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Intellectual Property Litigation at the Court of Session: A First Empirical Investigation

Jane Cornwell *

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A. INTRODUCTION

Scotland is said to enjoy an economy rich in intellectual property (“IP”), spanning sectors such as oil and gas, renewables, life sciences, IT, electronics, food and drink and the creative industries.¹ Despite this, we know little about IP enforcement in Scotland. Reported decisions from the Scottish courts on IP matters are rare. With only a small proportion of IP court actions

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¹ G Grassie, “Intellectual property and Scotland's constitutional future” (2013) IHL, 209(Apr), 38-39; J Cormack, “Devolution won’t derail Scotland’s UPC” (2014) IPM, Apr, 40.

typically ever reaching judgment, court judgments are in any event unlikely to be representative of the wider body of IP litigation handled by the courts.²

This article reports on new empirical research into IP enforcement in Scotland funded by the UK Research Councils through CREATE, the RCUK Centre for Copyright and New Business Models in the Creative Economy.³ Combining quantitative and qualitative research, this article presents analysis of a dataset of Court of Session IP actions compiled from court records for the period from 2008 to 2014, and a survey and interviews among Scottish legal practitioners working in the field of IP.

Section B reviews the existing literature and outlines the process of data collection. Examining the court data alongside insights from the practitioner survey and interviews, Section C maps the profile of IP litigation at the Court of Session revealed by this research, examining the Court of Session's IP caseload, parties and their sectors, the subject matter of claims and remedies sought.⁴ Raising points of interest for both IP and contentious commercial practice more generally, Section D reflects on key themes emerging against the broader context of civil justice reform and jurisdictional competition between the Scottish, English and other courts.

B. EXISTING LITERATURE AND DATA COLLECTION

Certain fields of civil litigation in Scotland, particularly personal injury litigation and Sheriff Court ordinary actions and small claims, have been the subject of detailed empirical research.⁵ There has, however, been little research into civil litigation in the wider commercial sphere.

² K Weatherall, E Webster and L Bently, "IP Enforcement in the UK and Beyond: A Literature Review" (2009), available at <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/ipresearch-ipenforcement-200905.pdf>, at 6. See, for example, Cotropia and Gibson's research into US copyright litigation: CA Cotropia and J Gibson, "Copyright's Topography: An Empirical Study of Copyright Litigation" 92 Tex L Rev 1981 (2013-2014).

³ See www.create.ac.uk.

⁴ Case trajectories and matters such as negotiation, settlement and other out-of-court enforcement interactions will be explored in further publications. See in particular: J Cornwell, "Between the formal and the informal: 'repeat players', 'one-shotters' and case trajectories in intellectual property infringement litigation at the Scottish Court of Session" (Civil Justice Quarterly, forthcoming 2017).

⁵ For example: H Jones *et al*, "Small claims in the Sheriff Court in Scotland – An assessment of the use and operation of the procedure", Scottish Office, Central Research Unit (1991); G

This is particularly so for IP litigation. The principal IP rights – patents, copyright, registered trade marks and design rights – are governed by a mixture of UK and EU law. IP litigation can arise in a multitude of different contexts, from a multi-million pound pharmaceutical patent infringement dispute to a claim against a single individual for unlawful reproduction of a copyright work. A literature review prepared for the UK Intellectual Property Office in 2009 noted a lack of reliable data on IP litigation across the UK.⁶ While more recent empirical research has begun to examine IP litigation in England and Wales,⁷ the position in Scotland remains unexplored.

Cameron and R Johnson, “Personal injury litigation in the Scottish Courts: A descriptive analysis”, Scottish Office, Central Research Unit (1995); S Morris and D Headrick, “Pilgrim's process? Defended actions in the Sheriff's ordinary court”, Scottish Office, Central Research Unit (1995); E Samuel, “Defended ordinary actions in the Sheriff Court: Implementing OCR (93)”, Scottish Office, Central Research Unit (1997); E Samuel, “In the shadow of the small claims court”, Scottish Office, Central Research Unit (1998); S Coope and S Morris, “Personal Injury Litigation, Negotiation and Settlement” Scottish Executive Social Research (2002); E Samuel, “Managing Procedure: Evaluation of New Rules for actions of damages for, or arising from, personal injuries in the Court of Session (Chapter 43)”, Scottish Executive Social Research Paper (2007).

⁶ Weatherall *et al* (n 2) at 5-6.

⁷ C Greenhalgh, J Phillips, R Pitkethly, M Rogers and J Tomalin, “Intellectual Property Enforcement in Smaller UK Firms” (2010), available at <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/ipresearch-ipenforcement-201010.pdf>; J Moultrie and F Livesey, “Design Economics, Chapter three: design right case studies” (2011) available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310650/ipresearch-designsreport3-201109.pdf; A Carter-Silk *et al*, “The Development of Design Law - Past and Future: From History to Policy” (2012) available at <http://www.ipo.gov.uk/ipresearch-designlaw-201207.pdf>; C Helmers, Y Lefouili and L McDonagh, “Examining Patent Cases at the Patents Court and Intellectual Property Enterprise Court 2007-2013” (2015) available at <https://www.gov.uk/government/publications/examining-patent-cases-at-the-patents-court-and-ipeec-2007-2013>; C Helmers, Y Lefouili and L McDonagh, “Evaluation of the Reforms of the Intellectual Property Enterprise Court 2010-2013” (2015) available at <https://www.judiciary.gov.uk/publications/evaluation-of-the-reforms-of-the-intellectual-property-enterprise-court/>. Insofar as surveys included in these works questioned respondents on specific litigation experience (see in particular Greenhalgh *et al* and Carter-Silk *et al*), all questions were directed to experience before the English courts. As part of the work of the CREATE consortium, Burrow is also researching the IPEC Small Claims Track: “Assessing the IP Small Claims Track”, <http://www.create.ac.uk/research-programme/theme-3/wp3d2-assessing-the-ip-small-claims-track/>.

This project aims to begin tackling this research gap by compiling the first detailed dataset on IP litigation at the Court of Session. The Court of Session is Scotland's supreme civil court. Among its many other areas of activity, it is Scotland's specialist IP court. Although substantive IP law is essentially the same across the UK, for the purposes of IP litigation (as with other forms of civil litigation) Scotland is a separate jurisdiction to England and Wales.⁸ The Court of Session has exclusive jurisdiction in Scotland over proceedings relating primarily to patents and infringement and validity of Community designs and Community trade marks.⁹ It also has jurisdiction over all other IP matters, shared to a degree with the Sheriff Courts.¹⁰ Although some IP-related matters may be brought on other Court of Session tracks, in most Court of Session IP cases the special procedure in Chapter 55 of the Rules of the Court of Session ("Chapter 55") will apply.¹¹ Chapter 55 "IP actions" are heard by designated "IP judges"

⁸ The allocation of jurisdiction over IP disputes between the courts of the different parts of the UK is governed by the Civil Jurisdiction and Judgments Act 1982, based on a modified version of the Brussels Convention (now Regulation). The Scottish courts will have jurisdiction in IP infringement disputes primarily if Scotland is the place of the defender's domicile or if Scotland is the (or a) place where the harmful event has occurred or may occur. The Scottish courts also have full concurrent jurisdiction with the English courts in respect of the registration and validity of registered IP rights. If there is concurrent potential jurisdiction in both Scotland and England and Wales in infringement or validity litigation (as is likely often to be the case), in a departure from the scheme of the Brussels Regulation the doctrine of *forum non conveniens* continues to apply.

