

Intellectual property (IP) infringement claims in the UK can be brought in either the High Court or the Intellectual Property Enterprise Court (IPEC). IPEC has a more streamlined procedure than the High Court, as it contains a full-time specialist IP judge, which aids the development of a consistent approach, and cases can often cost less than in the High Court.

As such, this streamlined procedure has improved access to justice for small and medium sized companies (as well as other entities).

IPEC is split into two parts: the small claims track and the multitrack (see below).

## **Is the IPEC Suitable for the Claim?**

### **Jurisdiction**

IPEC can hear all types of IP disputes and also disputes in which IP is a major concern. Examples of cases heard in IPEC include, but are not limited to, infringement of IP rights, amendments of patents, compensation for employees in respect of a patented invention and breaches of confidence, such as misuse of trade secrets.

### **Value of Claims**

The small claims track is suitable for claims where the amount in dispute is £10,000 or less. The multitrack is typically suitable for claims with a value between £10,000 and £500,000. This means that generally, the maximum value of any claim that IPEC hears is £500,000.

### **Restrictions on the Procedure**

There are several specialist procedural and costs rules applicable to claims in IPEC, including the following general points to note:

- The statements of case (e.g. the particulars of claim, defence, etc.) are more detailed than in the High Court.
- Trials in IPEC should last for two days or less.
- IPEC is usually suitable for claims where both parties are small to medium enterprises. However, it is more the facts of the case – rather than the parties – that are looked at in determining the suitability of being heard in IPEC.
- The default position is that there is no disclosure of documents unless the court orders it; however, it can order disclosure of “adverse” documents known by the parties.
- IPEC has strict controls regarding the cross-examination of witnesses and will only permit it on topics where necessary.
- IPEC is generally unsuited for very complex legal or fact-heavy disputes. For example, a breach of contract and trade mark litigation claim with a competition law defence may be considered too complex for an IPEC judge and be transferred to the High Court to be dealt with.
- Cost recovery to recover legal costs is capped at £60,000 on the final determination of a claim in relation to liability, meaning that the losing party will only have to pay the other party’s costs up to £60,000 (excluding court fees and wasted-costs orders).

### **Available Remedies**

IPEC can order all the remedies available in the High Court, including interim injunctions, damages and delivery up. For claims allocated to the multitrack, interim remedies, including interim injunctions, asset freezing orders and search and seizure orders, are available.

## Procedure for Making a Claim

<b>Pretrial</b>	Before starting a claim, the parties must comply with steps set out in Paragraph 6 of the Practice Direction – Pre-Action Conduct and Protocols. The claimant must write to the defendant with details of the claim. The defendant should respond confirming if the claim is accepted and, if not, explaining reasons why. If the defendant is making a counterclaim, it should set this out.
<b>Starting a Claim</b>	To start a claim, the claim form must be issued and the prescribed fee paid. When filing the claim form, the claimant can choose to file particulars of claim at the same time or within 14 days of issuing the claim form. The particulars of claim must set out the facts and matters relied on by the claimant, and important documents attached to it. The claimant should serve the court documents on the defendant with the response pack.
<b>Defence, Counterclaim and Reply</b>	After a defendant is served with particulars of claim, it must serve its defence within 14 days of service of the particulars of claim, or file an acknowledgement of service if it needs more time or wishes to challenge the court's jurisdiction. The defence (and any counterclaim) must then generally be served within 42 days of receipt of the claim. The claimant's reply to the defence (and defences to any counterclaim) should be served within 28 days of service of the defence.
<b>Statement of Truth</b>	To validate a statement of case (e.g. particulars of claim, the defence or reply), a signed statement of truth must be provided by someone from the claimant or defendant, usually a senior member of a company, with full knowledge of the facts. This statement of truth is legally binding, and the individual who signs it may be required to appear as a witness at the trial.
<b>Case Management Conference</b>	The claimant is required, within 14 days of being served with all the defences, to apply to the court for a case management conference (CMC). This is a preliminary hearing giving the judge and the parties the opportunity to manage the conduct of the case and trial timetable. It will identify the issues of fact and law that need to be resolved. Other orders will cover the trial date, disclosure of any documents and the use of witnesses and experts.
<b>Trial</b>	The trial should not last more than two days, with many cases heard within a single day.

## Comparison of Litigating in IPEC and High Court

	<b>IPEC</b>	<b>High Court</b>
<b>Damages Capping</b>	A cap of £500,000 on the amount of damages/account of profits that can be sought (unless parties agree otherwise).	No cap on claiming damages or an account of profits.
<b>Costs and Costs Capping</b>	For a two-day hearing, the costs to trial are likely to be between £200,000 and £400,000 plus VAT, which is likely to be lower than the High Court. Costs recovery in the IPEC is capped at £60,000 for determination of liability hearings, and a further £30,000 in respect of inquiries into damages. It may be possible, in certain circumstances, to override this by the claimant making a suitable Part 36 offer. Orders are often much less than these amounts.	For a trial listed for three to five days, the costs are likely to be much higher than if the case was heard at IPEC, and multitrack claims are not subject to any specific cap. The usual rule of thumb is that around 60% to 70% of the winner's costs are recovered.
<b>Location and Expertise</b>	IPEC sits within the Royal Courts of Justice in London, but cases can be heard at other courts in different locations. It is a specialist court that only deals with IP matters, and judges that hear IPEC matters are specialists in IP law.	High Court in London hears all civil disputes, but usually IP cases have specialist judges.

	IPEC	High Court
<b>Statements of Case</b>	Cases can be more front loaded in IPEC than the High Court as there is an expectation on the parties to set out concisely all facts and arguments in their statements of case. Therefore, it can be more difficult to amend such documents as there is more emphasis to get it right at the outset.	The particulars of claim and the defence are often briefer and there is no need to include all the evidence. Parties can agree or apply to the court to amend the statements of case.
<b>Disclosure and Witness Statements</b>	There is no automatic-disclosure provision in the IPEC or the ability to call witnesses and experts. However, it is likely that the parties will have to disclose documents that are "adverse" to their case or "support" the other party's case, where absolutely necessary.	The following documents must be disclosed by a party: (a) those it relies on; (b) those that adversely affects its own case or that of the other party; and (c) those that support the other side's case. Witnesses and experts are routinely called.
<b>Trial Length</b>	Typically, two days or less.	No time limit.
<b>Time Frame</b>	Six to 12 months.	12 to 18 months.
<b>Settlement</b>	Settlement can be less likely than in the High Court as the cost of the proceedings is much lower than the High Court, and the level of liability for paying the winning party's costs is far lower than in the High Court.	Significant pressure to settle due to the high cost of proceedings and unlimited exposure to the winning party's costs (subject to costs budgets).

## Contact



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