

ENGLAND AND WALES / JUDGMENT

AP Racing Ltd v Alcon Components Ltd

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CHANCERY DIVISION INTELLECTUAL PROPERTY ENTERPRISE COURT Case No:
IP-2015-0000395 Royal Courts of Justice, Rolls Building Fetter Lane, London, EC4A 1NL Date:
15/05/2015 Before : HIS HONOUR JUDGE HACON

- ----- Between : AP RACING LIMITED
- and - ALCON COMPONENTS LIMITED Claimant Defendant
- -----
- ----- Hugo Cuddigan QC (instructed by Kempner & Partners LLP) for the
Claimant Douglas Campbell (instructed by Withers & Rogers) for the Defendant Hearing
dates: 5 May 2015
- -----

Judgment

Judge Hacon :

Introduction

1. This application by the Defendant (“Alcon”) raises the following issue: where a claimant has succeeded in establishing infringement of his patent by reference to particular articles considered by the court, to what extent can he subsequently raise a further allegation of infringement of the same patent in relation to other articles? The further allegation could arise either in an inquiry or account following trial or in a second action, as here.
Procedural background 2. 3. On 24 May 2011 the Claimant (“AP Racing”) issued a claim in the Patents Court for infringement of its UK Patent No. 2 451 690 (“the Patent”) by the defendant (“Alcon”). I will refer to this as “the First Action”. The patent concerned disc brake calipers for motor vehicles, particularly racing cars. The proceedings were transferred to the Patents County Court (“the PCC”). A case management conference took place in the PCC on 29 June 2012. The trial was heard on 19 and 20 December 2012 and on 5 February 2013 His Honour Judge Birss QC gave judgment, finding the Patent invalid on the ground of added matter but also finding that if the patent had been valid it would have been infringed by four out of five shapes of Alcon’s calipers relied on in AP Racing’s Particulars of Infringement. I will refer to the five pleaded products as “the First Action Products”. 4. 5. 6. 7. AP Racing appealed the

finding of invalidity. On 28 January 2014 the Court of Appeal allowed the appeal, ruling that the patent was valid. Among other things the Court ordered that at AP Racing's election there would be an account of profit or an inquiry as to damages. Before its election between an inquiry and account, AP Racing sought Island Records disclosure. In a letter dated 31 January 2014 AP Racing sought such disclosure not just in relation to the First Action Products but also other calipers sold by Alcon. Alcon did not accept this broadening of AP Racing's claim to relief and limited its disclosure to the First Action Products. AP Racing elected for an inquiry and served its Points of Claim on 7 April 2014. The Points of Claim related only to the First Action Products. On 3 October 2014 AP Racing wrote to Alcon raising again a claim for relief in relation to the further calipers referred to in its letter of 31 January 2014. There followed correspondence in which Alcon resisted this expanded claim. There was a CMC in the inquiry on 3 December 2014. AP Racing blew hot and cold: having initially sought to have directions in the inquiry which included its claim in relation to the further calipers, it then withdrew from this position so that directions were given solely in relation to the First Action Products. Yet in a letter dated 5 December 2014 AP Racing decided to renew its claim for Island Records disclosure in respect of the further calipers. In a letter dated 22 January 2015 Alcon declined to give that disclosure. The next stage was that AP Racing abandoned its claim for relief in the inquiry with regard to calipers other than First Action Products. Instead a fresh action was started against Alcon with Particulars of Claim served on 9 March 2015 ("the Second Action"). In this Second Action AP Racing alleges that the Patent has been infringed by Alcon's manufacture and sale of calipers different from the First Action Products, identified by 10 product codes. By an application dated 20 April 2015 Alcon seeks to strike out the Second Action pursuant to CPR 3.4(2)(b) in so far as it relates to 7 out of the 10 types of caliper. For want of a better name I will refer to the calipers in issue as "the 7 Calipers". Alcon argues that because the 7 Calipers were publicly available before the start of the First Action, AP Racing could and should have made them part of its claim in the First Action and that therefore the Second Action is an abuse of process, following the rule in *Henderson v Henderson* (1843) 3 Hare 100. The law on *Henderson v Henderson* and abuse of process 8. The usual starting point for the modern law on this aspect of abuse of process of the court is *Johnson v Gore Wood & Co* [2002] 2 AC 1, particularly the well known passage from the speech of Lord Bingham of Cornhill at page 31: "But *Henderson v Henderson* abuse of process, as now understood, although separate and distinct from cause of action estoppel and issue estoppel, has much in common with them. The underlying public interest is the same: that there should be finality in litigation and that a party should not be twice vexed in the same matter. This public interest is reinforced by the current emphasis on efficiency and economy in the conduct of litigation, in the interests of the parties and the public as a whole. The bringing of a claim or the raising of a defence in later proceedings may, without more, amount to abuse if the court is satisfied (the onus being on the party alleging abuse) that the claim or defence should have been raised in the earlier proceedings if it was to be raised at all. I would not accept that it is necessary, before abuse may be found, to identify any additional element such as a collateral attack on a previous decision or some dishonesty, but where those elements are present the