⁹ Community designs and trade marks (the latter having recently been renamed as "EU trade marks") are IP rights granted and subsisting at a pan-EU level, covering all Member States. The court's competences may change in this regard in the event of Brexit, the complexities of which are not considered further here. This article also does not consider the potential impact of the creation of the Unified Patent Court, the future of which (for the UK, at least) is also unclear in light of the Brexit vote.

¹⁰ By statute, Sheriff Courts have limited concurrent jurisdiction in relation to UK registered trade marks, UK registered designs, UK unregistered design right, copyright and performers rights. Subject to the general rules on the Sheriff Court's privative jurisdiction, Sheriff Courts have full concurrent jurisdiction for passing off and breach of confidence claims.

¹¹ Chapter 55 procedure, most recently reformed in November 2012, governs cases involving patents, registered trade marks, registered designs, unregistered designs, copyright and (since those reforms) passing off. Other IP cases (actions for breach of confidence and, prior to November 2012, passing off) and IP-related procedures (such as applications for pre-action discovery under section 1 Administration of Justice (Scotland) Act 1972) may be brought on other Court of Session tracks. One interviewee noted, for example, that their firm had recently appeared in some IP-related matters in which section 1 orders and interim interdict had been sought via petition proceedings. It was, however, unworkable for the purposes of this project to search for IP-related litigations other than those proceeding under Chapter 55 as it is not possible

and follow a specific case-managed and flexible procedure. For this project, working from a listing provided by the court and pursuant to terms of research access granted by the Lord President, the court processes (i.e. case files) were reviewed for all bar one of the Chapter 55 IP actions commenced in the seven-year period from 2008 to 2014.¹²

To assist in exploring and explaining issues arising, a survey and interviews were also conducted across two branches of the legal profession in Scotland: firms of solicitors and firms of patent and trade mark attorneys. Solicitors and patent and trade mark attorneys are the primary likely point of contact, within the legal profession, for rightholders and alleged infringers facing actual or potential IP infringement disputes.¹³ IP practitioners are able to provide insights based on broad experience of a number of disputes, and there is a rich body of research into different aspects of civil legal practice in Scotland (although not IP) involving empirical work among legal professionals.¹⁴ Insightful research among IP professionals has also been conducted in Australia and the US.¹⁵

readily or reliably to isolate them from the wider body of litigations proceeding under other Court of Session tracks. Sheriff Court IP litigation was excluded from the scope of this research for the same reason.

¹² One action was not available for review in the time period for data collection. The terms of research access included conditions that the dataset compiled be anonymous and be kept confidential. For this reason, the dataset cannot be made open-access.

¹³ Compared, say, to advocates, who are likely to become involved in such a dispute only once legal proceedings or defence of those proceedings are actively contemplated. According to two UK IPO “IP Awareness Surveys” published in 2007 and 2010, solicitors and patent/trade mark attorneys were the two sources of advice on IP rights most used by businesses who took advice on IP in the UK: R Pitkethly, C Lewis and C House, “UK Intellectual Property Awareness Survey 2006” (2007) available at <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/ipsurvey.pdf>, at 27; R Pitkethly “UK Intellectual Property Awareness Survey 2010” (2010), available at <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/ipsurvey2010.pdf>, at 28.

¹⁴ For example: S Coope and S Morris, “Personal Injury Litigation, Negotiation and Settlement” Scottish Executive Social Research (2002); Samuel, “Managing Procedure” (n 5); B Clark and C Dawson, “ADR and Scottish commercial litigators: a study of attitudes and experience” (2007) CJQ, 26 (Apr), 228-249; A Agapiou and B Clark, “Scottish construction lawyers and mediation: an investigation into attitudes and experiences” (2011) IJLBE, 3(2), 159-181; A Agapiou and B Clark, “An empirical analysis of Scottish construction lawyers' interaction with mediation: a qualitative approach” (2012) CJQ, 31(4), 494-513.

¹⁵ C Dent and K Weatherall, “Lawyers’ decisions in Australian patent dispute settlements: An empirical perspective”, Australian Intellectual Property Journal 2006, 17(4), 255-276; WT Gallagher, “IP Legal Ethics in the Everyday Practice of Law: An Empirical Perspective on

Mindful of obligations of client confidentiality and privilege, the practitioner survey was designed to be completed anonymously at a firm-level.¹⁶ The online survey was sent to all law firms listed with the Law Society of Scotland as having a practice in IP (142 firms in total) and all firms of patent or trade mark attorneys based in Scotland (twenty-four firms in total).¹⁷ This gave a total survey population of 166 firms, ranging from large Legal 500-listed solicitors firms to smaller niche IP firms, general practices and sole practitioners.

The survey closed to respondents in January 2015. It generated thirty-one usable responses in total, from twenty firms of solicitors and eleven firms of patent/trade mark attorneys, giving a headline response rate of 18.7%.¹⁸ Although lower than hoped for, this response rate is not far out of line with other academic surveys of legal practitioners in UK commercial practice and is considerably higher than achieved in rightholder enforcement surveys.¹⁹ While the response rate limits the scope for broader statistical extrapolation, the respondent firms represent a body of practitioners with important research inputs to offer, including half of all firms of solicitors recommended in Scotland for IP in the then edition of the

Patent Litigators” 10 J Marshall Rev Intell Prop L 309 (2011); WT Gallagher, “Trademark and Copyright Enforcement in the Shadow of IP Law” 28 Santa Clara Computer & High Tech LJ 453 (2011-12).

¹⁶ Rather than being completed by respondents in their capacity as individual practitioners.

¹⁷ The Law Society’s practice listings have been used for this purpose in previous Scottish empirical work: F Wasoff, RE Dobash and DS Harcus, “The impact of the Family Law (Scotland) Act 1985 on solicitors’ divorce practice”, Scottish Office, Central Research Unit (1990); F Myers and F Wasoff, “Meeting in the middle: a study of solicitors’ and mediators’ divorce practice”, Scottish Executive Central Research Unit (2000). For this project, the listings as then published on the Law Society’s online “Find a solicitor” database under the headings “Copyright, Trade Marks and Design” and “IT and Intellectual Property” were combined. Two firms underwent mergers while the survey was live. A list of relevant firms of patent and trade mark attorneys was constructed by reference to the CIPA, ITMA, IPReg and European Patent Office websites, removing firms found to no longer to be active in this field of practice.

¹⁸ Three further solicitors firms also responded noting that they had no experience in Scotland in acting or advising in IP infringement matters. The survey dataset will be made available on an open-access basis at the end of the project.

¹⁹ Among legal professionals: P Brooker, “Construction lawyers’ attitudes and experience with ADR” (2002) Const LJ, 18(2), 97-116 - response rate of 24.2%; J Sidoli del Ceno, “An investigation into lawyer attitudes towards the use of mediation in commercial property disputes in England and Wales” (2011) IJLBE, 3(2), 182-198 - 28%; Clark & Dawson (n 12) - 30.3%; Agapiou & Clark (n 14) - 30.3%. Among rightholders, see: Greenhalgh et al (n 7) - response rate of 9.1% (although telephone follow-up brought the response rate up to 20.1% for one specific question); Moultrie & Livesey (n 7) - 14.8%, although population not representatively sampled.

