
CIVIL PROCEDURE NEWS

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Transfer of proceedings from a patents county court—relevant legislation and rules

CPR rr.30.3 and 63.18, County Courts Act 1984 s.42, Practice Direction 30 para.9, Copyright, Designs and Patents Act 1988 s.289(2). On September 17, 2010, company (C) commencing proceedings in the patents county court (PCC) against assignees of patent (D) claiming invalidity. After October 1, 2010 (when Section V of CPR Pt 63 came into effect), D (a US company) applying to judge of that court for transfer of the case to the High Court. D asserting that patent (with two years left to expiry) related to a product earning US\$24m annually. **Held**, granting application, (1) from the point of view of the issues arising and the case management machinery necessary to deal with them, C's claim was entirely suitable to be tried in the PCC, (2) where one party applies for the transfer of the claim to the High Court (and the other opposes transfer), the fact that the claim is suitable for determination in the PCC does not determine the matter, (3) the decisive factor was that the PCC was set up to ensure that small and medium sized enterprises, and private individuals, were not deterred from innovation by the potential cost of litigation to safeguard their rights, (3) the value of the claim on the evidence as it stood, and the financial position of the parties were factors pointing in favour of determination of the claim by the High Court. Judge explaining (a) jurisdiction and role of PCC, and (b) provisions which apply to transfer to High Court by order of a county court of proceedings generally, and PCC proceedings specifically. **Memminger-IRO GmbH v Trip-Lite** [1992] R.P.C. 210, CA; and **Chaplin Patents Holdings Co. Inc. v Group Lotus Plc**, *The Times* January 12, 1994, CA, ref'd to. (See further "In Detail" section of this issue of *CP News*.) (See **Civil Procedure 2010** Vol.1, para.30.3.13, and Vol.2, paras 2F-5.2 and 9A-485.)

- **BROOKS v A H BROOKS & CO** [2010] EWHC 2700 (Ch); 160 New L.J. 1615 (2010) (Judge David Cooke)

Service of claim form on partnership—service on past partners—effect of acknowledgment of service

CPR rr.6.5, 6.9 and 7.5, Practice Direction 7A (How to Start Proceedings—The Claim Form) paras 5A and 5B, Practice Direction 10 (Acknowledgment of Service) paras 4 and 5. Claimant (C) issuing claim form in which solicitors' firm named as defendant (D) and serving it (and particulars of claim) on D by post under cover of letter dated April 2, 2010 and addressed to D's place of business. Solicitors (S) acting for D (instructed by D's professional indemnity insurance underwriters) filing acknowledgment of service. C alleging that his money intended for investment was misapplied by partners in D and specifically pleading causes of action arising at different dates between 1999 and 2007. Partners of D during that period including husband (X) (who ceased to be a partner in 2003), and wife (Y) who, in 2008, sold D to present partners (A and B) (previously salaried partners, respectively, from 2005 and 2001). From after that sale, until shortly before claim form issued, Y employed by D. A and B bringing Pt 20 claim against X and Y. On application of X and Y to set aside service of claim form, **held**, dismissing application, (1) in a claim in which a number of partners are sued in the name of a firm, where r.6.9 applies it is to be construed on the footing that an action against a partnership is in substance an action against individual partners, (2) in such circumstances, the claimant may serve the claim form on some or all of them at the usual or last known place of business of the firm, (3) in this case, at the time of service C had reason to believe that the address of D was an address at which X and Y no longer carried on business and were therefore required to undertake the reasonable steps stipulated by r.6.9 to ascertain current service addresses for them, (4) since C did not comply with those obligations, the service of the claim form at D's address did not constitute good service on either of them, (5) para.4.4 of PD10 states that, where a claim is brought against a partnership, (i) service must be acknowledged in the name of the partnership on behalf of all persons who were partners at the time when the cause of action accrued, and (ii) the acknowledgment of service may be signed by any of those partners, or by any person authorised by any of those partners to sign it, (6) a partner acknowledging service under that provision may do so expressly on the basis that he does so only on behalf of specified partners, (7) in the absence of any such express qualification, the acknowledgment will be taken to be made on behalf of all the relevant partners, including former partners, (8) an acknowledgment complying with para.4.4 (and not so qualified) will be effective on behalf of those who were partners at the time when the cause of action accrued, notwithstanding any lack of actual authority as between themselves, unless and until any of them is given permission to withdraw (para.5.4), (9) in the circumstances of this case, S were entitled to, and did, acknowledge service, not only on behalf of A and B, but also on behalf of both X and Y, (10) X and Y were bound by that acknowledgement, which cured any defect in the service. Observations on procedural mechanisms (under

CPR and former RSC) for dealing with difficulties that can arise when the composition of a partnership firm changes between the time when the cause of action accrues and the time when the claim form is served. (See *Civil Procedure 2010* Vol.1 paras 6.9.3.1, 7.5.1, 7APD.5A, 10.5.2.1 and 10PD.4.)

- **CHADWICK v HOLLINGSWORTH** [2010] EWCA Civ 1210, November 2, 2010, unrep., CA (Rix, Moore-Bick and Patten L.J.)

