligation to contribute to the other side's costs.
- 10 Having considered all the factors as set out in the Tribunal Practice Notice referred to above, I am of the view that an award of £1900 is appropriate. Accordingly, I order

¹ <http://www.ipo.gov.uk/p-tpn-42007.htm>

the defendants (Ensus Limited) to pay the claimants (Elsworth Ethanol Company Limited) the sum of £1900 (one thousand nine hundred pounds) as a contribution to their costs. This sum should be paid within seven days of expiry of the appeal period below. Payment may be suspended in the event of an appeal.

Appeal

- 11 Any appeal must be lodged within 28 days

A C Howard

Divisional Director acting for the Comptroller