Legal 500 as well as litigation specialists and smaller firms. As the Law Society's practice listings do not indicate specialism in any given field and covered both contentious and non-contentious IP, it was anticipated that some firms might have little or no relevant experience to report. Among firms of solicitors which did not participate at all,²⁰ by far the largest proportion (68.9%) had no reference to IP on their websites (or no functioning website), if anything the subset of the survey population least likely to have relevant experience to share.

Follow-up interviews were requested from firms which had indicated a willingness to participate in an interview in response to the survey: although not all such firms were subsequently available, twelve semi-structured interviews were conducted from October to December 2016 across a varied cross-section of ten firms of solicitors (including six firms listed in the Legal 500 for IP) and two firms of patent and trade mark attorneys. Interviewees had varying amounts of time available and, as a result, interviews varied to some degree in their scope. Although not a formally representative sample of all potentially relevant firms in Scotland, nonetheless a wide range of insights were obtained which add further invaluable context to the court data.

C. EXAMINING THE PROJECT DATA

(1) Chapter 55 caseload

In total, 103 Chapter 55 IP actions were commenced at the Court of Session in the period from 2008 to 2014. Across the 102 actions reviewed, ninety-eight were rightholder-commenced infringement claims; four were other forms of IP proceeding.²¹ Although declining to a low point in 2010, the number of new IP actions each year increased in the later part of the time period under review, driven by an increase in 2013 and 2014 in infringement actions brought by bulk IP enforcers such as music copyright collecting societies and other major rightholders such as

²⁰ The survey weblink sent to each firm contained a unique, randomly-assigned identification number from which, combining with information on firms' websites, it was possible anonymously to analyse patterns of non-response.

²¹ Three actions for breach of the statutory rules against the making of groundless threats of infringement proceedings and one action seeking a declaration of non-infringement.

software houses or content providers who engage in high-volume and highly-standardised IP enforcement programmes against widespread infringement of their IP rights.²²

There were, of course, other IP actions commenced in 2007 or earlier on-going during the time period under review.²³ Chapter 55 procedure may, as noted above, also not cover quite all IP-related claims handled by the court. Nonetheless, the Court's Chapter 55 IP caseload does appear relatively small: by way of comparison, an average of 152 Court of Session commercial actions were commenced each year from 2010-11 to 2014-15.²⁴

Is the Court of Session's Chapter 55 caseload out of line with what might be expected, however? IP caseloads are, of course, likely to be heavily influenced by the location of alleged infringers. A number of interviewees observed that the decision on where to enforce IP rights is driven by the location of the infringer; as one interviewee noted for technology in particular, because it is global in nature, the greatest threats in infringement terms may be located elsewhere.

There is, however, little reliable data generally available on the location or scale of IP infringement. We must therefore look for other ways to contextualise the court data. Comparing (with appropriate adjustment) to English IP caseloads, it can be seen that (barring 2010) from 2009 to 2013 the number of new Court of Session IP actions each year amounted to between 4.2% to 5.0% of the number of new IP cases started at the English High Court/Patents Court.²⁵

²² By year, the number of new IP actions commenced was as follows: 2008 - thirteen actions; 2009 - nine actions; 2010 - eight actions; 2011 - seventeen actions; 2012 - twelve actions; 2013 - thirteen actions; 2014 - thirty-one actions. Thirty-four actions in the dataset were brought by bulk enforcers, thirty of which were initiated in 2013 and 2014.

²³ Those reaching some form of published judgment in the relevant time period including: *Wise Property Care Ltd v White Thomson Preservation Ltd* 2008 GWD 28-440 (passing off/property management); *Toner v Kean Construction (Scotland) Ltd* [2009] ECDR 18 (copyright/architecture); *Verathon Medical (Canada) Ltd v Aircraft Medical Ltd* [2011] CSOH 19 (patents/medical equipment).

²⁴ Scottish Government, "Background Data for Civil Justice Statistics in Scotland – 2008-09 to 2014-15" available at <http://www.gov.scot/Topics/Statistics/Browse/Crime-Justice/Datasets/Civjudinter>.

²⁵ Using data compiled by Helmers *et al*, "Evaluation" (n 7) at 17. Two adjustments have been made for present purposes: first, excluding from the English HC/PHC annual figures collecting society copyright claims (of which there were 928 at the HC/PHC from 2009-2013 but only one for that period at the Court of Session); and second, adding to the English HC/PHC annual figures all patent cases brought before the English Patents County Court/Intellectual Property Enterprise Court (there being no equivalent option in Scotland to bring patent claims before a

Over the same time period, the number of UK patents, registered trade marks and registered designs granted to Scottish applicants constituted 5.7% of grants to applicants from England and Wales.²⁶ The Department for Culture, Media & Sport (as then titled) has also calculated that Scotland accounted for 6.3% of total employment in the creative industries in the UK as at 2014.²⁷ Even if taken as only very roughly indicative of the relative size of Scotland as a jurisdiction in IP terms, these figures do suggest that, although low, the volume of IP actions in the Court of Session dataset was not disproportionately so. Indeed, with the English Patents Court noted as ‘one of the major patent courts in Europe’ attracting high numbers of overseas litigants,²⁸ the English HC/PHC may see a disproportionate patent workload. The early years of the Court of Session dataset also coincide with the 2008 global financial crash.²⁹

What is particularly striking, by way of further context, is the contrast seen by setting the Court of Session’s Chapter 55 IP caseload against findings from the practitioner survey. In the survey, firms were asked on average how many new IP infringement matters they estimated that their firm had tended to handle in Scotland during the pre-litigation stage (that is, at a stage before any court proceedings had been commenced) each year over the preceding two to three years. Coding respondents’ free-text responses into groups, the responses from firms with relevant experience to report were as set out at Table 1.³⁰ Although the majority of respondents to this question reported quite small pre-litigation IP infringement caseloads (ten matters or

lower tier court). In 2010, Court of Session actions constituted 2.7% of the (adjusted) English HC/PHC IP caseload that year.

²⁶ See the regional grant data in the UK IPO’s annual “Facts and Figures” publication, available at <http://webarchive.nationalarchives.gov.uk>. The UK IPO data does not cover Community-level IP rights.

²⁷ DCMS, “Creative Industries: Focus on Employment” (2015) available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/439714/Annex_C_-_Creative_Industries_Focus_on_Employment_2015.pdf, at 9-10.

²⁸ Helmers *et al*, “Examining” (n 7) at 4.

²⁹ See Weatherall *et al* (n 2) at 14 noting the potential impact of this on IP enforcement data; and Scottish Government “Civil Judicial Statistics Scotland, 2010-11”, Statistical Bulletin Crime and Justice Series (2011), available at <http://www.gov.scot/Topics/Statistics/Browse/Crime-Justice/civil-judicial-statistics/>, at 3 commenting on a drop in civil business in 2010-11 for potentially this reason.

³⁰ Some respondents gave single-figure answers; other specified ranges. For coding purposes, the highest number in any range was used. Four respondents skipped this question. One response was unusable; one respondent gave a response of zero from which it was inferred that their overall caseload was too low to give an annual average.

fewer each year), some firms reported considerably more: four firms reporting between twenty-one to fifty pre-litigation matters each year, two reporting between seventy-six and 100 pre-litigation matters each year and two reporting between 151 to 200 pre-litigation matters each year.