later proceedings will be much more obviously abusive, and there will rarely be a finding of abuse unless the later proceeding involves what the court regards as unjust harassment of a party. It is, however, wrong to hold that because a matter could have been raised in earlier proceedings it should have been, so as to render the raising of it in later proceedings necessarily abusive. That is to adopt too dogmatic an approach to what should in my opinion be a broad, merits-based judgment which takes account of the public and private interests involved and also takes account of all the facts of the case, focusing attention on the crucial question whether, in all the circumstances, a party is misusing or abusing the process of the court by seeking to raise before it the issue which could have been raised before. As one cannot comprehensively list all possible forms of abuse, so one cannot formulate any hard and fast rule to determine whether, on given facts, abuse is to be found or not. Thus while I would accept that lack of funds would not ordinarily excuse a failure to raise in earlier proceedings an issue which could and should have been raised then, I would not regard it as necessarily irrelevant, particularly if it appears that the lack of funds has been caused by the party against whom it is sought to claim. While the result may often be the same, it is in my view preferable to ask whether in all the circumstances a party's conduct is an abuse than to ask whether the conduct is an abuse and then, if it is, to ask whether the abuse is excused or justified by special circumstances. Properly applied, and whatever the legitimacy of its descent, the rule has in my view a valuable part to play in protecting the interests of justice."

9. In the same case Lord Millett said this at pages 59-60: "It is one thing to refuse to allow a party to relitigate a question which has already been decided; it is quite another to deny him the opportunity of litigating for the first time a question which has not previously been adjudicated upon. This latter (though not the former) is *prima facie* a denial of the citizen's right of access to the court conferred by the common law and guaranteed by article 6 of the Convention for the Protection of Human Rights and Fundamental Freedoms. While, therefore, the doctrine of *res judicata* in all its branches may properly be regarded as a rule of substantive law, applicable in all save exceptional circumstances, the doctrine now under consideration can be no more than a procedural rule based on the need to protect the process of the court from abuse and the defendant from oppression. In *Brisbane City Council v Attorney General for Queensland* [1979] AC 411, 425 Lord Wilberforce, giving the advice of the Judicial Committee of the Privy Council, explained that the true basis of the rule in *Henderson v Henderson* 3 Hare 100 is abuse of process and observed that it 'ought only to be applied when the facts are such as to amount to an abuse: otherwise there is a danger of a party being shut out from bringing forward a genuine subject of litigation'. There is, therefore, only one question to be considered in the present case: whether it was oppressive or otherwise an abuse of the process of the court for Mr Johnson to bring his own proceedings against the firm when he could have brought them as part of or at the same time as the company's action. This question must be determined as at the time when Mr Johnson brought the present proceedings and in the light of everything that had then happened. There is, of course, no doubt that Mr Johnson could have brought his action as part of or at the same time as the company's action. But it does not at all follow that he should have done so or that his failure to do so renders the present action oppressive to the

firm or an abuse of the process of the court. As May LJ observed in *Manson v Vooght* [1999] BPIR 376, 387, it may in a particular case be sensible to advance claims separately. In so far as the so-called rule in *Henderson v Henderson* suggests that there is a presumption against the bringing of successive actions, I consider that it is a distortion of the true position. The burden should always rest upon the defendant to establish that it is oppressive or an abuse of process for him to be subjected to the second action.” 10. In *Dexter Ltd v Vlieland-Boddy* [2003] EWCA Civ; (2003) 147 S. J. L. B. 117, Clarke LJ summarised the principles to be drawn from *Johnson* and to some extent earlier cases: “[49] The principles to be derived from the authorities, of which by far the most important is *Johnson v Gore Wood & Co* [2002] 2 AC 1, can be summarised as follows:

- i) Where A has brought an action against B, a later action against B or C may be struck out where the second action is an abuse of process. ii) A later action against B is much more likely to be held to be an abuse of process than a later action against C. iii) The burden of establishing abuse of process is on B or C or as the case may be. iv) It is wrong to hold that because a matter could have been raised in earlier proceedings it should have been, so as to render the raising of it in later proceedings necessarily abusive.
- v) The question in every case is whether, applying a broad merits based approach, A’s conduct is in all the circumstances an abuse of process. vi) The court will rarely find that the later action is an abuse of process unless the later action involves unjust harassment or oppression of B or C.” 11. 12. 13. In *Aldi Stores Ltd v WSP Group plc* [2007] EWCA Civ 1260; [2008] 1 WLR 748, the Court of Appeal pointed out that the decision to be made regarding an alleged abuse of the court’s process is not an exercise of the court’s discretion. It is an assessment of a large number of factors, to which there can be only one correct answer as to whether or not there has been an abuse (see Thomas LJ at [16], Longmore LJ at 38; Wall LJ agreed with both judgments). The Court of Appeal in *Aldi* was also concerned to emphasise that if a party to litigation is aware of a claim related to proceedings on foot which it might wish to bring in the future, it should raise the matter with the court to ensure the proper use of court time and the efficient and economical conduct of litigation. This is in the interests of the parties concerned and is also in the broader public interest, see Thomas LJ at [30]-[31]. In *Stuart v Goldberg Linde* [2008] EWCA Civ 2; [2008] 1 WLR, three general points rose for consideration (summarised at [26]), two of which I need mention only briefly. The first was whether it is relevant to consider the prospects of success of the second claim, the one alleged to be an abuse of process – the answer is no (see Lloyd LJ at [57], with whom Sedley LJ agreed). The second point was whether delay on the part of the claimant is relevant to whether the second claim is an abuse of process – also no (see Lloyd LJ at [58]). 14. The third point has particular relevance to this application. It is the extent to which a claimant’s diligence, or lack of it, in seeking out the facts on which he could base the second claim is relevant to whether there has been an abuse. This will matter where the claimant says that he did not know of such facts in time either to bring the additional claim in the first action, or to notify the court of a possible second claim as required by the Court of Appeal in *Aldi*. Lloyd LJ (with whom Sedley LJ agreed) said this: “Failure to use reasonable diligence

[59] As for the relevance of a claimant's failure to use what the court might consider to be reasonable diligence in finding out facts relevant to whether he has a possible claim, it may be that this could possibly be relevant to the inquiry described by Lord Bingham, depending on the circumstances. On the other hand, it does not seem to me that there can be a general principle that a potential claimant is under a duty to exercise reasonable diligence, not yet having brought proceedings asserting a particular claim, to find out the facts relevant to whether he has or may have such a claim. Moreover, I do not see how it can be relevant at all that the claimant may have failed to use due diligence in attending to his own interests at the time of the transaction or the events giving rise to the claims asserted. Unless, on the merits, that is a complete and inevitable defence to the claim, it seems to me to be entirely irrelevant to the inquiry which is necessary under *Johnson v Gore Wood & Co*