Route of appeal—final decision—order appealed

CPR r.40.2(4), Access to Justice Act 1999 s.56, Access to Justice Act 1999 (Destination of Appeals) Order 2000 arts 1(2)(c), 2, 3 and 4, Practice Direction 52 (Appeals) para.2A.2. Under Pt 7, patient (C) issuing claim form in a county court bringing a claim for clinical negligence against surgeon (D). Claim allocated to the multi-track. Following meeting between C's expert (Y) and D's expert, C instructing another expert (X) and court granting C permission to call X in place of Y. Following receipt of further report from X, C applying for (and D opposing) order amending his particulars of claim. Judge granting application, but giving D permission to appeal. Judge's order not complying with the requirements of r.40.2(4). D lodging notice of appeal with Court of Appeal. **Held**, remitting the matter to the High Court, (1) generally, an appeal from a decision of a county court lies to the High Court, save that an appeal lies to the Court of Appeal where the decision in question is a final decision in a Pt 7 claim allocated to the multi-track (arts 2, 3 and 4), (2) in this context, a final decision is a decision of a court "that would finally determine (subject to any possible appeal or detailed assessment of costs) the entire proceedings whichever way the court decided the issues before it" (art.1(2)(c) and para.2A.2), (3) the judge's decision on C's application to amend was not a final decision as so defined, (4) the 2000 Order was made under statutory powers and some of its terms had the effect of limiting the Court of Appeal's jurisdiction, (5) those terms could not be regarded (either before or after an appeal had been lodged) as merely directory, (6) accordingly, the Court had no jurisdiction to hear D's appeal and the matter must be remitted to the High Court. Observations on requirements of r.40.2(4) and duties of counsel. (See further "In Detail" section of this issue of *CP News*.) (See *Civil Procedure 2010* Vol.1 paras 40.2.7, 52.0.11, 52PD.3.3, and Vol.2, para.9A–845 and 9A–898.)

- **DEMAN v COMMISSION FOR EQUALITY AND HUMAN RIGHTS** [2010] EWCA Civ 1279, November 16, 2010, unrep., CA (Sedley and Moses L.JJ.)

Race relations claim—application to strike out—role of assessors

CPR rr.3.4 and 35.15, County Courts Act 1984 s.63, Race Relations Act 1976 s.67(4), Equality Act 2010 s.114(7). In county court proceedings, claimant (C) bringing claim for damages against defendants (D) for racial discrimination and victimisation over an extended period. On D's application to strike out the claim under r.3.4, judge holding (1) that, contrary to C's submission, he was not required by law to sit with assessors in order to determine the application (and, with their agreement, discharging assessors summoned to sit with him), and (2) that the claim was untriable and should be struck out. Judge granting C permission to appeal against the first decision, and High Court judge (a) granting C permission to appeal against the second decision, and (b) directing that the appeals be transferred from the High Court into the Court of Appeal. **Held**, dismissing appeals, (1) although D's application was made under r.3.4, the entirety of C's claim lay under the 1976 Act, (2) by s.67(4) of that Act a judge was required to sit with assessors where they could contribute "special knowledge and experience of problems connected with relations between persons of different racial groups", (3) that provision stipulates how a court is to act in determining certain issues (adjudicative jurisdiction), and is not merely concerned with stipulating when a court is and is not duly constituted (constitutive jurisdiction), (4) in the field of race relations the power to strike out a claim should be exercised in only the most obvious and plainest cases, (5) the determination of D's striking out application turned on the question whether any court sitting with assessors in the current state of the pleadings could fairly try the case at all, (6) the determination of that question was a judicial function involving no evaluation of factual issues to which assessors could contribute, (7) C's claim was not sufficiently pleaded and the judge's decision to strike it out involved no error of law. Court noting that the 1976 Act is now repealed by the Equality Act 2010 and that s.114(7) of the latter Act in terms endorses their analysis of s.67(4). **Ahmed v Governing Body of the University of Oxford** [2002] EWCA Civ 1907; [2003] 1 I.C.R. 733, CA, *ref'd to*. (See *Civil Procedure 2010* Vol.1 para.35.15.1, and Vol.2 para.9A–537.)

- **DONALD v NTULI** [2010] EWCA Civ 1276, November 16, 2010, unrep., CA (Lord Neuberger M.R., Maurice Kay and Sedley L.JJ.)

Privacy claim—scope of interim injunction—anonimisation order

CPR rr.25.1(1) and 39.2(3), Human Rights Act 1998 s.12(3) and Sch.1 Pt I arts 6, 8 and 10. Individual claimant (C) commencing proceedings against individual defendant (D) for injunction to restrain D's disclosure of information about C which see C claimed was private (including intimate details about a personal relationship). On C's *ex parte* application (on notice) High Court judge (1) granting interim injunction (a) restraining the publication, use or