Table 1: Survey - average no. of new pre-litigation IP infringement matters each year by firm (Total respondents: 25 firms)

No. of new matters per annum	No. of respondent firms	
1-10	13	52.0%
11-20	4	16.0%
21-50	4	16.0%
51-75	0	0.0%
76-100	2	8.0%
101-150	0	0.0%
151-200	2	8.0%
Total	25	

It is not possible to estimate a total volume of pre-litigation IP infringement activity for Scotland from the survey data.³¹ The survey does, however, reveal a significant difference between the levels of pre-litigation IP enforcement activity in Scotland and the number of IP actions commenced at the Court of Session. Indeed, some respondent firms reported annual average pre-litigation caseloads which were approaching the same as or more than the total number of cases in the whole Court of Session dataset. The practitioner survey and interviews did indicate that some IP business is conducted at the Sheriff Court level, although both survey and interviews also confirmed that, among the research participants, the Court of Session was the strongly preferred venue and most often used for IP work, with most cases proceeding there to

³¹ Because of the relatively low overall survey response rate and because of possible double-counting, with respondent firms potentially on either side of the same dispute or with firms of patent and trade mark attorneys inputting alongside solicitors (for example, with a technical opinion) into work for the same client.

benefit from the Court of Session's IP experience, designated IP judges and specialist IP procedures.³² Overall, the research indicates far more pre-litigation activity in Scotland than can be discerned from the Court of Session data. With only two of the concluded actions in the dataset ultimately reaching proof, the project data also confirms that reported IP cases and, indeed, the court's wider Chapter 55 caseload represent only the tip of the iceberg in terms of the contentious IP work handled by Scottish firms.

(2) IP rights in suit

A significant proportion of infringement actions involved more than one type of IP right.³³ Posing challenges to the unstated assumption underlying much IP research that IP litigation falls into neat categories,³⁴ there were, in the Court of Session dataset, no clean splits between cases dealing with the principal different types of IP.³⁵ Figure 1 illustrates the total

³² In the survey, firms were asked how often any IP infringement actions in which their firm acted in Scotland tended to be at the Court of Session and how often at the Sheriff Court. Of the sixteen solicitors firms responding substantively to this question, eleven (68.8%) responded that 'most' or 'all' of their cases were at the Court of Session. Two firms (12.5%) reported that their IP infringement litigation caseload was broadly split between the Court of Session and Sheriff Court; three firms (18.8%) responded that their caseload was 'most' or 'all' at the Sheriff Court. Four of those five firms reported IP litigation caseloads among the lower levels of those canvassed in the survey. Four solicitors firms either skipped the question or selected the 'not applicable' option. All but one of the solicitors interviewed indicated that they appeared in no or almost no IP cases at the Sheriff Court, and only acted in such cases if a client found itself sued there. Only one interviewee felt that there was scope for more IP work at the Sheriff Court, to increase accessibility for small rightholders, although even then that interviewee indicated that IP decision-making was of a better quality at the Court of Session.

³³ Sixty-nine actions (70.4% of the ninety-eight rightholder-commenced infringement actions) involved one type of IP right; twenty-nine actions (29.6%) involved a combination.

³⁴ See, for example, the division of survey participants into different target groups based on IP rights in the survey reported in Greenhalgh *et al* (n 7) or the breakdown of English IP court cases by IP right reported in Helmers *et al*, 'Evaluation' (n 7), at 17 in particular. Helmers *et al* report registered trade mark and passing off cases together.

³⁵ IP rights litigated in the same action included not only registered trade marks and passing off (the UK's form of unregistered trade mark protection), but also combinations such as copyright and registered trade marks, designs, passing off and/or breach of confidence. Cotropia and Gibson (n 2, at 1998) note similar combinations (particularly actions involving copyright alongside trade marks or trade secrets) in the dataset of US copyright litigations reviewed by them.

number of rightholder-commenced infringement actions involving each of the principal IP rights, be it on their own or in conjunction with each other.³⁶

Figure 1: Court of Session data – no. of infringement actions involving the principal IP rights, 2008-2014 (total actions: 98)

The least litigated IP rights were patents and designs, in nine actions (9.2% of the ninety-eight infringement actions in the dataset) and seven actions (7.1%) respectively. This is, of course, a simple quantitative measure of actions initiated: as interviewees noted, patent litigations are generally much larger and costlier than other cases - in other words, although fewer in number, they represent much more in terms of court work. IP actions of different kinds may also have different overall trajectories before the court. Nonetheless, at least in terms of actions commenced, the other principal IP rights featured significantly more. Registered trade marks were in issue in 28.6% of the ninety-eight infringement cases in the dataset and passing off in 24.5% of such actions. Copyright was the most litigated IP right in a total, litigated in 59.2% of infringement cases in the dataset, although more than half of such cases (51.7%) were bulk enforcement claims.³⁷

³⁶ Figure 1 data: patents – nine actions; registered trade marks – twenty-eight actions; passing off – twenty-four actions; copyright – fifty-eight actions; designs – seven actions.

³⁷ Thirty of a total of fifty-eight infringement actions involving copyright. If bulk enforcement actions are excluded, registered trade marks and copyright were equally litigated in terms of IP actions raised.

The spread of the Court of Session's Chapter 55 IP caseload across different IP rights shares, in general terms, some features of the overall caseload of the English HC/PHC.³⁸ The profile of Court of Session activity and possible trends were explored in the practitioner interviews. As regards patents, certain themes of particular interest to this paper emerged. On the one hand, some interviewees noted that they had continued to handle patent disputes at the pre-litigation stage, but that those disputes had tended to settle or be resolved through alternative dispute resolution, with clients seeking more strategic advice on avoiding infringement and swifter resolution of disputes without recourse to the courts. One interviewee speculated that economic circumstances had made firms less willing to expend large fees on patent litigation; another noted that the oil and gas sector seemed to have become more IP-aware, reducing the number of disputes, while another noted the prevalence of smaller firms in the Scottish economy, with consequent impacts on the extent to which patent litigation could be afforded. On the other hand, a number of interviewees also highlighted the draw of the English and other European courts for patent work and concerns around client confidence in the patent experience of the Court of Session and at the Scottish bar.

(3) Parties

Who, then, is involved in IP actions at the Court of Session? In terms of party data, it is again the ninety-eight rightholder-commenced infringement actions in the dataset which are of most interest: these are, after all, the disputes which rightholders chose to litigate and, more specifically, chose to litigate at the Court of Session.

Various data points were gathered on the parties in each such IP action.³⁹ It was noted whether parties were individuals, companies or some other form of legal person and, for legal persons, whether they were involved in one or more IP actions within the dataset.⁴⁰ Information

³⁸ Helmers *et al*, "Evaluation" (n 7) at 17 showing that the English HC/PHC handles more trade mark and copyright cases than patents or designs.

³⁹ For all rightholders and for up to the first three alleged infringers. For the small number of actions with more than three alleged infringers, abbreviated data (not including firm size) was gathered on the remaining co-defenders.

⁴⁰ It is assumed that individuals were only involved in one action in the dataset.

was also recorded on party locations and firm size, coding each action according to the size of the largest rightholder and the largest alleged infringer for which firm size data was collected.⁴¹

What picture does this data present? Across the ninety-eight infringement actions in the dataset, there were seventy-nine different rightholder entities (including rightholders and their licensees). The court's business was not, however, evenly spread between them, with four pursuers responsible (alone, or with co-pursuers) for 33.7% of all infringement cases, all but two of which were bulk enforcement claims.