[2002] 2 AC 1. Nothing in Wigram V-C's observations in *Henderson v Henderson* 3 Hare 100 supports that. That, however, is the context of the master's comments on lack of reasonable diligence. If relevant at all, an inquiry as to any suggested lack of diligence on the part of the claimant would have to involve considering the circumstances of the particular claimant, including what knowledge he did have of the facts at any relevant stage, in order to decide whether he knew enough to put him on inquiry so as to try to find out more. In this context, as generally, it is also relevant that the onus is always on the defendant to show that the claimant's conduct is an abuse of process." 15. It clear that a claimant is under no general duty to exercise reasonable diligence to ascertain whether he has a potential further cause of action against the defendant (or third parties). On the other hand, in some cases the defendant may be able to show that the claimant knew enough to put him on inquiry to find out more. Even then, it does not follow that there was an abuse on the part of the claimant, but it is relevant to the overall assessment and at a certain point the claimant's knowledge may help to tip his behaviour into an abuse. Lloyd LJ said this: In *Johnson v Gore Wood & Co* [2002] 2 AC 1 the defendant knew that "[61] Mr Johnson was contemplating bringing his own proceedings at the time when the first proceedings, brought by Mr Johnson's wholly-owned company, were compromised. Mr Johnson was a party to the compromise agreement and the terms of that agreement affected expressly the separate claim by Mr Johnson in various ways. Those facts were undoubtedly relevant to the decision on the facts that it was not an abuse of the process for Mr Johnson to bring separate proceedings, even though they were for an identical cause of action, and involved virtually the same evidence: see Lord Bingham, at pp 33H-34G. Logically, therefore, it must be potentially relevant that a claimant knows about another claim, is contemplating asserting it against the same defendant, but says nothing about it. That is borne out further by a passage in Lord Millett's speech in the same case, at p 61: 'Given that Mr Johnson was entitled to defer the bringing of his own proceedings until after the company's claims had been resolved, it would have been unconscionable for him to have stood by without disclosing his intentions and knowingly allowed the firm to settle the company's action in the belief that it was dealing finally with all liability arising from its alleged negligence in the exercise of the option. To bring his own claim in

those circumstances would, in my opinion, amount to an abuse of the process of the court.’ Lord Millett was alone in making that comment, but its force, in the context of that case, is evident.” 16. 17. Thus, knowledge on the part of the claimant that he has a further cause of action, his deliberate concealment of it from the defendant and then a settlement of the first action such that the defendant expects his dispute with the claimant to have been resolved in full, would together constitute an abuse. It is not clear whether a lack of diligence arising from circumstances in which the further claim would have become apparent early in the proceedings to a reasonable person in the claimant’s place exercising reasonable diligence takes the claimant beyond the tipping point and makes the second action an abuse. I think the answer is that it could, though this will depend on other factors which the court must take into account. These other factors include (i) the degree of similarity between the cause of action in the first proceedings and that of the proposed further proceedings, (ii) whether the information on which the claimant bases his claim for a further cause of action comes from the defendant, so that it can be inferred that the defendant had as much information as the claimant did and (iii) the stage at which the information came or should have come to the claimant’s notice. Lloyd LJ referred to these three factors at [71], albeit not the context of lack of diligence of the type I have just referred to: “It is not right, in my view, to say, as a general proposition of law, that where the claimant in existing proceedings comes to know, in the course of those proceedings, from information provided by the defendant, of an additional cause of action against the defendant, which is quite different from that asserted in his existing claim and one which it would not be reasonable, in the circumstances, to expect him to seek to combine with that existing claim, he must inform the defendant of the fact that he is contemplating bringing such a claim in future before he brings his existing proceedings to trial. Different facts might lead to a different conclusion. For example, it might be different if the information came from another source, so that the parties’ knowledge of the facts was not the same. It might well be different if the claims were essentially similar (as in *Johnson v Gore Wood & Co* [2002] 2 AC 1) or closely related (as in the *Aldi Stores Ltd* case [2008] 1 WLR 748) so that they could readily have been combined. It might perhaps be different if the information had come to the claimant’s knowledge at a much earlier stage than occurred here.” 18. The view expressed in *Aldi* that a claimant must inform the court of a potential further claim was reinforced by Sir Anthony Clarke MR in *Stuart*: “[96] For my part, I do not think that parties should keep future claims secret merely because a second claim might involve other issues. The proper course is for parties to put their cards on the table so that no one is taken by surprise and the appropriate course in case management terms can be considered by the judge. In particular parties should not keep quiet in the hope of improving their position in respect of a claim arising out of similar facts or evidence in the future. Nor should they do so simply because a second claim may involve other complex issues. On the contrary they should come clean so that the court can decide whether one or more trials is required and when. The time for such a decision to be taken is before there is a trial of any of the issues. In this way the underlying approach of the CPR, namely that of co-operation between the parties, robust case

management and disposing of cases, including particular issues, justly can be forwarded and not frustrated.” Patent practice: further claims of infringement at the inquiry or account