disclosure of scheduled categories of confidential information, (b) restraining the publication or disclosure of the existence of the proceedings, and (c) providing for the anonymisation of the parties, and (2) giving directions of the sort commonly used in order to underwrite the security of such injunctions (e.g. restricting access to court records). D appealing against (1)(a), (b) and (c). By cross-appeal, C contending that the substantive injunction did not go far enough. In public judgment, dismissing D's appeal against (1)(a) and C's cross-appeal, but allowing D's appeal against (1)(b) and (c), **held** (1) under art.6 and the common law, the principle of open justice applies because it furthers the interests of justice unless a countervailing consideration overrides it in the interests of justice, (2) the strict necessity test referred to in the earlier authorities was not diluted by the coming into effect of the 1998 Act, however (3) in applying the test, a court will have regard to the respective and sometimes competing Convention rights of the parties as part of its consideration of all the circumstances of a case, (4) in the circumstances of his case, in view of the terms of the substantive injunction, the appropriate order restricting publicity was one that limited reporting and publicity to what was contained in the public judgment on the appeal (necessarily in part expressed in muted or anodyne terms so as to avoid disclosing material attracting a reasonable expectation of privacy), together with any ancillary orders necessary to fortify such an order, (5) the continued anonymity of C was not justified, (6) there was no significant risk that lifting that order would have serious consequences for C's private life, which consequences might not be remediable. **Scott v Scott** [1913] A.C. 417, HL, **R. v Legal Aid Board, Ex p. Kaim Todner** [1999] Q.B. 966, CA, **Re S. (A Child)** [2004] UKHL 47; [2005] A.C. 593, HL; **McKennitt v Ash** [2006] EWCA Civ 1714; [2008] Q.B. 73, CA; **Home Secretary v AP (No.2)** [2010] UKSC 26; [2010] 1 W.L.R. 1652, SC; **Re Guardian News and Media Ltd** [2010] UKSC 1; [2010] 2 W.L.R. 325, SC; **Gray v UVW** [2010] EWHC 2367 (QB), October 21, 2010, unrep. (Tugendhat J.), *ref'd to*. (See **Civil Procedure 2010** Vol.1, paras 5.4C.10, 39.2.1, 39.2.9, 39.2.11, and Vol.2, para.3D–48, and paras 9A–252 and 15–40 to 15–45.)

- **EMERALD SUPPLIES LTD v BRITISH AIRWAYS PLC** [2010] EWCA Civ 1284, November 11, 2010, unrep., CA (Mummery, Toulson and Rimer L.JJ.)

Representative claim—“same interest”

CPR r.19.6, EC Treaty art.81(1), Competition Act 1998 s.2. Importers (C) instituting proceedings against air freighters (D) alleging that D engaged in practices preventing or distorting competition. In particulars of claim, C claiming on their own behalf and on behalf of “all other direct or indirect purchasers of air freight services”. C seeking declaration to effect that D were liable to pay damages to such purchasers as compensation for payment of inflated prices. D applying for order striking out the purported representative element of C's claim, in particular on ground that the “other persons” whom C sought to represent (which included 178 other potential claimants known to C) did not have “the same interest” so as to fall within r.19.6(1). Judge granting application ([2009] EWHC 741 (Ch); [2009] 3 W.L.R. 1200). Single lord justice granting C permission to appeal. **Held**, dismissing C's appeal, (1) C and those they purported to represent did not all have the required “same interest”, (2) the persons represented were not defined in the pleadings, either initially or in amendments proposed, with a sufficient degree of certainty to constitute a class of persons with “the same interest” capable of being represented by C, (3) the potential conflicts arising from the defences that could be raised by D to the “direct purchasers”, on the one hand and the “indirect purchasers”, on the other, reinforced the fact that they did not have the same interest and that the proceedings were not equally beneficial to all those to be represented, (4) if advantage is to be taken of r.19.6, it must be possible at all stages of the proceedings to say, of any persons whom the claimant then purports to represent, whether or not at that stage they qualify for membership of the represented class of persons by virtue of having “the same interest” as the claimant, (5) throughout representative proceedings, membership of the represented class may fluctuate, and it is not necessary that the class should be complete and closed when the claim is begun or continued, (6) in the circumstances of this case, (a) the issue of D's liability to C and the persons whom they sought to represent would have to be decided before it could be known whether or not a person was a member of the represented class bound by the judgment, consequently (b) the proceedings could not accurately be described or regarded as a representative action. **Duke of Bedford v Ellis** [1901] A.C. 1, HL; **Pan Atlantic Insurance Co. Ltd v Pine Top Insurance Co. Ltd** [1989] 1 Lloyd's L.R. 568, CA; **John v Rees** [1970] Ch 345, *ref'd to*. (See further “In Detail” section of this issue of *CP News*.) (See **Civil Procedure 2010** Vol.1 para.19.6.3.)

- **JIH v NEWS GROUP NEWSPAPERS LTD** [2010] EWHC 2818 (QB), November 5, 2010, unrep. (Tugendhat J.)

Principle of open justice—misuse of private information claim—anonymity order

CPR rr.5.4C, 25.1(1) and 39.2(4), Practice Direction 25A (Interim Injunctions) para.9.2, Human Rights Act 1998 s.12 and Sch.1 Pt I arts 6, 8 and 10. Before commencing claim for injunction against media organisation (D) restraining misuse of private information, individual (C) applying for interim injunction. At hearing on notice, judge delivering non-public judgment (1) granting the application and, (2) pursuant to r.39.2(4) and in exercise of the inherent jurisdiction, making anonymity order (including order under r.5.4C(4) limiting information available to third parties from court file).