As might be expected, by far the biggest share of infringement actions (91.8%) involved at least one defender located in Scotland. In contrast, more than half (54.1%) were brought by pursuers based outside Scotland. 44.4% of defenders were individuals: all but one of those individuals were sued in a commercial capacity (for example, as an employee or ex-employee of a business), most often alongside a non-natural legal person.⁴² From the data available, although the largest body of rightholder-commenced infringement actions in the dataset (39.8%) involved at least one large rightholder, there was also a material body of small pursuer-led IP actions: small UK company- and individual-led IP actions constituted 46.9% of all non-bulk infringement actions (thirty of sixty-four such actions) in the time period reviewed.⁴³

⁴¹ Party locations were coded using the address at which each party was designed in the pleadings. On firm size, as a first step each relevant entity was coded using, for UK companies, the best available information on the Bureau van Dijk FAME database and, for non-UK companies, online searches identifying whether part of a publicly-listed group. Each action was then coded according to each of the largest rightholders and the largest alleged infringers for which such data was recorded (see n 39). Large UK-registered companies and/or publicly-listed overseas companies were designated as 'large' rightholders or alleged infringers; UK-registered SMEs and UK companies with total accounting exemptions were designated as 'small' rightholders or alleged infringers. In deciding which was the largest rightholder or alleged infringer in any given case, it was assumed that government entities were larger than private entities, that 'large' entities were bigger than all other entities and that other private entities were bigger than charities. Individuals were not taken into account unless the only rightholder or alleged infringer. A number of companies had become dormant, been dissolved or entered into liquidation: in such cases, no relevant information could be recorded.

⁴² Seventy-five of the 169 alleged infringers in the dataset were individuals, sued alongside a legal person of some kind in around 40% of cases.

⁴³ As indicated at n 41, not all actions could be coded for firm size.

(4) Industry sectors

Information was also collected on parties' industry sectors, based on the description of each party's activities given in the pleadings. Among pursuers, sectors were very mixed. Across the ninety-eight infringement actions in the dataset, the most represented pursuer sectors were as set out in Table 2.

Table 2: Court of Session data – pursuer sectors across infringement actions, 2008-2014 (Total actions: 98)

Pursuer sector	No. of infringement actions	
TV/radio	19	19.4%
Music	11	11.2%
Energy (oil and gas/renewables)	11	11.2%
Fashion	9	9.2%
Perfumes and cosmetics	5	5.1%
Sport	4	4.1%
Construction	4	4.1%
Hospitality	4	4.1%
Other sectors (including professional services, engineering, transport, whisky, golf, agriculture, textiles and others)	31	31.6%
Total	98	

Although constituting the largest body of IP actions noted in Table 2, the cases involving rightholders from TV/radio and music were dominated by bulk claims brought by a small number of rightholders against infringers engaging in unlicensed broadcast or playing of works in pubs, cafes and bars. The sectors with the most cases brought by different pursuers were energy and fashion.

Beyond the creative industry actions specifically noted in Table 2, there were just two further infringement actions in the dataset involving pursuers from the creative industries.⁴⁴ The

⁴⁴ Defined for the purpose of this project present as covering: architecture; design; fashion; film/video; computer games; music; performing arts; photography; publishing; TV/radio; and

practitioner survey provides an interesting contrast on this point. Firms were asked whether their firm had experience in Scotland of advising or acting in any IP infringement matters, at any stage of the disputing process (whether in formal litigation or otherwise), involving a client active in any of the creative industry sectors referenced for this project. Firms were able to respond by selecting from a list as many sectors as were appropriate. Across the twenty-two respondents to this question, the number of firms reporting having acted for or advised a client or clients from each sector was as shown in Figure 2.⁴⁵

Figure 2: Survey – firms acting or advising creative industry clients on IP infringement matters (Total respondents: 22)

As Figure 2 shows, respondents to this question reported relevant experience across all of the listed creative industry sectors. This included sectors - such as photography - for which there

visual arts. This list is based with modification on the Scottish Government “Creative Industries Key Sector Report” (2009), available at

<http://www.scotland.gov.uk/Publications/2009/11/24133819/0>, and on DCMS sector classifications published at the time of research design for this project.

⁴⁵ Figure 3 data: architecture – eleven firms; design – fourteen firms; fashion - eleven firms; film/video – ten firms; games – eleven firms; music – thirteen firms; performing arts – five firms; photography – fourteen firms; publishing – ten firms; TV/radio – eight firms; visual arts – eight firms. Nine respondents did not respond to this question, from which it is inferred that they had no relevant experience to report.

were far fewer relevant actions at the Court of Session and others - architecture, computer games and visual arts – which did not feature in the Court of Session dataset at all.

The Court of Session has, in the past, dealt with a number of creative industry infringement disputes that have resulted in published judgments.⁴⁶ Interviewees were asked for their thoughts on the level of creative industry-led infringement claims in the Court of Session dataset. Again, a number of themes emerged. On the one hand, a number of interviewees observed that creative industry IP disputes were increasingly being avoided through improved IP awareness; it was also noted that cases were often clear-cut and thus easily settled.⁴⁷ On the other hand, interviewees also noted cost as a significant factor. One confirmed significant demand for infringement advice which remained unmet because of cost concerns; others noted that, because creative industry businesses tended to be very small, they typically could not afford litigation or that they had to refer enquiries on to other firms. Finally, one interviewee also noted that some creative industry sectors, such as music, were heavily oriented towards the English courts as the venue for disputes work. Aside from bulk enforcement work, musicians tended to be signed to London-based labels and music contracts tended to be subject to English law; there were also niche London-based IP practices specialising in music.

(5) Further detail - copyright claims and online infringement

Given CREATE's research remit with respect to copyright and the creative industries, two further particular aspects of the Court's Chapter 55 IP caseload were explored – its non-bulk copyright cases and online infringement.

Non-bulk copyright infringement actions in the Court of Session dataset tended to be focussed more on what might be regarded as 'industrial' or 'commercial' than 'creative' subject matter. Among non-bulk actions involving copyright, only five involved rightholders active in the creative industries. In contrast, twenty-three actions – more than four times as many cases –

⁴⁶ For example, in the field of architecture: *Tayplan Ltd v D&A Contracts* [2005] ECDR 20; *Dorrans v Shand Partnership* [2004] ECDR 21; *Toner v Kean* (n 23).

⁴⁷ One interviewee noted, for example, that as photographers had become more aware of the importance of image traceability, embedded metadata in their images made it easy to evidence unauthorised copying; as a result, advice to infringers had to be to settle. One interviewee did, however, feel that many individual creatives and small creative businesses still lacked sufficient grounding in basic contract and related considerations.

involved copyright owners from non-creative industry sectors, including oil and gas, technology, construction, transport and professional services.

Examination of further data collected on copyright disputes reinforces this picture. The subject matter of the copyright works in suit in all copyright infringement cases was coded by reference to a series of categories noted in Table 3. Bulk enforcement copyright claims were focussed on broadcast content and music/recorded music. Among non-bulk copyright actions, however, there again were few claims relating to what might be regarded as ‘creative’ works: the largest share of cases concerned commercial or technical materials such as reports, technical drawings or plans, followed by branding and promotional material, and software.