19. Mr Cuddigan QC, who appeared for AP Racing, relied mainly on authorities in patent law dealing with the practice of the courts in allowing a patentee who has been successful at trial to raise further alleged infringements at an inquiry as to damages or an account of profits. This notwithstanding the fact that although AP Racing had initially stated its intention to raise its new allegations of infringement by Alcon in the prospective inquiry, when challenged by Alcon it withdrew the allegations from the inquiry and instead issued the present separate proceedings. Mr Campbell, who appeared for Alcon, took the position that the inquiry boat had sailed so far as the further alleged infringements were concerned. All that mattered now was whether the new proceedings in relation to the 7 Calipers are an abuse according to the law discussed above. Strictly, Mr Campbell is right. But I think that the law referred to by Mr Cuddigan casts a relevant light on whether there has been an abuse by AP Racing in this case. I therefore turn to that aspect of the law.
20. Mr Cuddigan mainly relied on two cases. The first was *General Tire & Rubber Company v Firestone Tyre & Rubber Company Limited* [1975] RPC 203. The action for patent infringement was fought before Graham J by reference to one tyre, given the designation J11T. The patentee succeeded and at the inquiry claimed relief in relation to a number of other tyres. Further expert evidence was filed on both sides and there was cross-examination. No objection was raised to this although the hearing became what Graham J called (at p.207) ‘a long, detailed and difficult inquiry’ which lasted 26 working days. 21. Jacob LJ referred to *General Tire in Unilin Beheer BV v Berry Floor NV* [2007] EWCA Civ 364; [2007] FSR 25: “[49] Now it is true that in an inquiry as to damages or account of profits the patentee is allowed to claim relief for types of alleged infringement not ruled on by the trial court. This saves the formal issuance of fresh proceedings in respect of these and is permitted as a matter of convenience, see *General Tire and Rubber Co v Firestone Tyre and Rubber Co Ltd* [1975] R. P. C. 203, at
207. And of course if, in the inquiry or account, the patentee alleges a type of infringement not considered by the trial court, the court conducting the inquiry or account will have to rule on whether it falls within the scope of the patent.” The main ruling in *Unilin* was overturned by the Supreme Court in *Virgin Atlantic Airways Ltd v Premium Aircraft Interiors UK Ltd* [2013] UKSC 46; [2014] AC 160, but *Unilin* nonetheless reflects an obiter approval by the Court of Appeal of the practice, in a patent inquiry or account, of considering alleged acts of infringement which the trial judge has not specifically addressed.
22. Mr Cuddigan, who pitched his argument high, submitted that *General Tire* reflected what he called the ‘default position’. He said that in any proceedings, whether in the Patents Court or in the IPEC, a successful patentee was entitled to introduce further alleged infringements for the first time at the inquiry or account and that this entitlement included the filing of both additional expert evidence and further evidence of fact, with cross-examination of all

witnesses concerned. Mr Cuddigan conceded 23. 24. that at least in the IPEC neither the expert nor factual evidence should be substantial, but he would not be drawn on what might be termed 'substantial' and repeated that General Tire provides the default position. In my view the reforms of civil procedure since General Tire, that is to say the introduction of the overriding objective, which is to be taken together with the directions in Aldi and Stuart as regards the court being informed of a new claim at an appropriately early stage, mean that in the IPEC anyway a patentee is not entitled to anything like the free rein contemplated by Mr Cuddigan to litigate a broader range of alleged infringements in an inquiry or account. The outcome of an application to raise such further allegations will be heavily influenced by the time at which the patentee first raises this possibility and also by other relevant factors, but as a rule of thumb if the further allegations require the filing of additional evidence of any sort, I think that in this court only in unusual circumstances will the further allegations of infringement be allowed at the trial or inquiry. Any other approach would cut across the need to ensure that proceedings are dealt with expeditiously, fairly and at proportionate cost and would be inconsistent with the directions on correct practice given in Aldi and Stuart. This need for expeditious, fair and proportionate litigation cuts both ways though. I do not see CPR 63.23(2) as an absolute barrier to the consideration of further infringements at the inquiry or account. That rule allows parties in IPEC proceedings only in exceptional circumstances to submit material other than that permitted by the court's order at the CMC. CPR 63.23(2) must be applied in accordance with the overriding objective. Particularly where the patentee had no reason to know of the further alleged infringements until after the CMC in the liability stage of the proceedings, and possibly in other instances, the most expeditious, fairest and least costly way forward may be for the court, now educated in the relevant technical field, to consider the further allegations in the inquiry or account where this can be done in reasonably short order and without any additional evidence. The CMC in the inquiry or account would provide a legitimate opportunity to seek an order which accommodates the investigation of the further alleged infringements. The relationship between patent practice and the rule in *Henderson v Henderson*