Judge's order served on other media organisations. At return date hearing (after issue of claim form), C and D requesting judge to deliver non-public judgment granting consent order containing (amongst other things) two particular terms; viz (a) that C be not named, and (b) that D must not publish (i) all or any part of the information described in the confidential schedule attached to the order, or (ii) anything which might identify C as the person who had obtained the order. In public judgment, **held**, deleting term (a) from the order, (1) claims for injunctions to restrain publication of private information enjoy no general exemption from the principle of open justice as guaranteed to the public by art.6 and the common law, (2) an order for anonymity and reporting restrictions cannot be made simply because the parties consent, (3) a judge at the return date for the hearing of an interlocutory application restraining publication must come to his own view as to the necessity for any derogations from the principle in the light of the facts as they are known to him at the time, (4) where the court has decided that the publication of private information should be restrained, that information (the subject-matter of the action) should not be directly or indirectly identified in a public judgment delivered by, or order made by, the court, (5) alternatively, the court may anonymise the judgment or order (protecting the identity of those affected by publication), (6) in this case, on art.8 grounds the parties were inviting the court to do both, (7) such dual derogations from the principle of open justice required particularly close scrutiny by the court, (8) in the circumstances, it would not be possible for the court to make an order or give a judgment which disclosed any information about the subject-matter of the action which did not thereby make it likely that C would be identified, (9) the only practical question open to the court was whether to withhold the identity of C, in addition to withholding all information about the subject-matter of the action, (10) C had not shown to the high standard required by art.6 that the objective of achieving justice in this case would be rendered doubtful if the anonymity order were not made. **Scott v Scott** [1913] A.C. 417, HL; **Re S. (A Child)** [2004] UKHL 47; [2005] A.C. 593, HL; **Browne v Associated Newspapers Ltd** [2007] EWCA Civ 295; [2008] 1 Q.B. 103, CA; **Re Guardian News and Media Ltd** [2010] UKSC 1; [2010] 2 W.L.R. 325, SC; **Gray v UVW** [2010] EWHC 2367 (QB), October 21, 2010, unrep. (Tugendhat J.), ref'd to. (See **Civil Procedure 2010** Vol.1, paras 5.4C.10, 39.2.9, 39.2.11, 25APD.9, and Vol.2, para.3D-48, and paras 15-40 to 15-45.)

- **KINSLEY v COMMISSIONER OF POLICE FOR THE METROPOLIS** [2010] EWCA Civ 953, June 9, 2010, unrep., CA (Ward, Thomas and Pitchford L.JJ.)

Order for specific disclosure—unless order taking effect—relief from sanction

CPR rr.3.1(3), 3.4(2)(c), 3.8 and 3.9. On May 16, 2007, claimant (C) acting in person commencing High Court proceedings against police (D) seeking injunction restraining D from harassing him and his family. Interim injunction obtained by C against D discharged for C's failure to comply with directions. C's application for a new interim injunction refused by judge and Court of Appeal refusing C permission to appeal. At directions hearing on December 14, 2007, judge making unless order requiring C to disclose specific documents by January 28, 2008. On January 14, 2008, another judge refusing C's without notice application for adjournment of proceedings generally. By effect of unless order, C's claim standing struck out on January 29, 2008. On February 8, 2008, at hearing of a fresh on notice application by C for an adjournment, a third judge refusing C's application, and (on own motion) refusing C relief from the striking out sanction. Single lord justice refusing C permission to appeal. C making renewed application for permission. **Held**, granting permission and allowing C's appeal (Thomas L.J. dissenting), (1) C was a litigant in person in a claim that raised serious issues to be tried, (2) before the making of the unless order, the court had made no explicit order requiring C to give specific disclosure of the documents referred to in that order, (3) there was a real possibility that, as a result of the January 14 hearing, C believed that the effect of the unless order was suspended pending the hearing of his on notice application for an adjournment. **Marcan Shipping (London) Ltd v Kefalas** [2007] EWCA Civ 463; [2007] 1 W.L.R. 1864, CA, ref'd to. (See **Civil Procedure 2010** Vol.1 paras 3.4.4.1, 3.8.1 and 3.9.1.)

- **MAHMOOD v ELM I** [2010] EWHC 1933 (QB), July 29, 2010, unrep. (Cox J.)

Part 36 offer—not withdrawn—whether extinguished

CPR rr.36.3(6) and 36.9(2). Following road traffic accident, taxi driver (C) bringing personal injury claim in a county court against other driver (D) for personal injury and losses. On October 1, 2007, C's solicitor making Pt 36 offer to settle C's claim by accepting £2,100 for general damages. In reply, on October 24, 2007, D admitting liability and accepting general damages offer. Parties remaining in dispute as to C's claim for vehicle storage and replacement vehicle hire charges (subsequently accruing to £17,895). On August 17, 2009, immediately before start of trial on that day of outstanding issues, D notifying C that they now accepted C's offer of October 1, "if, and insofar as that offer has not already been accepted", and at start of trial D submitting that the entirety of C's claim had been compromised in the sum of £2,100. Judge upholding that submission, finding (1) that D's letter of October 24 amounted to a counter-offer to settle only the general damages element of the claim for that sum, (2) that C had accepted that offer, and (3) that C's offer had not been withdrawn. High Court judge granting C permission to appeal. **Held**, dismissing appeal, (1) on its proper construction, C's letter of October 1 was an unequivocal offer to settle his claim for £2,100, (2) an

offer can be accepted at any time unless the offeror serves notice of withdrawal (r.36.9(2)), (3) the part-settlement of C's claim by C's acceptance of D's counter-offer did not extinguish C's offer. Effects of 2006 amendments to Pt 36 explained. **Sampla v Rushmoor BC** [2008] EWHC 2616 (TCC), October 22, 2008, unrep. (Coulson J.) ref'd to. (See **Civil Procedure 2010** Vol.1, para.36.9.1.)

■ **RAGGETT v SOCIETY OF JESUS TRUST OF 1929** [2010] EWCA Civ 1002, August 27, 2010, unrep., CA (Mummery, Thomas and Toulson L.JJ.)