Table 3: Court of Session data – copyright infringement actions by subject matter, 2008-2014 (Total actions: 58)

Copyright works - subject matter	No. of actions	%
Bulk enforcement		
Broadcast content	20	34.5%
Music (including copyright musical works and recorded music)	10	17.2%
Non-bulk enforcement		
Commercial/technical (including reports, technical drawings, product information, datasheets)	11	19.0%
Branding/promotional (including logos and marketing materials)	5	8.6%
Software	4	6.9%
Mixed commercial works (commercial/technical materials, software)	1	1.7%
Other (miscellaneous)	7	12.1%
Total	58	-

In terms of online infringement, only two actions in the Court of Session dataset concerned the sorts of conduct – file-sharing and online streaming of copyright works - which have dominated IP policy debates. The majority of infringement actions (sixty-five of ninety-eight actions – 66.3%) were focussed on ‘real world’ infringement; twenty-three actions (23.5%) involved a mixture of ‘real world’ and online infringement. Only ten infringement actions (10.2%) were focussed on infringing activities conducted wholly online. Other than the two actions noted above, other cases involving online infringement were directed against more commercially-oriented activities such as website content, internet retail, domain names and online marketing.

(6) Remedies

Finally, a range of data was collected on the remedies sought by rightholders.⁴⁸ Untested before the court, rightholders’ claims (particularly in terms of quantum) should be treated with some degree of caution. Nonetheless, a number of striking findings emerge.

A permanent interdict against infringement was sought in 96.9% of the rightholder-commenced infringement actions in the dataset. This accords with research findings from England and Wales indicating that injunctions are the most important remedy in infringement disputes.⁴⁹ With patent monopolies lasting twenty years, copyright typically subsisting for the life of the author plus a further seventy years and registered trade mark monopolies capable of remaining enforceable indefinitely into the future, the value of a permanent interdict may be very substantial indeed in IP actions, perhaps more so than in any other type of commercial litigation.

In contrast, whether a monetary claim for infringement was made and, if so, the total quantum sought varied enormously.⁵⁰ The range of monetary claims across the ninety-eight

⁴⁸ It had been hoped to analyse remedies for infringement ordered by the court, but this was not possible as so few cases went to proof.

⁴⁹ *Helmets et al* “Evaluation” (n 7) at 9 and 12; *Carter-Silk et al* (n 7) at 62, 70 and 116. It was also noted at interview that the priority in IP cases is to get the infringement stopped.

⁵⁰ For all monetary claims, it was noted whether the rightholder sought damages or an account of profits and the quantum claimed under each (using the sum concluded for as payment in default of the defender providing an account, where appropriate). It was also noted whether the rightholder sought any statutory additional damages (relevant to copyright cases only). The total quantum sought was calculated using whichever was higher of the total claim for damages or an account, not including any sums sought in lieu of injunction or delivery up. All claims were rounded to the nearest pound.

infringement actions in the dataset is illustrated in Figure 3.⁵¹ Perhaps most striking in Figure 3 is the large number of relatively low value monetary claims. 28.6% of the ninety-eight infringement actions in the dataset involved a monetary claim for £10,000 or less (in either damages or as the default sum concluded for in the event of non-production of an account). 25.5% of the ninety-eight infringement actions in the dataset had no monetary claim at all.

Figure 3: Court of Session data – infringement actions by total quantum claimed, 2008-2014 (Total actions: 98)

The relatively high incidence of lower value claims in the IP dataset appears to have been influenced by bulk enforcement actions: although a small number of bulk actions claimed considerably more, bulk copyright enforcement accounted for all but one of the cases with a monetary claim at or below £10,000. In many of these cases, however, the pursuer claimed an account of profits: ultimately, the amount recoverable could have exceeded the sum concluded for in default of an account, which is the basis upon which these actions have been coded for analysis. As noted above, the value of interdict is also particularly significant in IP cases.

⁵¹ Figure 4 data: No monetary claim – twenty-five actions; £1-10,000 – twenty-eight actions; £10,001-£20,000 – two actions; £20,001-£30,000 – three actions; £30,001-£40,000 – no actions; £40,001-£50,000 – five actions; £50,001-£100,000 – twelve actions; £100,001-£250,000 – six actions; £250,001-£500,000 – three actions; £500,001-£1 million – one action; more than £1 million – ten actions; unquantified monetary claim – three actions.

At the other end of the scale in terms of the monetary remedies claimed, there were ten actions (10.2% of all rightholder-commenced infringement cases) with a claim of £1 million or more. Half of those were brought by rightholders from the energy sector. Consistent with qualitative research findings from England and Wales,⁵² small firms did not necessarily bring small value claims: across the twenty-four infringement actions brought by pursuers coded as small rightholders, while nine actions (37.5%) had no monetary claim, eight actions (33.3%) sought more than £100,000. Of those, three actions (12.5%) sought more than £1 million, with claims ranging as high as £30 million, the highest pleaded claim in the whole dataset.

D. IP LITIGATION IN SCOTLAND: COMPETITION AND CHANGE

The findings outlined in this article are not just of interest from an IP perspective. It seems highly likely, for example, that the volumes of litigation reported in statistics on other areas of civil practice, particularly in commercial fields, are just as unrepresentative of the overall volume of contentious business handled by Scottish practitioners. Judgments in such cases are likely to be similarly unrepresentative of the overall caseload being litigated.

In terms of disputes which do go to court, the proportion of smaller rightholders litigating before the Court of Session was also notable. All interviewees with whom the topic was discussed, even the larger Legal 500-listed firms which also acted for larger entities and multinationals, confirmed that they had smaller businesses within their IP client base; some other practices' clients were predominantly smaller firms. One interviewee noted that, in some sectors, it was possible that smaller rightholders were backed by larger companies or wealthy individuals in a way which would not be apparent from the court file. It is also likely that the actions brought by smaller rightholders represent only a small proportion of infringements suffered by such rightholders: those in which it was particularly worth the rightholder pursuing his claim because of high prospects of success perhaps or, as one interviewee noted, those in which the IP issue was particularly business critical – something which might compel a smaller rightholder to act more than a larger rightholder with a more diversified IP portfolio. The position should not be overstated and the project also clearly highlights that cost remains a

⁵² Helmers *et al*, “Evaluation” (n 7) at 9.

pressing issue. Nonetheless, the Court of Session data does to some degree confound the assumption that IP litigation is necessarily always outwith the reach of smaller pursuers.

At the same time, however, it is just as important to reflect on what the project data tells us about disputes which may not be making it to the Court of Session. Of course, the court data ends in 2014 and does not capture more recent developments. Nonetheless, from the data available, outside the sphere of bulk enforcement the Court of Session's Chapter 55 IP caseload appears strongly oriented towards commercial rather than creative sectors. Some areas of innovation said to be important to Scotland in IP terms were also little represented or not represented at all in the Court of Session dataset. Although published judgments show that the Court of Session was handling some IP disputes commenced before 2008 involving rightholders active in pharmaceuticals and medical devices,⁵³ in the seven year period covered by the project dataset there were, for example, no IP actions brought by rightholders from the life sciences sector. This stands in contrast to the English HC/PHC, where its life sciences patent caseload is notable.⁵⁴

Comments from interviewees on this issue pick up on the themes emerging from the interviews with practitioners. On the one hand, one interviewee suggested that life sciences companies in Scotland experienced few disputes because they sought clearly to avoid infringement risk in their business operations. On the other, another interviewee considered the absence of life sciences work to be linked to the dominance of the English courts in this field, noting that most major life sciences companies have an English base and were likely to have existing relationships with specialist practitioners in London.