25. Mr Cuddigan argued that the practice in patent law of allowing a successful patentee to add in further alleged infringements at the inquiry or account and the *Henderson v Henderson* rule on abuse of process were two sides of the same coin in the present case. He submitted that if a court would allow a patentee to introduce specific further alleged infringements in the inquiry or account, by definition this was not an abuse. For that reason he focussed his arguments on *General Tire* and *Unilin*. 26. 27. I will consider those arguments below, but I do not agree that these two aspects of the law give rise to precisely the same test when it comes to considering whether and how far a patentee may expand his complaints about infringement after trial. The main distinction relates the degree of similarity between the cause of action in the first proceedings and that of the proposed further proceedings. For the reasons I have discussed, when considering whether a patentee should add further allegations of infringement in the inquiry or account, the greater the degree of similarity between the infringement allegations that have been decided and the additional ones sought

to be decided, the more likely it will be that the additional allegations can be dealt with quickly and cheaply and that this should be done in the inquiry or account. 28. By contrast where the court is considering whether a fresh set of proceedings is an abuse of process, it works the other way around as Lloyd LJ stated in *Stuart*. The less similar the new cause of action is to the old one – for example an allegation of infringement of a completely different patent – the greater the justification there may be for not having introduced the new cause of action in the first action (always taking other relevant matters also into account). 29. However, as I will explain below, in the case of a patent action the question whether there is an abuse in relation to fresh proceedings may be coloured by what would have happened had the patentee sought to raise the new claim in an inquiry or account in the old proceedings. Possibly this is what Mr Cuddigan had in mind. The evidence 30. 31. 32. Alcon's case was that AP Racing must have known at a sufficiently early stage in the First Action that it had grounds for alleging that the 7 Calipers infringed the Patent. The parties agreed that the most important date was the date of the hearing of the CMC in the First Action, 29 June 2012. After that date AP Racing would have faced difficulty in introducing allegations that the 7 Calipers infringed because of CPR 63.23(2) which, then in the PCC as now in the IPEC, forbids parties to submit material in the proceedings beyond that ordered at the CMC, save in exceptional circumstances. Alcon filed evidence from Alistair Fergusson, its Managing Director which explained how the 7 Calipers were marketed and sold. Some were advertised at trade shows at which product information was made available to those who attended. Some were featured in magazine advertisements and trade blogs and the 7 Calipers were illustrated in brochures published by Alcon. One such brochure was said to have been handed up to a witness by Mr Cuddigan during the course of the trial in the First Action. All these publications happened before 29 June 2012. Alcon's two strongest cases emerged in evidence filed in Reply. Philip Stubbs, a director of Alcon, gave evidence about Alcon's stand at the Performance Racing Industry show, an important annual show in the United States for the motorsport industry, in 2009. Mr Fergusson said that personnel from AP Racing had visited the Alcon stand at that show and this was not disputed by AP Racing. Mr Stubbs exhibited a photograph of the stand which showed one of the 7 Calipers plainly on display. The other clearest opportunity for AP Racing to inspect one of the 7 Calipers was explained in a witness statement from David Peace, an employee of Alcon from November 2009 to February 2012. He said that one of the 7 Calipers was fitted to a GT car in the Jetalliance team which competed in the Petit LeMans race held at Atlanta, USA, in October 2011. Other cars from the same team were fitted with AP Racing products and so an AP race engineer was present in support. The presence of AP Racing personnel at the race was not disputed. During the race the Jetalliance car fitted with the Alcon caliper crashed. The caliper had to be removed from the car and installed in a new chassis. Mr Peace exhibited a photograph of the damaged car in part disassembled form such that the caliper is plainly visible. He also said that once the caliper had been removed, it was put on a workbench and became visible to anyone working in the area, including AP Racing personnel. 33. Both parties referred me to the trial judgment of Judge Birss, particularly at [66]-[67], in which the Judge made it clear that the presence of the elements of claim 1 of the Patent was a matter for visual

