



1. General

1.1. Introduction

This Guide applies to the small claims track within the Patents County Court (PCC). It is written for all users of the PCC, whether a litigant in person or a specialist Intellectual Property (IP) litigator.

The Guide aims to help users and potential users of the small claims track of the PCC by explaining how the procedures will operate, providing guidelines where appropriate and dealing with various practical aspects of proceedings in the small claims track.

The Patents County Court has a multi-track and a small claims track. The small claims track is for suitable claims in the PCC with a value of up to £5,000. Costs orders on the small claims track are highly restricted. The PCC multi-track has a limit on damages of up to £500,000; costs orders will be made which are proportionate to the nature of the dispute, subject to a cap of no more than £50,000. This Guide is concerned specifically with the PCC small claims track. There is a general Patents County Court Guide which addresses proceedings in the multi-track and covers wider matters like the history of the PCC, details of its jurisdiction and the Patents County Court User's Committee.

In circumstances which are not covered by this guide, reference may be made to the Patents County Court Guide, the Patents Court Guide and the Chancery Guide.

1.2. Origin of the PCC small claims track

The PCC was set up in 1990. On 1 October 2010 a new set of streamlined procedures was implemented in the PCC and today the PCC it is intended to provide a less costly and less complex forum in which to try intellectual property disputes. It does so using a streamlined form of the multi-track procedure of the Civil Procedure Rules (CPR).

Following on from the proposals set out in the Review of Civil Litigation Costs by Lord Justice Jackson and in response of a further recommendation made in the Hargreaves Review, a small claims track within the Patents County Court was set up. The small claims track came into effect on 1 October 2012.

The small claims track is intended to benefit SMEs and entrepreneurs with the lowest value IP claims, for example, a photographer who finds his image reproduced without consent.

The court will in future be renamed so as to recognise its broad IP jurisdiction.

1.3. Jurisdiction

The details of the basis for the legal jurisdiction of the PCC are set out in the Patents County Court Guide.

The PCC small claims track is available only for certain kinds of IP cases. The main kinds of claim which may be brought in the PCC small claims track are concerned with:

- copyright,
- trade marks (UK and Community registered trade marks),
- passing off
- unregistered design right (UK and Community unregistered design right),

For example the small claims track of the Patents County Court may hear and determine actions for:-

- Infringement of copyright
- Infringement of trade mark or passing off
- Infringement of unregistered design right

The PCC small claims track is **not** available for certain intellectual property claims. The main kinds of IP claim which may not be brought in the PCC small claims track are claims concerned with patents, registered designs (including Community registered designs), and plant varieties.

The detailed rules which govern the IP rights which may or may not be taken on the PCC small claims track are paragraph 16.1 of the *Practice Direction 63 – Intellectual Property Claims* and rule 63.2 (1) of *Part 63 of the CPR*. IP rights listed in paragraph 16.1 which are not listed in rule 63.2 may be taken on the PCC small claims track.

If the PCC small claims track is not suitable, all IP claims may be brought in the High Court or in the streamlined multi-track of the Patents County Court.

1.4. Legal remedies

The main remedies available on the PCC small claims track are damages for infringement (or an account of profits) and a final injunction to prevent infringement in future.

Interim remedies such as interim injunctions, search and seizure and asset freezing orders are not available on the small claims track of the PCC. These remedies are available on the streamlined multi-track procedure of the PCC and so, for example, a claimant seeking an interim injunction in the PCC should use the multi-track procedure even if the claim is otherwise suitable for the PCC small claims track.

1.5. Applicable rules of procedure

The rules applicable to small claims track proceedings within the Patents County Court are as follows:

- The general Civil Procedure Rules (CPR) provide the framework for proceedings in the Patents County Court as they apply to all civil courts in England and Wales.
- CPR Part 63- Intellectual Property Claims applies to all intellectual property claims. Part 63 includes rules specific to intellectual property cases and in some areas modifies the general parts of the CPR.
- Practice Direction 63 (PD 63) supplements CPR Part 63.
- Attention is drawn to two particular parts of the CPR which contain provisions specific to the PCC small claims track.