It is suggested here that we see, from these and other practitioner comments reported in this article, signs of a 'squeeze' on the levels of IP business at the Court of Session, arising from a combination of factors: increasing avoidance of disputes through improved IP awareness and risk management; increased willingness to settle; cost considerations; and the potential loss of business to courts in other jurisdictions. Increased IP awareness and risk management are, of course, positive factors. A greater willingness to settle may also benefit all parties to a dispute;

⁵³ See: *Akzo NV 's and Akzo Nobel NV's (Tibolone) Patents* [2007] RPC 11 and, on appeal, 2008 SC 518 (pharmaceuticals); *Verathon* (medical equipment, n 23).

⁵⁴ Helmers *et al*, "Examining Patent Cases" (n 7).

one interviewee also observed that Scotland, with only a relatively small IP community, is a jurisdiction in which practitioners were able to negotiate with ease. On the other hand, although cost considerations are not necessarily adverse factors when related to normal cost-benefit calculations, they do become problematic if costs act as a bar to otherwise appropriate enforcement action. The loss of IP litigation to other jurisdictions is also potentially problematic on several levels: for the IP profession in Scotland, for the reputation of the Scottish courts and for the profile of Scotland as an IP jurisdiction.

Jurisdictional competition in IP matters is not confined to a choice between the Scottish and English courts. Aside from the usual rules on jurisdiction and recognition of judgments in civil matters, in Community trade mark and Community design disputes remedies (including interdicts) can in certain circumstances be awarded by one single court with effect across all member states. This removes the need to raise proceedings in different jurisdictions to obtain orders in each separate member state. As noted by a number of interviewees, certain European courts, particularly in Germany and the Netherlands, are also particularly popular for patent enforcement because of their low costs and quick procedures.⁵⁵

The need to maintain competitiveness in Scotland was a factor behind reforms in 2012 to the Chapter 55 procedure.⁵⁶ The Gill Review also highlighted support for retaining the specialist IP judges and procedures at the Court of Session to maintain competitiveness with other jurisdictions.⁵⁷ Within the package of broad civil justice reforms recently implemented pursuant to the Gill Review, no changes have been enacted to the specific statutory allocations of jurisdiction between the Court of Session and Sheriff Courts in IP.⁵⁸ All interviewees with whom

⁵⁵ See more generally K Cremers *et al*, “Patent litigation in Europe”, 2013 ZEW Discussion Paper No. 13-072, available at <http://hdl.handle.net/10419/83473> (comparing patent litigation in England, Germany, France and the Netherlands).

⁵⁶ G Grassie and R Buchan, “The Scottish IP dispute resolution regime - big changes all for the better” (2012) CIPAJ, 41(11), 621-623.

⁵⁷ “Report of the Scottish Civil Courts Review” (2009) available at <http://www.scotcourts.gov.uk/about-the-scottish-court-service/the-scottish-civil-courts-reform>, vol 1 at 55, para 45.

⁵⁸ The main thrust of the post-Gill Review reforms has been to increase the general privative jurisdiction of the Sheriff Court such that all actions where the Sheriff Court has competence must now be brought in the Sheriff Court if the pursuer seeks ‘orders of value’ quantified at £100,000 or less. In IP terms, this might most obviously affect ‘pure’ passing off or confidentiality claims, of which there were few in the Chapter 55 dataset. Much will depend on how cases are pled.

the topic was discussed questioned whether the Sheriff Court was effectively positioned or equipped with the requisite expertise properly to deal with IP matters. Even without factoring in the high value of interdict in IP cases, the effective disposal of even ostensibly lower value IP claims may depend on access to the IP expertise of the Court of Session.

Despite these considerations, however, competition concerns do not appear to have gone away. The practitioner survey confirms that Scotland may remain quite a ‘porous’ jurisdiction, potentially losing IP business to the courts of other jurisdictions at the litigation stage.⁵⁹ Such ‘porousness’ may have positive consequences in terms of jurisdictional flexibility among Scottish practitioners for those firms in a position to supervise, or even conduct, litigations elsewhere – something which the survey and interviews indicated may be happening on a significant scale.⁶⁰ There is, however, clearly also a concern that, where there is a choice of jurisdiction, other courts may be perceived in some cases as preferable to Scotland. The practitioner survey and interviews revealed concerns about the relative experience - or client perceptions of the experience - of the Court of Session judges and at the Scottish bar, particularly in patent matters.⁶¹ In this respect, the Court of Session’s relatively small IP caseload may, in itself, present something of an obstacle: as one interviewee noted, for example, clients choosing between jurisdictions in patent disputes will look to jurisdictions where the courts’ likely

⁵⁹ Survey participants were asked how often any pre-litigation IP infringement matters handled by them in Scotland tended to involve infringements which, if or when taken to court, would have been or were litigated in another jurisdiction. Across the twenty-six firms responding substantively to this question, eleven (42.3%) indicated that this happened ‘fairly often’, ‘very often’ or ‘almost always’. Thirteen firms (50.0%) indicated that this ‘sometimes’ happened; only two firms (7.7%) responded that this ‘never’ or ‘almost never’ occurred.

⁶⁰ In the practitioner survey, firms were asked whether practitioners within their firms handling IP infringement matters in Scotland also worked, directly or indirectly, on IP litigations in other jurisdictions. Twelve firms of solicitors and eight firms of patent/trade mark attorneys responded affirmatively (69.0% of the twenty-nine respondents who responded substantively to this question). A number of solicitor interviewees noted that their contentious IP practices involved significant amounts of work in other jurisdictions, conducting proceedings there directly or supervising the conduct of disputes internationally for their clients.

⁶¹ Firms were asked in an open-ended, free-text question in the practitioner survey whether there were any disadvantages to litigating IP infringement in Scotland compared to other jurisdictions: of the eighteen respondents to this question, although one firm noted that any lesser regard for the Scottish courts was ‘unfair’, thirteen respondents highlighted lesser IP experience among Scottish judges and/or among counsel at the Scottish bar.

approach is known. Comments in the survey and at interview noted that, compared to decisions to sue in more well-known jurisdictions, it was harder for a client to justify a decision to bring such proceedings in the Scottish courts.

Similar considerations may be at play in other areas of civil practice in which a choice of jurisdiction commonly arises. If anything, in the field of IP these considerations are rendered more acute by the period of on-going court reform in England and Wales which has led, most recently, to the reconfiguring of the specialist IP lower-tier English court, the Intellectual Property Enterprise Court (previously called the Patents County Court). Originally established to deal with smaller, less complex and lower value claims to enable greater access for individuals and SMEs, as a result of reforms effected from 2010 to 2013 the re-named IPEC now has broadly equal competence to the English HC/PHC to deal with most IP disputes, enhanced by more streamlined procedures. IPEC has two tracks, a multi-track for all IP cases with a damages cap of £500,000 and a small claims track for cases involving copyright, trade marks, passing off and unregistered designs which, in effect, limits monetary remedies at a maximum of £10,000.⁶² With strict caps on the level of recoverable costs on both tracks (set at £50,000 for the multi-track), stringent case management and quick trials (often conducted in one day and usually no more than two days in total), IPEC is said to be increasingly popular, particularly among SMEs.⁶³ Particularly noted for opening up enforcement to litigants in the creative industries,⁶⁴ IPEC is also said to offer a competitive forum for patent litigation compared to other jurisdictions.⁶⁵

According to research conducted by Helmers et al, the reforms introduced at IPEC have been well received among English practitioners.⁶⁶ The survey and interviews also revealed a generally positive view among Scottish practitioners of IPEC's rules and procedures, with a number of solicitor interviewees also noting that they knew IPEC to be popular among some Scottish intermediaries – that is, firms of patent and trade mark attorneys – who tended to refer

⁶² The IPEC small claims track also does not grant interim remedies. For more detail see: Helmers *et al*, "Evaluation" (n 7) at 2-6.