assessment. I asked Mr Campbell whether it would have been possible to tell, either in the case of the caliper on display at the 2009 show or the caliper visible in the crashed car or on the workbench in Atlanta in 2011, that it was an infringing caliper. He said that would not have been possible in the case of the caliper at Atlanta in 2011. Specifically, an observer would not have been able to know whether two elements of claim 1 of the Patent, which I understand were the elements embodying the inventive step, were present. Mr Campbell argued however that it was clear from the photograph of the caliper on display at the 2009 show that the whole of it could be seen. That is not self-evident to me just from looking at the photograph. There is anyway no evidence that anyone from AP Racing could and did see the caliper in sufficient detail to know whether it had all the elements of claim 1. 34. I should also mention a letter dated 26 May 2011 from AP Racing's solicitors to Alcon's solicitors. At that stage the proceedings were still in the Patents Court but Alcon had indicated a preference for a transfer to the PCC. The letter, under the heading 'Transfer to the Patents County Court', sought information which was said to be necessary for AP Racing to make a final decision on the appropriate forum. Among the information requested was this: "Information as to other products manufactured by your client which contain the same features as found in the [products PC1108, 1109 and 1110]. In this regard, our client is aware of your client's products PC1106, 1107 and 1111-1113, which appear to be very similar to [the products already mentioned], and our client strongly suspects that those products are also infringing." Alcon's solicitors responded on 1 June 2011, saying nothing about products PC1106, 1107 and 1111-1113. On 3 June 2011 AP Racing's solicitors served the Particulars of Claim and Particulars of Infringement. The latter used different product codes to identify the calipers complained of, but I was told that they included all of PC1108- 1110 and PC1106, 1107 and 1111-1113. The arguments

35. Mr Cuddigan's main submission was that in accordance with Graham J's practice in *General Tire* and in line with what Jacob LJ said in *Unilin*, AP Racing would have been entitled to have its allegations of infringement in relation to the 7 Calipers heard at the inquiry. It necessarily followed that there the Second Action could not constitute an abuse of process.
36. Mr Cuddigan's argument on the evidence was that, in so far as it made any difference, AP Racing did not know about the precise structure of the 7 Calipers. This could only have been ascertained by detailed handling and inspection. AP Racing was under no obligation of diligence to investigate the 7 Calipers and since it did not know the precise structures, certainly not before the CMC in the First Action, it necessarily followed that there could be no abuse in bringing the Second Action.
37. Mr Cuddigan also relied on the letter of 26 May 2011. He said that the passage I have quoted above was a clear indication that AP Racing wished to be informed about calipers other than those which were specifically relied on in its pleading. The overriding objective required Alcon to co-operate in the determination of the disputes between the parties and this imposed an obligation on Alcon to disclose the structures of all their calipers. Alcon did not do so and so cannot now complain that the Second Action is an abuse. 38. Finally it was

submitted that the question of infringement of the 7 Calipers could be resolved without the need for any evidence and in a short space of time. Judge Birss has construed the relevant claims of the Patent, so all that is required is that this construction is applied to physical examples of the calipers, with short argument from both sides.

39. Mr Campbell's first argument was that the publicity given by Alcon to the 7 Calipers was sufficient to put AP Racing on inquiry as to whether they infringed the Patent, at least in AP Racing's view. He submitted that while there was no general duty of diligence, the ruling of the Court of Appeal in *Stuart* indicated that a lack of diligence such as that by AP Racing can weigh in the balance in assessing whether there is an abuse. 40. Specifically, it was submitted that both in relation to the caliper exhibited at the Performance Racing Industry show in 2009 and the caliper on (and later removed from) the crashed car in Atlanta in 2011, someone from AP Racing had had the opportunity to look closely enough to find out whether the caliper infringed the Patent. There was a dispute between the parties as to whether trade etiquette permitted such close inspection of a rival's product. Mr Campbell submitted that irrespective of this, from what it had seen AP Racing had had more than enough reason to make inquiries about Alcon's other calipers. By June 2012 AP Racing could by itself have found out the structures of the 7 Calipers which were publicly available. Alternatively, AP Racing could and should have asked Alcon about the 7 Calipers and thereby put Alcon on notice of a potential claim. That potential claim could and should have been raised with the court at the CMC in June 2012. AP Racing failed to do any of this. Taking all those matters into account, it was submitted that the present claim of infringement in relation to the 7 Calipers is an abuse of process.
41. With regard to the letter of 26 May 2011, Mr Campbell pointed out that while the letter indicated AP Racing's interest in further information about all the products referred to in the letter, it stated no interest in anything else. All the products referred to in the letter were pleaded shortly afterwards in AP Racing's Particulars of Infringement. There followed no further hint that its case on infringement went any further than those pleaded products.