First is CPR Part 27, which deals with the small claims track in general. It is modified in its application to the PCC small claims track in that interim injunctions are not available.

Second are two rules in CPR Part 63 (r63.27 and r63.28). Rule 63.27 relates to allocation to the PCC small claims track and r63.28 clarifies which rules are applicable to the track.

1.6. Procedure

The PCC small claims track will follow the standard small claims procedure of the CPR but within the framework of the Patents County Court. The procedure is outlined below.

Part 27 of the CPR set out the procedure for dealing with claims which have been allocated to the small claims track. The CPR include details on the conduct of a small claims track hearing which highlights its accessibility:

The court may adopt any method of proceeding at a hearing that it considers to be fair.

Hearings will be informal.

- The strict rules of evidence do not apply.
- The court need not take evidence on oath.
- The court may limit cross-examination.
- The court must give reasons for its decision (Rule 27.8).

Additionally the court may, if all parties agree, deal with the claim without a hearing i.e. 'on paper' (Rule 27.10).

1.7. Allocation

The PCC small claims track is intended to provide a proportionate procedure by which most straightforward IP claims with a financial value of not more than £5,000 can be decided without the need for substantial pre-hearing preparation and the formalities of a traditional trial. The limit on value of £5,000 is the same as the limit applicable for general civil claims on the small claims track.

Allocation of cases between the multi-track and small claims track in the PCC works in the following way.

A claim in the PCC is only suitable for allocation to the small claims track if the value is less than £5,000 and the subject matter relates to one of the appropriate IP rights (usually copyright, trade marks, passing off or unregistered design right).

All claims in the PCC are automatically allocated to the multi-track initially unless the claimant states in the Particulars of Claim that he or she wishes the claim to be allocated to the small claims track. So a claimant who wishes to use the small claims track must say so in writing, as part of the Particulars of Claim (see below).

If the defendant does not object to allocation to the small claims track and assuming the case is suitable, then it will be allocated to the PCC small claims track.

In cases where there is a dispute the court will determine allocation. One example of a dispute may be if the claimant has asked for the case to be allocated to the small claims track but the defendant objects. Another example could be that the claimant not sought allocation to the small claims track but the defendant thinks the case should be a small claim. In these situations, once the dispute has arisen, the court will decide to which track the claim should be allocated.

The value of the claim will be one aspect the court will consider in deciding to allocate a claim to a particular track. It will also consider other factors such as: the likely complexity of the facts, law or evidence; the amount of oral evidence which may be required and the views expressed by the parties. Cases concerned with the validity of registered trade marks are unlikely to be suitable for the small claims track.

Even if the parties have consented to allocation, the case will not be allocated to the PCC small claims track if it is not suitable for that track.

If there is no dispute about allocation, there is no need to file an allocation questionnaire.

If there is a reason to do so at a later stage, the court can re-allocate a case proceeding on one track in the PCC to the other track. Where a claim is re-allocated to the other track, the costs rules applicable to the first track will cease to apply after the claim has been re-allocated and the costs rules on the new track will apply from the date of re-allocation.

1.8. Costs Recovery

The general principle that the unsuccessful party will pay the legal costs of the successful party does not apply on the small claims track. In the case of the small claims track, the costs recoverable are highly restricted.

The applicable rule (CPR r27.14) states that except in certain circumstances “*the court may not order a party to pay a sum to another party in respect of that other party’s costs, fees and expenses, including those relating to an appeal ...*”. The circumstances in which the court may award sums for costs include: fixed sums in relation to issuing the claim; court fees; certain expenses relating to attending the hearing etc.