⁶³ J Morton and T Jackson, "Emerging trends in the Patents County Court" (2013) EIPR, 35(4), 181-182.

⁶⁴ R Burbidge, "Copyright litigation in the Patents County Court" (2013) IHL, 210 (May), 3-6.

⁶⁵ S Crompton, "How the PCC became a global player" (2013) MIP, 228, 56-58.

⁶⁶ Helmers *et al*, "Evaluation" (n 7).

their clients to IPEC (or to the English courts generally) rather than to the Court of Session where there was a jurisdictional choice.

With the data gathered for this project, the extent of the risks posed by intra-UK jurisdictional competition can, for the first time, be modelled in more concrete terms. With the gathering of detailed data on the remedies sought and IP rights in suit in the Court of Session dataset, it is possible to analyse for the first time how the Court of Session's caseload would translate between the English HC/PHC and IPEC if pursued before the English Courts. On the face of the pleadings at least,⁶⁷ across the ninety-eight infringement actions in the Court of Session dataset, only eleven actions (11.2%) had monetary conclusions of such a value as to require them to be brought in the English HC/PHC. Seventy-six infringement actions (77.6%) fell within the potential remit of the IPEC multi-track; eight infringement actions (8.2%) could have been pursued using the IPEC small claims track. Of course, cases may have been pleaded differently within a different system; nonetheless, it appears that a substantial portion of the IP infringement actions handled by the Court of Session in the time period under review in this project could, given appropriate jurisdictional grounds, alternatively have been pursued at IPEC.

Where, then, should the Scottish courts go from here? Most interviewees emphasized that, with its specialised IP procedure and designated IP judges, the Court of Session is already a good place to conduct IP litigation.⁶⁸ Practitioner literature and both the survey and interviews also indicate that the Chapter 55 procedural reforms effected in 2012 have been generally well-received.⁶⁹ One interviewee noted that Chapter 55 procedure can be as flexible as at IPEC, adopting procedural innovations modelled on English procedure; others noted the speed with which, under the new procedure, cases call before the court and can be set down for proof. Some interviewees felt that IPEC had become a victim of its own success, with an over-large caseload

⁶⁷ Noting the caveat at section C(6) that a conclusion for an account could, in particular, produce an end award potentially higher than the default sum pleaded on record. Three of the ninety-three infringement actions in the Court of Session had monetary claims which were unquantified, not included in this comparison.

⁶⁸ When also asked in the survey about any advantages of litigating in Scotland, thirteen of seventeen respondents to that question also highlighted lower costs and/or more streamlined aspects of procedure such as greater flexibility on interim orders and the absence of English-style disclosure.

⁶⁹ See Grassie & Buchan (n 56). Only one interviewee with relevant experience felt that the reforms had made little difference.

for the court's resources; some also questioned whether costs at IPEC were always as low as portrayed. Although rates of cost recovery were considered to be lower in Scotland, the general consensus at interview was that Court of Session costs were significantly less than at the English High Court/Patents Court, situated on a scale either somewhere between that and, or comparable with, the costs of proceeding at IPEC.⁷⁰ In this context, it should be noted that the court fees for initiating proceedings at both English High Court and County Court levels have recently very significantly increased.⁷¹

Concerns were expressed by interviewees, however, that rightholders might not be fully aware of positive features of IP litigation in Scotland: compared to the distinct and clear lower-cost, streamlined and specialist court concept embodied by IPEC in particular, the arguments for litigating in Scotland were more nebulous and harder to convey. It was also clearly felt that English procedures, particularly the innovations at IPEC, had much to offer if adopted by the Court of Session to enable it to compete more effectively in the international market for IP litigation. It should, of course, be borne in mind that the post-Gill Review reforms to the Scottish civil justice system are already intended to make the Court of Session a faster and more attractive forum for complex litigation, including IP cases.⁷² Nonetheless, the survey and interviews clearly indicated that research participants strongly sought further and deeper IP-specific action. Several

⁷⁰ Rough estimates of the cost of taking a Court of Session case through to proof ranged from, at the lower end of the scale, £60,000-80,000 for a simple trade mark or copyright infringement matter to, at the higher end of the scale, several hundred thousand pounds for a patent infringement dispute. One interviewee quoted the lower figure of £50,000 but also indicated that this would be an exceptionally cheap figure even for a basic patent dispute; one interview felt that Court of Session costs were higher and comparable to those at the English High Court. Figures quoted for proceeding at the English High Court/Patents Court ranged from £300,000 as a minimum up to £1.5 million for a patent case.

⁷¹ At the time of writing, Court of Session IP actions of all values are initiated for a flat-rate fee of £300: Court of Session etc Fees Order 2015 SSI 2015/261, as amended from 28 November 2016 by the Court Fees (Miscellaneous Amendments) (Scotland) Order 2016 SSI 2016/332. For English actions with money claims, fees are payable on a scale including 5% of the amount claimed for all claims over £10,000 up to £200,000 and a flat rate of £10,000 for all claims over £200,000: Civil Proceedings Fees Order 2008 SI 2008/1053 Schedule 1, as amended by the Civil Court Proceedings and Family Proceedings Fees (Amendment) Order 2015 SI 2015/576.

⁷² Scottish Government 2013 Consultation Paper, available at <http://www.scotcourts.gov.uk/docs/default-source/civil-courts-reform/making-justice-work-courts-reform-%28scotland%29-bill-a-consultation-paper-february-2013.pdf?sfvrsn=2>, at 14.

research participants recommended in particular a radically more expedited Court of Session procedure with IPEC-style time and costs caps.

E. CONCLUSION

This article has reviewed the first detailed dataset of Court of Session Chapter 55 IP actions. The research reveals that there is much more extra-judicial IP enforcement activity, in terms of actual or potential disputes advised upon before proceedings are commenced, than court data would suggest. Overall, there was small but - it is suggested - broadly proportionate volume of IP litigation before the Court of Session. Notwithstanding fears that in IP, as in other areas of civil practice, small pursuers may be deterred from pursuing litigation, there was notable proportion of small pursuer-driven litigation. Outwith the sphere of bulk enforcement, however, creative industry rightholders seemed potentially under-represented; certain other sectors also saw few or no proceedings initiated in the time period under review.

The practitioner survey and interviews highlighted a number of important further contextual factors which might contribute to the Court of Session's relatively small IP caseload, including increased IP awareness, dispute avoidance and willingness to settle on the part of clients. There are, however, also signs that jurisdictional competition with the English and other European courts may be an on-going adverse issue. Research participants called for further innovative procedural reform to increase the competitiveness of the Court of Session for IP litigation in future, including calls for a radically expedited IP procedure with IPEC-style time and costs caps. With IP litigation in a state of evolution before both the English and Scottish courts, it is suggested here that maintaining into the future the database compiled in this project could usefully allow monitoring of the impact of procedural reforms and other developments on the IP caseload of the Court of Session.