Trial of liability and limitation issues—order in which issues to be determined—discretion to disapply primary limitation period

Limitation Act 1980 ss.11, 14 and 33. In February 2007, individual (C) commencing proceedings claiming damages for personal injury and consequential loss. C pleading (1) that, whilst schoolboy during the years 1969 to 1976, he was subject to sexual abuse for which the defendants, a religious society (D1) and the governors of school (D2), were liable, and (2) that, as a result, he suffered both immediate and long term injurious effects. Defences of D1 and D2 including plea of limitation. Master directing that issues of limitation and liability should be tried together first, with causation and damages then being tried separately. At first trial, judge (1) on liability, holding in favour of C, finding that he had been subject to sexual abuse, (2) on limitation (a) in applying ss.11 and 14, (i) finding that on June 24, 1976 C first had knowledge "that the injury in question was significant" and was attributable to the alleged abuse (s.14(1)(b)), and (ii) holding, accordingly, that under those provisions C's claim became time barred on June 24, 1979 (s.12(2)(b)), but (b) in applying s.33, holding that it would be just and equitable to direct that s.11 should be disapplied and C's action allowed to proceed ([2009] EWHC 909 (QB)). D2 appealing on grounds that the judge (1) should not have decided that the abuse alleged by C had occurred before deciding whether to exercise the s.33 discretion, and (2) had applied the wrong principle in determining whether D2 had suffered prejudice (within s.33(1)(b)) in relation to the issue of causation. **Held**, dismissing appeal, (1) the judge was quite properly asked to decide the issues of limitation and liability together, as the issue of limitation could not be decided without hearing evidence, (2) the authorities to the effect that a court must decide an issue on the exercise of discretion under s.33 before reaching conclusions on liability enjoin a judge to decide the s.33 question on the basis, not of a finding that the alleged injurious acts occurred, but on an overall assessment taking into account the factors referred to in that section, (3) those authorities do not dictate that, in a case such as this, the judge's written judgment should deal first with discretion and then with liability, but leave it to the judge to decide the best way to expound the analysis of the issues required, (4) in the first part of her judgment, the judge dealt with the liability issue and in doing so necessarily made findings as to the happening, nature and extent of the abuse, (5) in the second part of her judgment, the judge dealt with the limitation issue, and in the light of the submissions made analysed the factors relevant to the exercise of discretion under s.33 (a discretion that is unfettered), (6) in that analysis, it was clear that the judge was taking into account, not her findings as to the happening etc of abuse, but the parties' submissions as to the cogency of the evidence and prejudice, (7) the judge approached the exercise of that discretion in accordance with principle and came to a decision within the ambit of discretion open to a decision-maker, (8) in determining whether D2 had suffered prejudice (within s.33(1)(b)) in relation to the issue of causation (yet to be tried) the judge had not applied the wrong principle. **KR v Bryn Alyn Community Ltd** [2003] EWCA Civ 85; [2003] Q.B. 441, CA; **A. v Hoare** [2008] UKHL 6; [2008] 1 A.C. 844, HL; **B. v Nugent Care Society (Practice Note)** [2009] EWCA 516; [2010] 1 W.L.R. 516, CA, ref'd to. (See **Civil Procedure 2010** Vol.2, para.8–92.)

In Detail

TRANSFER OF PROCEEDINGS

In the CPR Update section of Issue 8/2010 (September 13, 2010) of CP News it was explained that, with effect from October 1, 2010, a further Section, that is Section IV—Patents County Court (rr.63.17 to 63.26), is added to Pt 63 (Intellectual Property Claims) (see **White Book** Vol.2 para.2F–1). The rules in this new Section make special provision for claims started in, or transferred to, a patents county court. In addition, a further Section, that is Section VII—Scale Costs for Claims in a Patents County Court (rr.45.41 to 45.43), is added to Pt 45 (Fixed Costs) (see *ibid.* Vol.1 para.45.0.1) for the purpose of providing a special regime for the summary assessment of costs according to a scale in proceedings to which the new Section IV of Pt 63 applies. It was further explained that these changes to rules are accompanied by amendments to Practice Direction 63, to the Costs Practice Direction, and also to Practice Direction 30 (Transfer) (see *ibid.* Vol.1, para.30PD.10).

The amendment to Practice Direction 30 consists of the addition of para.9. That paragraph supplements r.63.18, which states, simply, that when considering whether to transfer proceedings to or from a patents county court, “the court will have regard to the provisions of Practice Direction 30”. Paragraph 9 states as follows:

“9.1 When deciding whether to order a transfer of proceedings to or from a patents county court the court will consider whether—

- (1) a party can only afford to bring or defend the claim in a patents county court; and
- (2) the claim is appropriate to be determined by a patents county court having regard in particular to—
 - (a) the value of the claim (including the value of an injunction);
 - (b) the complexity of the issues; and
 - (c) the estimated length of the trial.

9.2 Where the court orders proceedings to be transferred to or from a patents county court it may—

- (1) specify terms for such a transfer; and
- (2) award reduced or no costs where it allows the claimant to withdraw the claim.”

In *Alk-Bello Ltd v Meridian Technical Technologies* [2010] EWPC 014, November 9, 2010, unrep., the claim form was issued on September 10, 2010 in the Patents County Court (PCC). The defendants applied for the transfer of the case to the High Court. It was common ground that the provisions in Practice Direction 30 apply to all proceedings in the PCC, whether commenced before or after October 1, 2010.