Practice Direction (PD) 27 (section 7.1-7.3) sets out the maximum amounts which may be ordered in particular special circumstances. The maximum sum for legal advice and assistance in a claim including an injunction is a sum not exceeding £260 (paragraph 7.2). The maximum amount for the loss of earnings of each party or witness attending a hearing is £90 per day for each person (paragraph 7.3).

1.9. Legal Representation

One way in which costs on the small claims track are kept proportionate to what is at stake is that any party may present his/her own case at a hearing although a lawyer or lay representative (anyone other than a barrister, a solicitor or a legal executive employed by a solicitor) may present it for him/her. A corporate party (business) may be represented by any of its officers or employees.

Patent attorneys, solicitors and trade mark attorneys all have rights to represent clients in the PCC. These professionals may additionally instruct barristers to help prepare/argue the case in court, although this will not normally be suitable if a claim is to be heard upon the low cost small claims track.

More information about qualified legal professionals can be found at the following websites:

- Chartered Institute of Patent Attorneys- www.cipa.org.uk.
- Law Society- www.lawsociety.org.uk (regarding Solicitors).
- Bar Council- www.barcouncil.org.uk (regarding Barristers).
- Institute of Trade Mark Attorneys- www.itma.org.uk.

Where a person bringing or defending a case in the PCC cannot afford to pay for their own legal representative, then they may be eligible to seek free or pro bono advice. The National Pro Bono Centre houses national clearing houses for legal pro bono work delivered in England and Wales: i.e. the Bar Pro Bono Unit, Law Works (the Solicitors’ Pro Bono Group) and ILEX Pro Bono Forum. The website is at: www.nationalprobonocentre.org.uk

A litigant wishing to seek pro-bono legal assistance should approach the Citizens Advice Bureau or a Law Centre first. There is a CAB office in the Royal Courts of Justice, Strand, London.

The Patents County Court Users Committee is working with CIPA to look at setting up a CIPA pro bono scheme and also actively considering other ways to widen the availability of pro-bono legal assistance in the Patents County Court.

1.10. The judges of small claims track of the Patents County Court

The judges who sit in the small claims track of the PCC are District Judges and Deputy District Judges. They sit in the Thomas More Building at the address in Annex A. This is close to the main home of the Patents County Court at the Rolls Building.

2. Procedure in the small claims track

2.1. Before issuing proceedings

Attention is drawn to the Practice Direction- Pre-Action Conduct (a copy of which can be found on the HM Courts Service website at www.justice.gov.uk).

Compliance with this Practice Direction will affect the timetable, once proceedings are issued (see further below). However, as unjustified threats to bring legal proceedings in respect of many IP rights can themselves be subject to litigation, each claimant will have to make their own decision as to whether it is appropriate to write to a prospective defendant to see if matters can be settled before any proceedings are issued.

2.2. Issuing proceedings

All proceedings should be issued at the public counter in the Rolls Building. The full address details are set out within Annex A.

2.3. Service of documents

The claim form should be served on the defendant with a response pack. The claim form should be served by the claimant and so the claimant should make sure the defendant's copy of the claim form is obtained from the court at issue.

2.4. Statements of Case

2.4.1. Statement of case - Introduction

Statements of case are the documents where each party sets out its case. These need to be full, but not unnecessarily lengthy. Statements of case can stand as evidence at trial in the PCC, where relevant individuals have verified them with a statement of truth.

2.4.2. Statement of case - Time limits

The time limits applicable in the PCC are the same whether the case is proceeding on the small claims track or the multi-track.

In general, the time limits set out in Part 15 apply to litigation of all intellectual property rights. However, rule 63.22 modifies Part 15 in respect of the time limits for filing defences and replies.

The time limit for filing the defence depends on whether the Particulars of Claim confirms that Pre-Action Conduct practice direction has been complied with (rule 63.22(2) and (3)). The time limit is 42 days or 70 days respectively.

The time limit for the reply to defence is 28 days from the service of the defence (rule 63.22(4)).

The parties are not at liberty to extend the time limits set out in rule 63.22 without the prior consent of the judge. Applications for any extension of time must be made in good time and set out clear grounds as to why they are required.