Analysis

42. 43. 44. Taking first the letter of 26 May 2011, I accept Mr Campbell's submissions. I see nothing in that letter which suggests any interest on the part of AP Racing in raising an allegation of infringement beyond those which were shortly afterwards pleaded in its Particulars of Infringement. The issue between the parties is the extent to which AP Racing could and should have raised the allegation that the 7 Calipers infringe the Patent before the CMC in the First Action, both with Alcon and before the court, and whether its failure to do so in the circumstances makes the Second Action an abuse of process. In my view a reasonably diligent patentee in the place of AP Racing could easily have taken steps to find out more about the precise structure of the 7 Calipers. It was not suggested that there was any significant barrier in the way of AP Racing doing that and thereby reaching a view on infringement. The only explanation I can see for AP Racing's failure to do so is that either AP

Racing enjoyed a casual disregard of any need to sort out precisely which calipers it wished to complain about, or alternatively that late in the day AP Racing came to the view that an earlier decision to limit the scope of its complaint was a mistake. On balance I am prepared to assume it was the former. 45. The question is whether such conduct by AP Racing followed by the launch of the Second Action is an abuse. A way of looking at this which is likely to be decisive is whether the Second Action constitutes unjust harassment or oppression of Alcon. 46. I take the view that it is relevant for me to consider what would have happened if AP Racing had persisted with its earlier intention of inviting the court to rule on the further alleged infringements in the inquiry in the First Action. For reasons discussed above, a factor which would have carried weight in my mind would have been the length of time it would take to resolve these further arguments on infringement and whether additional evidence would be needed. AP Racing's case is that nothing in the way of evidence is required and with Judge Birss's construction of the Patent to hand, which cannot of course now be challenged, argument would last no more than 30 minutes to an hour. I asked Mr Campbell about that estimate. He said that Alcon might wish to introduce new expert evidence and that the issue might take a day. He did not identify any particular further evidence which Alcon has in mind. If and when Alcon thinks of something, it would face a steep uphill struggle to convince me that it is entitled to file such evidence. I am going to assume there will be none. My guess is that the estimate of an hour to deal with the alleged infringement in respect of the 7 Calipers is about right.

47. With that in mind and on the assumption that AP Racing did not bring the possibility of a claim in relation to the 7 Calipers to the court's attention until after June 2012 because it had not given the matter sufficient thought (as opposed to consciously hiding its intended claim), I would have reached the view that it would be just to hear further argument on infringement provided it was short and required no evidence. I am conscious that this would have invited the risk that a failure by a patentee to give proper attention to the full scope of his claim in good time will not result in an appropriate sanction. It may possibly not have given full effect to what the Court of Appeal had in mind in *Aldi and Stuart*; but even if that's right, it would have been just one factor and in my view it would have been outweighed by others. 48. 49. Turning to the issue I actually have to decide, i.e. whether the Second Action is an abuse in so far as it relates to the 7 Calipers, Lord Bingham pointed out in *Johnson v Gore Wood* that the modern law on the rule in *Henderson v Henderson* is underpinned by the current emphasis on efficiency and economy in the conduct of litigation. Efficiency and economy can be served by hearing the allegations in relation to the 7 Calipers in short order and that could still be done at the same time as the inquiry in the First Action if needs be. Also it is clear that in considering whether there is an abuse I must take into account all relevant matters. What would have happened in the inquiry is in my view one such matter and an important one. Looking at this from the point of view of whether a determination of infringement in relation to the 7 Calipers would unjustly oppress or harass Alcon, since AP Racing would – as a matter of usual patent practice – have been entitled to such a determination in the inquiry on the present facts, I do not see how there could be unjust

oppression or harassment. 50. I therefore dismiss Alcon's application. I will hear the parties on what may be the best procedural way forward.

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