Judge Birss Q.C. explained that para.9 has to be put in a broader (and quite complicated) legal context, and after reviewing all of the relevant provisions and case law extracted the principles to be applied to the defendants’ application. In doing so his honour dealt with matters that relate to transfers of cases from county courts to the High Court generally, and not merely those of particular relevance in patent proceedings.

Judge Birss Q.C. began by noting that the power to transfer a case from a county court to the High Court is found in the County Courts Act 1984 s.42 (see **White Book** Vol.2, para.9A–482). Subsection (1) of that section provides that in certain cases provided for by a provision mentioned in subs.(7) (which must be in the High Court) a county court shall order transfer or order them to be struck out in certain circumstances. Then s.42(2) provides that “subject to any such provision, a county court may order the transfer of any proceedings before it to the High Court”. His honour noted that the word “may” clearly indicates that the court has a discretion to transfer or not, to be exercised on proper grounds.

Paragraph (2) of CPR r.30.3 (Criteria for a transfer order) sets out the matters to which the court must have regard when considering whether to make an order under s.42(2). (In effect, this provision replaced the High Court and County Courts Jurisdiction Order 1991 art.7(5). However, art.7(5) is still referred to in Practice Direction 29 (The Multi-Track) paras 2.2 and 2.6.) The matters set out in r.30.3(2) include (amongst others):

- (a) the financial value of the claim and the amount in dispute, if different;
- (b) whether it would be more convenient or fair for hearings (including the trial) to be held in some other court;
- (c) the availability of a judge specialising in the type of claim in question;

- (d) whether the facts, legal issues, remedies or procedures involved are simple or complex;
- (e) the importance of the outcome of the claim to the public in general.

Judge Birss Q.C. then referred to the Copyright Designs and Patents Act 1988 s.289(2). That subsection states:

“In considering in relation to proceedings within the special jurisdiction of a patents county court whether an order should be made under section 40 or 42 of the County Courts Act 1984 (transfer of proceedings from or to the High Court), the court shall have regard to the financial position of the parties and may order the transfer of the proceedings to a patents county court or, as the case may be, refrain from ordering their transfer to the High Court notwithstanding that the proceedings are likely to raise an important question of fact or law.”

His honour noted that two points emerge from this specific guidance on the exercise of the discretion to transfer patents cases. First, the court is to consider the financial position of both parties, and, secondly, a case raising an important question of fact or law need not necessarily be transferred to the High Court.

The Registered Designs Act 1949 s.27A(4) states that an appeal brought from the registrar under that Act must be brought in a patents county court, but this sub-section is not to be taken to prejudice the application of the County Courts Act 1984 s.42 in relation to proceedings on an appeal brought in a patents county court (s.27A(5)).

After outlining the relevant statutory provisions, rules of court and practice directions, Judge Birss Q.C. referred to the authorities. His honour said that, although they were decided well before the advent of the CPR and various other amendments to provisions mentioned above, the judgments of the Court of Appeal in *Memminger-IRO GmbH v Trip-Lite* [1992] R.P.C. 210, CA, and *Chaplin Patents Holdings Co. Inc. v Group Lotus Plc*, *The Times* January 12, 1994, CA, December 17, 1993, unrep., CA, remained relevant (see also *Wesley Jessen Corporation v Coopervision Ltd*, July 2, 2001, unrep. (Neuberger J.)). In the *Chaplin* case the Court of Appeal said (amongst other things) that a judge of a patents county court when considering how the discretion to transfer should be exercised should bear in mind that the court was established to provide cheaper, speedier and more informal procedures “to ensure that small and medium sized enterprises, and private individuals” were not deterred from innovation by the potential cost of litigation to safeguard their rights. His honour noted that, although the legislation setting up the patents county court does not define “small and medium sized enterprises”, the European Commission has adopted a definition. It is set out in the “Commission Recommendation of 6th May 2003 concerning the definition of micro, small and medium sized enterprises” (2003/361/EC).

In the light of the foregoing, Judge Birss Q.C. concluded that the various factors to be considered are as follows (para.30 et seq.):

- (1) The financial position of the parties (s.289(2) of the 1988 Act).

This includes but is not limited to considering whether a party can only afford to bring or defend the claim in a patents county court (Practice Direction 30 para.9.1(1)). This factor is closely related to access to justice. The patents county court was set up to assist small and medium sized enterprises in enforcing and litigating intellectual property disputes. Guidance on the nature of these enterprises can be found in the Commission Recommendation 2003/361/EC.

- (2) Whether the claim is appropriate to be determined by a patents county court.

This involves considering: (a) the value of the claim, including the value of an injunction and the amount in dispute (Practice Direction 30 para.9.1(2)(a) and CPR r.30.3(a)); (b) the complexity of the issues (Practice Direction 30 para.9.1(2)(b) and CPR r.30.3(d)); (c) the estimated length of the trial (Practice Direction 30 para.9.12(c)). Related to this is CPR r.30.3(b) (whether it would be more convenient or fair for hearings (including the trial) to be held in some other court).

- (3) The importance of the outcome of the claim to the public in general (CPR r.30.3(e)) albeit that a case raising an important question of fact or law need not necessarily be transferred to the Patents Court (s.289(2) of the 1988 Act).

His honour noted (para.31) that a matter which does not play a role in the context of transfers from the PCC, but which otherwise be relevant, is that of the availability of a judge specialising in the type of claim in question (see CPR r.30.3(c)) since specialist judges are available in both courts.