2.4.3. Statements of case - Contents

Statements of case within the small claims track must set out concisely all facts and arguments relied on. The case will be assessed on an issue by issue basis, therefore the court needs to know what all the issues are for that process to take place. Guidance on the statement of case is as follows:

- In a normal case it is unlikely that legal arguments will need to be set out in any detail in the statement of case, all that is likely to be required is a brief statement of the nature of the argument to be relied on.
- Similarity between works (in a copyright case) or similarity between marks (in a trade mark case) may not require elaboration but in an appropriate case some detail will be necessary. In

trade mark cases the nature and characteristics of the relevant consumer should be identified (if relevant).

- A defence of independent design in a copyright case (or similar) will need to be addressed in appropriate detail.

2.5. Case management

Case management in the small claims track is governed by CPR r27.4. After allocation, the court will give directions. The case management in the PCC small claims track will be conducted by a district judge or deputy district judge.

The court will normally give directions on paper without a preliminary hearing, and fix a date for the final hearing. If that is not possible, various alternative orders may be made. One possible order is to fix a date for a preliminary hearing.

The court will not normally allow more than one day for the hearing of a claim.

2.6. Experts (r27.5)

No expert may give evidence, whether written or oral, without the permission of the court.

2.7. Preliminary Hearing (r27.6)

The court may hold a preliminary hearing in an appropriate case. If it decides to do so, the parties will be given at least 14 days notice. At a preliminary hearing the court will fix a date for a final hearing (if that has not already been done), inform the parties of the amount of time allowed for the final hearing and give any appropriate directions.

Preliminary hearings in the small claims track of the PCC will take place at the Thomas More Building (address in Annex A).

2.8. Transfers

Cases proceeding in the Patents County Court may (if appropriate) be transferred to the High Court. This is unlikely to be relevant to the small claims track. The general Patents County Court Guide contains information about transfers to the High Court.

2.9. The trial

The general rule is that a small claims hearing will be in public. The judge may decide to hold it in private, or deal with it as a paper hearing if the parties agree.

A hearing that takes place at the court will generally be in the judge's room but it may take place in a courtroom. Trials in the small claims track of the PCC will take place at the Thomas More Building (address in Annex A).

Rule 27.8 allows the court to adopt any method of proceeding that it considers to be fair and to limit cross examination. The judge may in particular:

- (1) Ask questions of any witness himself before allowing any other person to do so.
- (2) Ask questions of all or any of the witnesses himself before allowing any other person to ask questions of any witnesses.
- (3) Refuse to allow cross-examination of any witnesses until all the witnesses have given evidence in chief
- (4) Limit cross examination of a witness to a fixed time or to a particular subject or issue, or both.

A hearing that takes place at the court will be tape recorded by the court. A party may obtain a transcript of such a recording on payment of the proper transcribers' charges.

Provisions are in place to enable a party to give notice that he will not attend a final hearing and sets out the effect of his giving such notice and of not doing so. Nothing in the provisions affect the general power of the court to adjourn a hearing, for example where a party who wishes to attend a hearing on the date fixed cannot do so for a good reason.

2.10. Fees

Fees are payable to the court when issuing a claim using the small claims track and on certain other occasions. Guidance Fees is available on the website of HM Courts Service at www.justice.gov.uk.

2.11. Alternative Dispute Resolution

The primary role of the Patents County Court is as a forum for deciding intellectual property rights cases. However, the Patents County Court encourages parties to consider the use of ADR (such as, but not confined to, mediation and conciliation) as an alternative means of resolving disputes or particular issues within disputes.

Settlement of a dispute by ADR has many advantages. It can result in significant saving of costs. It also has the potential to provide the parties with a wider range of solutions than can be offered by litigation. For example, while the solution to litigation is usually limited to “win/lose” on the issues put in front of the court, ADR may provide a creative “win/win” solution, as some forms of ADR can explore other ways for the parties to cooperate. ADR can also explore settlement in several countries at the same time.

