

LONDON IMAGE CASE GIVES DIRECTION ON PCC PLEADING AMENDMENTS



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In *Temple Island v New English Teas* ([2011] EWPC 019), HHJ Birss QC handed down the first judgment under the new PCC regime concerning the test for determining whether to allow amendments to pleadings. The application to amend was made at the CMC stage and the judge enumerated a number of factors that can be taken into account when considering amendments at any stage in the proceedings. In essence, the test is whether an amendment is justified on a cost-benefit basis.

The claimant, Temple Island, had brought an action for copyright infringement against the defendants, New English Teas and Nicholas Houghton. The claimant owns the copyright in an image of a red London Routemaster bus depicted on a grey-scale background of Westminster Bridge and the Houses of Parliament. The claimant uses the image on various items of merchandising. The defendants also sell merchandising, on which there is a similar, but not identical, image. The two pictures have differences in perspective, composition and content. One difference between the two respective works is the positioning of the bus. In the claimant's image the bus is located on the left of the image away from Big Ben, whereas in the defendants' image the bus is located almost under Big Ben.

In light of this difference the claimant applied to introduce a second copyright work into their Particulars of Claim at the CMC. This second work was almost identical to their first work with the only real difference being the location of the bus, which appeared in the second work in an almost identical position to the defendants' image.

The defendants had admitted to seeing the claimant's first image (which was produced in 2005) and had in fact settled an earlier dispute with them over this image. After settling, the defendants had made their current image (which was produced around Feb 2010), intentionally trying to move away from their earlier image. The image that the claimant wished to add was produced in late 2009, and whilst the defendants admitted to having seen the 2005 work, they denied ever having seen the 2009 work. The judge believed that the current dispute could be assessed objectively with little evidence being needed.

The claimants argued that the amendment should be allowed on the same basis as in the High Court on the grounds that it gave them a better case and the defendants were protected from any prejudice by way of costs. The defendants responded stating that the costs cap in the PCC meant a defendant facing an amendment may not be protected and further that the case should be dealt with proportionally even if there was room left in the cap.

In a well-reasoned judgment HHJ Birss QC held that the approach in the PCC to amendments is no different to the general approach in the High Court, with the admission of amendments being a matter of discretion having regard to the overriding objective. However, he did recognise that this discretion is conditioned by the "*particular nature and circumstances of the Patents County Court procedure.*" The judge accepted Mr Davis' submissions

that: firstly, a key feature of the PCC is proportionality; and, secondly, that the court should weigh the negative costs consequences against the benefit of allowing an amendment.

At a CMC, when considering if further material will be admitted, the PCC applies a cost-benefit test pursuant to paragraph 29.2 of the Practice Direction to CPR 63. The judge stressed that this test can and should be applied more widely in the PCC because, if it was not, the absurd result would follow that an amendment could be allowed but the evidence needed to back it up could be refused.

As such, it is clear that amendments will also be assessed in light of a cost-benefit test, though this is ultimately a matter of discretion and the judge commented that amendments will generally be allowed. Under such a test factors to be considered include issues of proportionality, whether the amendment is a 'killer blow' and costs. The judge also held that the reasons why an amendment was not made earlier will be considered in the appropriate circumstances.

Applying this to the instant case, HHJ Birss QC refused the amendment on the grounds that the incremental increase in the chance of winning was outweighed by the increased cost and complexity of allowing the amendment.

The judgment is much welcomed for providing clarity and is further evidence of the direction in which HHJ Birss QC is taking the new PCC regime. However, it highlights that the PCC is not an entirely nascent system and is rooted in the principles of providing cost-effective and fair justice.

Richard Davis of Hogarth Chambers instructed by Wright Hassall appeared for the Defendants

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