After enumerating these factors, Judge Birss Q.C. concluded as follows (para.32):

“Once those factors are considered I must bear in mind what sort of cases the Patents County Court was established to handle and that its role is to provide cheaper, speedier and more informal procedures to ensure that small and medium sized enterprises, and private individuals, were not deterred from innovation by the potential cost of litigation to safeguard their rights. The decision turns on what the interests of justice require, taking into account both parties interests and interests of other litigants.”

In applying these factors to the circumstances of the case before him, Judge Birss Q.C. held that the case should be transferred to the High Court and granted the defendant's application.

REPRESENTATIVE PARTIES WITH SAME INTEREST

RSC Ord.15 r.12(1) stated:

"Where numerous persons have the same interest in any proceedings ... the proceedings may be begun, and unless the Court otherwise orders, continued, by or against any one or more of them representing all or as representing all except one of more of them".

In a lecture on the reform of civil procedural law delivered in 1979, Sir Jack Jacob Q.C. said that this rule:

"may be said to have been too restrictively interpreted, so that one of the most beneficent devices for enabling an action to be brought by or against numerous persons suffering the same wrongdoing by the same wrongdoer, has been almost deprived of its usefulness".

In his opinion, this was "certainly a procedural reform which is crying out for examination".

In the years since, opportunities for enacting rules, underpinned (if necessary) by primary legislation, that would have the effect of liberalising the meaning of "the same interest" in this context have arisen. In the *Report of the Review Body on Civil Justice* (Cm 394, 1988), the Lord Chancellor was invited to institute a separate study by one of the law reform agencies of the case:

"for extending the availability of representative or class actions, or establishing other procedures, to be available in cases where there are large numbers of litigants whose claims or defences have a common basis".

Accordingly, Ch.17 of the *Final Access to Justice Report* (July 1996) was devoted to "multi-party actions". It was explained there that, although the existing rules of court provided a means for dealing with multi-party actions, they were not drafted with group actions in mind and therefore none had provided a sufficient answer to the problems they create. In relation to RSC Ord.15 r.12 in particular it was said that "there were definite limits to the weight that that rule could bear". The recommendations made in Ch.17 were in very general terms and triggered a long period of consultation not completed until well after the CPR came into effect.

Consequently, when the CPR were originally enacted, some of the rules formerly found in RSC Ord.15 were re-enacted in simplified form in CPR Pt 19 (Additions and Substitution of Parties), but r.12 and other provisions relevant to multi-party actions were not among them. Instead they were brought into the CPR by being included in Sch.1 and remained there until, with effect from May 2, 2000, Pt 19 was re-structured and replaced entirely, principally for the purpose of bringing into effect recommendations arising from the consultation on the matters raised in Ch.17; in particular, the recommendations on multi-party actions that were carried into effect by the rules included in Section III (providing for the case management multiple claims under group litigation orders of claims (GLOs)). Former Ord.15 r.12(1) was re-enacted in simplified form as para.(1) of r.19.6 (Representative parties with the same interest) but the gist of it was left untouched. That sub-rule states:

"Where more than one person has the same interest in a claim—

- (a) the claim may be begun; or
- (b) the court may order that the claim be continued,

by or against one or more of the persons who have the same interest as representatives of any other persons who have that interest."

So whereas Ord.15 r.12(1) spoke of "common interest", CPR r.19.6(1) speaks of "same interest". If anything, this change narrows rather than widens the rule. By contrast, r.19.10 states that the court may make a GLO for the purpose of the case management of claims "giving rise to common or related issues of fact or law".

Doubtless, as a practical matter, the GLO procedure has gone a long way towards circumventing the deficiencies in (what is now) r.19.6(1) identified by Sir Jack Jacob in 1979 and in Ch.17 of the *Final Access to Justice Report*. But cases may still arise in which questions as to the limits to the rule arise for determination (testing the weight that that rule can bear). A recent notable example is the case of *Emerald Supplies Ltd v British Airways Plc* [2010] EWCA Civ 1284, November 11, 2010, unrep., CA, where the judge granted the defendant's application for an order striking out the purported representative element of the claimant's claim (begun on the basis of r.19.6(1)) and the Court of Appeal dismissed the claimant's appeal. The facts of this case are summarised in the account given in the "In Brief" section of this issue of CP News.

In his judgment on the appeal, Mummery L.J. (with whom Toulson and Rimer L.J.J. agreed) explained that the wide-ranging submissions of counsel covered many points on the procedural requirements of representative actions in general. Questions raised by the submissions included the following (para.8): (1) does the size of the represented group matter? (2) are common ingredients in individual causes of action sufficient for identity of interest? (3) does that identity of the represented group have to be determined or be determinable when the proceedings are constituted? (4) do persons represented as claimants not have “the same interest” if it is open to the defendant to raise a defence against the claims of some of them but not others? and (5) if a case falls within the rule, what factors are relevant to the court’s discretion to make an order for the continuation of the representative action? These submissions involved an examination of the pre- and post-CPR authorities on representative actions, in particular the cases on “common (or same) interest”.

Mummery L.J. did not find it necessary to deal conclusively with all of the questions raised by the parties’ submissions. Perhaps the most interesting of them is the third. Counsel for the claimant submitted that the authorities show (1) that it is not necessary that the whole of the class with the same interest should exist and be fixed at the date when the action began, (2) that in this case there was no practical difficulty in being unable to identify the members of the class before the outcome was known, and (3) that the members of the class did not need to know of the proceedings before judgment was obtained.