Legal representatives should consider and advise their clients as to the possibility of seeking to resolve the dispute via ADR. However, not all cases are suitable for settlement this way. In an appropriate case, the Patents County Court has the power to adjourn a case for a specified period of time to encourage and enable the parties to use ADR. At the Case Management Conference, the Judge will ask whether the parties have been advised about ADR and whether an adjournment is being sought. However, this will not usually be a reason to delay the CMC itself.

There are many forms of ADR. Most of these are not free. These include:

- (a) Conciliation- This can involve the use of a third party to see if agreement may be reached or to offer a non binding opinion on the dispute. Some trade bodies offer conciliation services.
- (b) Mediation- This involves the appointment of a trained mediator to see whether a legally binding agreement can be negotiated. The parties will usually sign a framework agreement for the procedure of the mediation. Mediation can involve the mediator meeting with both parties together and/or meeting the parties in separate rooms and shuffling between them.
- (c) Arbitration- This involves the appointment of an arbitrator or private decision maker, under a set of procedural rules. The arbitrator will then make a binding decision on the case. Arbitration replaces the court action, but the decision of the arbitrator is private to the parties. NB since arbitration is a private matter between parties, arbitrators cannot revoke intellectual property rights.
- (d) Early Neutral Evaluation- This involves an appointment of an expert to give an opinion about one or more issues in a dispute. Such opinions are not binding but assist the parties in reaching a settlement of the case.
- (e) Binding expert determination- This involves the appointment of an expert to make a decision about one or more issues in a dispute. Such decisions can be legally binding, by agreement between the parties.

2.12. Appeals

An appeal from a decision in the PCC small claims track is to the circuit judge sitting in the PCC. An appeal can only be made with permission. Permission can be sought from the judge who made the order in the small claims track or from the circuit judge.

ANNEX A

Contact details and addresses

Patents County Court (Small Claims Track)

The Patents County Court

The home of the Patents County Court is in the Rolls Building at this address:

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

DX160040 Strand 4

The Patents County Court is presided over by a senior circuit judge. The judge is His Honour Judge Birss QC. The contact details for the Clerk to HHJ Birss QC are:

Christy Irvine
Christy.Irvine@hmcts.gsi.gov.uk

The public counter for the PCC small claims track

The public counter for the small claims track of the Patents County Court is on the ground floor of the Rolls Building (address above). It is the same counter which is used for all cases in the Patents County Court. This is the place at which all fees will be paid and all proceedings and applications issued.

The counters are open Monday to Friday (except public holidays) from 10am - 4.30pm.

Trials and preliminary hearings in the PCC small claims track

Trials and preliminary hearings in the small claims track of the Patents County Court will take place in the Thomas More Building at this address:

Thomas More Building
Royal Courts of Justice
Strand
London WC2A 2LL

DX 44450 STRAND

Tel 020 7947 7387/6187

Fax 020 761 7695

Email: PCCsmallclaimstrack@hmcts.gsi.gov.uk

Judges on the PCC small claims track

The judges who will hear cases on the PCC small claims track are District Judge Janet Lambert, District Judge Melissa Clarke and District Judge Charlotte Hart.

The clerks in charge of the PCC small claims track will be the clerks to the District Judges at the Thomas More Building. They can be contacted on the telephone numbers and email address for the PCC small claims track given above.

Two deputy District Judges will also sit on the PCC small claims track: Nicola Solomon and Richard Vary.

General Enquiries

Enquiries relating to a case which has been allocated to the PCC small claims track may be made to the clerks in the PCC small claims track (above).

Enquiries relating to the Patents County Court in general may be addressed to the Clerk to HHJ Birss QC (above).

Please note the court staff cannot give legal advice.

Internet

Copies of this Guide, the general Guide to the Patents County Court and other material are available on HM Courts Service's website at www.justice.gov.uk.