In dealing with this submission, Mummery L.J. said that the claimant’s case for a representative action was fatally flawed. This was because the fundamental requirement for a representative action is that those represented in the action have “the same interest” in it. His lordship added:

“At all stages of the proceedings, and not just at the date of judgment at the end, it must be possible to say of any particular person whether or not they qualify for membership of the represented class of persons by virtue of having ‘the same interest’ as [the claimant].”

His lordship concluded (para.63):

“This does not mean that the membership of the group must remain constant and closed throughout. It may indeed fluctuate. It does not have to be possible to compile a complete list when the litigation begins as to who is in the class or group represented. The problem in this case is not with changing membership. It is a prior question how to determine whether or not a person is a member of the represented class at all. Judgment in the action for a declaration would have to be obtained before it could be said of any person that they would qualify as someone entitled to damages against [the defendants]. The proceedings could not accurately be described or regarded as a representative action until the question of liability had been tried and a judgment on liability given. It defies logic and common sense to treat as representative an action, if the issue of liability to the claimants sought to be represented would have to be decided before it could be known whether or not a person was a member of the represented class bound by the judgment.”

In conclusion it may be noted that Mummery L.J. doubted whether all the applications made, arguments submitted (from leading counsel), authorities referred to (contained in three lever arch files), amendments made and adjournments granted in this case were necessary. In his lordship’s opinion, what was at issue (at least at first sight) was:

“a relatively straightforward short point of practice and procedure of the kind that used to be swiftly settled by the QB Master in the hurly-burly of the Bear Garden”.

ROUTES OF APPEAL

In giving the lead judgment of the Court of Appeal in the case of *Chadwick v Hollingsworth* [2010] EWCA Civ 1210, November 2, 2010, unrep., CA, Moore-Bick L.J. said: “Over the years routes of appeal have caused headaches among judges and practitioners because of their complexity”. With respect, this makes his lordship a very strong contender for the 2010 “Judicial Understatement of the Year Award”.

In this case, as the account of it in the “In Brief” section of CP News adequately explains, the Court of Appeal found that it had no jurisdiction to entertain the claimant’s appeal and remitted the matter to the High Court.

In his judgment Moore-Bick L.J. (with which Rix and Patten L.J.J. agreed) explained that para.2A.1 of Practice Direction 52 contains a table designed to describe routes of appeal in clear and simple terms (see **White Book 2010** Vol.1, para.52PD.3.1). Obviously, routes of appeal are determined by primary and secondary legislation, and not by practice direction. The Access to Justice Act 1999 s.56 states that the Lord Chancellor may by Order in Council provide that an appeal which would otherwise lie to (a) a county court, (b) the High Court, or (c) the Court of Appeal, shall lie to another of those courts as specified in the Order (op cit. Vol.2, para.9A–845). The principal objective of this section

was to provide a statutory basis for secondary legislation having the effect of diverting to the High Court appeals that would otherwise come to the Court of Appeal (Civil Division). The Access to Justice Act 1999 (Destination of Appeals) Order 2000 was made under s.56 of the 199 Act (op cit. Vol.2, para.9A–896).

A critical aspect of the 2000 Order is the concept of a “final decision”. In art.1(2)(c) it is defined as a decision of a court:

“that would finally determine (subject to any possible appeal or detailed assessment of costs) the entire proceedings whichever way the court decided the issues before it”.

As Moore-Bick L.J. explained, that definition is repeated in para.2A.2 of Practice Direction 52, where a case management decision, the grant or refusal of interim relief, a decision on an application for summary judgment, and a decision on an application to strike out a statement of case, are listed as examples of decisions that are not final decisions for this purpose.

The effects of the 2000 Order are reflected in Table 1 in Practice Direction 52 para.2A.1. Moore-Bick L.J. explained that the Table “does not relieve those concerned of the need to determine whether the decision in question is interim or final”. His lordship drew attention to paras (3) and (4) of CPR r.40.2 (Standard requirements). Those provisions state as follows:

“(3) Paragraph (4) applies where a party applies for permission to appeal against a judgment or order at the hearing at which the judgment or order was made.

(4) Where this paragraph applies, the judgment or order shall state—

- (a) whether or not the judgment or order is final;
- (b) whether an appeal lies from the judgment or order and, if so, to which appeal court;
- (c) whether the court gives permission to appeal; and
- (d) if not, the appropriate appeal court to which any further application for permission may be made.”

Moore-Bick L.J. noted that these provisions were not brought to the judge’s attention in this case and commented that, had the judge been made aware of them, “he would probably have asked counsel for submissions and there is every likelihood that the route would have been correctly identified”. His lordship added that the requirements of r.40.2(4) where it applies:

“should be a matter of course, not only because the rules require it, but also because, as this case demonstrates, it may save the parties from unnecessary delay and wasted costs”.

In conclusion it may be commented that if paras (3) and (4) of r.40.2 are (as Moore-Bick L.J. suspected) not as well-known as they should be, it is probably because they were not enacted when the 2000 Order came into effect, but were added to r.40.2 much later by the Civil Procedure (Amendment No.4) Rules 2005 (SI 2005/3515) and came into effect on April 6, 2006.



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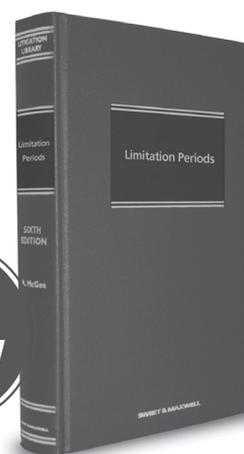
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